NEW ISSUES

Fitch Ratings: AAA
Moody's Investors Service: Aaa
S&P Global Ratings: AAA

$333,880,000
ANNE ARUNDEL COUNTY, MARYLAND

General Obligation Bonds
$164,230,000 Consolidated General Improvements Series, 2024
$76,820,000 Consolidated Water and Sewer Series, 2024
$45,875,000 Consolidated General Improvements Series, 2024 Refunding Series
$46,955,000 Consolidated Water and Sewer Series, 2024 Refunding Series

Dated: Date of Delivery **Due: As shown on the inside front cover**

The Consolidated General Improvements Series, 2024 and the Consolidated Water and Sewer Series, 2024 (collectively, the "Construction Bonds"), and the Consolidated General Improvements Series, 2024 Refunding Series and the Consolidated Water and Sewer Series, 2024 Refunding Series (collectively, the "Refunding Bonds" and, together with the Construction Bonds, the "Bonds") are general obligations of Anne Arundel County, Maryland (the "County") for the payment of which the County's full faith and credit and taxing power are irrevocably pledged; however, the Bonds are subject to the limitation on the taxing power set forth in Section 710(d) of the County Charter (See "THE BONDS - Security for and Sources of Payment of the Bonds").

The Bonds will be issued in book-entry form. Purchases of the Bonds will be in the denomination of $5,000 each or any integral multiple thereof. The Bonds will bear interest from the date of delivery, and interest on the Bonds will be payable on October 1 and April 1, commencing October 1, 2024. The Construction Bonds will mature on October 1 and the Refunding Bonds will mature on April 1 in the years and in the amounts set forth on the inside cover of this Official Statement.

The Construction Bonds and the Consolidated Water and Sewer Series, 2024 Refunding Series are subject to optional and mandatory sinking fund redemption prior to maturity as set forth in "THE BONDS - Redemption" herein. The Consolidated General Improvements Series, 2024 Refunding Series are not subject to optional redemption prior to maturity.

In the opinion of McKennon Shelton & Henn LLP, Bond Counsel, (i) under existing statutes, regulations and decisions, (a) the Construction Bonds, their transfer, the interest payable on them, and any income derived from them, including any profit realized in their sale and exchange, shall be exempt from taxation of any kind by the State of Maryland, any of its political subdivisions, or any other public entity, and (b) interest on the Refunding Bonds and profit realized from the sale or exchange of the Refunding Bonds will be exempt from State of Maryland income taxation, no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon; and (ii) assuming compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations and decisions. As described herein under "THE BONDS - Tax Matters," interest earned on the Bonds for federal income tax purposes is not included in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, interest on the Bonds will be part of the adjusted financial statement income in computing the alternative minimum tax on applicable corporations. Additionally, interest on the Bonds will be subject to the branch profits tax imposed on certain foreign corporations engaged in a trade or business in the United States of America.

The Bonds are offered when, as and if issued, subject to the delivery of the Bonds and the approving opinions of McKennon Shelton & Henn LLP, Bond Counsel, and other conditions specified in the applicable Official Notices of Sale, for each series of Bonds. The Bonds in definitive form will be available for delivery in New York, New York through the facilities of the Depository Trust Company and certain closing documents will be available for delivery in Baltimore, Maryland on or about April 16, 2024, or at such time or place as shall be mutually agreed upon by the County and the successful bidder for each series of the Bonds.

The date of this Official Statement is April 2, 2024.

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

$164,230,000 Consolidated General Improvements Series, 2024

Maturing October 1	Principal Amount	Interest Rate	Yield	CUSIP**	Maturing October 1	Principal Amount	Interest Rate	Yield	CUSIP**
2024	$5,470,000	5.000%	3.19%	03588J EE8	2038	$5,475,000	5.000%	3.10%*	03588J EU2
2025	5,475,000	5.000	3.25	03588J EF5	2039	5,475,000	5.000	3.20*	03588J EV0
2026	5,475,000	5.000	3.07	03588J EG3	2040	5,475,000	5.000	3.29*	03588J EW8
2027	5,475,000	5.000	2.84	03588J EH1	2041	5,475,000	5.000	3.38*	03588J EX6
2028	5,475,000	5.000	2.78	03588J EJ7	2042	5,475,000	5.000	3.49*	03588J EY4
2029	5,475,000	5.000	2.74	03588J EK4	2043	5,475,000	5.000	3.51*	03588J EZ1
2030	5,475,000	5.000	2.73	03588J EL2	2044	5,475,000	5.000	3.56*	03588J FA5
2031	5,475,000	5.000	2.73	03588J EM0	2045	5,475,000	5.000	3.61*	03588J FB3
2032	5,475,000	5.000	2.74	03588J EN8	2046	5,475,000	5.000	3.66*	03588J FC1
2033	5,475,000	5.000	2.75	03588J EP3	2047	5,475,000	5.000	3.71*	03588J FD9
2034	5,475,000	5.000	2.79*	03588J EQ1	2048	5,475,000	5.000	3.76*	03588J FE7
2035	5,475,000	5.000	2.89*	03588J ER9	2049	5,475,000	5.000	3.80*	03588J FF4
2036	5,475,000	5.000	2.92*	03588J ES7	2050	5,475,000	5.000	3.82*	03588J FG2
2037	5,475,000	5.000	3.07*	03588J ET5					

$16,410,000 4.000% Term Bond Due October 1, 2053 Yield 4.24%, CUSIP** 03588J FK3

$76,820,000 Consolidated Water and Sewer Series, 2024

Maturing October 1	Principal Amount	Interest Rate	Yield	CUSIP**	Maturing October 1	Principal Amount	Interest Rate	Yield	CUSIP**
2024	$2,565,000	5.000%	3.19%	03588J FL1	2038	$2,560,000	5.000%	3.10%*	03588J GA4
2025	2,565,000	5.000	3.25	03588J FM9	2039	2,560,000	5.000	3.20*	03588J GB2
2026	2,565,000	5.000	3.07	03588J FN7	2040	2,560,000	5.000	3.29*	03588J GC0
2027	2,565,000	5.000	2.84	03588J FP2	2041	2,560,000	5.000	3.38*	03588J GD8
2028	2,560,000	5.000	2.78	03588J FQ0	2042	2,560,000	5.000	3.49*	03588J GE6
2029	2,560,000	5.000	2.74	03588J FR8	2043	2,560,000	5.000	3.51*	03588J GF3
2030	2,560,000	5.000	2.73	03588J FS6	2044	2,560,000	5.000	3.56*	03588J GG1
2031	2,560,000	5.000	2.73	03588J FT4	2045	2,560,000	5.000	3.61*	03588J GH9
2032	2,560,000	5.000	2.74	03588J FU1	2046	2,560,000	5.000	3.66*	03588J GJ5
2033	2,560,000	5.000	2.75	03588J FV9	2047	2,560,000	5.000	3.71*	03588J GK2
2034	2,560,000	5.000	2.79*	03588J FW7	2048	2,560,000	5.000	3.76*	03588J GL0
2035	2,560,000	5.000	2.89*	03588J FX5	2049	2,560,000	5.000	3.80*	03588J GM8
2036	2,560,000	5.000	2.92*	03588J FY3	2050	2,560,000	5.000	3.82*	03588J GN6
2037	2,560,000	5.000	3.07*	03588J FZ0					

$7,680,000 4.000% Term Bond Due October 1, 2053 Yield 4.24%, CUSIP** 03588J GR7

$45,875,000 Consolidated General Improvements Series, 2024 Refunding Series

Maturing April 1	Principal Amount	Interest Rate	Yield	CUSIP**	Maturing April 1	Principal Amount	Interest Rate	Yield	CUSIP**
2025	$4,595,000	5.000%	3.37%	03588J GS5	2030	$4,635,000	5.000%	2.67%	03588J GX4
2026	4,475,000	5.000	3.12	03588J GT3	2031	4,615,000	5.000	2.67	03588J GY2
2027	4,450,000	5.000	2.92	03588J GU0	2032	4,640,000	5.000	2.68	03588J GZ9
2028	4,515,000	5.000	2.78	03588J GV8	2033	4,670,000	5.000	2.69	03588J HA3
2029	4,580,000	5.000	2.72	03588J GW6	2034	4,700,000	5.000	2.69	03588J HB1

$46,955,000 Consolidated Water and Sewer Series, 2024 Refunding Series

Maturing April 1	Principal Amount	Interest Rate	Yield	CUSIP**	Maturing April 1	Principal Amount	Interest Rate	Yield	CUSIP**
2025	$2,325,000	5.000%	3.37%	03588J HC9	2035	$2,360,000	5.000%	2.79%*	03588J HN5
2026	2,210,000	5.000	3.12	03588J HD7	2036	2,370,000	5.000	2.86*	03588J HP0
2027	2,215,000	5.000	2.92	03588J HE5	2037	2,385,000	5.000	3.00*	03588J HQ8
2028	2,245,000	5.000	2.78	03588J HF2	2038	2,400,000	5.000	3.10*	03588J HR6
2029	2,270,000	5.000	2.72	03588J HG0	2039	2,410,000	5.000	3.20*	03588J HS4
2030	2,295,000	5.000	2.67	03588J HH8	2040	2,425,000	5.000	3.33*	03588J HT2
2031	2,310,000	5.000	2.67	03588J HJ4	2041	2,430,000	5.000	3.43*	03588J HU9
2032	2,325,000	5.000	2.68	03588J HK1	2042	2,430,000	5.000	3.51*	03588J HV7
2033	2,335,000	5.000	2.69	03588J HL9	2043	2,435,000	5.000	3.58*	03588J HW5
2034	2,345,000	5.000	2.69	03588J HM7	2044	2,435,000	5.000	3.64*	03588J HX3

The interest rates shown above are the interest rates payable by the County resulting from the successful bids for the Bonds on April 2, 2024. The yields shown above will be furnished by the successful bidders for the Bonds. Other information concerning the terms of reoffering of the Bonds should be obtained from the successful bidders, and not from Anne Arundel County, Maryland. See "SALE AT COMPETITIVE BIDDING."

*Priced to the first optional redemption date of April 1, 2034.

**CUSIP (Committee on Uniform Securities Identification Procedures) herein are provided by CUSIP Global Services. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products. The County has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the assigned CUSIP numbers set forth above. The use of CUSIP numbers in this Official Statement is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services.

ANNE ARUNDEL COUNTY, MARYLAND

Certain Elected Officials

COUNTY EXECUTIVE
Steuart Pittman

COUNTY COUNCIL
Allison Pickard, Chairman
Julie K. Hummer, Vice Chairman
Pete Smith
Nathan Volke
Amanda Fiedler
Lisa D. B. Rodvien
Shannon J. Leadbetter

Certain Appointed Officials

Chief Administrative Officer – Christine Anderson
Controller – Billie Penley
Budget Officer – Chris Trumbauer
County Attorney – Gregory Swain
County Auditor – Michelle Bohlayer (appointed by County Council)

BOND COUNSEL
McKennon Shelton & Henn LLP
Baltimore, Maryland

FINANCIAL ADVISOR
Public Resources Advisory Group
New York, New York

BOND REGISTRAR
AND PAYING AGENT
U.S. Bank Trust Company, National Association
Richmond, Virginia

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No dealer, broker, salesman or other person has been authorized by the County or the successful bidders for the Bonds to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or holders of any of the Bonds.

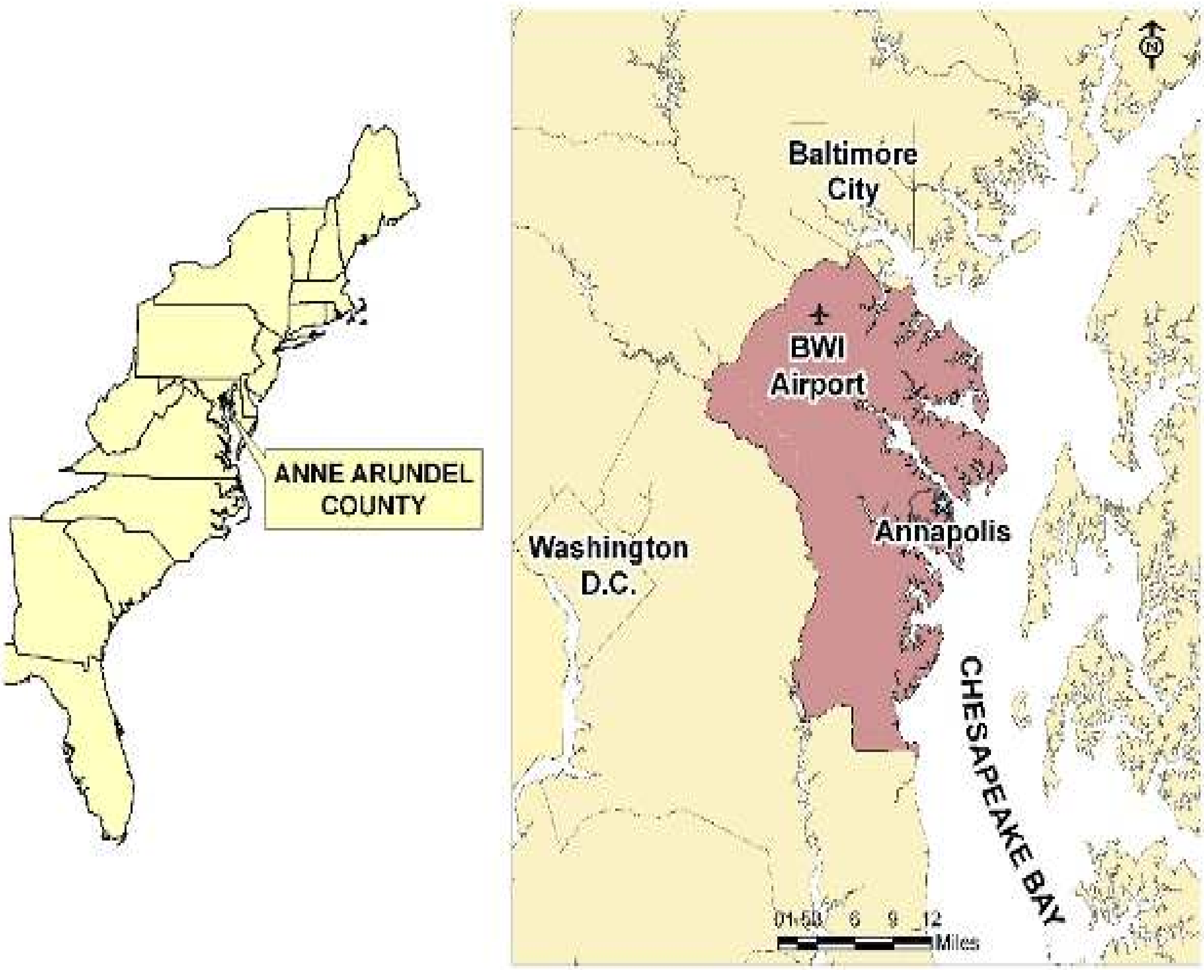
All quotations from and summaries and explanations of provisions of law and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of these provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implications that there has been no change in the affairs of the County since the respective dates as of which information is given herein. The information set forth herein has been obtained from the County and other sources that are deemed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the successful bidders for the Bonds.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the County and financial results could cause actual results to differ materially from those stated in the forward-looking statements. The County does not plan to issue any updates or revisions to the forward-looking statements.

The order and placement of materials in this Official Statement, including the appendices hereto and the information incorporated herein by reference, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the appendices and the information incorporated herein by reference, must be considered in its entirety. The offering of Bonds is made only by means of this entire Official Statement.

MAP

Anne Arundel County and surrounding area



ANNE ARUNDEL COUNTY, MARYLAND
OFFICIAL STATEMENT

$333,880,000
GENERAL OBLIGATION BONDS

$164,230,000 Consolidated General Improvements Series, 2024
$76,820,000 Consolidated Water and Sewer Series, 2024
$45,875,000 Consolidated General Improvements Series, 2024 Refunding Series
$46,955,000 Consolidated Water and Sewer Series, 2024 Refunding Series

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SECTION ONE: INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to provide certain information with respect to the issuance by Anne Arundel County, Maryland (the "County" or "Anne Arundel County") of its $333,880,000 aggregate principal amount of General Obligation Bonds, consisting of $164,230,000 Consolidated General Improvements Series, 2024 (the "Consolidated General Improvements Construction Bonds"), $45,875,000 Consolidated General Improvements Series, 2024 Refunding Series (the "Consolidated General Improvements Refunding Bonds" and, together with the Consolidated General Improvements Construction Bonds, the "Consolidated General Improvements Bonds"), $76,820,000 Consolidated Water and Sewer Series, 2024 (the "Consolidated Water and Sewer Construction Bonds") and $46,955,000 Consolidated Water and Sewer Series, 2024 Refunding Series (the "Consolidated Water and Sewer Refunding Bonds" and, together with the Consolidated Water and Sewer Construction Bonds, the "Consolidated Water and Sewer Bonds"). The Consolidated General Improvements Bonds and the Consolidated Water and Sewer Bonds are together referred to herein as the "Bonds." The Consolidated General Improvements Construction Bonds and the Consolidated Water and Sewer Construction Bonds are together referred to herein as the "Construction Bonds." The Consolidated General Improvements Refunding Bonds and the Consolidated Water and Sewer Refunding Bonds are together referred to herein as the "Refunding Bonds."

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, this Official Statement, and is qualified by, more complete and detailed information contained in this entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of this entire Official Statement. The offering of Bonds to potential investors is made only by means of this entire Official Statement.

The County

The County is a political subdivision of the State of Maryland (also referred to herein as the "State"), located thirteen miles east of Washington, D.C. with Baltimore City and Baltimore County as its northern boundary and the Chesapeake Bay as its entire eastern boundary. The County has been under home rule charter since 1965. For more complete information, see "ECONOMIC AND DEMOGRAPHIC INFORMATION - Description and Government" herein.

Sources of Payment of the Bonds

The Bonds are general obligations of the County for the payment of which the County's full faith and credit and taxing power are irrevocably pledged, subject to the limitation on the taxing power set forth in Section 710(d) of the County Charter (the "Charter" or the "County Charter"). See "THE BONDS - Security for and Sources of Payment of the Bonds" herein.

The maturing principal of and interest on the Consolidated General Improvements Bonds will be paid from time to time, as and when due, from the funds in the hands of the County realized from the collection of ad valorem taxes on real estate, tangible personal property and intangible property as may be subject to taxation by the County. The County has covenanted that, to the extent that the required appropriation for debt service on the Consolidated General Improvements Bonds is not offset by funds from other sources, it will, subject to the limitation on the taxing power set forth in Section 710(d) of the County Charter, fund any such appropriation by the levy of ad valorem taxes on real estate, tangible personal property and intangible property as may be subject to taxation by the County.

The maturing principal of and interest on the Consolidated Water and Sewer Bonds will be paid from time to time, as and when due, from the funds in the hands of the County realized from the net revenues of the projects for which such bonds are issued, or the utilities for which these improvements are a part. The County has covenanted to fix and collect rates, charges and assessments sufficient to pay the cost of operations, maintenance, and debt service. In the event of a deficiency of such funds, the County has further covenanted that it will, subject to the limitation on the tax levy set out in Section 710(d) of the County Charter, fund any required appropriation by the levy of ad valorem taxes on real estate, tangible personal property and intangible property as may be subject to taxation by the County.

Such taxing power is subject, however, to the limitation set forth in Section 710(d) of the County Charter which provides, in part that "[f]rom and after July 1, 1993, revenues derived from taxes on properties existing on the County property tax rolls at the commencement of the County fiscal year shall not increase, compared with the previous year, more than the Consumer Price Index percentage of change, or 4.5 percent, whichever is the lesser."

Purpose of the Bonds

Construction Program

The proceeds of the Construction Bonds, together with the original issue premium, will be used to provide new funding for general improvement projects in the amount of $181,300,000 and water and wastewater improvement projects in the amount of $84,800,000. The proceeds of the Consolidated General Improvements Construction Bonds will be used to pay for general county, education, police and fire, roads and bridges, community college, library, recreation and parks, waterway improvements, and watershed protection and restoration improvement projects. For more complete information, see "THE BONDS - Application of Proceeds of the Construction Bonds" herein.

Refunding Program

The Refunding Bonds are being issued for the purpose of refunding certain outstanding bonds of the County. For more complete information regarding the refunding of such bonds, see "THE BONDS - Refunding Program" herein.

Denominations

The Bonds will be issued in denominations of $5,000 each or any integral multiple thereof.

Book-Entry Only System

The Depository Trust Company ("DTC") will act as the securities depository for the Bonds. The Bonds will be issued on a book-entry only basis (See "THE BONDS - Book-Entry Only System - General"). Beneficial Owners (defined herein) will not receive certificates representing their ownership interest in the Bonds except in the vent of termination of the book-entry only system (See "THE BONDS – Termination of Book-Entry Only System").

Payments

Principal and interest payments on the Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the Bonds. Payments by Direct Participants and Indirect Participants (each as defined herein) to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name."

For a more complete description of the Bonds, see "THE BONDS," herein.

Tax Matters

In the opinion of McKennon Shelton & Henn LLP, Bond Counsel, (i) under existing statutes, regulations and decisions, the Construction Bonds, their transfer, the interest payable on them, and any income derived from them, including any profit realized in their sale or exchange, shall be exempt from taxation of any kind by the State of Maryland, any of its political subdivisions, or any other public entity; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Construction Bonds or interest thereon; (ii) under existing statutes, regulations and decisions, interest on the Refunding Bonds and profit realized from the sale or exchange of the Refunding Bonds will be exempt from State of Maryland income taxation; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Refunding Bonds or the interest thereon; and (iii) assuming compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations and decisions. As described herein under "THE BONDS - Tax Matters" interest earned on the Bonds, for federal income tax purposes, is not included in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, interest on the Bonds will be part of the adjusted financial statement income in computing the alternative minimum tax on applicable corporations. Additionally, interest on the Bonds will be subject to the branch profits tax imposed on certain foreign corporations engaged in a trade or business in the United States of America.

Professionals Involved in the Offering

U.S. Bank Trust Company, National Association, Richmond, Virginia, will act as Paying Agent and Bond Registrar (the "Paying Agent" and the "Bond Registrar," respectively), and Public Resources Advisory Group, New York, New York, will act as the County's Financial Advisor with respect to the Bonds. All proceedings in connection with the issuance of the Bonds are subject to the approval of McKennon Shelton & Henn LLP, Bond Counsel ("Bond Counsel"). The County's financial statements, included in Appendix A attached hereto, have been audited by SB & Company, LLC, independent public accountants, Owings Mills, Maryland. The mathematical accuracy of certain computations relating to the Refunded Bonds (as defined herein) has been verified by Samuel Klein and Company, Certified Public Accountants. For more information concerning the above-mentioned professionals, see "THE BONDS - Approval of Legal Matters," "THE BONDS - Financial Advisor," "THE BONDS - Independent Public Accountants" and "THE BONDS – Verification of Mathematical Computations" herein.

Authorization

The Construction Bonds are issued pursuant to the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2023 Supplement) and the Refunding Bonds are issued pursuant to the authority of Sections 10-203 and 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2023 Supplement). The Bonds are also issued pursuant to the County Charter and in accordance with the Authorizing Ordinance (each as defined herein). For more complete information, see "THE BONDS - Authorization and Purpose" herein.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel and the satisfaction of certain other conditions. It is anticipated that the Bonds in definitive form will be available for delivery to DTC on or about April 16, 2024.

Continuing Disclosure

In order to assist the successful bidders in complying with SEC Rule 15c2-12(b)(5), the County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which it will undertake to provide certain information annually and notices of certain events. See "THE BONDS - Continuing Disclosure" herein.

Miscellaneous

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Except where otherwise indicated, all information contained in this Official Statement has been provided by the County. No dealer, broker, salesperson or other person has been authorized by the County or the successful bidders for each series of the Bonds to give any information or to make any representations, other than those contained herein, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. The information set forth herein has been obtained from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of any party described herein subsequent to the date as of which such information is presented.

Questions related to this Official Statement, requests for the County's Annual Comprehensive Financial Report or any written notice described in the section entitled "Continuing Disclosure" should be directed to the Office of Finance, Arundel Center, P.O. Box 2700, Annapolis, Maryland 21404. The telephone number of the Office of Finance is (410) 222-1781.

SECTION TWO: THE BONDS

General

The Bonds will be issued by the County in book-entry form as fully registered bonds without coupons in the denominations of $5,000 each or any integral multiple thereof. The Bonds will be dated the date of delivery, and will bear interest, as hereinafter set forth, payable on October 1 and April 1 of each year, commencing October 1, 2024, at the rates set forth on the inside front cover page of this Official Statement. Each Bond shall bear interest from the most recent date to which interest has been paid or, if no interest has been paid, from the date of delivery. U.S. Bank Trust Company, National Association has been appointed Paying Agent and Bond Registrar for the Bonds.

Authorization and Purpose

The Construction Bonds are issued pursuant to the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2023 Supplement) and the Refunding Bonds are issued pursuant to the authority of Sections 10-203 and 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2023 Supplement). The Bonds are also issued pursuant to the County Charter (as defined here) and in accordance with Bill No. 51-23, passed by the County Council of Anne Arundel County (the "County Council") on July 17, 2023, approved by the County Executive of the County (the "County Executive") on July 28, 2023, and effective on September 11, 2023, as amended (the "Authorizing Ordinance").

The proceeds from the sale of the $241,050,000 aggregate principal amount of the Construction Bonds, together with the original issue premium, will be used to provide funding of $181,300,000 for general improvement projects and $84,800,000 for water and sewer improvement projects. See "Application of Proceeds of the Construction Bonds" below. The proceeds from the sale of the $92,830,000 aggregate principal amount of the Refunding Bonds, together with the original issue premium, will be used to refund certain bonds of (i) Anne Arundel County Consolidated General Improvements Series; and (ii) Anne Arundel County Consolidated Water and Sewer Series. See "Refunding Program" below.

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Application of Proceeds of the Construction Bonds

The sources of funds for the capital projects expected to be financed from the Consolidated General Improvements Construction Bonds and the Consolidated Water and Sewer Construction Bonds are summarized in the following tables:

GENERAL COUNTY IMPROVEMENT PROJECTS
Sources of Funds

	Estimated Costs of Designated Projects	Federal and State Grants, Pay-As-You-Go Funds, and Funds From Completed or Abandoned Projects	Prior Bond Issues	Proposed Bond Issue To Cover Additional Project Expenditures		Subsequent Bond Issues
General County	$369,759,944	$241,843,263	$63,210,143	$13,800,000		$50,906,538
Stormwater Runoff Controls	8,599	8,599	-	-		-
Education	1,751,306,373	1,121,406,675	539,664,620	34,300,000		55,935,078
Education PPI	125,000,000	-	80,600,000	37,200,000		7,200,000
Police and Fire	171,312,494	60,256,178	61,980,546	8,500,000		40,575,770
Police and Fire PPI	50,000,000	-	1,400,000	1,600,000		47,000,000
Roads and Bridges	402,929,202	273,794,805	44,161,812	28,500,000		56,472,585
Roads and Bridges Impact Fees	206,000	-	205,317	-		683
Roads and Bridges PPI	49,071,000	-	5,700,000	1,900,000		41,471,000
Community College	181,211,875	94,392,875	83,884,261	1,200,000		1,734,739
County Libraries	45,059,570	13,620,128	27,944,278	1,000,000		2,495,164
Recreation and Parks	380,426,899	198,248,160	66,529,017	29,400,000		86,249,722
Waterway Improvements	24,902,308	7,530,523	11,635,551	1,000,000		4,736,234
Solid Waste	57,924,016	5,777,586	18,694,669	9,600,000		23,851,761
Watershed Protection & Restor.	268,266,090	29,335,300	109,657,908	13,300,000		115,972,882
	$ 3,877,384,370	$ 2,046,214,092	$ 1,115,268,122	$ 181,300,000	*(1)*	$ 534,602,156

WATER AND WASTEWATER IMPROVEMENT PROJECTS
Sources of Funds

	Estimated Costs of Designated Projects	Federal and State Grants, Pay-As-You-Go Funds, and Funds From Completed or Abandoned Projects	Prior Bond Issues	Proposed Bond Issue To Cover Additional Project Expenditures		Subsequent Bond Issues
Wastewater	$691,001,975	$156,885,397	$322,226,618	$56,700,000		$155,189,960
Water	421,711,744	53,065,208	118,252,232	28,100,000		222,294,304
	$ 1,112,713,719	$ 209,950,605	$ 440,478,850	$ 84,800,000	*(1)*	$ 377,484,264

(1) - Proposed bond issue to cover additional project expenditures equals par plus the original issue premium.

Source: Office of Finance.

Refunding Program

The County is issuing the Refunding Bonds to refund certain bonds in order to realize savings on debt service costs. The bonds to be refunded are set out below with the redemption date and redemption price.

The Refunding Bonds are being issued for the purpose of currently refunding all of the outstanding maturities of the following outstanding bonds of the County (collectively, the "Refunded Bonds").

Issue Name	Maturities to be Refunded	Principal Amount	Redemption Date	Redemption Price
Consolidated General Improvements Series, 2014	2025-2034	$50,750,000	5/16/2024	100%
Consolidated Water and Sewer Series, 2014	2025-2036, 2038, 2039, 2044	$52,800,000	5/16/2024	100%

Sources and Uses of Funds

The following table outlines the estimated sources and uses of funds with respect to the General Improvements Bonds:

Sources of Funds:	
Par amount of Bonds	$210,105,000
Plus net original issue premium	22,626,133
Total	$232,731,133
Uses of Funds:	
Construction Program Funds	$181,300,000
Deposit to Escrow Fund	50,867,329
Underwriters' Discount	483,747
Costs of Issuance*	80,057
Total	$232,731,133

*Estimate includes legal, rating agency, financial advisor and printer costs for the Refunding Bonds.

The following table outlines the estimated sources and uses of funds with respect to the Water and Sewer Bonds:

Sources of Funds:	
Par amount of Bonds	$123,775,000
Plus net original issue premium	14,316,047
Total	$138,091,047
Uses of Funds:	
Construction Program Funds	$ 84,800,000
Deposit to Escrow Fund	52,920,422
Underwriters' Discount	288,583
Costs of Issuance*	82,042
Total	$138,091,047

*Estimate includes legal, rating agency, financial advisor and printer costs for the Refunding Bonds.

Security for and Sources of Payment of the Bonds

The Bonds are general obligations of the County for the payment of which the County's full faith and credit and taxing power are irrevocably pledged, subject to the limitation on the taxing power set forth in Section 710(d) of the County Charter.

Section 710(d) of the County Charter provides that from and after July 1, 1993, revenues derived from taxes on properties existing on the County property tax rolls at the commencement of the County fiscal year shall not increase, compared with the previous year, more than the Consumer Price Index percentage of change, or 4.5 percent, whichever is the lesser (see "FINANCES - Charter Property Tax Revenue Limitation" and "INDEBTEDNESS - Charter Property Tax Revenue Limitation").

The maturing principal of and interest on the Consolidated General Improvements Bonds will be paid from time to time, as and when due, from the funds in the hands of the County realized from the collection of ad valorem taxes on real estate, tangible personal property and intangible property as may be subject to taxation by the County. The County has covenanted that, to the extent that the required appropriation for debt service on the Consolidated General Improvements Bonds is not offset by funds from other sources, it will, subject to the limitation on the tax levy set out in Section 710(d) of the County Charter, fund any such appropriation by the levy of ad valorem taxes on real estate, tangible personal property and intangible property as may be subject to taxation by the County.

In each and every fiscal year that any of the Consolidated Water and Sewer Bonds are outstanding, the County shall impose and levy, or cause to be imposed and levied, charges, levies and assessments against all real property in the County that is or will be connected with, or that is benefited by, the water and wastewater facilities of the County, in accordance with the authority and in the manner prescribed by the Anne Arundel County Code (the "County Code").

The maturing principal of and interest on the Consolidated Water and Sewer Bonds will be paid from time to time, as and when due, from the funds in the hands of the County realized from the net revenues of the projects for which such bonds are issued, or the utilities of which these improvements are a part, for the use and benefit of which the County has covenanted to fix and collect rates, charges and assessments sufficient to pay the cost of operation, maintenance and debt service. In the event of a deficiency of such funds from the net revenues and receipts from such revenue producing projects, for the purpose of meeting the principal maturities and interest of the Bonds, the County has further covenanted that it will, subject to the limitation on the tax levy set out in Section 710(d) of the County Charter, fund any such deficiency by the levy of ad valorem taxes on real estate, tangible personal property and intangible property as may be subject to taxation by the County.

Bondholders' Remedies

In the event that it fails to perform its obligations under the Bonds to the registered owners thereof, the County may be sued, and any judgments resulting from such suits would be enforceable against the County. Nevertheless, a registered owner of a Bond who has obtained any such judgment may be required to seek additional relief to compel the County to levy and collect such taxes as may be necessary to provide the funds from which such judgment may be paid. Although there is no Maryland law on this point, the appropriate courts of Maryland have jurisdiction to entertain proceedings and power to grant additional relief, such as a mandatory injunction, if necessary, to enforce the levy and collection of such taxes within the limitation on the tax levy set out in Section 710(d) of the County Charter and payment of the proceeds thereof to the holders of general obligation bonds, subject to the inherent constitutional limitations referred to below.

While remedies would be available to bondholders and while the general obligation bonds of the County are entitled to constitutional protection against the impairment of the obligation of contracts, such constitutional protection and the enforcement of such remedies would not be absolute. Enforcement of a claim for payment of the principal of or the interest on the Bonds could be made subject to the provisions of Chapter 9 of the Federal Bankruptcy Code or of any statutes that may hereafter be constitutionally enacted by the United States Congress or the Maryland General Assembly extending the time of payment or imposing other constraints upon enforcement.

Redemption

Optional Redemption

Construction Bonds. The Construction Bonds of each series maturing on or after October 1, 2034, are subject to redemption, at the option of the County, on or after April 1, 2034, as a whole or in part at any time, in any order of maturities, after at least 20 days' notice, at par (100% of principal), plus accrued and unpaid interest to the date fixed for redemption.

Consolidated Water and Sewer Refunding Bonds. The Consolidated Water and Sewer Refunding Bonds maturing on or after April 1, 2035, are subject to redemption, at the option of the County, on or after April 1, 2034, as a whole or in part at any time, in any order of maturities, after at least 20 days' notice, at par (100% of principal), plus accrued and unpaid interest to the date fixed for redemption.

Consolidated General Improvements Refunding Bonds. The Consolidated General Improvements Refunding Bonds are not subject to optional redemption prior to their respective maturities.

Mandatory Sinking Fund Redemption

The Consolidated General Improvements Construction Bonds maturing on October 1, 2053, are subject to mandatory sinking fund redemption, at a price equal to the principal amount thereof plus accrued interest thereon, on October 1 each of the following years and in the following amounts:

Year	Sinking Fund Installments
2051	$5,470,000
2052	5,470,000
2053*	5,470,000

*Stated maturity.

The Consolidated Water and Sewer Construction Bonds maturing on October 1, 2053, are subject to mandatory sinking fund redemption, at a price equal to the principal amount thereof plus accrued interest thereon, on October 1 each of the following years and in the following amounts:

Year	Sinking Fund Installments
2051	$2,560,000
2052	2,560,000
2053*	2,560,000

*Stated maturity.

If the County redeems or otherwise discharges the Consolidated General Improvements Construction Bonds maturing on October 1, 2053 or the Consolidated Water and Sewer Construction Bonds maturing on October 1, 2053 before the applicable scheduled maturity or payment date, an amount equal to the principal amount of such redeemed or discharged bonds shall be credited to the applicable sinking fund installment amounts in any manner determined by the County.

If less than all of the Bonds of a series shall be called for redemption pursuant to the redemption provisions of such Bonds, the principal amount of Bonds so called for redemption shall be in denominations of $5,000 or any integral multiple thereof and the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar, except that so long as DTC or its nominee is the sole registered owner of the Bonds, the particular Bond or portion thereof to be redeemed shall be selected by lot by DTC, in accordance with its normal and customary procedures (so long as the Bonds are in book-entry form). When less than all of a Bond in a denomination in excess of $5,000 shall be so redeemed, then, upon the surrender thereof there shall be issued to the registered owner thereof, without charge, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds in any of the authorized denomination the aggregate face amount of such Bonds not to exceed the unredeemed balance of the Bond so surrendered, and to bear the same interest rate and to mature on the same date as said unredeemed balance.

If the County elects to redeem all outstanding Bonds of a series, or less than all, it will give a redemption notice by letter mailed first class, postage prepaid, to the holders of such Bonds at least 20 days prior to the redemption date at the addresses of such holders appearing on the registration books kept by the Bond Registrar, provided, however, that the failure to mail such notice to any holder of such Bonds or any defect in the notice mailed or in the mailing thereof shall not affect the validity of the redemption proceedings relating to any other Bonds. Said notice shall state whether such Bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the Bonds called, shall state that the interest on the Bonds called shall cease on the date fixed for redemption, shall state the redemption date and the redemption price, and shall require that the Bonds redeemed be then presented for redemption and payment at the principal corporate trust office of the Paying Agent. From and after the date fixed for redemption, if notice has been given as herein provided, and the funds sufficient for payment of the redemption price and accrued interest shall be available therefore on such date, the Bonds designated for redemption shall cease to bear interest. Upon presentation and surrender in compliance with such notices, the Bonds called for redemption shall be paid by the Paying Agent at the redemption price. If not paid on presentation thereof, said Bonds called shall continue to bear interest at the rates expressed therein until paid.

Book-Entry Only System — General

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of the Bond of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent and Bond Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent and Bond Registrar or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC), is the responsibility of the County or the Paying Agent and Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or the Paying Agent and Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Book-Entry Only System — Miscellaneous

The information in the section "THE BONDS - Book-Entry Only System - General" has been obtained by the County from DTC. The County takes no responsibility for the accuracy or completeness thereof. Neither the County nor the Bond Registrar and Paying Agent (defined herein) will have any responsibility or obligations to Direct or Indirect Participants or the persons for whom they act as nominees with respect to the payments to or the providing of notice to the Direct Participants, or the Indirect Participants, or Beneficial Owners. The County cannot and does not give any assurance that Direct Participants, Indirect Participants or others will distribute principal and interest payments to DTC or its nominees, as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

Termination of Book-Entry Only System

In the event that the Book-Entry Only System is discontinued, the Bonds will be delivered by DTC to the Bond Registrar and such Bonds will be exchanged for Bonds registered in the names of the DTC Participants or the

Beneficial Owners identified to the Bond Registrar. In such event, certain provisions of the Bonds pertaining to ownership of the Bonds will be applicable to the registered owners of the Bonds as described below.

Interest on the Bonds will be payable by check mailed by the Paying Agent and Bond Registrar to the persons in whose names the Bonds are registered as of the close of business on the Regular Record Date (being the fifteenth day of the month next preceding each interest payment date) at the addresses shown on the registration books of the County maintained by the Bond Registrar; provided, however, that any such interest not punctually paid or duly provided for shall cease to be payable to the registered owner on such Regular Record Date, and may be paid to the persons in whose names such Bonds are registered as of the close of business on a date to be fixed by the Paying Agent for the payment of such defaulted interest (the "Special Record Date"), notice of which will be given by letter mailed first class, postage prepaid, to such persons, not less than 30 days prior to such Special Record Date, at the addresses of such persons appearing on the registration books of the County maintained by the Bond Registrar, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds may be listed and upon such notice as may be required by such exchange. The principal of and premium, if any, on the Bonds will be payable at the designated corporate trust office of the Paying Agent in Richmond, Virginia. The County may designate another entity as Bond Registrar and Paying Agent upon twenty days prior written notice to the registered owners of the Bonds.

The Bonds in fully certificated form will be fully registered Bonds without coupons in the denomination of $5,000 each or any integral multiple thereof. Such Bonds will be transferable only upon the registration books kept at the principal corporate trust office of the Bond Registrar, by the registered owner thereof in person, or by an attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer in the form attached thereto and satisfactory to the Bond Registrar and duly executed by the registered owner or a duly authorized attorney. The County may deem and treat the person in whose name a Bond is registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal or redemption price thereof and interest due thereon and for all other purposes.

The Bonds may be transferred or exchanged at the principal corporate trust office of the Bond Registrar. Upon any such transfer or exchange, the County shall execute and the Bond Registrar shall authenticate and deliver a new registered Bond or Bonds without coupons, of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond exchanged or transferred, and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar may require payment by any holder of Bonds requesting exchange or transfer of Bonds of any tax, fee, or other governmental charge, shipping charges, and insurance that may be required to be paid with respect to such exchange or transfer, but otherwise no charge shall be made to the holder of Bonds for such exchange or transfer. The Bond Registrar shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption as hereinabove described; provided, however, that the foregoing limitation shall not apply to that portion of a Bond in excess of $5,000 which is not being called for redemption.

Tax Matters

In rendering its opinion with respect to the Bonds, Bond Counsel will rely without investigation on certifications provided by the County with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Bonds.

Maryland Income Taxation-Construction Bonds

In the opinion of Bond Counsel, under existing statutes, regulations and decisions, the Construction Bonds, their transfer, the interest payable on them, and any income derived from them, including any profit realized in their sale and exchange, shall be exempt from taxation of any kind by the State of Maryland, any of its political subdivisions, or any other public entity. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Construction Bonds or the interest thereon.

Maryland Income Taxation-Refunding Bonds

In the opinion of Bond Counsel, under existing statutes, regulations and decisions, interest on the Refunding Bonds and profit realized from the sale or exchange of the Refunding Bonds will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Refunding Bonds or the interest thereon.

Federal Income Taxation

In the opinion of Bond Counsel, assuming compliance with certain covenants described herein, the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations, and decisions.

Under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the Bonds in order that the interest thereon be excludable from gross income. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the Bonds; and (iii) other requirements applicable to the use of the proceeds of the Bonds and the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds.

Further, under existing statutes, regulations and decisions, Bond Counsel is of the opinion that interest on the Bonds is not included in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment, however, interest on the Bonds will be part of the adjusted financial statement income in computing the alternative minimum tax on applicable corporations, 15% of which is included in the computation of the corporate alternative minimum tax imposed on applicable corporations. For this purpose, in general, applicable corporations are corporations with more than $1.0 billion in average annual adjusted financial statement income determined over a 3-year period. In addition, interest on the Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

Certain Other Federal Tax Consequences

There are other federal tax consequences of ownership of obligations such as the Bonds under certain circumstances, including the following: (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax-exempt obligations, as well as interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations and interest expense of financial institutions allocable to tax-exempt interest; (ii) for property and casualty insurance companies, the amount of the deduction for losses incurred must be reduced by 25% of the sum of tax-exempt interest income and the deductible portion of dividends received by such companies; (iii) interest income that is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, social security or railroad retirement benefits are includable in gross income for federal income tax purposes; (iv) for S corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, which includes interest on tax-exempt obligations such as the Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status; (v) net gain realized upon the sale or the other disposition of the Bonds must be taken into account when computing the 3.8% Medicare tax with respect to the investment income or undistributed net income, as applicable, imposed on certain higher income individuals and specified trusts and estates; and (vi) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code.

Purchase, Sale and Retirement of Bonds

Except as noted below in the case of market discount, the sale or other disposition of a Bond will normally result in capital gain or loss to its holder. A holder's initial tax basis in a Bond will be its cost. Upon the sale or retirement of a Bond, for federal income tax purposes, a holder will recognize capital gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition; and (b) the tax basis in such Bond, determined by adding to the original cost basis in such Bond the amount of original issue discount that is treated as having accrued as described below under "THE BONDS - Tax Accounting Treatment of Discount Bonds." Such gain or loss will be a long-term capital gain or loss if at the time of the sale or retirement the Bond has been held for more than one year. Present law taxes both long and short-term capital gains of corporations at the rates applicable to ordinary income. For non-corporate taxpayers, however, short-term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

Market Discount

If a holder acquires a Bond after its original issuance at a discount below its principal amount (or in the case of a Bond issued at an original issue discount, at a price that produces a yield to maturity higher than the yield to maturity at which such bond was first issued), the holder will be deemed to have acquired the Bond at "market discount," unless the amount of market discount is *de minimis*, as described in the following paragraph. If a holder that acquires a Bond with market discount subsequently realizes a gain upon the disposition of the Bond, such gain shall be treated as taxable interest income to the extent such gain does not exceed the accrued market discount attributable to the period during which the holder held such Bond, and any gain realized in excess of such market discount will be treated as capital gain. Potential purchasers should consult their tax advisors as to the proper method of accruing market discount.

In the case of a Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of the Bond's stated redemption price at maturity over the holder's cost of acquiring the Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires the Bond and its stated maturity date. In the case of a Bond issued with original issue discount, market discount will be *de minimis* if the excess of the Bond's revised issue price over the holder's cost of acquiring the Bond is less than 0.25% of the revised issue price multiplied by the number of complete years between the date the holder acquires the Bond and its stated maturity date. For this purpose, a Bond's "revised issue price" is the sum of (i) its original issue price; and (ii) the aggregate amount of original issue discount that is treated as having accrued with respect to the Bond during the period between its original issue date and the date of acquisition by the holder.

Amortizable Bond Premium

A Bond will be considered to have been acquired at a premium if, and to the extent that, immediately after the acquisition of such Bond, the holder's tax basis in the Bond exceeds the amount payable at maturity (or, in the case of a Bond callable prior to maturity, an amount payable on an earlier call date, as described). Under tax regulations applicable to the Bonds, the amount of the premium would be determined with reference to the amount payable on that call date (including for this purpose the maturity date) that produces the lowest yield to maturity on the Bonds. The holder will be required to reduce his tax basis in the Bond for purposes of determining gain or loss upon disposition of the Bond by the amount of amortizable bond premium that accrues, determined in the manner prescribed in the regulations. Generally, no deduction (or other tax benefit) is allocable in respect of any amount of amortizable bond premium on the Bonds.

Tax Accounting Treatment of Discount Bonds

Certain maturities of the Bonds may be issued at an initial public offering price which is less than the amount payable on such Bonds at maturity (the "Discount Bonds"). The difference between the initial offering price (including accrued interest, if any), at which a substantial amount of the Discount Bonds of each maturity was first sold, and the principal amount of such Discount Bonds payable at maturity constitutes original issue discount. The amount of such original issue discount which is treated as having accrued with respect to such Discount Bonds, is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption or payment at maturity). For federal income tax purposes (a) any holder of a Discount Bond will recognize gain or loss upon the disposition of such Discount Bond (including sale, early redemption or payment at maturity) in an amount equal to the difference between (i) the amount received upon such disposition; and (ii) the sum of (1) the holder's original cost basis in such Discount Bond, and (2) the amount of original issue discount attributable to the period during which the holder held such Discount Bond; and (b) the amount of the basis adjustment described in clause (a)(ii)(2) will not be included in the gross income of the holder.

Original issue discount on Discount Bonds will be attributed to permissible compounding periods during the life of any Discount Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Discount Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Discount Bonds and must begin or end on the date of such payments. Such yield then is used to determine an amount of accrued interest for each permissible compounding period. For this purpose, interest is treated as compounding periodically at the end of each applicable compounding period. The amount of original issue discount which is treated as having accrued in respect of a Discount Bond for any particular compounding period is equal to the excess of (a) the product of (i) the yield for such Discount Bond (adjusted as necessary for an initial short period) divided by the number of compounding periods in a year multiplied by (ii) the amount that would be the tax basis of such Discount Bond at the beginning of such period if held by an original purchaser who purchased at the initial public offering price, over (b) the amount actually payable as interest on such Discount Bond during such period. For purposes of the preceding sentence the tax basis of a Discount Bond, if held by an original purchaser, can be determined by adding to the initial public offering price of such Discount Bond, the original issue discount that is treated as having accrued during all prior compounding periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then interest which would have accrued for that compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Holders of Discount Bonds should note that, under applicable tax regulations, the yield and maturity of a Discount Bond is determined without regard to commercially reasonable sinking fund payments, and any original issue discount remaining unaccrued at the time that a Discount Bond is redeemed in advance of stated maturity will be treated as taxable gain. Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable upon the occurrence of certain contingencies.

The yields (and related prices) furnished by the successful bidder for each series of the Bonds as shown on the inside cover of this Official Statement may not reflect the initial issue prices for the purpose of determining the original issues discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount Bonds but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Discount Bonds. In addition, prospective corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Discount Bonds under the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount. Purchasers with questions concerning the detailed tax consequences of transactions in the Discount Bonds should consult their tax advisors.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code (and any proposed or subsequently enacted amendments to the Code) in their particular circumstances.

Legislative Developments

Legislative proposals could adversely affect the market value of the Bonds. Further, if enacted into law, any such legislation could cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation and could otherwise alter or amend one or more of the provisions of federal tax law described above or their consequences. Prospective purchasers of the Bonds should consult with their tax advisors as to the status and potential effect of any pending or future legislation, as to which Bond Counsel expresses no opinion.

Ratings

The Bonds have been assigned the following ratings by the agencies indicated: Fitch Ratings AAA, Moody's Investors Service, Inc. Aaa and S&P Global Ratings AAA. An explanation of the significance of such ratings may be obtained from the rating agencies. The County furnished to the rating agencies the information contained in a preliminary form of this Official Statement and other materials and information. Generally, rating agencies base ratings on such materials and information, as well as their own investigations, studies and assumptions. It should be noted that such ratings may be changed at any time and that no assurance can be given that the ratings will not be revised downward or withdrawn by the rating agencies, if in their judgment, circumstances should warrant such actions. Such circumstances may include, without limitation, changes in or unavailability of information relating to the County. Any such downward revision or withdrawal of such ratings could have an adverse effect on the market price of the Bonds.

Sale at Competitive Bidding

The Construction Bonds and the Refunding Bonds were offered for sale by the County at competitive bidding on April 2, 2024, in accordance with the respective Official Notice of Sale (the forms of which are attached hereto as Appendix B), as supplemented. The rates shown on the inside cover page of this Official Statement are the rates to the County resulting from the awards of the Bonds at the respective competitive bidding therefore. The yields shown on the inside cover page of this Official Statement are based on information supplied to the County by the successful bidders respecting the resale price (not including concessions) of the Bonds established on the date hereof. Any other information concerning the terms of reoffering of the Bonds, if any, including yields or prices, should be obtained from the successful bidders therefore and not from the County.

Litigation

The County is an interested party in various legal proceedings that normally occur in governmental operations, including various tort and contract suits, suits alleging violations of individual rights, and matters involving claims relating to land development, property damage, personal injury, employee liability, and workers' compensation. With respect to such claims or matters for which reserves have not yet been funded, excluding the matters set forth immediately above, in the judgment of the County Attorney, the aggregate expected liability of the County will not exceed $2,000,000, not including workers' compensation claims.

Cybersecurity

In the conduct of its daily business, the County employs technology and collects and stores sensitive data. The secure processing, maintenance, and transmission of this information is critical to many of the County's operations. Despite security controls and other technical measures currently in place and those which may be adopted in the future, information technology and infrastructure may be vulnerable to attacks by hackers, nation states or other breaches, including as a result of error, malfeasance or other disruptions or failures.

Any such breach, disruption or other failure could compromise County services, networks, facility operations and the information stored there could be accessed, disrupted, publicly disclosed, lost or stolen. Any such access, disruption, disclosure, theft or other loss of information could result in disruptions to County operations and financial or other activities, or legal claims or proceedings, including pursuant to laws that protect the privacy of personal information, or regulatory penalties.

To prevent such disruptions to County operations, the County maintains a cybersecurity office within the Office of Information and Technology. The County uses the National Institute of Standards and Technology Cybersecurity Framework to measure the maturity of cybersecurity controls and exposure to cyber risks in County government. The current focus is on improving detection, response and recovery capabilities along with a continual review of critical controls for systems which process County data and providing cyber security education to County employees on an ongoing basis.

While the County conducts periodic tests and reviews of its networks, no assurances can be given that such security and operational control measures will be successful in guarding against all cyber threats and attacks. New technical cyber vulnerabilities are discovered in the United States daily. The techniques used to obtain unauthorized access to, or to disable or degrade, electronic networks, computers, systems and solutions are rapidly evolving and have become increasing complex and sophisticated.

In response to lessons learned from COVID-19, the County has enhanced cybersecurity amid increased teleworking. The County continuously optimizes controls, implements technical solutions, policies, and management practices to minimize risks and safeguards sensitive information. As cybersecurity threats continue to evolve, the County may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks. The results of any successful attack on the County's computer and information technology systems could impact its operations and damage the County's digital networks and systems, and the costs of remedying any such damage could be substantial.

To reinforce the robustness of security measures and improve being successful in guarding against cyber threats and attacks, the County analyzes current trends and options and invests substantial resources. Recognizing the pressing need to make its workforce more resilient against potential threats is crucial for the County. A workforce that is skilled and proficient with cybersecurity issues is the most effective security methodology.

Approval of Legal Matters

McKennon Shelton & Henn LLP is acting as Bond Counsel in connection with the issuance of the Bonds. Delivery of the Bonds is conditioned upon delivery by Bond Counsel of opinions substantially in the forms set forth in <u>Appendix C</u> of this Official Statement.

Financial Advisor

Public Resources Advisory Group ("PRAG"), 39 Broadway, 12th Floor, New York, New York, 10006, serves as financial advisor to the County on debt management and capital financing matters. PRAG has not independently verified the information contained in this Official Statement and does not assume responsibility for the accuracy, completeness, or fairness of such information.

Independent Public Accountants

The basic financial statements of Anne Arundel County, Maryland included in <u>Appendix A</u> of this Official Statement have been audited by SB & Company, LLC, Independent Public Accountants, for the period indicated in their report thereon.

SB & Company, LLC, as independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. SB & Company, LLC also has not performed any procedures relating to this offering document.

Verification of Mathematical Computations

Samuel Klein and Company, Certified Public Accountants (the "Verification Agent") will deliver to the County, on or before the date of issuance of the Bonds, its verification report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, certain information and assertions provided by Public Resources Advisory Group with respect to the Refunded Bonds. Included in the scope will be a verification of the mathematical accuracy of the mathematical computations of the proceeds of the Refunding Bonds deposited with the escrow agent for the Refunded Bonds to pay the principal of and interest on the Refunded Bonds upon their redemption on or about May 16, 2024. Such computations were based solely on assumptions and information supplied to the Verification Agent by Public Resources Advisory Group and the County.

Continuing Disclosure

In order to enable participating underwriters (as defined in SEC Rule 15c2-12) to comply with the requirements of paragraph (b)(5) of SEC Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement (the "Continuing Disclosure Agreement") on or before the date of issuance and delivery of the Bonds. The form of the Continuing Disclosure Agreement is attached hereto as Appendix D.

The County has timely filed complete information required by its continuing disclosure obligations for each of the past five years. When filing information with the Municipal Securities Rulemaking Board through Electronic Municipal Market Access ("EMMA") system, the County submits the filings in a manner intended to display such information with each relevant outstanding debt issue. To the extent a filing is made by the County without all of the associated CUSIP numbers, the filing can be found on EMMA associated with another County debt issue or on the County's issuer homepage on EMMA.

Official Statement

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of any of the Bonds.

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SECTION THREE: FINANCES

This section summarizes the finances of the various departments, agencies and other organizations governed directly by the County Executive and the County Council of Anne Arundel County, Maryland. No information is included related to the component units included in the County's basic financial statements. For more information, see "NOTES TO THE BASIC FINANCIAL STATEMENTS – Summary of Significant Accounting Policies," in Appendix A.

Accounting and Financial Operations

The County financial system is an integrated, centralized, and comprehensive base for all budgetary and accounting information. The system begins with the budget and progresses into the incurrence of all obligations and disbursement of all funds. An accounting is provided for all revenues, expenditures and expenses, regardless of source or charge.

Awards

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Anne Arundel County for its annual comprehensive financial report ("ACFR") for the fiscal year ended June 30, 2022. This was the 42^{nd} consecutive year that the County has received this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County believes its ACFR continues to conform to the Certificate of Achievement program requirements and it has submitted its ACFR to GFOA for the year ended June 30, 2023.

Basis of Accounting

Modified Accrual Basis of Accounting

The modified accrual basis of accounting and current financial resources measurement focus is followed in the Governmental funds for the fund level statements. Under the modified accrual basis of accounting:

1. Expenditures are recorded when goods and services are received and the actual liabilities are incurred, except for principal and interest on general long-term debt obligations and compensated absences and other long term obligations.

2. Revenues are recorded when collected by the County or its collecting agencies, except for general property taxes, local income taxes, state shared tax revenues, intergovernmental revenues and investment income which are susceptible to accrual because these revenues are both measurable and available. Available means expected to be collected within 90 days after year-end in order to pay liabilities of the current period, except property taxes, which are deferred if not collected within 60 days.

3. Revenues not considered measurable or available are recorded as deferred revenues.

4. In applying the susceptible to accrual concept to intergovernmental revenues, the eligibility requirements of the programs are used as guidance. Revenues can be recognized as soon as all such requirements are met.

Accrual Basis of Accounting

A set of government-wide financial statements are included that use the full accrual basis of accounting. These statements consolidate the operations of all County activities into two categories, governmental and business-type and eliminate all interfund activity. All non-current assets and liabilities are also included on the Statement of Net Position. The accrual basis of accounting and flow of economic resources measurement focus is followed in the Proprietary and Pension Trust Funds in the fund-level statements and in the government-wide financial statements. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred. Earned but unbilled Water and Wastewater Fund utility service charges are recorded as revenue at year-end.

Budget

The County Budget consists of the Current Expense Budget, the Capital Budget and Program, and the Budget Message. It represents a complete financial plan for the County including all revenues, all expenditures, encumbrances, and the fund balances of the General Fund and all other funds of the County government.

Current Expense Budget

The Current Expense Budget, developed by the Chief Administrative Officer and the Budget Officer, is based on annual work programs setting forth the nature, volume, and cost of work to be performed as submitted by the head of each office, department, institution, board, commission, and other agency of the County government. The estimates of the revenues and expenditures of operations for the ensuing fiscal year are also included; estimated revenues are detailed as to source, and estimated expenditures are detailed as to program or project. After the data so submitted is reviewed by the Chief Administrative Officer and the Budget Officer, the Current Expense Budget is compiled for presentation to the County Executive. No later than sixty days prior to the end of the fiscal year, the County Executive submits to the County Council the proposed Current Expense Budget for the ensuing fiscal year, which by the County Charter, must be balanced.

Capital Budget and Program

The Capital Budget is the County's plan to receive and expend funds during the ensuing fiscal year for physical public betterment or improvement and any related preliminary studies and surveys, the acquisition of property of a permanent nature for public use, and the purchase of equipment for any public betterment or improvement accompanying initial construction. The Capital Budget includes a statement of the receipts anticipated during the ensuing fiscal year from all borrowing and from other sources for capital projects. The Capital Program is the County's plan to receive and expend funds for capital projects during the fiscal year covered by the Capital Budget and the succeeding five fiscal years.

Budget Message

The Budget Message contains supporting summary tables and explains the proposed Current Expense Budget and Capital Program both in fiscal terms and in terms of work to be performed. It outlines the proposed financial policies of the County for the ensuing fiscal year and describes the important features of the Current Expense Budget. It indicates any major changes in financial policies and in expenditures, appropriations and revenues as compared with the fiscal year currently ending, and sets forth the reasons for such changes. The Budget Message includes an explanation of changes in the Capital Program made by the County Executive insofar as the Program differs from that presented by the Office of Planning and Zoning. The Budget Message may also include such other material as the County Executive deems desirable.

Budget Adoption

The County Council may decrease or delete any items in the budget except for those required by the public general laws of Maryland and except for any provision for debt service on obligations then outstanding or for estimated cash deficits. The County Council has no power to change the form of the budget as submitted by the County Executive, to alter the revenue estimates except to correct mathematical errors, or to increase total expenditures recommended by the County Executive for current or capital purposes, except as permitted by the public general laws of Maryland. The adoption of the Budget is by the affirmative vote of not less than four members of the County Council in an ordinance to be known as the Annual Budget and Appropriation Ordinance of Anne Arundel County. The County Council may, at the same time or thereafter from time to time during the ensuing fiscal year, adopt bond issue authorization ordinances providing the means of financing such capital projects as are to be financed from borrowing in the ensuing fiscal year. All of such ordinances are exempt from the County Executive veto. The Annual Budget and Appropriation Ordinance is to be adopted by the County Council on or before the fifteenth day of the last month of the fiscal year currently ending, and if the County Council fails to do so, the proposed budget submitted by the County Executive stands adopted, and funds for the expenditures proposed in the current expense budget stand appropriated as fully and to the same extent as if favorable action thereon had been taken by the County Council.

Budget Control

Unless the Controller first certifies that the funds for the designated purposes are available, no office, department, institution, board, commission or other agency of the County government may during any fiscal year expend, or contract to expend, any money or incur any liability, or enter into any contract, which by its terms involves the expenditure of money, for any purpose in excess of the amounts appropriated or allotted for the same general classification of expenditure in the budget or in any supplemental appropriation for such fiscal year, and no such payment may be made nor any obligation or liability incurred, except for small purchases in an amount less than twenty five hundred dollars ($2,500). The County Charter requires that this "general classification of expenditure" be classified by "agency, character and object," and leaves the specifics of this classification to the discretion of the County Executive. For appropriation control purposes, the current budget classifies department (i.e., agency) expenditures by sub-departments (i.e., character) and seven expense objects including personal services, contractual services, supplies & materials, business & travel, capital outlay, debt service, and grants, contributions & other.

Nothing prevents the making of contracts of lease or for service providing for the payment of funds at a time beyond the fiscal year in which such contracts are made, provided the nature of such transactions reasonably requires the making of such contracts. But any contract, lease, or other obligation requiring the payment of funds from the appropriations of a later fiscal year must be made or approved by ordinance. No contract for the purchase of real or leasehold property may be made unless the funds therefore are included in the Capital Budget.

No obligations of the County may be authorized in any fiscal year for or on account of any capital project not included in the County Budget as finally adopted for such year; provided, however, that upon receipt of a recommendation in writing from the County Executive and the Planning Advisory Board, the County Council may, by the affirmative vote of five members, amend the County Budget in accordance with such recommendation.

Source: Office of the Budget.

Investment of Operating and Capital Funds

County funds held for operation and capital purposes are managed by the Office of Finance with strict guidelines as to investment vehicles. Investments are restricted by State of Maryland law, with which the County complies. The County does not invest in derivatives or in reverse repurchase agreements. It invests primarily in obligations of the United States Government, its agencies or instrumentalities, and the Maryland Local Government Investment Pool. For more detailed information, see "NOTES TO THE BASIC FINANCIAL STATEMENTS – Cash and Investments" in Appendix A.

Fund Accounting

In accordance with generally accepted accounting principles in the United States ("GAAP"), the accounts of the County are organized on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities or balances and changes thereon are recorded and segregated to carry on specific activities or obtain certain objectives. The various funds are summarized by type in the financial statements.

For more detailed information, see "NOTES TO THE BASIC FINANCIAL STATEMENTS – Summary of Significant Accounting Policies," in Appendix A.

General Fund

The County's principal source of General Fund revenues is taxes, which comprised approximately 92.1% of total General Fund revenues (on a GAAP basis) in fiscal year 2023. Property tax revenues comprised approximately 42.6% of total General Fund revenues, and income tax revenues comprised approximately 40.9% of total General Fund revenues. The schedules on the following pages reflect the results of operations for the last five fiscal years.

Status of Federal Funding Related to the Pandemic

The County received pandemic relief funds that offset increased expenses related to the pandemic and allow it to maintain normal operations, including $101.1 million in federal monies under the Coronavirus Aid Relief and Economic Security Act ("CARES Act") and $112.5 million in State and Local Fiscal Recovery Funds ("SLFRF") provided through the American Recovery Plan Act ("ARPA"). In 2023, the County expended the remainder of its CARES Act funding, filed all required reports with the U.S. Treasury and closed all CARES Act projects.

The County has already committed $104.8 million of its $112.5 million in ARPA funding in accordance with U.S. Treasury guidelines and is reserving the remaining $7.7 million for future projects. As of December 31, 2023 the County's ARPA expenditures totaled $81.3 million or 72.3% of the total SLFRF allocation. The County intends to obligate its remaining ARPA funds to eligible costs by December 31, 2024, as required by the ARPA for various projects that are permitted under the ARPA.

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ANNE ARUNDEL COUNTY, MARYLAND
SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND (GAAP BASIS)

Last Five Fiscal Years (Unaudited – Derived From Audited Financial Statements)

	2023	2022	2021	2020	2019
REVENUES					
General property taxes	$821,649,599	$805,926,561	$778,653,674	$750,383,091	$695,922,276
Local income taxes	789,717,002	734,914,210	693,300,152	606,998,155	522,923,960
State shared taxes	16,215,423	15,596,875	11,414,898	11,704,256	12,410,845
Recordation and transfer taxes	118,352,717	198,086,989	156,927,794	114,907,649	115,519,643
Local sales taxes	31,227,504	29,120,925	24,016,271	26,699,642	32,110,766
License and permit fees	16,549,952	21,259,243	14,564,976	15,441,085	18,335,508
Ambulance fees	23,263,395	21,629,966	12,642,842	12,112,507	13,627,382
Cable fees	9,318,677	9,178,248	9,786,085	10,415,690	11,142,696
Video lottery local impact aid	10,507,575	10,779,241	9,492,404	6,686,423	8,879,924
Investment income	28,752,268	(7,538,529)	(1,061,989)	6,551,874	10,230,120
Fees for services and other revenue	63,984,162	63,841,921	48,950,058	46,638,488	58,669,444
Total revenues	1,929,538,274	1,902,795,650	1,758,687,165	1,608,538,860	1,499,772,564
EXPENDITURES					
Education	884,090,100	831,168,800	796,241,600	778,703,500	730,197,000
Public safety	402,191,075	369,122,139	341,436,849	318,548,379	302,165,609
General government	200,625,437	162,707,619	151,972,563	136,194,157	141,389,079
Health and human services	56,165,585	60,732,590	55,732,168	48,912,109	49,451,422
Public works	32,464,984	33,414,346	31,468,058	31,666,979	39,733,004
Recreation and community services	58,707,732	49,079,659	48,228,750	49,503,382	46,242,840
Judicial	33,887,976	31,740,735	29,690,930	28,813,697	28,001,459
Code enforcement	16,532,962	14,961,004	14,059,921	13,901,473	12,729,742
Land use and development	11,352,272	9,925,720	8,330,414	8,355,930	6,790,901
Debt service					
Interest payments on debt	61,063,357	60,850,449	56,237,716	57,022,145	52,238,837
Principal payments on debt	140,859,669	146,305,219	229,478,405	90,126,367	93,934,724
Interest payments on leases	509,527	372,094	8,712	373	373
Principal payments on leases	3,642,557	3,792,233	30,272	10,122	34,138
Debt issuance costs	114,533	289,037	-	-	-
Total Expenditures	1,902,207,766	1,774,461,644	1,762,916,358	1,561,758,613	1,502,909,128
Revenues over (under) expenditures	27,330,508	128,334,006	(4,229,193)	46,780,247	(3,136,564)
OTHER FINANCING SOURCES (USES)					
Operating tranfers in	41,725,134	43,660,514	41,834,616	43,241,434	40,828,139
Operating transfers out	(322,877,064)	(179,940,004)	(163,820,395)	(221,911,883)	(230,328,191)
Proceeds of general obligation bonds	115,455,000	114,176,000	153,065,000	185,195,000	187,480,000
Proceeds of refunding bonds	40,730,000	43,909,150	110,511,100	-	4,445,000
Premium on refunding of bonds	5,973,165	6,066,164	24,941,314	-	490,033
COI on refunding bonds	-	-	(184,064)	-	-
Proceeds from Capital Leases	190,617	5,210,477	-	-	41,980
Proceeds from SBITA	7,571,797	-	-	-	-
Total other financing sources (uses)	(111,231,351)	33,082,301	166,347,571	6,524,551	2,956,961
Net increase (decrease) in fund balances	(83,900,843)	161,416,307	162,118,378	53,304,798	(179,603)
Fund balances (deficit), July 1	551,537,492	390,121,185	228,002,807	174,698,009	174,877,612
Fund balances (deficit), June 30	$467,636,649	$551,537,492	$390,121,185	$228,002,807	$174,698,009
Fund balance as a % of revenues	24.24%	28.99%	22.18%	14.17%	11.65%

Source: Office of Finance.

ANNE ARUNDEL COUNTY, MARYLAND
SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (BUDGET BASIS)

Last Five Fiscal Years (Unaudited – Derived From Audited Financial Statements)

	2023		2022	
	Budget	Actual	Budget	Actual
REVENUES				
General property taxes	$812,632,900	$821,649,599	$789,805,300	$805,926,561
Local income taxes	714,700,000	789,717,002	647,400,000	734,914,210
State shared taxes	14,842,900	16,215,423	12,574,400	15,596,875
Recordation and transfer taxes	131,000,000	118,352,717	105,000,000	198,086,989
Local sales taxes	28,468,000	31,227,504	27,180,000	29,120,925
Licenses and permits	17,708,000	16,549,952	17,376,500	19,807,681
Ambulance fees	19,100,000	23,263,395	12,600,000	21,629,966
Cable fees	8,000,000	9,318,677	8,000,000	9,178,248
Video Lottery Impact Aid	10,250,000	10,507,575	8,640,000	10,779,241
Investment income	830,000	28,940,153	1,375,000	1,552,524
Inter-fund recoveries	77,812,500	76,822,894	79,939,700	77,958,523
Fees for services and other revenue	59,734,200	65,222,624	52,401,900	63,940,602
Total revenues	1,895,078,500	2,007,787,515	1,762,292,800	1,988,492,345
EXPENDITURES				
Current				
Education	834,741,000	834,741,000	784,741,000	784,741,000
Higher education	49,427,800	49,349,100	46,427,800	46,427,800
Public safety	409,816,700	408,976,453	378,974,200	371,831,655
General government	267,927,800	260,562,936	245,412,400	234,729,271
Health and human services	61,125,600	58,710,025	59,996,400	58,029,499
Public works	35,860,300	35,808,149	38,047,100	37,660,808
Recreation and community services	58,943,300	57,823,064	52,803,800	51,606,734
Judicial	36,304,500	34,424,114	33,343,200	31,974,690
Land use and development	11,371,800	11,344,688	10,496,900	10,238,866
Code enforcement	16,807,700	16,532,962	15,555,600	14,988,160
Debt service	170,144,000	151,645,135	156,272,200	155,570,668
Pay Go Funding	204,980,000	204,795,000	62,592,000	62,592,000
Total expenditures	2,157,450,500	2,124,712,626	1,884,662,600	1,860,391,151
Revenues over (under) expenditures	(262,372,000)	(116,925,111)	(122,369,800)	128,101,194
Fund balances, budgetary, July 1	371,796,246	371,796,246	243,695,052	243,695,052
Fund balances, budgetary, June 30	$109,424,246	$254,871,135	$121,325,252	$371,796,246
Fund balances - Unassigned				
Unassigned - GAAP basis		$272,386,442		$247,385,055
Effects of:				
Fair Market Value Adjustment		1,398,508		2,605,466
County Parking Garage Fund		(562,708)		(243,725)
Health Encumbrance adjustment		-		-
Revenue reserve allocation		(121,506,380)		(98,319,477)
Self Insurance Fund allocation		(6,015,914)		(21,997,443)
Inmate Benefits and Morale Fund		(1,084,418)		(962,301)
Non-budgeted activity expense-Permanent Public Improvement		-		1,156,711
Non-budgeted activity expense-Lease/Right to use		19,218		(26,194)
Central Garage Fund allocation		7,564,116		6,974,803
Transfer for Permanent Public Improvements		(46,232,104)		(28,914,324)
LOSAP-Current Liability		763,250		763,250
Conference & Visitor Center Transfer		-		-
Arts Council Transfer		-		-
Beer, Wine, Liquor		-		-
Payroll Overtime Liability		-		-
Unassigned - Non-GAAP basis		106,730,010		108,421,821
Assigned for subsequent years		148,141,125		263,374,425
Fund balance - Budgetary Basis		$254,871,135		$371,796,246

Source: Office of Finance.

2021		2020		2019	
Budget	Actual	Budget	Actual	Budget	Actual
$774,515,600	$778,653,674	$747,069,000	$750,383,091	$694,859,000	$695,922,276
589,200,000	693,300,152	564,999,600	606,998,155	517,958,000	522,923,960
12,537,800	11,414,898	13,822,300	11,704,256	11,979,900	12,410,845
95,000,000	156,927,794	102,000,000	114,907,649	102,000,000	115,519,643
28,725,000	21,836,540	32,176,000	26,699,642	31,948,000	32,110,766
18,114,000	16,016,538	17,722,300	15,441,085	17,349,400	18,335,508
12,500,000	12,642,842	12,200,000	12,112,507	12,000,000	13,627,382
10,250,000	9,786,085	9,800,000	10,415,690	11,500,000	11,142,696
6,000,000	9,492,404	9,200,000	6,686,423	9,600,000	8,879,924
2,700,000	515,608	3,200,000	3,837,481	1,200,000	6,426,581
79,583,400	76,158,518	77,610,100	77,348,408	68,079,100	70,686,873
52,351,700	49,648,028	53,472,500	46,838,188	52,907,600	56,648,138
1,681,477,500	1,836,393,081	1,643,271,800	1,683,372,575	1,531,381,000	1,564,634,592
749,579,900	749,579,900	733,315,800	733,315,800	687,809,300	687,809,300
46,661,700	46,661,700	45,387,700	45,387,700	42,387,700	42,387,700
342,064,100	337,716,139	328,939,700	321,728,687	302,974,800	299,959,738
226,180,800	219,315,259	201,757,000	200,380,168	185,647,200	178,588,603
60,583,200	57,397,838	87,589,000	48,800,579	53,327,300	50,403,297
35,209,000	34,611,448	34,786,000	33,105,688	37,558,000	36,692,599
52,141,800	50,177,974	52,753,500	51,193,306	48,403,500	47,914,241
30,997,500	29,964,428	30,174,800	29,077,702	28,863,600	28,154,539
8,997,500	8,380,117	8,758,900	8,340,346	7,434,100	7,199,349
14,947,700	14,060,183	14,420,700	13,908,007	13,462,200	12,722,164
150,215,900	149,471,875	150,248,400	147,827,303	140,738,600	140,654,642
8,588,000	8,588,000	35,000,000	35,000,000	41,332,000	41,332,000
1,726,167,100	1,705,924,861	1,723,131,500	1,668,065,286	1,589,938,300	1,573,818,172
(44,689,600)	130,468,220	(79,859,700)	15,307,289	(58,557,300)	(9,183,580)
113,226,832	113,226,832	97,919,543	97,919,543	107,103,123	107,103,123
$68,537,232	$243,695,052	$18,059,843	$113,226,832	$48,545,823	$97,919,543
	$243,692,883		$161,996,256		$90,361,685
	691,866		(704,232)		(1,283,165)
	(216,610)		(149,214)		(49,258)
	-		321,272		514,939
	(84,407,720)		(82,400,437)		(73,425,471)
	(25,220,847)		(13,537,626)		373,861
	(947,673)		(801,926)		(840,510)
	-		-		-
	-		-		-
	4,983,828		5,915,014		8,088,640
	(9,371,621)		(9,371,621)		-
	763,250		799,800		799,750
	331,170		-		-
	58,442		-		-
	1,451,562		-		-
	106,297		3,000,000		3,000,000
	131,914,827		65,067,286		27,540,471
	111,780,225		38,787,925		70,379,072
	$243,695,052		$103,855,211		$97,919,543

The County has historically used a planned approach in which the anticipated available fund balance in the current fiscal year is programmed for spending in the subsequent year's budget. Due to fiscal restraint and higher revenues in fiscal years 2019 through 2023 and revenues exceeding budgeted expectations, the GAAP fund balance increased from $174,698,009 on June 30, 2019, to $467,636,649 on June 30, 2023.

Budget for Fiscal Year 2024

To date, the County's fiscal year 2024 General Fund Current Expense Budget, which includes the County's funding for the Board of Education, Libraries, Social Services and the Community College, amounts to $2,137,300,400 with the County property tax rate of $0.980 per $100 of assessed value outside of Annapolis and $0.586 per $100 of assessed value inside of Annapolis. (See "FINANCES – Property Taxes, Assessments and Collections").

To date, the 2024 Capital Budget and Five-Year Program total approximately $3,161,570,000 including $2,178,374,000 for general county improvements and $983,196,000 for water and wastewater projects. Support for the Capital Budget and Program primarily consists of Federal and State grants, County bonds, certain fees, and Pay-As-You-Go financing. (See "INDEBTEDNESS – Capital Appropriations and Funding Sources").

Interim General Fund Revenues and Expenditures for Fiscal Years 2024 and 2023

The Controller has prepared summary unaudited data with respect to revenues and expenditures of the General Fund for the six months ended December 31, 2023 and December 31, 2022. The presentation of this data does not purport to be an interim statement of General Fund revenues, expenditures and fund balance as estimates for year-end accruals are not included. However, these statements have been prepared on a comparable basis and reflect the actual collection of revenues and actual expenditures and encumbrances for the two periods. The General Fund's Statement of Revenue, Expenditures, and Changes in Fund Balance in the annual basic financial statements (See Appendix A) are prepared on the modified accrual basis.

Operating results through December 2023 show an increase in revenues and a decrease in expenditures compared to December 2022. Total revenues as of December 31, 2022 are approximately $112,566,000 higher than December 31, 2022, an increase of 9.6%. Revenues from property taxes are approximately $42,256,000 ahead of the prior year. Investment income has increased by approximately $14,658,000. Total expenditures as of December 2023 are approximately $70,453,000 lower than December 2022, a decrease of 5.6%, which is the result of a decrease in PAYGO funding for Capital Projects and Debt Service funding of $92,980,000 and $5,754,600, respectively, and an increase in appropriations for the Board of Education and Public Safety of $46,740,000 and $41,887,000, respectively. For General Government, OPEB Contributions decreased $32,389,000. Based on the Bolton Valuation Report, premiums for the Medicare Advantage plan decreased significantly from 2021 to 2022, resulting in a large decrease in the per capita claims cost for Medicare-eligible retirees which lowered the total actuarially determined liability, and ultimately reduced the fiscal year 2024 contribution.

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The following presents a summary of General Fund revenues, expenditures and encumbrances for the six months ended December 31, 2023 and December 31, 2022, as compared with the related total annual budgets as revised through these dates:

INTERIM GENERAL FUND STATEMENT

Budget and Actual
For the Six Months Ended December 31
(Unaudited)

	2023			2022	
	Annual Budget	Six Month Actual	Actual As a % of Annual Budget	Six Month Actual	Actual As a % of Annual Budget
Revenues (1)					
General property taxes	$889,872,700	$880,523,058	98.9%	$838,267,322	103.2%
Local income taxes	756,800,000	243,995,773	32.2%	179,566,979	25.1%
State shared taxes	26,053,800	9,003,744	34.6%	7,727,352	30.8%
Recordation and transfer taxes	100,000,000	49,317,431	49.3%	63,103,218	48.2%
Local sales taxes	29,993,000	13,016,346	43.4%	12,762,391	44.8%
Licenses and permit fees	17,278,600	6,132,629	35.5%	5,933,687	33.5%
Ambulance fees	21,600,000	4,075,074	18.9%	3,869,634	20.3%
Cable fees	8,000,000	2,224,230	27.8%	2,255,982	28.2%
Investment income	1,650,000	24,543,705	1487.5%	9,885,405	1191.0%
Other revenues	60,984,800	27,119,287	44.5%	27,595,023	46.2%
Inter-Fund Recoveries	78,278,500	20,516,882	26.2%	16,935,202	21.8%
Total Revenues	$1,990,511,400	$1,280,468,159	64.3%	$1,167,902,195	64.0%
Expenditures					
Education	$881,481,000	$448,302,752	50.9%	$421,403,550	50.5%
Higher education	48,427,800	23,363,901	48.2%	24,852,969	50.3%
Public safety	444,863,400	239,474,854	53.8%	222,623,882	55.2%
General government	267,798,700	170,884,355	63.8%	202,982,482	69.0%
Health and human services	66,070,900	35,807,175	54.2%	33,499,602	54.8%
Public works	37,344,200	23,351,084	62.5%	21,237,779	60.4%
Recreation and community services	63,146,900	34,402,883	54.5%	30,732,061	52.1%
Judicial	39,218,700	19,539,281	49.8%	17,725,175	48.8%
Land use and development	12,919,600	6,673,595	51.7%	5,906,121	52.5%
Code enforcement	18,179,700	9,376,200	51.6%	8,160,669	48.6%
Debt service	145,849,500	69,178,066	47.4%	68,702,686	45.3%
Pay go funding - capital projects	112,000,000	112,000,000	100.0%	204,980,000	100.0%
Total Expenditures	$2,137,300,400	$1,192,354,146	55.8%	$1,262,806,976	55.2%

(1) General Fund revenues do not include appropriated surplus which is dedicated as a source for each subsequent year's budget.

Source: Office of Finance

Revenue Reserve Fund

This fund is intended as a revenue reserve and may only be used upon request of the County Executive with the approval of the County Council, to cover existing appropriations when revenues fall below budget expectations. In accordance with Bill No. 41-23, passed by the County Council on June 14, 2023 and effective on July 1, 2023, the amount of annual appropriation to this fund may not cause the sum of the balance of the Revenue Reserve Fund plus the appropriation to exceed an amount equal to 8% of the estimated general fund revenues for the upcoming fiscal year. As a result of budgeted transfers to the fund and interest income, the fund balance has increased to approximately $158,425,100 as of December 31, 2023.

Permanent Public Improvements

During the fiscal year 2019 budget process, Bill 42-19 was passed to establish the Reserve Fund for Permanent Public Improvements (PPI Fund). It is a special fund provided for in the County Charter. The revenue for the Fund is based off of $1/10^{th}$ of a percentage point by which the income tax rate exceeds 2.50% and capped at $21.0 million a year to pay for the debt service of a one-time capital infusion totaling $250.0 million. As a result of budgeted transfers to the fund and interest income, the fund balance has increased to approximately $83,717,000 as of December 31, 2023.

General Fund Revenues

The County's principal General Fund revenues are property taxes, income taxes, recordation & transfer taxes, local share of state taxes, and fees for services which consists primarily of ambulance fees, cable fees, recreation and park fees, and police aid. These are detailed in the following paragraphs.

Property Taxes, Assessments and Collections

The assessment of all real and business tangible personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation, an independent State agency. All real property is assessed once every three years and any increase in market value ("full cash value") arising from such inspection is to be phased in over the ensuing three taxable years in equal annual installments.

Tangible personal property of business entities is assessed at its full cash value. Personal property is assessed annually. The County does not currently levy any tax on commercial and manufacturing inventory and manufacturing machinery and equipment.

The following table sets forth the assessed value of all taxable property in the County for each of its five most recent fiscal years and fiscal year 2024 as of December 31, 2023, the County and State tax rates applicable in each of those years, and the tax levy in each of those years. Tax exempt properties are not included in the following table:

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ANNE ARUNDEL COUNTY
ASSESSED VALUES, TAX RATES, AND TAX LEVIES
($000's)
(Unaudited)

	As of December 31, 2023	(As of June 30) 2023	2022	2021	2020	2019
Assessed Value						
Real Property	$ 102,509,565	$ 98,993,735	$ 96,882,618	$ 94,640,003	$ 91,496,994	$ 88,023,098
Personal Property	20,118	26,801	27,887	30,225	35,740	39,573
Railroads and Public Utilities	1,349,782	1,409,233	1,308,485	1,251,058	1,164,769	1,122,468
Business Corporations	1,203,299	1,664,892	1,630,732	1,472,933	1,510,901	1,571,857
Total Base	$ 105,082,764	$ 102,094,661	$ 99,849,722	$ 97,394,219	$ 94,208,404	$ 90,756,996
Total estimated actual value-taxable property	$ 105,082,764	$ 102,094,661	$ 99,849,722	$ 97,394,219	$ 94,208,404	$ 90,756,996
County Tax Rate (per $100 of Assessed Value)	$ 0.980	$ 0.933	$ 0.933	$ 0.934	$ 0.935	$ 0.902
County Tax Rate within the City of Annapolis (per $100 of Assessed Value)	$ 0.586	$ 0.559	$ 0.559	$ 0.560	$ 0.561	$ 0.541
County Tax Rate within the Town of Highland Beach (per $100 of Assessed Value)	$ 0.950	$ 0.903	$ 0.903	$ 0.904	$ 0.905	$ 0.872
Total County Tax Levy (1)	$ 1,035,162	$ 963,989	$ 941,549	$ 916,435	$ 887,869	$ 826,976
State Tax Rate (Per $100 of Assessed Value)	$ 0.112	$ 0.112	$ 0.112	$ 0.112	$ 0.112	$ 0.112
State Tax Levy in the County	$ 114,980	$ 110,892	$ 108,479	$ 105,878	$ 102,300	$ 98,451

(1) Property tax levies before tax credits and adjustments.

Source: *Office of Finance.*

County taxes are payable July 1 for the current year and become delinquent October 1. Penalty/Interest is charged for the non-payment of such taxes at the rate of 12% per annum beginning in October. Section 10-204.3 of the Tax-Property Article of the Annotated Code of Maryland provides a semiannual payment schedule for owner occupied residential property. The first installment under the semiannual schedule is due on July 1 of the tax year and may be paid without interest on or before September 30. The second installment is due on December 1 of the tax year, except for the service charge, and may be paid without interest on or before December 31. It is also provided that if an escrow account is established for the payment of property taxes, it must pay taxes in the semiannual installments unless a written request from the property owner is received requesting annual payments.

The County does not levy taxes in excess of actual requirements to provide a margin against delinquencies. Uncollectible taxes are charged against allowances established therefore, by an annual reduction of revenues.

Charter Property Tax Revenue Limitation

In connection with a voter petition initiative, County voters approved an amendment to the County Charter at the November 1992 general election. The amendment, which became effective in December 1992, added Section 710(d) to the County Charter ("Section 710(d)"). Section 710(d) provides that from and after July 1, 1993, revenues derived from taxes on properties existing on the County property tax rolls at the commencement of the County fiscal year shall not increase, compared with the previous year, more than the Consumer Price Index percentage of change or 4.5 percent, whichever is the lesser (See "THE BONDS – Security for and Sources of Payment of the Bonds" and "INDEBTEDNESS - Charter Property Tax Revenue Limitation").

The County Attorney has advised, among other things, that Section 710(d) applies to revenues from County taxes on both real property and personal property and that only revenues from property on the tax rolls at the close of business on June 30th of a fiscal year are capped for the purposes of determining the maximum amount of capped revenue for the next fiscal year. Revenues from new construction and other property which come onto the tax rolls on or after July 1 are "*new*" and are not subject to the cap, but only for the year that the properties come onto the tax rolls.

Municipal Tax Rate Differential

In establishing the County tax rate applicable to assessed property within the City of Annapolis, the costs of certain services provided by the County are allocated in order to implement provisions of current law, which preclude the owners of property located in Annapolis from being taxed for services already provided by this municipality. Hence, owners of property located outside the City of Annapolis are taxed by the County for all services that the County provides, while owners of property located inside the City of Annapolis are taxed by the County only for those services that the County, and not the City of Annapolis, directly provides. The tax differential for fiscal year 2024 is $0.394 per $100 of assessed value for real property and $0.985 per $100 of assessed value for personal property.

In establishing the County tax rate applicable to assessed property within the Town of Highland Beach, the costs of certain services provided by the County are allocated in order to implement provisions of current law, which preclude the owners of property located in Highland Beach from being taxed for services already provided by this municipality. Hence, owners of property located outside the Town of Highland Beach are taxed by the County for all services that the County provides, while owners of property located inside the Town of Highland Beach are taxed by the County only for those services that the County, and not the Town of Highland Beach, directly provides. The tax differential for fiscal year 2024 is $0.030 per $100 of assessed value for real property and $0.075 per $100 of assessed value for personal property.

Property Tax Collections

The following table sets forth certain information with respect to the County's tax levies and tax collections:

TAX LEVIES AND COLLECTIONS[(1)]

Fiscal Year Ended June 30	Total Tax Levy(1)	Current Year's Taxes Collected in Year of Levy		Total Taxes Collected (Current and Delinquent)		Accumulated Delinquent Taxes	Accumulated Delinquent Taxes as a % of Current Year's Tax Levy
		Amount	%	Amount	%		
2023	$879,415,526	$876,416,575	99.7%	$873,997,927	99.4%	$6,535,791	0.7%
2022	855,128,718	849,455,256	99.3%	856,340,534	100.1%	6,016,870	0.7%
2021	829,252,065	821,315,061	99.0%	827,049,211	99.7%	9,626,855	1.2%
2020	802,387,875	796,488,765	99.3%	797,835,743	99.4%	7,388,125	0.9%
2019	744,040,379	742,102,299	99.7%	739,551,190	99.4%	2,919,496	0.4%

(1) "Total Tax Levy" represents original tax levy, less real property tax credits for civic associations, elderly and disabled taxpayers, and other adjustments.

Source: Office of Finance (Unaudited – Derived From Audited Financial Statements).

The following table indicates the ten largest taxpayers in the County and gives the assessed valuation of their property and taxes billed for the fiscal year 2022-2023:

Name of Taxpayer	Type of Business	Assessed Valuation	County Taxes	Percentage of County Assessable Base
Baltimore Gas & Electric	Utility	$ 1,242,963,493	$ 28,346,436	1.22%
Arundel Mills Limited Ptnshp	Retail	429,208,780	4,019,225	0.42%
Annapolis Mall Ltd Ptnshp	Retail	324,008,400	3,022,998	0.32%
GLP Capital LP	Casino	306,762,972	3,072,285	0.30%
Northrop Grumman Systems Corp	Defense Electronics	243,964,185	1,924,152	0.24%
Raven FS Property Holdings LLC	Real Estate	192,514,833	1,796,163	0.19%
Annapolis Towne Center at Parole LLC	Retail	162,526,300	1,516,370	0.16%
Verizon	Utility	140,650,850	3,108,387	0.14%
WCS Properties Business Trust	Real Estate	135,604,800	1,265,193	0.13%
Comcast of Maryland, LLC	Utility	72,867,570	1,628,336	0.07%
		$ 3,251,072,183	$ 49,699,545	3.19%

Property Tax Credit Programs

Section 9-105 of the Tax-Property Article of the Annotated Code of Maryland (2012 Replacement Volume and 2020 Supplement) provides a tax credit against local real property taxes on certain owner-occupied residential property. For taxable years beginning after June 30, 1991, the tax credit equals the County's tax rate multiplied by the amount by which the current year's assessment on residential property exceeds 110% of the previous year's taxable assessment (or such lesser percentage, but not less than 100%, of the previous year's taxable assessment as shall be established by the County). The County has adopted 102% as the rate to be used in calculating the tax credit.

State law also provides that a tax credit be given based on the ability of homeowners to pay property taxes. This credit is calculated by use of a scale which indicates a maximum tax liability for various income levels. This is supplemented by a County credit which uses a different scale to provide a maximum tax liability based on income.

In fiscal year 2023, the County provided $77,844,670 of tax credits based on assessments and $1,169,497 of tax credits based on income. Through December in fiscal year 2024, the County has provided $87,253,410 of tax credits based on assessment and $1,181,384 of tax credits based on income.

Income Taxes

The State imposes an income tax on the adjusted gross income of individuals as determined for federal income tax purposes, subject to certain adjustments. Pursuant to Chapter 493 of the 1999 Maryland Laws ("Chapter 493"), each county and Baltimore City is authorized to levy a local income tax at the rate of at least 1%, but not more than 3.2% of a taxpayer's taxable income as calculated for State income tax purposes. Chapter 493 also made the personal exemption amounts for calculating both State and local income taxes equal. Under Chapter 493's provisions, the local income tax rate on an Anne Arundel County taxpayer's total taxable income was adjusted to 2.56% for calendar year 2002 and thereafter, which is below the maximum rate of 3.2% authorized under State law. The County Council increased the income tax rate from 2.50% to 2.81% effective January 1, 2020. Effective January 1, 2023, an annual income tax is levied on residents of the County at the following rates: 2.70% of an individual's Maryland taxable income of $1 through $50,000 and 2.81% of an individual's Maryland taxable income in excess of $50,000. Effective January 1, 2024, an annual income tax is levied on residents of the County at the following rates:

(1) For an individual other than an individual described in paragraph (2):
(I) 2.70% of Maryland taxable imcome of $1 through $50,000
(II) 2.81% of Maryland taxable income over $50,000 through $400,000; and
(III) 3.20% of Maryland taxable income over $400,000; and
(2) For spouses filing a joint return or for a surviving spouse or head of household as defined in Section 2 of the Internal Service Revenue Code:
(I) 2.70% of Maryland taxable imcome of $1 through $75,000
(II) 2.81% of Maryland taxable income over $75,000 through $480,000; and
(III) 3.20% of Maryland taxable income over $480,000; and

The County is not permitted to levy a local income tax on corporations.

Local Taxes

In addition to general property taxes and income taxes, the County is authorized to levy and collect other miscellaneous taxes, the largest of which are the recordation and transfer taxes on instruments conveying title to property.

Refund Procedures and Claims

The County is in receipt of various claims for refund of taxes, which are evaluated under administrative procedures mandated by applicable law. The resolution of such claims will not have a material adverse effect on the financial statements of the County.

Watershed Protection and Restoration Fund

The Watershed Protection and Restoration Fund (the "WPRF") was funded in fiscal year 2014 in order to implement a State mandated program of capital projects, operating maintenance, and other required efforts to reduce the County's contribution of harmful pollutants associated with stormwater and poor water quality affecting local rivers and the Chesapeake Bay. The WPRF is a dedicated fund financed through a fee based upon a property's impervious surface and was fully phased in for fiscal year 2016. The County debt policy specifies the debt will not exceed the fees generated to support the program.

The following tables set forth revenues, expenses and changes in fund balances of the WPRF for the County's most recent fiscal years:

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ANNE ARUNDEL COUNTY, MARYLAND
SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WATERSHED PROTECTION AND RESTORATION FUND

Last Five Fiscal Years
(Unaudited – Derived From Audited Financial Statements)

	Year Ended June 30,				
	2023	2022	2021	2020	2019
OPERATING REVENUES					
Watershed protection & restoration	$24,198,415	$23,904,363	$23,619,255	$23,326,588	$22,017,074
Investment Income	830,144	121,472	128,462	804,190	901,769
Other revenues	-	18	225	6,025	878
Total revenues	25,028,559	24,025,853	23,747,942	24,136,803	22,919,721
OPERATING EXPENSES					
Public works	12,433,198	12,847,450	11,112,057	10,830,327	9,554,524
Code enforcement	1,249,270	1,208,881	1,272,884	1,279,562	1,189,018
Debt service					
Interest payments on debt	6,165,607	5,282,220	4,308,586	3,540,701	2,737,400
Principal payments on debt	6,039,319	5,162,752	4,258,485	3,387,418	2,708,785
Interest payments on leases	33	86	-	-	-
Principal payments on leases	6,008	5,995	-	-	-
Total expenditures	25,893,435	24,507,384	20,952,012	19,038,008	16,189,727
Operating income (loss)	(864,876)	(481,531)	2,795,930	5,098,795	6,729,994
OTHER FINANCING SOURCES (USES)					
Transfers in	136,499	36,239	4,006	38,600	64,231
Transfers out	(14,100,000)	(24,319,000)	(27,000,000)	(29,300,000)	(24,500,000)
General obligation bonds issued	14,100,000	24,319,000	27,000,000	29,300,000	24,500,000
Total other financing sources (uses)	136,499	36,239	4,006	38,600	64,231
Change in fund balances	(728,377)	(445,292)	2,799,936	5,137,395	6,794,225
Net position, July 1	46,246,026	46,691,318	43,891,382	38,753,987	31,959,762
Net position, June 30	$45,517,649	$46,246,026	$46,691,318	$43,891,382	$38,753,987

Source: Anne Arundel County, Maryland Annual Comprehensive Financial Reports.

The Controller has prepared the following summary unaudited data for the WPRF for the six months ended December 31, 2023 and December 31, 2022:

WATERSHED PROTECTIONS AND RESTORATION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

(Unaudited)

	For the Six Months Ended December 31,	
	2023	**2022**
Revenues		
Watershed protection & restoration	$ 25,594,181	$ 24,214,544
Miscellaneous	1,006,161	830,670
Total Revenues	26,600,342	25,045,214
Expenses		
Watershed protection & restoration operations	8,618,135	7,655,314
Depreciation	7,863,334	7,333,905
Total Expenses	16,481,469	14,989,219
Net change in fund balance	10,118,873	10,055,995
Fund balance, July 1	45,517,649	46,246,026
Fund balance, December 31	$ 55,636,522	$ 56,302,021

Source: Office of Finance.

Water and Wastewater Funds

For financial reporting purposes, the County consolidates all funds related to water and wastewater activities into a single enterprise fund. However, underlying financial accounting records continue to be maintained on a non-GAAP basis for components for legal compliance purposes. Water and wastewater user charges and assessment charges are recorded as revenues on an accrual basis. Unpaid water and wastewater user charges and assessments are a lien on the real property and are collectible in the same manner as real property taxes at tax sale.

The following tables set forth revenues, expenses and changes in net position of the Water and Wastewater Operating Fund and the Debt Service Fund for the County's most recent fiscal years:

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ANNE ARUNDEL COUNTY, MARYLAND
SUMMARY OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
WATER AND WASTEWATER OPERATING FUND

Last Five Fiscal Years
(Unaudited – Derived From Audited Financial Statements)

	Year Ended June 30,				
	2023	2022	2021	2020	2019
OPERATING REVENUES					
Charges for services	$93,256,278	$88,330,347	$84,967,048	$89,318,940	$84,179,593
Other revenues	11,089,627	10,674,455	8,081,942	6,717,090	6,263,123
Total revenues	104,345,905	99,004,802	93,048,990	96,036,030	90,442,716
OPERATING EXPENSES					
Personal services	44,540,516	34,422,893	39,053,180	33,239,212	36,084,899
Contractual services	34,905,028	48,975,375	36,611,424	39,522,591	34,934,124
Supplies and materials	12,882,871	10,134,495	9,859,746	9,093,116	9,110,487
Business and travel	248,530	179,330	176,426	229,117	203,212
Depreciation	69,266,812	65,502,882	53,851,029	51,676,312	50,591,925
Other	14,874,190	15,423,795	16,302,978	15,500,701	14,907,385
Total operating expenses	176,717,947	174,638,770	155,854,783	149,261,049	145,832,032
Operating income (loss)	(72,372,042)	(75,633,968)	(62,805,793)	(53,225,019)	(55,389,316)
NONOPERATING REVENUES AND EXPENSES					
Investment income	278,364	78,068	74,600	612,484	989,250
Gain (loss) on the disposal of assets	43,332	49,800	(83,597)	(8,524)	(64,546)
Net loss before other revenues	(72,050,346)	(75,506,100)	(62,814,790)	(52,621,059)	(54,464,612)
OTHER					
Capital contributions and grants	12,961,006	24,326,317	24,315,334	13,964,680	12,593,919
Net equity transfers between funds	86,201,228	151,363,068	44,863,840	40,201,424	39,700,427
Change in net position	27,111,888	100,183,285	6,364,384	1,545,045	(2,170,266)
Net position, July 1	1,003,560,943	903,377,658	897,013,274	895,468,229	897,638,495
Net position, June 30	$1,030,672,831	$1,003,560,943	$903,377,658	$897,013,274	$895,468,229

Source: Anne Arundel County, Maryland Annual Comprehensive Financial Reports.

ANNE ARUNDEL COUNTY, MARYLAND
SUMMARY OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
WATER AND WASTEWATER DEBT SERVICE FUND

Last Three Fiscal Years

(Unaudited – Derived From Audited Financial Statements)

	2023	2022	2021
REVENUES			
Interest earned on long-term receivables	$403,508	$439,699	$449,358
Investment income	3,260,155	916,141	3,043,773
Other revenues	11,426,056	12,197,065	10,561,724
Total revenues	15,089,719	13,552,905	14,054,855
EXPENSES			
Interest expense	33,330,274	32,793,028	30,690,192
Other expenses	1,354,532	1,304,285	1,088,385
Total expenses	34,684,806	34,097,313	31,778,577
OTHER			
Capital contributions, fees, and grants	52,076,154	66,390,262	56,408,085
Net equity transfers between funds	(52,375,238)	(49,693,082)	(59,463,302)
Increase (decrease) in net position	(19,894,171)	(3,847,228)	(20,778,939)
Net position, July 1	209,272,035	213,119,263	233,898,202
Net position, June 30	$189,377,864	$209,272,035	$213,119,263

Source: Anne Arundel County, Annual Comprehensive Financial Reports.

The Controller has prepared the following summary of unaudited data for the Water and Wastewater Operating and Debt Service Funds for the six months ended December 31, 2023 and December 31, 2022:

WATER AND WASTEWATER OPERATING FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

(Unaudited)

	For the Six Months Ended December 31, 2023	2022
Revenues		
Water and wastewater service	$ 53,976,071	$ 51,893,874
Miscellaneous	6,803,281	6,596,093
Total Revenues	60,779,352	58,489,967
Expenses		
Water and wastewater operations	50,995,158	49,381,508
Debt service	30,396,206	28,644,117
Total Expenses	81,391,364	78,025,625
Change in net position	(20,612,012)	(19,535,658)
Net position, July 1	1,030,672,831	1,003,560,943
Net position, December 31	$ 1,010,060,819	$ 984,025,285

Source: Office of Finance.

WATER AND WASTEWATER DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND ENCUMBRANCES
(Unaudited)

	For the Six Months Ended December 31, 2023	2022
Revenues		
Capital connection charges	$ 13,938,156	$ 15,557,686
Environmental protection fees	16,666,425	15,035,196
Miscellaneous (primarily interest)	8,794,315	6,978,694
Total revenues	39,398,896	37,571,576
Expenses		
Principal payments on debt	21,985,000	20,590,000
Interest payments on debt	17,330,415	16,758,502
Other	516,448	530,576
Total expenses	39,831,863	37,879,078
Increase in net position	(432,967)	(307,502)
Net position, July 1	189,377,864	210,282,665
Net position, December 31	$ 188,944,897	$ 209,975,163

Source: Office of Finance.

The following schedules list the water and wastewater utility rates in effect:

WATER AND WASTEWATER UTILITY RATE SCHEDULE

Dedicated to Debt Service	**Present Rates**	
Front Foot Benefit Assessments:[1]		
Water	$ 408.00	Minimum per equivalent dwelling unit
Sewer	$ 817.00	Minimum per equivalent dwelling unit
Capital Facility Connection Charges:		
Water	$10,286.00	
Sewer	$10,286.00	
Environmental Protection Fee:	35% Surcharge on Water and Wastewater Usage Bills	
Operating Rates		
Water User Charges:		
Each 1,000 gallons………………………	$ 3.21	
Sewer User Charges:[2]		
Each 1,000 gallons..	$ 5.67	
Account Maintenance Charge	$6.00/qtr. metered service $3.00/qtr. unmetered service	

(1) This is a minimum charge. Actual charges may be higher.
(2) Based on water consumption.

Source: Department of Public Works.

In addition to the dedicated fees and charges for debt service as indicated above, the 1978 Maryland General Assembly passed enabling legislation authorizing the dedication of up to 50% of the transfer tax revenue for debt service of the Water and Wastewater Enterprise Fund. Subsequently, the County Council passed legislation authorizing the use of 30% of the tax for this purpose. The expansion of the financial base is to provide non-user funds to cover the indirect benefits of the County's capital investment in environmental control facilities. No revenues are currently transferred from the General Fund and County management does not contemplate a transfer in the foreseeable future.

Solid Waste Fund

The County operated one landfill in 2023. The landfill has closed cells and an active cell that opened in 2017, which was 21.0% full as of June 30, 2023. The active cell has an estimated life until at least 2049. Two other landfills stopped accepting trash in 1983 and 1993. The County estimated the cost to close these landfills under Federal and State regulations at approximately $82,706,161 at the end of fiscal year 2023. The County estimates that future post closure care for these facilities for 30 years will cost approximately $30,215,399. In addition, the County has reserved cash of approximately $20,642,000 to help pay for the closure and post-closure costs related to the active landfill cells.

The County has estimated an unrecognized liability of approximately $34,968,000 as of June 30, 2023 for the closed or partially filled areas of the three landfills. This estimate represents the County's best judgment of the minimum cost required to correct identified problems, close and remediate open cells, and provide for post-closure care of these sites. Estimates are as of June 30, 2023 and are based on current regulations and costs to perform the closure or remediation in the current year and are subject to periodic evaluation. Actual costs may be different due to inflation or deflation, changes in technology or changes in regulations.

The following table sets forth revenues, expenses and changes in net position of the Solid Waste Fund for the County's five most recent fiscal years:

ANNE ARUNDEL COUNTY, MARYLAND
SUMMARY OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
SOLID WASTE FUND

Last Five Fiscal Years
(Unaudited – Derived From Audited Financial Statements)

	2023	2022	2021	2020	2019
Revenues					
Charges for Services	$58,043,276	$57,447,015	$49,879,841	$49,236,095	$48,705,056
Landfill Charges	9,952,588	9,818,779	7,591,182	5,900,569	5,879,405
Other Revenues	258,648	815,387	393,894	252,742	256,424
Total Revenues	68,254,512	68,081,181	57,864,917	55,389,406	54,840,885
Expenses					
Solid Waste Operations	55,710,436	46,408,282	48,599,455	46,229,442	44,796,644
Landfill Closure and Postclosure	(1,913,954)	(15,353,740)	471,084	(2,063,225)	1,586,872
Depreciation	3,596,747	4,594,611	5,633,637	6,697,726	5,354,340
Interest	1,316,059	2,056,051	1,976,954	1,927,808	1,840,558
Other Expenses	6,529,233	7,168,123	4,404,117	2,223,634	1,609,883
Total Expenses	65,238,521	44,873,327	61,085,247	55,015,385	55,188,297
Change in net position	3,015,991	23,207,854	(3,220,330)	374,021	(347,412)
Net position, July 1	43,006,871	19,799,017	23,019,347	22,645,326	22,992,738
Net position, June 30	$46,022,862	$43,006,871	$19,799,017	$23,019,347	$22,645,326

Source: Office of Finance.

The changes in net position in the Solid Waste Fund have fluctuated over the past few years. In fiscal year 2023, the net position increased $3.0 million primarily as the result of a decrease in landfill closure and post closure care costs.

The Controller has prepared the following summary of unaudited data for the Solid Waste Fund for the six months ended December 31, 2023 and December 31, 2022:

SOLID WASTE OPERATING FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

(Unaudited)

	For the Six Months Ended December 31,	
	2023	**2022**
Revenues		
Service Fees	$ 32,434,641	$ 28,850,121
Landfill Charges	4,247,994	4,501,275
Investment Income	168,062	153,373
Miscellaneous	104,566	159,898
Total Revenues	36,955,263	33,664,667
Expenses		
Operating Expenses	27,705,882	21,447,833
Depreciation Expense	1,065,327	1,089,386
Interest Expense	1,004,520	510,083
Other	3,123,660	6,087,560
Landfill closing costs	848,193	1,087,025
Total Expenses	33,747,582	30,221,887
Increase in net position	3,207,681	3,442,780
Net position, July 1	42,105,913	40,312,162
Net position, December 31	$ 45,313,594	$ 43,754,942

Source: Office of Finance.

The following schedule lists the solid waste rates currently in effect:

Solid Waste Landfill and Collection Rate Schedule

Landfill Charges	Current Charge
Solid waste delivered by a commercial business	$85 per ton
Solid waste delivered in a dump truck, flatbed truck, stake body truck, box truck, rental truck/trailer, or double axle trailer	$85 per ton
For large, unusually difficult to handle items or bulky compact items, such as house trailers, boats in excess of 20 feet in length, stumps, and concrete	$200 per ton
On-the-road vehicle tires from a vehicle other than a vehicle owned by the person delivering the tires	125% of the cost to the County to dispose of the tires ($216.30/ton), plus $7.00 for each tire mixed with other solid waste
On-the-road vehicle tires from a vehicle owned by the person delivering the tires	No charge for four or fewer tires, but for each tire in excess of four tires $7.00
Residential solid waste not covered by a listing above	No charge
Solid Waste Service Charge	
Annual service charge assessed to each person whose property is supplied with County curbside collection service	$380
Commercial Recycling Charge	
Annual service charge to each person that participates in the voluntary curbside collection program	$49 administrative fee $74 collection fee (per container)

Source: Anne Arundel County Code, Article 13, Section 13-4-105, 106, and 107.

Pension Plans

County employees participate in four single-employer defined benefit pension plans administered by the County in separate trust funds and in two multi-employer pension plans administered by the State.

The following presents information regarding the four County-administered plans based on the actuarial valuation dated January 1, 2023 and contribution and valuation data as of the fiscal year ending June 30, 2023:

Net Pension Liability &
Valuation Data by Plan
(Unaudited – Derived From Audited Financial Statements)

	Employees' Plan	Police Service Plan	Fire Service Plan	Detention Officers' and Deputy Sheriffs' Plan
Total pension liability	$1,122,510,497	$949,292,672	$867,959,209	$256,150,110
Plan fiduciary net position	701,144,795	618,001,320	617,263,588	171,320,025
Plan net pension liability (NPL)	$421,365,702	$331,291,352	$250,695,621	$84,830,085
Plan fiduciary net position as a percentage of the total NPL	62.46%	65.10%	71.12%	66.88%
Annual contribution for the year ended June 30, 2022	$43,735,893	$37,485,440	$32,937,489	$16,117,663
Market value of net assets available for benefits as of June 30, 2022	$738,470,403	$658,729,460	$658,148,899	$182,339,924

Note: In fiscal year 2023, the County contributed $93,571 to the State Retirement and Pension Systems ("State plans") for government employees in the State plans and to amortize the unfunded past service liability over 35 years beginning June 30, 1988.

For more detailed information, see "NOTES TO BASIC FINANCIAL STATEMENTS — Pension Plans," in Appendix A.

In December 1996, the County enacted legislation creating the Anne Arundel County Retirement and Pension System (the "System"), effective February 1, 1997. At that date, all net assets of pension trust funds were transferred to the System. The System is a legally separate entity and is managed by a Pension Board of Trustees.

Effective with the January 1, 2011 actuarial valuation, the actuarial value of assets is calculated by spreading the market value investment gains or losses in excess of the assumed rate of return over a five-year period. Previously, the actuarial value of assets was calculated by spreading the gains and losses over the actuarial returns, not the actual market value returns. This change results in a quicker recognition of losses and an increase in the County's contribution. While there is no long term impact on the County's contribution there will be short term increases.

Effective with the January 1, 2023 actuarial valuation, the inflation assumption remained the same at 3.0%, the investment assumption is 7.00%, and the amortization period for gains and losses is 20 years.

The System issues a separate financial report for the County Administered plans. A copy of this report can be obtained from the County's website at the following address: https://www.aacounty.org/retirement-and-pension-system-board-of-trustees/pension-trust-fund-reports. Some County employees participate in two multi-employer cost sharing pension plans administered by the State of Maryland. The County plans were established under authority created by County Charter and legislation, while the State plans were created by State legislation. The County's actuarial valuation measurement as of January 1, 2023 was utilized to determine the County's Contribution for the fiscal year ending June 30, 2024.

Funds held under pension plans administered by the System are invested by professional money managers (including insurance companies). Pension funds are invested in a variety of investments, including U.S. Government agencies and instrumentalities, corporate bonds, common stocks and other investments. An immaterial amount of index futures are held in the portfolios managed by the insurance companies. For more detailed information, see "NOTES TO BASIC FINANCIAL STATEMENTS - Cash and Investments" in Appendix A.

Other Post-Employment Benefits

The primary government provides a group health plan for employees and retirees under the authority of § 6-1-308 of the County Code. This health plan may be extended to other component units under § 6-1-309 of the County

Code. The Community College (the “College”) and the Public Library (the “Library”) provide retiree health insurance through participation in the County’s health plans. Anne Arundel Economic Development, a component unit of the County, is a participant in the County plan. The County collects premiums from these entities to offset the related costs. The County Code requires the County to pay 80.0% of the health coverage cost for current County retirees and terminated vested employees that retired before July 1, 2014. Employees not eligible for normal or early retirement by January 1, 2017 will receive a subsidy based on years of service. The Library currently pays 80.0% for Library retirees. The primary government plan provides the same health plans to active employees and pre-age sixty-five retirees. The County offers a Medicare Advantage Plan to post age sixty-five retirees. The County offers the same prescription benefit for active employees and pre-age sixty-five retirees. Post age sixty-five retirees are eligible to participate in an Employer Group Waiver Plan (EGWP) plus WRAP for prescription benefits. County and Library retirees have the option of retaining dental and vision coverage, but must pay the full premium for these benefits.

The Anne Arundel County Public Schools system offers a separate single employer defined OPEB plan, which is disclosed in its separately issued financial statements. Anne Arundel County Public Schools (AACPS) employees eligible to retire and receive Maryland State Retirement Agency (MSRA) benefits may be eligible for retiree healthcare benefits based on date of hire and service criteria. This is not part of the County plan. Employees hired prior to September 15, 2002 receive Board funding of 75.0% for Medical/Rx and dental benefits. For employees hired after September 15, 2002, ten years of AACPS service is required to be eligible for retiree health benefits. The Board funds a portion of the medical premium ranging from 25.0% with ten years of service to 75.0% with twenty or more years of service. No Board funding is provided for dental benefits. No Board funding is provided for vision coverage regardless of service date. Active employees and retirees have the same medical, dental, and vision plans while retirees over sixty-five have three Medicare Supplemental Plans available. The retiree and active prescription plan co-payments differ. The retiree plan is evaluated separately based on claims experience; however, a blended percentage increase has been applied to the retiree rates.

The College provides medical, dental, and vision benefits to eligible retirees who are enrolled in medical coverage at the time of retirement. The benefit levels, employee contributions, and employer contributions are governed by and may be amended by the College Board of Trustees. Retirees are eligible for these benefits if they have a minimum of ten years of service and meet the eligibility requirement of their retirement plan, (Maryland State Retirement System or Optional plan). The College contributes to the cost of retirees’ benefits at a rate of 2.5% for each year of service, and employees must have at least ten years of service to qualify. The maximum paid by the College is 75.0%. Retirees have no vested rights to these benefits.

An amendment to the Charter of Anne Arundel County was passed by the citizens of the County in November 2012. This amendment requires the County to establish a fund for the purpose of reserving funds to pay for health insurance benefits provided to retired County employees and their spouses, dependents and survivors. It also allows the County to establish an irrevocable trust fund for the purpose of paying for health insurance benefits provided to this group.

The County established an irrevocable Health Benefits Trust fund effective in fiscal year 2016 on July 1, 2015. The Retiree Health Benefits Trust or OPEB Trust’s net position as of June 30, 2023 is $487,789,968. This includes $458,064,960 for the County’s plan, $23,551,121 for the Community College and $6,173,887 for the Library.

The County utilized the actuarial services of Bolton Partners and Aon Consulting to formulate its findings. According to this report, the combined actuarial estimates of the County’s and its component units’ total actuarial accrued liability as of July 1, 2022 is $1,089,518,000. The actuarial results noted herein for the County plan, College plan and Library plan are based on an investment rate of return of 6.30%, 6.30% and 6.30%, respectively. The County utilizes NEPC, LLC to provide investment advisor services for the Trust.

A copy of the Anne Arundel Retiree Health Benefits Trust (“OPEB Trust”) financial statements may be obtained by contacting Anne Arundel County Office of Personnel, 2660 Riva Road, Annapolis, MD 21401.

Recent Developments

Recent developments concerning the County include:

- On June 14, 2023, the County Council passed the County Executive's $2.1 billion General Fund operating budget and $715.2 million capital budget for the fiscal year ending June 30, 2024. The fiscal year 2024 budget includes two changes in the local income tax rates using the Progressive Local Income Tax structure. First, the County implements new tax brackets for joint filers, which will lower the income tax rate on the first $75,000 of taxable income from 2.81% to 2.70%. Second, for taxable income above $400,000 for individual filers and $480,000 for joint filers, the tax rate will increase to 3.2%. The County Real Property Tax Rate for fiscal year 2024 is $0.980 per $100 of assessed valuation. This is 5% higher than the previous year's property tax rate.

- The budget included, among other items, (i) funding the Board of Education at maintenance of effort at $881.5 million, which is $46.7 million above the state-required level of funding, and (ii) MERIT increase and Cost of Living Adjustment ("COLA") for County employees.

- Due largely to the federal fiscal recovery funding bills that buoyed the national economy, and the County's strong employment base, the County's local income tax revenue exceeded the FY2023 original budget estimates by $75.0 million. There were lower than anticipated recordation and tax revenue, which came in $12.7 million lower than budgeted due to the high mortgage interest rate environment and low housing inventory in the real estate market in the past year; however, the County still has a healthy fund balance of more than $100.0 million because of the higher than expected local income tax revenue discussed above combined with cost savings across County government.

- The FY2024 budget made several investments to secure long-term fiscal stability: (i) The approved budget includes increasing the Revenue Reserve Fund limit to 8% of general fund operating revenues and a $24.6 million contribution, also known as the Rainy Day Fund; (ii) The budget also fully funded the annual contribution to our Other Post-Employment Benefits fund, known as OPEB, and (iii) The budget fully funds our annual pension contribution.

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SECTION FOUR: INDEBTEDNESS

General

Under applicable law, general obligation indebtedness of the County may not exceed 5.2% of the assessable basis of real property and 13% of the assessable basis of personal property and certain operating real property in the County. Under applicable law, bonds issued by the County for water or wastewater facilities may not exceed 5.6% of the assessable basis of real property in the Sanitary District of the County and 14% of the assessable basis of personal property and certain operating real property in the Sanitary District. The information hereinafter presented does not include the debt and debt service attributable to those portions of the County's various outstanding bond issues that have been refunded.

No Short-Term Operating Debt

The County intends to manage operations such that no short-term debt will be needed in the future. The County is a party to a revolving credit agreement for a line of credit in a maximum aggregate principal amount outstanding at any one time not to exceed $90,000,000. Pursuant to the terms of the agreement, the County can issue bond anticipation notes to finance capital construction projects. The current line of credit agreement has been amended to extend the term of the agreement to December 14, 2024. The County has not requested any advances under the line of credit agreement.

Tax Supported Debt

The following table sets forth the County's direct net tax supported debt as of June 30, 2023, not including the Bonds offered hereby:

General Obligation Bonds		
General Improvements	$1,355,190,807 (1)	
Water and Sewer	770,205,952 (2)	
Watershed Protection and Restoration	145,926,234	
Solid Waste	42,992,958 (1)	
Total General Obligation Bonds		2,314,315,951
Tax Increment Financing Bonds		56,780,000
Installment Purchase Agreements		13,425,000
Loans from the State of Maryland and Federal		
General Improvements		1,681,761
Total Direct Debt		2,386,202,712
Less: Dedicated Revenue Source		
Watershed Protection and Restoration	145,926,234 (3)	
Less: Self Supporting Debt		
Water and Sewer Bonds	770,205,952	
Solid Waste Bonds	42,992,958 (4)	
Total Self-Supporting Debt		959,125,144
Net Tax Supported Debt		$1,427,077,568

(1) Long-Term Serial Bonds, Consolidated General Improvements; applicable against the 5.2% of taxable County assessable real property base limit and 13% of personal/operating real property.
(2) Long-Term Serial Bonds, Consolidated Water and Waste Water; applicable against the 5.6% of the total taxable Sanitary District assessable real property base and 14% of personal/operating real property.
(3) Customarily issued as part of Consolidated General Improvements Series; bonds for this purpose are supported by dedication of, if applicable, other revenues deposited to Watershed Protection and Restoration Fund.
(4) Historically issued as part of Consolidated General Improvements Series; bonds for this purpose are supported by project rates or charges prescribed in bond authorization ordinances.
Source: Office of Finance (unaudited).

Charter Property Tax Revenue Limitation

Section 19-103 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2020 Supplement) provides, in effect, that Section 710(d) of the County Charter shall not impair or be construed to impair the obligation of the County to levy and collect taxes to provide for the payment when due of principal and interest on bonds of the County, or bonds guaranteed by the County, to which the County has pledged its unlimited taxing power, and which were outstanding on December 3, 1992, the effective date of such Charter provision.

Pursuant to the authority of Section 19-207(c)(2) of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2020 Supplement), if County bonds to be refunded are secured as unconditional general obligations with a pledge of the full faith and credit and unlimited taxing power of the County, the County may secure an issue of refunding bonds as unconditional general obligations with a pledge of the full faith and credit and unlimited taxing power of the County in the same manner and with the same force and effect as the original pledge.

Bonds Authorized and Unissued

The following schedule reflects the bonds authorized and unissued under the Authorizing Ordinance that establishes the authority to finance the capital projects in the fiscal year 2023-2024 budget and repeals and re-enacts by consolidation the unissued authority of previous bond authorizing ordinances:

SCHEDULE OF BONDS AUTHORIZED AND UNISSUED

Class of Projects	Authorized
General County	$64,706,538
Education	90,235,078
Education PPI	44,400,000
Police and Fire	49,075,770
Police and Fire PPI	48,600,000
Roads and Bridges	84,972,585
Roads and Bridges Impact Fees	683
Roads and Bridges PPI	43,371,000
Community College	2,934,739
County Libraries	3,495,164
Recreation and Parks	115,649,722
Waterway Improvements	5,736,234
Consolidated Solid Waste	33,451,761
Consolidated Watershed Protection & Restor.	129,272,882
Consolidated General Improvements	715,902,156
Consolidated Water and Wastewater	462,284,264
Total	$1,178,186,420

Source: Office of Finance.

Overlapping Debt

The City of Annapolis is the only incorporated municipality in the County. As of June 30, 2023, the City of Annapolis had $68,112,205 in long-term, general obligation debt. The County is not obligated to pay such debt or the interest thereon and neither the full faith and credit nor the taxing power of the County is pledged to the payment of the principal of or interest on such indebtedness.

Maryland Water Infrastructure Debt

The Maryland Water Quality Revolving Loan Fund is administered by the Maryland Water Infrastructure Financing Administration. As of June 30, 2023, the County had $35,980,952 of outstanding debt under this program, which is not included in the County's net tax-supported debt position. The County's obligation to repay this amount is evidenced by County bonds, which are payable over a 20-year period at below-market interest rates. The source of repayment for these County obligations is the same as that for the County's Water and Sewer Bonds.

Special Tax District Financing

The County currently has four separate special taxing districts that were created by legislation authorizing the issuance of special obligation bonds for the purpose of financing projects in support of these districts. In each case, the bonding authority is for special obligation bonds payable solely from the proceeds of a special tax levied on taxable parcels within such special taxing district. Such special obligation bonds are not backed by the County's full faith and credit. The amounts issued and outstanding as of January 31, 2024 are as follows:

	Original Issue	Outstanding as of January 31, 2024
Farmington	$2,875,000	$890,000
Dorchester	13,885,000	9,040,000
Two Rivers	30,000,000	28,880,000
Arundel Gateway	22,500,000	22,130,000
	$69,260,000	$60,940,000

Tax Increment Financing

The County has passed legislation creating seven separate tax increment districts. Four of the seven districts are supported by special taxing districts created within, or coincident with, such tax increment districts and, for the purpose of financing projects in support of each of these districts, the County has authorized the issuance of special obligation bonds for each special taxing district. The County has also authorized the issuance of special obligation bonds for two of the tax increment districts. In each case, the bonding authority is for special obligation bonds secured by taxes levied on the tax increment districts and, with respect to the special taxing districts, also by special taxes levied on taxable property within the district. Such special obligation bonds may also be backed by the County's full faith and credit. As of January 31, 2024, approximately $52,180,000 in aggregate principal amount of such tax increment and special taxing bonds are outstanding and are guaranteed by the full faith and credit of the County.

Special Community Benefit District Debt

As of June 30, 2023, debt attributable to shore erosion control districts in the County totaled $1,681,761, debt attributable to waterways improvements districts in the County totaled $73,697 and debt attributable to erosion control districts totaled $1,608,064. Ad valorem taxes or special benefit charges are levied on properties within the respective districts to provide for the payment of debt attributable to such districts. These items are included in the County's net tax supported debt position.

Revenue Authority

There is one active revenue authority within the County, which is presented as a component unit in the County's financial statements. This authority was created in February 1998 to acquire, construct, improve, equip, furnish, maintain and operate Tipton Airport. The United States Army, as part of the Fort Meade operation, had previously operated this airport. During fiscal year 2002, title to the land and improvements transferred to Anne Arundel County. The County provides some support to this authority for operating costs and capital improvements. A second authority was created to construct and manage recreational facilities within the County. This recreational authority is currently inactive.

Public School Financing

State Assumption of Public School Capital Construction Costs

Legislation enacted by the Maryland General Assembly in 1971 provides for the assumption by the State, under certain conditions, of the costs of public school construction projects and public school capital improvements on a State-wide basis. This law provides that the State of Maryland will pay the costs in excess of available Federal funds of all public school construction projects and public school capital improvements in the counties and Baltimore City, which have been approved by the Board of Public Works and empowers the Board of Public Works to define by regulation what shall constitute an approved construction or capital improvement cost. On December 30, 1987, the Board of Public Works adopted revised "Rules, Regulations and Procedures for the Administration of the School Construction Program" (the "Revised Rules").

Under these rules, the Board shall establish a maximum State construction allocation which is the maximum State participation for each project when it is being considered for inclusion in an annual capital improvement program for construction funding as follows:

(a) The maximum State construction allocation shall be based on the product of the latest adjusted average statewide per square foot cost of construction for schools in the State and the approved area allowances for the project as limited by the Public School Construction Program capacity and space formula and these rules and regulations.

(b) The average per square foot cost of school construction based on the best cost experience of schools constructed in the prior year(s) shall be published at least annually. The per square foot construction cost shall include site work, and the per square foot building cost shall exclude site work.

(c) The maximum State construction allocation shall also include adjustments for inflation to time of bid, regional cost differences, and a percentage for contingency as determined by the Committee.

(d) The maximum State construction allocation shall be adjusted to reflect the State and local sharing of this expenditure for all projects approved for local planning on or after February 11, 1987. The State share, which represents the maximum State construction allocation for the eligible portion of a construction contract is computed by applying a factor of 50% for the County to the factors cited in sections (a), (b) and (c) above.

Economic Development Revenue Bonds

The County has encouraged industry to locate and remain in the County by, among other things, the issuance of industrial development revenue bonds and pollution control revenue bonds pursuant to the Maryland Economic Development Revenue Bond Act and earlier statutory authority and the Maryland Industrial Development Financing Authority Act. Economic development revenue bonds do not constitute indebtedness nor a charge against the general credit or taxing powers of the County. For more detailed information, see "NOTES TO THE BASIC FINANCIAL STATEMENTS - Conduit Debt" in Appendix A.

Statement of Legal Debt Margin

The following statement presents the County's Legal Debt Margins as of June 30, 2023:

STATEMENT OF LEGAL DEBT MARGINS
As of June 30, 2023

	General Bonded Debt		*Water & Wastewater Utility Bonded Debt*	
Assessed value of real property	$98,993,734,901		$91,287,974,410	
Bonded debt limit to assessed value	5.2%		5.6%	
Bonded debt limit of real property		5,147,674,215		5,112,126,567
Assessed value of personal/operating real property	3,100,926,060		2,916,089,860	
Bonded debt limit to assessed value	13%		14%	
Bonded debt limit of personal property		403,120,388		408,252,580
Legal limitation for the borrowing of funds and issuance of bonds		5,550,794,603		5,520,379,147
Bonded debt applicable to debt limit (1)		1,355,190,807		770,205,952
Bonded debt for Watershed Restoration and Protection projects (2)		145,926,234		-
Installment Purchase Agreements (1)		13,425,000		-
Tax Increment Bonds (1)		56,780,000		-
Bonded debt for Solid Waste projects (2)		42,992,958		
Legal debt margin		$3,936,479,604		$4,750,173,195

(1) See Note 8 of the Basic Financial Statements for explanations of the bonded debt limits.
(2) This presentation of debt for solid waste projects, and watershed protection and restoration projects is considered self-supporting.

Source: Office of Finance (Unaudited – Derived From Audited Financial Statements).

Certain Debt Ratios

The following table sets forth the County's ratio of net tax supported debt per capita, ratio of net debt to the County estimated market value, and ratio of tax supported debt per capita to per capita income:

Year Ended June 30,	Tax supported Debt (1)	Estimated Population (3)	Estimated Market Value (2)	Per Capita Personal Income	Tax Supported Debt Per capita	Tax Supported Debt to Estimated Market Value	Tax Supported Debt Per Capita as a Percent of Per Capita Income
2023	$1,848,438,000	593,286	$102,094,661,000	$78,839	$3,116	1.81%	3.95%
2022	1,807,491,000	592,052	99,849,722,000	76,338	3,053	1.81%	4.00%
2021	1,744,472,000	589,054	97,394,219,000	76,059	2,961	1.79%	3.89%
2020	1,652,015,000	582,777	94,208,404,000	72,003	2,835	1.75%	3.94%
2019	1,526,102,000	579,234	90,756,996,000	68,225	2,635	1.68%	3.86%

(1) Includes fee supported Watershed Protection and Restoration Bonds in the amount of approximately $118.5 million and does not include the Bonds offered hereby.
(2) These figures represent the market value of all taxable property. (See "FINANCES - Property Taxes, Assessments and Collections.")
(3) Population totals are estimates of the County Office of Planning and Zoning.

Source: Office of Finance (Unaudited – Derived From Audited Financial Statements).

The following table sets forth the County's debt service expenditures for tax-supported debt as a percentage of General Fund Revenues, Expenditures and Encumbrances:

RATIO OF GAAP ANNUAL DEBT SERVICE FOR TAX-SUPPORTED DEBT TO TOTAL GENERAL FUND REVENUES AND EXPENDITURES (BUDGET BASIS)

Last Five Fiscal Years
(Unaudited – Derived From Audited Financial Statements)

Fiscal Year Ended June 30,	Debt Service*	Total General Fund Expenditures	Debt Service as a Percentage of Total Expenditures	Total General Fund Revenues	Debt Service as a Percentage of Total Revenues
2023	$226,259,248	$2,124,712,626	10.65	$2,007,787,515	11.27
2022	230,122,105	1,860,391,151	12.37	1,988,492,345	11.57
2021	166,106,725	1,705,924,861	9.74	1,836,393,081	9.05
2020	160,963,816	1,668,065,286	9.65	1,683,372,575	9.56
2019	156,917,587	1,573,818,172	9.97	1,564,634,592	10.03

*This includes all tax supported debt service recorded in all governmental funds including the General Fund, Tax Increment Districts, Installment Purchase Agreements, loans to special taxing districts, and capital leases.

Source: Office of Finance.

Enterprise Funds Debt

The following table sets forth the County's Enterprise Funds bonded debt:

ENTERPRISE FUNDS BONDED DEBT
Last Five Fiscal Years
(Unaudited – Derived From Audited Financial Statements)

Fiscal Year Ended June 30,	Water and Wastewater Bonded Debt	Solid Waste Bonded Debt	Total Enterprise Funds Debt
2023	$770,205,952	$42,992,958	$813,198,910
2022	746,462,713	43,452,604	789,915,317
2021	727,847,477	47,362,073	775,209,550
2020	706,161,571	44,471,807	750,633,378
2019	666,202,996	38,973,022	705,176,018

Source: Office of Finance.

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Schedule of Debt Service Requirements for Long-Term Obligations

The following table sets forth the principal and interest payments schedule for the County's direct and contingent long-term obligations, including General Public School Construction Loans as of the date of issuance of the Bonds:

Fiscal Year Ending June 30,	*General County Bonds (a,b)* *Consolidated General Improvement* *General Government* Principal	Interest	*Solid Waste* Principal	Interest	*WPRF* Principal	Interest	*2024 General Obligation* Principal	Interest
2024	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2025	87,689,783	57,120,485	3,331,120	1,826,262	6,359,097	6,138,472	5,470,000	7,575,342
2026	80,243,050	52,736,384	3,237,853	1,659,693	6,359,097	5,820,518	5,475,000	7,637,025
2027	77,016,091	48,739,421	3,114,812	1,497,836	6,359,097	5,502,563	5,475,000	7,363,275
2028	73,661,483	45,061,064	3,059,420	1,345,303	6,359,097	5,191,578	5,475,000	7,089,525
2029	70,129,681	41,610,424	3,046,222	1,198,261	6,359,097	4,879,722	5,475,000	6,815,775
2030	65,994,888	38,324,691	2,956,015	1,052,630	6,359,097	4,567,430	5,475,000	6,542,025
2031	59,701,154	35,024,870	2,549,749	904,906	6,359,097	4,249,475	5,475,000	6,268,275
2032	54,877,348	32,085,006	2,238,555	779,614	6,359,097	3,935,005	5,475,000	5,994,525
2033	51,273,108	29,386,278	2,167,795	669,812	6,359,097	3,620,536	5,475,000	5,720,775
2034	47,340,453	26,898,453	2,165,450	565,576	6,359,097	3,310,421	5,475,000	5,447,025
2035	42,837,781	24,638,315	1,946,623	463,373	5,995,596	3,004,662	5,475,000	5,173,275
2036	37,052,137	22,588,678	1,455,955	371,950	4,616,908	2,717,948	5,475,000	4,899,525
2037	37,047,138	20,909,279	1,455,954	310,104	4,616,908	2,513,567	5,475,000	4,625,775
2038	37,141,942	19,277,717	1,361,150	253,705	4,616,908	2,318,228	5,475,000	4,352,025
2039	37,297,823	17,639,888	1,205,269	203,573	4,616,908	2,122,889	5,475,000	4,078,275
2040	37,471,882	16,012,502	1,026,210	161,815	4,616,908	1,931,933	5,475,000	3,804,525
2041	37,856,433	14,393,689	641,660	130,301	4,616,907	1,745,360	5,475,000	3,530,775
2042	38,117,019	12,765,248	376,075	108,539	4,616,906	1,558,787	5,475,000	3,257,025
2043	38,117,020	11,132,949	376,075	90,761	4,616,905	1,372,214	5,475,000	2,983,275
2044	38,184,877	9,498,954	308,218	74,680	4,616,905	1,185,641	5,475,000	2,709,525
2045	38,184,877	7,863,262	308,218	60,295	4,616,905	999,068	5,475,000	2,435,775
2046	38,179,880	6,227,695	308,218	45,910	4,616,902	812,496	5,475,000	2,162,025
2047	35,515,947	4,658,851	308,222	31,525	4,175,831	636,950	5,475,000	1,888,275
2048	32,025,415	3,243,869	188,754	20,126	4,175,831	472,430	5,475,000	1,614,525
2049	26,001,773	2,086,488	120,986	13,678	3,742,241	320,809	5,475,000	1,340,775
2050	19,496,132	1,262,085	105,270	9,587	3,063,598	199,053	5,475,000	1,067,025
2051	12,961,476	698,343	95,992	6,029	2,192,532	107,328	5,475,000	793,275
2052	7,687,754	311,727	53,980	3,239	1,288,266	42,233	5,470,000	547,000
2053	3,949,310	78,986	53,990	1,080	411,700	8,234	5,470,000	328,200
2054	-	-	-	-	-	-	5,470,000	109,400
	$ 1,263,053,655	**$ 602,275,601**	**$ 39,563,810**	**$ 13,860,164**	**$ 139,422,535**	**$ 71,285,551**	**$ 164,230,000**	**$ 118,153,842**

Notes: (a) *Bonded debt subject to 5.2% of taxable County assessable real property base limit and 13% of personal/operating real property.*
(b) *All debt service costs are as of April 30, 2024.*

Fiscal Year Ending June 30,	Refunding 2024 General Obligation		Debt Service General Obligation 2024 Refunded Issues		Tax Increment		Installment Purchase Agreements and Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,000	$ 358,573
2025	4,595,000	2,198,177	(5,075,000)	(2,061,719)	4,965,000	1,758,644	222,260	716,030
2026	4,475,000	2,064,000	(5,075,000)	(1,807,969)	5,310,000	1,543,219	222,260	714,915
2027	4,450,000	1,840,250	(5,075,000)	(1,554,219)	5,620,000	1,349,519	215,695	713,799
2028	4,515,000	1,617,750	(5,075,000)	(1,401,969)	5,955,000	1,143,819	9,075,695	712,684
2029	4,580,000	1,392,000	(5,075,000)	(1,237,031)	4,930,000	945,969	200,695	223,954
2030	4,635,000	1,163,000	(5,075,000)	(1,065,750)	2,455,000	797,969	1,687,132	223,663
2031	4,615,000	931,250	(5,075,000)	(812,000)	2,390,000	705,994	93,662	133,663
2032	4,640,000	700,500	(5,075,000)	(609,000)	2,505,000	632,569	87,843	133,663
2033	4,670,000	468,500	(5,075,000)	(406,000)	2,640,000	553,744	34,159	133,663
2034	4,700,000	235,000	(5,075,000)	(203,000)	2,765,000	467,563	20,680	133,663
2035	-	-	-	-	2,910,000	375,344	20,669	133,663
2036	-	-	-	-	3,050,000	278,494	14,550	133,663
2037	-	-	-	-	3,210,000	174,763	1,458,550	133,663
2038	-	-	-	-	825,000	106,672	14,550	67,659
2039	-	-	-	-	855,000	77,788	14,550	67,659
2040	-	-	-	-	885,000	47,338	14,550	67,659
2041	-	-	-	-	910,000	15,925	1,487,000	67,659
2042	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-
	$ 45,875,000	**$ 12,610,427**	**$ (50,750,000)**	**$ (11,158,656)**	**$ 52,180,000**	**$ 10,975,328**	**$ 14,904,500**	**$ 4,869,888**

Fiscal Year Ending June 30,	Consolidated Water and Sewer					
	Water and Sewer Bonds (b)		2024 Water and Sewer		Refunding 2024 Water and Sewer	
	Principal	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*
2024	$ -	$ -	$ -	$ -	$ -	$ -
2025	39,307,734	32,600,109	2,565,000	3,543,233	2,325,000	2,249,927
2026	38,858,433	30,725,035	2,565,000	3,571,825	2,210,000	2,231,500
2027	38,505,452	28,930,793	2,565,000	3,443,575	2,215,000	2,121,000
2028	37,921,340	27,214,708	2,565,000	3,315,325	2,245,000	2,010,250
2029	36,791,588	25,592,150	2,560,000	3,187,200	2,270,000	1,898,000
2030	36,806,910	23,978,653	2,560,000	3,059,200	2,295,000	1,784,500
2031	36,798,655	22,364,012	2,560,000	2,931,200	2,310,000	1,669,750
2032	35,751,230	20,763,972	2,560,000	2,803,200	2,325,000	1,554,250
2033	32,466,116	19,184,647	2,560,000	2,675,200	2,335,000	1,438,000
2034	31,573,445	17,680,571	2,560,000	2,547,200	2,345,000	1,321,250
2035	30,760,471	16,202,907	2,560,000	2,419,200	2,360,000	1,204,000
2036	29,922,521	14,745,189	2,560,000	2,291,200	2,370,000	1,086,000
2037	27,784,594	13,365,278	2,560,000	2,163,200	2,385,000	967,500
2038	27,731,691	12,105,163	2,560,000	2,035,200	2,400,000	848,250
2039	27,628,812	10,848,004	2,560,000	1,907,200	2,410,000	728,250
2040	26,665,958	9,616,358	2,560,000	1,779,200	2,425,000	607,750
2041	25,416,681	8,400,338	2,560,000	1,651,200	2,430,000	486,500
2042	24,245,000	7,219,774	2,560,000	1,523,200	2,430,000	365,000
2043	23,410,000	6,093,150	2,560,000	1,395,200	2,435,000	243,500
2044	22,330,000	5,001,200	2,560,000	1,267,200	2,435,000	121,750
2045	19,690,000	3,963,250	2,560,000	1,139,200	-	-
2046	17,105,000	3,044,100	2,560,000	1,011,200	-	-
2047	15,655,000	2,290,450	2,560,000	883,200	-	-
2048	13,530,000	1,626,175	2,560,000	755,200	-	-
2049	11,265,000	1,082,625	2,560,000	627,200	-	-
2050	8,895,000	665,925	2,560,000	499,200	-	-
2051	6,430,000	370,100	2,560,000	371,200	-	-
2052	4,130,000	170,400	2,560,000	256,000	-	-
2053	2,195,000	43,900	2,560,000	153,600	-	-
2054	-	-	2,560,000	51,200	-	-
	$ 729,571,632	**$ 365,888,936**	**$ 76,820,000**	**$ 55,256,358**	**$ 46,955,000**	**$ 24,936,927**

Fiscal Year Ending June 30,	Debt Service Waster and Sewer 2024 Refunded Issues Principal	Debt Service Waster and Sewer 2024 Refunded Issues Interest	Total Principal	Total Interest	Total Debt Service Charge
2024	$ -	$ -	$ 20,000	$ 358,573	$ 378,573
2025	(2,640,000)	(2,131,800)	149,114,995	111,533,163	260,648,158
2026	(2,640,000)	(1,999,800)	141,240,693	104,896,344	246,137,037
2027	(2,640,000)	(1,894,200)	137,821,147	98,053,612	235,874,759
2028	(2,640,000)	(1,815,000)	143,117,034	91,485,036	234,602,070
2029	(2,640,000)	(1,729,200)	128,627,283	84,777,224	213,404,507
2030	(2,640,000)	(1,636,800)	123,509,042	78,791,210	202,300,252
2031	(2,640,000)	(1,537,800)	115,137,317	72,833,594	187,970,911
2032	(2,640,000)	(1,438,800)	109,104,073	67,334,504	176,438,577
2033	(2,640,000)	(1,333,200)	102,265,275	62,111,954	164,377,229
2034	(2,640,000)	(1,227,600)	97,589,125	57,176,122	154,765,247
2035	(2,640,000)	(1,122,000)	92,226,140	52,492,738	144,718,878
2036	(2,640,000)	(1,016,400)	83,877,071	48,096,245	131,973,316
2037	(2,640,000)	(910,800)	83,353,144	44,252,328	127,605,472
2038	(2,640,000)	(805,200)	79,486,242	40,559,418	120,045,660
2039	(2,640,000)	(699,600)	79,423,362	36,973,925	116,397,287
2040	(2,640,000)	(594,000)	78,500,508	33,435,080	111,935,588
2041	(2,640,000)	(475,200)	78,753,681	29,946,546	108,700,227
2042	(2,640,000)	(356,400)	75,180,000	26,441,175	101,621,175
2043	(2,640,000)	(237,600)	74,350,000	23,073,450	97,423,450
2044	(2,640,000)	(118,800)	73,270,000	19,740,150	93,010,150
2045	-	-	70,835,000	16,460,850	87,295,850
2046	-	-	68,245,000	13,303,425	81,548,425
2047	-	-	63,690,000	10,389,250	74,079,250
2048	-	-	57,955,000	7,732,325	65,687,325
2049	-	-	49,165,000	5,471,575	54,636,575
2050	-	-	39,595,000	3,702,875	43,297,875
2051	-	-	29,715,000	2,346,275	32,061,275
2052	-	-	21,190,000	1,330,600	22,520,600
2053	-	-	14,640,000	614,000	15,254,000
2054	-	-	8,030,000	160,600	8,190,600
	$ (52,800,000)	**$ (23,080,200)**	**$ 2,469,026,132**	**$ 1,245,874,166**	**$ 3,714,900,298**

County Debt Policies

Legal Debt Policy Statement

In passing the Authorizing Ordinance, the County Council adopted the policy statement given below for the purpose of indicating the County's intention with respect to the issuance of bonds authorized thereunder and to guide the County Executive or Chief Administrative Officer, as the case may be, in the exercise of the authority conferred by the Authorizing Ordinance.

(1) It is essential that the County continue to provide, in timely fashion, the public facilities necessary to serve its population, which has increased significantly in recent years, while at the same time retaining and supporting substantial rural and agricultural elements of the County's economy which enable the County to enjoy the benefits of a balanced and diverse economy. All or a portion of the cost of such facilities will have to be financed through the borrowing of money by the County on a reasonably long-term basis in order that the burden of such cost may be equitably apportioned among present and future taxpayers. However, it is equally essential that the credit standing of Anne Arundel County, Maryland, be preserved and, if possible, improved to the end that the cost of borrowing money by the County will not be unduly burdensome. To aid in achieving these basic objectives, the County Executive or the Chief Administrative Officer, as the case may be, shall, to the maximum extent possible, exercise the authority conferred by the Authorizing Ordinance upon them within the following guidelines as well as within the fixed limitations prescribed in the Authorizing Ordinance and County Charter.

(2) Sale of bonds under the Authorizing Ordinance shall be spaced at least six (6) months apart when practicable; provided, however, that bonds may be sold under the Authorizing Ordinance at such other intervals as the County Executive, or the Chief Administrative Officer, as the case may be, may deem advisable due to financial or market conditions prevailing at the time.

(3) To provide an adequate flow of funds for capital projects, to limit amounts borrowed to the costs incurred for such projects, and to facilitate the selection of the most advantageous times for the sale of bonds, bond anticipation notes may be sold for such projects from time to time, repayable from the proceeds of the appropriate series of such bonds, when issued.

(4) The authority conferred by the Authorizing Ordinance shall be so exercised that the estimated maximum annual debt service obligation resulting therefrom plus current debt service payable by the County on outstanding obligations does not exceed an amount equal to twenty percent (20%) of the estimated net amount of all direct and indirect revenues of the County for the current fiscal year, including utility revenues, calculated by subtracting from gross revenues all debt service withheld or to be withheld by the State or any agency thereof during such fiscal year.

(5) All bonds issued and sold by the County under the Authorizing Ordinance shall be unconditional general obligation bonds of the County within the limitations of indebtedness set forth by the Authorizing Ordinance as prescribed by the County Charter and the ordinances enacted pursuant thereto. Before any such bonds are issued for revenue-producing projects of water or wastewater utilities, the County Executive, or the Chief Administrative Officer if authorized by the County Executive, shall determine that the estimated revenues of such projects, or the actual and estimated revenues of such projects and the utilities of which they are a part, are, or will be, sufficient to pay the cost of operation and maintenance of such projects and the maturing principal of and interest on all indebtedness incurred with respect thereto, including such bonds. The authorization by the Authorizing Ordinance of general obligation bonds of the County for revenue producing projects shall not be construed to preclude the County Council from authorizing in the future the issuance of bonds payable solely from the revenues of similar projects or utilities.

The County has adopted a debt management policy (the "Debt Management Policy") which sets forth the borrowing limits pursuant to Resolution No. 17-22 adopted by the County Council on June 21, 2022, which may be amended and supplemented. The County's Debt Management Policy constitutes the local debt policy of the County required by Section 17-207 of the Local Government Article of the Annotated Code of Maryland.

The validity of any proceedings or action taken pursuant to the Authorizing Ordinance shall not be limited by or otherwise impaired by the Debt Management Policy. (See "INDEBTEDNESS – County Debt Policies – Administrative Debt Management Policies" below).

Spending Affordability Committee

The Charter established a Spending Affordability Committee for the County in fiscal year 1991. This committee is charged to make advisory recommendations to the Office of Budget, the County Executive and the County Council relating to spending affordability, including County spending levels to reflect the affordability of the taxpayers to finance County operations and service long-term debt.

The committee members are appointed by the County Executive and confirmed by the County Council. The committee is required to prepare a report every fiscal year. The committee is required to prepare an annual report by the end of January proceeding each fiscal year.

Administrative Debt Management Policies

The County Administration has developed the Debt Management Policy to be used in planning future debt issuance levels. The Debt Management Policy, along with the debt affordability study described below, were developed in order to help the County maintain its creditworthiness while at the same time ensuring that necessary capital projects will be funded. The Debt Management Policy has been adopted to serve as a guideline by the current County Administration with respect to the exercise of debt issuance authority granted to the administration in the Authorizing Ordinance.

The policies set out below consist of the County's current debt ratios and guidelines to be followed in future years. The guidelines apply to general obligation debt payable from the General Fund.

Current Debt Ratios and Future Guidelines
(Unaudited)

	Actual June 30, 2023	Actual June 30, 2022	Current Guidelines
Debt to Estimated Full Value	1.31%	1.34%	2.00%
Debt Per Capita	$2,251	$2,266	$3,724
Debt to Personal Income	2.90%	3.00%	4.00%
Debt Service to Revenues*	7.70%	7.90%	11.50%

*Includes General Fund principal and interest on General Obligation Debt.

Source: Office of the Budget.

The guidelines were established to allow the County some flexibility in the event that economic and demographic growth do not meet projections while still setting limits so that needs do not exceed resources and result in an excessive debt burden. In addition to the debt ratio guidelines, the County Administration intends to adhere to the following debt management guidelines:

• *The Administration will conservatively estimate revenues to maintain a positive General Fund balance.* This policy is designed to provide a cushion in the event that there is an economic downturn.

• *The Administration does not intend to issue tax or revenue anticipation notes to fund governmental operations.* The Administration intends to manage the County's cash in a fashion that will prevent any borrowing to meet working capital needs.

• *The Administration does not intend to have any bond anticipation notes outstanding for a period of longer than two years.* If the Administration issues a bond anticipation note for a capital project, the note will be converted to a long-term bond or redeemed at its expiration.

• *The Administration will recommend budget contributions to Pay-As-You-Go financing in each fiscal year.* In order to reduce the future debt service burden, each budget will include a recommended contribution to Pay-As-You-Go financing.

• *The Administration will update the County's debt affordability study each year in conjunction with the capital budget process.* This study will help the Administration monitor the County's debt position and ensure that the debt ratio policies are met.

• *The Administration will continue to examine alternative funding sources in order to provide long-term tax relief.* Funding sources used in the past have included tax increment districts, private sector partnerships, Pay-As-You-Go funding and developer impact fees.

• *In budget recommendations, the Administration will designate impact fees to be collected from developers to fund a portion of the costs associated with school, transportation and public safety facilities necessary as a result of new development.* In addition, the Administration will endeavor to assess other appropriate impact fees, where possible.

Financing Plans

The 2025 to 2029 projected Capital Program includes $1,903,492,490 in projected bond authorizations, of which $958,100,490 are projected for tax supported projects including permanent public infrastructure projects. These projected bond authorizations are estimates and may or may not result in bond sales over the course of the five-year period. The County assesses its five-year Capital Program on an annual basis and appropriates funds for projects based on affordability.

Capital Appropriations and Funding Sources

The following Schedule presents the County's current and projected capital appropriations and funding sources approved for fiscal year 2023. Any activity related to the Bonds is not reflected in the schedule:

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SCHEDULE OF CAPITAL PROJECTS APPROPRIATIONS AND FUNDING SOURCES
CURRENT AND PROJECTED

	Unexpended Appropriation As of June 30, 2023	County Council Approved Fiscal Year 2024	Projected Fiscal Year 2025	Projected Fiscal Year 2026	Projected Fiscal Year 2027	Projected Fiscal Year 2028	Projected Fiscal Year 2029
General County Projects	$ 134,381,081	$ 88,609,600	$ 76,675,500	$ 36,456,000	$ 36,696,000	$ 29,808,000	$ 28,315,000
Education	721,098,663	192,659,947	199,197,000	145,739,000	48,132,000	26,575,000	30,503,000
Police and Fire	96,413,510	42,717,800	95,419,300	7,398,800	34,903,900	13,229,900	3,460,360
Roads and Bridges	209,022,955	105,237,300	94,341,000	57,723,000	77,061,000	47,417,000	59,097,000
Community College	20,726,038	6,938,375	20,370,000	39,600,000	7,384,000	1,950,000	1,848,000
County Libraries	5,998,797	3,992,000	28,999,000	13,901,000	350,000	3,021,000	350,000
Recreation and Parks	160,909,463	94,370,500	58,495,000	59,623,000	12,201,000	8,685,000	8,685,000
Waterway Improvements	5,966,175	3,333,000	2,289,000	2,289,000	2,289,000	2,289,000	2,289,000
Solid Waste	12,181,800	26,636,000	1,440,000	1,440,000	1,440,000	2,287,000	10,287,000
Watershed Protection & Restor.	122,427,151	31,345,500	34,517,000	34,517,000	34,517,000	18,517,000	18,517,000
Total General Improvements	1,489,125,633	595,840,022	611,742,800	398,686,800	254,973,900	153,778,900	163,351,360
Water and Wastewater	439,691,440	119,449,250	283,195,000	263,112,000	132,012,000	101,787,000	83,641,000
Total	$ 1,928,817,073	$ 715,289,272	$ 894,937,800	$ 661,798,800	$ 386,985,900	$ 255,565,900	$ 246,992,360
FUNDING SOURCES							
General Improvements							
County bonds	$ 213,507,576	$ 196,520,140	$ 349,379,338	$ 263,820,900	$ 138,500,900	$ 96,704,900	$ 83,765,360
PPI Fund Bonds*	113,567,939	28,948,000	25,929,000	-	-	-	-
Impact Fee Bonds	683	-	-	-	-	-	-
Grant and aid	712,429,495	139,370,882	151,024,162	68,673,000	54,676,000	22,322,000	23,296,000
Developer impact fees	51,579,542	25,362,600	27,203,000	16,566,000	7,200,000	2,150,000	3,928,000
Pay-as-you-go	17,990,700	114,978,200	5,830,300	5,749,900	5,598,000	5,598,000	5,598,000
Cash balances	206,563,538	-	-	-	-	-	-
Other	38,877,209	32,678,700	16,420,000	7,920,000	13,042,000	6,200,000	17,960,000
Subtotal General Improvements	$ 1,354,516,682	$ 537,858,522	$ 575,785,800	$ 362,729,800	$ 219,016,900	$ 132,974,900	$ 134,547,360
Solid Waste							
County bonds	7,870,761	25,581,000	885,000	885,000	885,000	1,732,000	9,732,000
Pay-as-you-go	-	1,055,000	555,000	555,000	555,000	555,000	555,000
Cash balances	3,561,039	-	-	-	-	-	-
Other	750,000	-	-	-	-	-	-
Total Solid Waste	$ 12,181,800	$ 26,636,000	$ 1,440,000	$ 1,440,000	$ 1,440,000	$ 2,287,000	$ 10,287,000
Watershed Protection & Restor.							
WPRF bonds	105,386,984	23,885,900	34,517,000	34,517,000	34,517,000	18,517,000	18,517,000
Grant and aid	3,856,837	1,258,600	-	-	-	-	-
Cash balances	12,184,335	-	-	-	-	-	-
Other	998,995	6,201,000	-	-	-	-	-
Total Watershed Protection & Restor.	$ 122,427,151	$ 31,345,500	$ 34,517,000	$ 34,517,000	$ 34,517,000	$ 18,517,000	$ 18,517,000
Total General Improvements	$ 1,489,125,633	$ 595,840,022	$ 611,742,800	$ 398,686,800	$ 254,973,900	$ 153,778,900	$ 163,351,360
Water and Wastewater							
County bonds	$ 358,230,993	$ 100,181,732	$ 257,290,000	$ 242,007,000	$ 117,690,000	$ 94,569,000	$ 79,132,000
Grant and aid	24,184,806	1,653,515	17,141,000	13,742,000	7,420,000	1,138,000	-
Pay-as-you-go	-	5,889,000	6,621,000	5,645,000	5,975,000	5,938,000	4,509,000
Cash balances	61,011,974	-	-	-	-	-	-
Other	(3,736,333)	11,725,003	2,143,000	1,718,000	927,000	142,000	-
Total Water and Wastewater	$ 439,691,440	$ 119,449,250	$ 283,195,000	$ 263,112,000	$ 132,012,000	$ 101,787,000	$ 83,641,000
Total	$ 1,928,817,073	$ 715,289,272	$ 894,937,800	$ 661,798,800	$ 386,985,900	$ 255,565,900	$ 246,992,360

*Permanent Public Infrastructure Fund Bonds

Source: Office of Finance

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SECTION FIVE: ECONOMIC AND DEMOGRAPHIC INFORMATION

Description and Government

Anne Arundel County is located approximately thirteen miles east of Washington, D.C. with Baltimore City and Baltimore County as its northern boundary and the Chesapeake Bay as its entire eastern boundary. The County is also bordered by Howard County to the west, Prince George's County to the southwest and Calvert County at its southern tip. The County is situated within the Atlantic Coastal Plain and its terrain varies from flat plains to rolling hills. There is approximately 533 miles of shoreline along the Chesapeake Bay.

Over the past decade, the nature of land use in Anne Arundel County has changed and the County's population has significantly increased. During this period, the County's economy has diversified and continued to grow as a part of the Baltimore-Washington metropolitan region, although it retained much of its rural and agricultural character.

Under the home rule charter since 1965, Anne Arundel County is governed by an elected County Executive and a seven-member County Council. (See "County Administration"). The government seat of Anne Arundel County is located within the corporate limits of the City of Annapolis. The County is authorized to issue debt, subject to certain indebtedness limitations, for the purpose of financing its capital projects and to incur other indebtedness having maturity not in excess of twelve months. (See "Indebtedness").

Population

With a current population of approximately 593,386, Anne Arundel County is the fourth largest jurisdiction in the State of Maryland behind Montgomery, Prince Georges, and Baltimore Counties. Approximately 9.6 percent of the State's total population resides in Anne Arundel County.

According to the U.S. Census Bureau's 2020 Decennial Census, the County grew by approximately 50,650 people (or 9.4 percent) between 2010 and 2020. In actual numbers, this population growth ranked third in Maryland behind Prince George's and Montgomery Counties. In terms of percentage growth, Anne Arundel ranked fifth in Maryland behind Frederick, Howard, Charles, and Prince George's Counties. The majority of the population growth occurred in Odenton, Crofton, Severn, and Jessup/Maryland City, which is located in the western part of the County.

According to the U.S. Census Bureau's 2018-2022 American Community Survey (ACS) 5-Year Estimates, 44.1% of the County's population has obtained a bachelor's degree or higher. Approximately 23.3% of the working population is employed by government agencies, whereas 71.8% is employed in the private sector or self-employed. The median age of persons in the County is 38.8 years old.

The following data table shows the total population and the rate of growth for Anne Arundel County, the State of Maryland, and United States from 2013 through 2022:

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ANNE ARUNDEL COUNTY, MARYLAND AND UNITED STATES POPULATION

Year	Anne Arundel County	Percent Increase	State of Maryland	Percent Increase	United States	Percent Increase
July 2022	593,286	0.21%	6,164,660	-0.16%	333,287,557	0.38%
July 2021	592,054	0.51%	6,174,610	0.02%	332,031,554	0.16%
July 2020	589,054	1.67%	6,173,205	2.07%	331,511,512	0.99%
July 2019	579,234	0.64%	6,045,680	0.16%	328,239,523	0.47%
July 2018	575,523	0.73%	6,035,802	0.20%	326,687,501	0.52%
July 2017	571,339	0.72%	6,023,868	0.34%	324,985,539	0.63%
July 2016	567,234	0.74%	6,003,323	0.30%	322,941,311	0.71%
July 2015	563,027	0.69%	5,985,562	0.47%	320,635,163	0.73%
July 2014	559,142	0.67%	5,957,283	0.57%	318,301,008	0.72%
July 2013	555,417	-	5,923,188	-	315,993,715	-

Source: U.S. Census Bureau, Population Estimates Program, https://www.census.gov/programs-surveys/popest.html

Income

Personal Income

Personal Income, as defined by the U.S. Bureau of Economic Analysis, is presented for Anne Arundel County, the State of Maryland and the United States in the following table:

ANNE ARUNDEL COUNTY, MARYLAND, AND UNITED STATES
AVERAGE PER CAPITA PERSONAL INCOME

Calendar Year	Anne Arundel County	Maryland	United States	Anne Arundel as a Percentage of Maryland	Anne Arundel as a Percentage of U.S.
2022	$78,889	$70,228	$65,470	112.33%	120.50%
2021	76,926	69,052	64,430	111.40%	119.39%
2020	72,194	64,825	59,153	111.37%	122.05%
2019	68,225	62,989	56,250	108.31%	121.29%
2018	66,510	62,313	54,098	106.74%	122.94%
2017	64,723	60,758	52,118	106.53%	124.19%
2016	62,866	59,029	49,870	106.50%	126.06%
2015	61,288	56,877	48,940	107.76%	125.23%
2014	58,960	54,431	47,025	108.32%	125.38%
2013	57,060	52,792	44,826	108.08%	127.29%

Source: U.S. Department of Commerce, Bureau of Economic Analysis data November 16, 2023; new estimates for 2022.
November 16, 2023 revised statistics for 2020-2021.

In 2022, Anne Arundel County had a per capita personal income ("PCPI") of $78,889. This PCPI ranked fifth in the State just behind Queen Anne's County and was over 112% of the State average, $70,228, and just over 120% of the national average, $65,470. The 2022 PCPI reflected an increase of 2.6% from 2021 and ranked seventh in the State in terms of annual percentage growth. The 2021-2022 State change was 1.7% and the national change was 1.6%. In 2012, the PCPI of Anne Arundel County was $56,962 and ranked fourth in the State. The ten-year (2013-2022) compound annual growth rate of PCPI was 3.3%. The compound annual growth rate for the State was 2.9% and for the nation was 3.9%.

Median Household Income

The median household income divides the income distribution into two equal groups: households having incomes above the median and households having incomes below the median. According to the 2018-2022 ACS, the median household income of the County was $116,009, well above the median household income of the State of Maryland, $98,461, and the Country, $75,149. The following table compares median household incomes of the County, State, and the Country for the years 2018 through 2022.

ANNE ARUNDEL COUNTY, MARYLAND, AND UNITED STATES
MEDIAN HOUSEHOLD INCOME

Geography	2022	2021	2020	2019	2018
Anne Arundel County	$116,009	$108,048	$103,225	$100,798	$97,810
State of Maryland	98,461	91,431	87,063	84,805	81,868
United States	75,149	69,021	64,994	62,843	60,293

Source: American Community Survey, U.S. Census Bureau 5-year estimates.

Total Wages

Total Wages is the sum of all compensation for services. This includes bonuses, commissions, tips and cash value of all compensation in any medium other than the value of meals and lodging. This is an indicator for evaluating the economic activity of a county. Total Wages in the County for calendar years 2013 through 2022 are as follows:

ANNE ARUNDEL COUNTY AND THE STATE OF MARYLAND
TOTAL WAGES

	Anne Arundel		State of Maryland	
Year	Total Wages	Percent Increases	Total Wages	Percent Increases
2023	$4,853,576,249	2.14%	$49,075,029,046	3.68%
2022	4,751,672,095	7.81%	47,333,429,016	6.74%
2021	4,407,495,990	9.27%	44,346,157,078	10.48%
2020	4,033,595,215	-2.53%	40,140,279,767	-3.37%
2019	4,138,263,721	3.66%	41,539,351,934	3.97%
2018	3,992,035,036	3.69%	39,953,807,500	4.27%
2017	3,850,019,879	5.94%	38,319,462,568	3.79%
2016	3,634,251,062	5.08%	36,918,468,397	4.04%
2015	3,458,651,950	4.99%	35,483,301,874	3.79%
2014	3,294,318,701	-	34,188,492,631	-

Source: Maryland Department of Labor, Licensing and Regulation, 2nd Quarter of each calendar year.

Employment Base

Information on the employment base of a jurisdiction helps one to understand the diversity and health of the local economy. Job growth by industry and local unemployment rate provide insight into the strengths and weaknesses of the local economy as compared to the State.

The chart below shows employment by industry profile for Anne Arundel County and the State of Maryland using the North American Industry Classification System, which was introduced as a standard in 2001. Included are all workers covered by the Unemployment Insurance Law of Maryland and the Unemployment Compensation for Federal Employees program.

EMPLOYMENT BY INDUSTRY PROFILE

2023 Annual Averages

	Anne Arundel		State of Maryland	
	Number Employed	% of Total	Number Employed	% gf Tgtal
Private Sector				
Goods Producing:				
Nat. Resource and Mining	245	*	7,928	*
Construction	19,399	7%	163,247	6%
Manufacturing	17,978	7%	114,621	4%
Goods Producing	37,622	14%	285,796	11%
Service Providing:				
Trade, Transp. & Utilities	59,920	22%	464,772	17%
Information	1,728	1%	35,278	1%
Financial Activities	5,794	2%	127,584	5%
Professional & Business	50,996	19%	481,282	18%
Education & Health	35,568	13%	445,569	16%
Leisure & Hospitality	35,316	13%	281,147	10%
Other Services	9,363	3%	89,288	3%
Service Providing	198,685	73%	1,924,920	71%
Unclassified	132	*	181	*
Total Private Sector	236,439	87%	2,210,897	81%
Public Sector				
Local	9,084	3%	241,940	9%
State	11,487	4%	105,309	4%
Federal	15,798	6%	158,281	6%
Total Public Sector	36,369	13%	505,530	19%
Total Employment	272,808	100%	2,716,427	100%

2013 Annual Averages

	Anne Arundel		State of Maryland	
	Number Employed	% of Total	Number Employed	% of Total
Private Sector				
Goods Producing:				
Nat. Resource and Mining	178	*	6,700	*
Construction	15,012	6%	146,906	6%
Manufacturing	12,157	5%	106,761	4%
Goods Producing	27,347	11%	260,367	10%
Service Providing:				
Trade, Transp. & Utilities	52,882	21%	442,319	17%
Information	2,592	1%	39,529	2%
Financial Activities	10,327	4%	138,507	5%
Professional & Business	40,785	16%	417,342	16%
Education & Health	29,196	12%	403,147	16%
Leisure & Hospitality	33,123	13%	261,854	10%
Other Services	9,244	4%	89,134	3%
Service Providing	178,149	70%	1,791,832	70%
Unclassified	-	*	-	*
Total Private Sector	205,496	81%	2,052,199	80%
Public Sector				
Local	21,161	8%	251,851	10%
State	13,655	5%	101,161	4%
Federal	13,257	5%	145,194	6%
Total Public Sector	48,073	19%	498,206	20%
Total Employment	253,569	100%	2,550,405	100%

**Less than 1%.*

Source: "Employment and Payrolls," 2013 and 2023 Annual Averages, Maryland Department of Labor, Licensing, and Regulation.

Largest Employers

The employers listed below represent the largest employers within Anne Arundel County, Maryland as of June 30, 2023.

Largest Employers	Business type	Approximate Number of Employees
Ft. George G. Meade	DoD intelligence training, 120 DoD and non DoD tenant organizations including National Security Agency, DISA, US Cyber Command	63,997
Anne Arundel County Public Schools	Education	15,794
State of Maryland	Government	11,421
Northrop Grumman	Defense electronics	10,300
Baltimore Washington Thurgood Marshall Airport	Airport	10,000
Anne Arundel County General Government	Government	6,515
Southwest Airlines	East coast flight center	5,344
Luminis Anne Arundel Health System	Health care services & hospital	4,225
UM Baltimore Washington Medical Center	Health care services & hospital	3,170
US Naval Academy/Naval Support Activity	Federal naval education facility & support	3,000
Live! Casino	Casino	2,672
Allegis Group	Headquarters, technical & administrative placement	2,200
Amazon	Online Retail Distribution	2,095
Microsoft	Technology	2,058
Booz Allen & Hamilton Inc.	Technology, consulting & engineering solutions	1,500
Johns Hopkins Healthcare LLC	Administrative offices for Hopkins	1,500
Raytheon Technologies (Collins Aerospace)	Commercial aircraft electronics	1,477
Catalent Pharma	Pharmaceutical Manufacturing	1,400
Jacobs	Headquarters; IT services	1,397
Anne Arundel Community College	Public two-year college	1,316

Source: Anne Arundel Economic Development Corporation List of Major Employers.

Employment

In 2023, Anne Arundel County experienced a significant improvement in its unemployment rate, reaching an average of 1.7% amidst strong worker demand. Despite earlier concerns over a possible recession and ongoing uncertainties tied to elevated interest rates, the feared economic downturn did not occur. While inflation has decreased from its peak in 2022, challenges remain with persistent high costs in housing and food. The Federal Reserve has halted interest rate hikes, with hopes for reductions in 2024 as inflation approaches a 2.5% annual target. The County's labor market remains robust, contributing to historically low unemployment levels, outperforming both Maryland's 2.1% and the national 3.6% averages. Anne Arundel County reported a job count of 315,529, showing resilience in employment compared to state and national figures. This summary also references a table detailing the county's labor force statistics from 2013 through November 2023:

Anne Arundel County's Resident Labor Force
Employment and Unemployment

	Labor Force	Employment	Unemployment	Unemployment Rate
2023 (1)	315,529	310,052	5,477	1.7%
2022 (2)	315,495	306,132	9,363	3.0%
2021 (3)	308,074	296,286	11,788	3.8%
2020 (4)	305,213	288,887	16,326	5.3%
2019 (5)	321,046	312,383	8,663	2.7%
2018 (6)	310,740	301,401	9,339	3.0%
2017 (7)	309,851	299,647	10,204	3.3%
2016 (8)	305,061	294,347	10,714	3.5%
2015 (8)	302,888	289,471	13,417	4.4%
2014 (9)	295,723	280,492	15,231	5.2%

(1) LAUS – Anne Arundel County November 2023, Maryland Department of Labor, Licensing and Regulation.
(2) LAUS – Anne Arundel County November 2022, Maryland Department of Labor, Licensing and Regulation.
(3) LAUS – Anne Arundel County November 2021, Maryland Department of Labor, Licensing and Regulation.
(4) LAUS – Anne Arundel County November 2020, Maryland Department of Labor, Licensing and Regulation.
(5) LAUS – Anne Arundel County November 2019, Maryland Department of Labor, Licensing and Regulation.
(6) LAUS – Anne Arundel County November 2018, Maryland Department of Labor, Licensing and Regulation.
(7) LAUS – Anne Arundel County October 2017, Maryland Department of Labor, Licensing and Regulation.
(8) LAUS – Anne Arundel County November 2015 and 2016, Maryland Department of Labor, Licensing and Regulation.
(9) LAUS – Anne Arundel County 2014, Maryland Department of Labor, Licensing and Regulation.

Source: Maryland Department of Licensing, Labor & Regulation. (Average per year).

New Business Addition and Expansion Highlights Calendar Year 2023

In calendar year 2023 Anne Arundel Economic Development Corporation ("AAEDC") tracked 369 businesses, categorized as new, expanding, under new ownership and relocated, that brought new jobs to the County. The warehouse, manufacturing, and technology sectors continue to experience strong growth with major transactions such as the following:

- Along the I-95 corridor, four warehouses are being constructed, that together will add over 650,000 square feet to the market.

- OptiVia Solutions signed a lease to open a 12,315 square foot regional office in Glen Burnie at the Cromwell Business Park. OptiVia is a Cincinnati, Ohio based manufacturer and designer of ATMs.

- Eqlipse Technologies recently opened a new 31,000 square foot facility in Annapolis Junction to headquarter the cyber and signals intelligence company.

Source: Anne Arundel Economic Development Corporation.

Economic Development Projects

Fort Meade Federal Campus/National Security Agency

Fort George G. Meade ("Fort Meade") is a 5,067-acre facility located east of the intersection of state highways 32 and 295 in western Anne Arundel County. Fort Meade provides support services to 120 Department of Defense ("DoD") and non-DoD organizations representing all military branches and several federal agencies. Major tenants include National Security Agency ("NSA"), Defense Information Systems Agency ("DISA"), U.S. Cyber Command, Joint Force Headquarters-DoD Information Network, U.S. Army Central Personnel Security Clearance Facility and the U.S. Environmental Protection Agency Science Center. The installation has the second largest workforce of any Army installation in the United States and is the largest employer in Maryland when Fort Meade and NSA employees are combined. The estimated work force at Fort Meade is 63,997 with military, civilian and contractor employees. Fort Meade provides annual compensation of an estimated $9 billion, an economic impact of $21.6 billion, and supports 167,696 direct, indirect and induced jobs.

The mission of Fort Meade has expanded as the installation has become the "Nation's Center for Information, Intelligence and Cyber Operations." The 242-acre "NSA East Campus" section of Fort Meade has seen continued expansion. The East Campus project includes multi-story office buildings, secure administrative spaces, large parking structures, cyber operations center, power stations, an access control point, and a road connecting the buildings throughout the campus. The recently completed state-of-the-art Morrison Center at the National Security Agency's East Campus will soon serve as the hub for NSA's most critical missions and will be the home to the National Security Operations Center ("NSOC"). In 2023, NSA broke ground on the East Campus Building #4. The $698.0 million Keeny Center project, an 854,000 square foot operational mission building with a multi-level parking structure with over 3,000 parking spaces, will provide USACE and MSA with state-of-the-art facilities and is expected to be completed in 2026.

Source: Fort Meade Information Sheet, June 2023; Maryland Economic Impact Study of Military Facilities FY2016 update; U.S. Army Corps of Engineers, East Campus Fact Sheet, February 2021.

Odenton Town Center

The Odenton Town Center ("OTC") incorporates an area of 1,233 acres located in the western part of Anne Arundel County in close proximity to Fort Meade. The OTC is located in the center of an area that has experienced tremendous residential and business growth in recent decades and is expected to experience even more growth in the decades to come.

According to the OTC 2023 Annual Report, two projects were completed in FY2023. These include four single-family homes at Cannery Crossing and another single-family home at Academy.

In partnership with the Maryland Department of Transportation ("MDOT") and the Maryland Economic Development Corporation ("MEDCO"), Anne Arundel County is planning to construct a parking garage close to the Odenton MARC Train Station with 1,000 parking spaces, including 22 spaces for electric vehicles, 12 ADA spaces, and van parking. That project is currently in the design phase and construction is anticipated to begin in late 2024.

Development of the OTC involves capital projects needed to provide critical transportation, utility, and recreational infrastructure. Such projects are funded through various sources including; County funds allocated in the Capital Budget and Program, Federal and State grant funds, public-private partnerships and by private developers.

The Maryland SHA has studied the MD 175 corridor from MD 295 to MD 170. Improvements are either completed or are underway and include road widening, the addition of bicycle and pedestrian facilities, and intersection improvements. Fort Meade relocated access control points deeper into the military installation and away from the intersections along MD 175, greatly reducing backups of traffic waiting to enter the post from local roadways.

Source: Anne Arundel Economic Development Corporation; Odenton Town Center 2023 Annual Report.

Economic Development Initiatives

Inclusive Ventures Program (IVP)

The Inclusive Ventures Program ("IVP"), a business accelerator program which provides education, mentoring and operating grants to help small, minority, woman and veteran entrepreneurs grow their businesses in Anne Arundel County. In its first three years of operation (starting in the spring of 2021), nine cohorts comprised of 100 businesses graduated IVP served. In June of 2022, County Executive Pittman pledged about a million dollars of the County's American Rescue Plan Funds to expand the Inclusive Ventures Program, thus allowing AAEDC to double the number of cohorts in 2023. In addition, Anne Arundel County secured an additional $1.65 million in funding through a federal earmark to continue the program through 2027. Based on follow-up surveys conducted 18 months after graduating, the first three cohorts of IVP, consisting of 31 businesses, created 115 new jobs in Anne Arundel County and just over $7.8 million in revenue.

Source: Anne Arundel Economic Development Corporation.

Arundel Community Reinvestment Program (ACR)

The Arundel Community Reinvestment ("ACR") loan program encourages economic activity in the County's eleven commercial revitalization districts. The ACR loan fund offers qualified business and property owners zero interest loans for improvements to primarily the exterior of their business or property. Currently, Anne Arundel Economic Development Corporation has 19 outstanding ACR loans in the aggregate amount of $773,772.

Source: Anne Arundel Economic Development Corporation.

VLT Loan Program

AAEDC is one of nine fund managers that administer the State of Maryland Video Lottery Terminal (VLT) program, which provides loans to small, minority, veteran, and women-owned companies. The loan program is funded by 1.5% of the video lottery terminal ("VLT") revenue from Maryland casinos. Under State guidelines, 50% of loan funds available must be placed within 10 miles of six existing VLT sites at Arundel Mills (Anne Arundel County), Perryville (Cecil County), Ocean City (Worcester County), National Harbor (Prince George's County), Horseshoe Casino (Baltimore City), and Rocky Gap (Allegany County). Currently, Anne Arundel Economic Development Corporation manages a $15.8 million portfolio of VLT loan funds that has 84 outstanding loans totaling $7.8 million.

Source: Anne Arundel Economic Development Corporation.

Next Stage Loan Fund

To assist growing technology companies working in the national security space, AAEDC created the Arundel Defense Tech Toolbox in July of 2017. The toolbox offers financing, workforce development support and business development consultations specifically aimed at assisting technology companies with gross revenue of less than $5 million and fewer than 100 employees. The signature component of the Toolbox is the Next Stage Tech Fund, a financing program offering zero percent loans from $50,000 to $250,000. Loans can be structured with flexible payment terms between one and five years to accommodate a company's cash flow. Currently, Anne Arundel Economic Development Corporation has two outstanding loans totaling $264,479.

Source: Anne Arundel Economic Development Corporation.

Glen Burnie Town Center Revitalization Plan

AAEDC participates in the Glen Burnie Revitalization Implementation Task Force, a group that aims to provide a framework for Anne Arundel County and private sector partners to guide investment in the Glen Burnie Town Center. In 2022, the task force published the Glen Burnie Town Center Revitalization Plan ("GBTC Plan"), a market analysis and planning study that describes and illustrates potential revitalization scenarios for multiple blocks in the historic heart of the town center at the intersection of Baltimore Annapolis Boulevard and Crain Highway. Also in 2022, Maryland Department of Housing and Community Development ("DHCD") awarded AAEDC a $250,000 grant to implement three initiatives within the plan, including the installation of signage and public art and improvements to the B&A trail trailhead. In 2023, AAEDC hired a Town Center/Revitalization Manager who will spearhead GBTC Plan implementation and lead a branding process for the Town Center in collaboration with stakeholder partners from the task force. In addition, Anne Arundel Arts Council awarded $50,000 to create and install a sculptural work of art at the intersection of Crain Highway N and Greenway Street NW.

Source: Anne Arundel Economic Development Corporation.

Transportation

Light Rail

The light rail service is a 30-mile system linking Hunt Valley in Baltimore County to the Cromwell Station in Glen Burnie via downtown Baltimore. It operates seven days a week with runs every 20 minutes, carrying an average of 23,000 riders per day. The light rail system in Anne Arundel County connects Baltimore/Washington International Thurgood Marshall Airport with Baltimore City and business and retail centers in Northern Anne Arundel County. Opportunities exist throughout the line to transfer to other means of public transportation. More than 90% of the 30-mile system consists of double tracking allowing for more frequent service, accommodating more passengers and improving the reliability and safety of the light rail program.

Source: Maryland Department of Transportation, www.mdot.maryland.gov.

Rail Service

Maryland Rail Commuter service ("MARC") is a State-owned, 187-mile, 3-line system operating between Washington, D.C., Baltimore, MD, Martinsburg, WV, and Perryville, MD. There are forty MARC system stations with parking available at most rail stops. The MARC Camden Line originates in downtown Baltimore and runs through the Anne Arundel County section of Laurel to Union Station in Washington, D.C. The MARC Penn Line runs through BWI Thurgood Marshall Airport and Odenton to Union Station. An Odenton/MARC Shuttle Bus Service, operated by the Regional Transit Agency of Central Maryland, offers a shuttle service from the Odenton station to Arundel Mills Mall and Waugh Chapel in West County with various stops. Other rail services offered includes the Amtrak Metroliner service from BWI Thurgood Marshall Airport to New York City and weekend service to the Wilmington, Philadelphia, and Washington, DC areas.

Maryland offers businesses two class-one rail carriers, CSX Transportation and Norfolk Southern freight carriage service to the Port of Baltimore. Maryland's freight rail service offers shippers an efficient rail service to all U.S. interior points, Canada and Mexico. Construction on Baltimore's Howard Street Tunnel is underway and once completed will allow double-stacked container cars to pass underneath, thus enhancing productivity at the Port of Baltimore.

Source: MD Department of Transportation, www.mdot.maryland.gov; Central Maryland Regional Transit.

Roadways

The County has a well-maintained and easily accessible highway system, facilitating the movement of goods and people throughout the region. There are three major north/south arteries (I-97, Rt. 2, and the Baltimore-Washington Parkway Rt. 295) and three major east/west highways (Rt. 50/301, Rt. 100, and Rt. 32). Trucks leaving the Port of Baltimore or BWI Thurgood Marshall Airport have access to a superior state and interstate highway system, including I-95, I-695, and I-70 that allows goods to reach one-third of U.S. consumer markets in an overnight drive.

The fiscal years 2019-2024 Maryland Department of Transportation Consolidated Transportation Program is $16.4 billion with half of that being allotted to the State Highway Administration for road projects. The Maryland Department of Transportation continues to be committed to projects that invest in Maryland's transportation system resulting in job creation and the support of Maryland industries and businesses. Efforts continue to address traffic congestion on MD 175. Construction is complete on the intersection improvements along MD 175 at Mapes Road and Reece Road, which improved turn lanes and added bike lanes, a security fence and tree buffer along Fort Meade's property. Construction is underway to widen MD 175 where it intersects with MD 295 and reconfigure the ramps at the MD 295 interchange to create signalized lefts turns at MD 175.

Sources: Multiple sources gathered by Anne Arundel Economic Development Corporation; Maryland Consolidated Transportation Program FY2019 to FY2024.

Trucking Services

Maryland's strategic location midway along the East Coast allows trucks to reach more than one-third of the U.S. markets within an overnight drive, transporting 96% of the total manufactured tonnage in Maryland. Over 20,500 private haulers and independent, common, and contact carriers operate within and from Maryland. These companies provide 116,000 trucking industry jobs in Maryland. The Port of Baltimore (the "Port") and the Airport are thriving hubs for freight forwarders, trucking companies, warehousing and distribution facilities. Both conventional and specialized trucking services are available at the port and airport.

Source: Maryland Distribution Council; Maryland Motor Truck Association.

Bus Service

Anne Arundel County has a variety of public and private bus systems that service the City of Annapolis and many residential, shopping, and employment centers of not only Anne Arundel County but regionally. Services are provided by Maryland Transit Administration ("MTA"), Anne Arundel County Transportation, Annapolis Transit, Regional Transportation Agency, MTA Commuter Bus Service, Young Transportation Service and Washington Metropolitan Area Transit Authority.

These bus services coordinate with Anne Arundel County to develop new bus service to business parks and other workplace centers as the need arises. Currently, all nine of Anne Arundel County's transit routes are fare free.

Source: Anne Arundel County Transportation.

Air Services

Baltimore/Washington International Thurgood Marshall Airport ("BWI") is a 3,596-acre State operated facility that is part of the Maryland Aviation Administration under the authority of the Maryland Department of Transportation. The airport is the busiest in the state of Maryland (enplanements) and offers a 2.4 million square foot passenger terminal with five concourses and 75 aircraft gates with two gates dedicated to commuter aircraft. Thirty-six airlines (including commuter, charter, and cargo airlines) serve the airport with an average of 608 daily flights. Light Rail, Amtrak, and MARC train service are available connecting the airport with many destinations in Washington and the Baltimore area.

Currently, a 92,000 square foot aircraft maintenance facility is planned with a 300,000 square foot apron. This is in addition to the new 200,000 square foot cargo building and the recently completed 55,000 square foot, five-gate expansion of concourse A. In addition, the largest capital project in the history of BWI is underway; the $425 million terminals A & B connector and baggage handling system is a multi-year project that will enhance the passenger experience and expand capacity for Southwest Airlines as it continues to grow its presence at BWI. The majority of the project is expected to be completed by late 2025.

For fiscal year 2023, BWI managed 24.7 million commercial passengers, ranking it the 22nd busiest airport in the United States. Enplanements for fiscal year 2023 increased by 15.6% to 12.3 million, when compared to the previous fiscal year. Air cargo activity at the airport decreased during fiscal year 2023. Cargo tonnage at the airport decreased by 10.7% in fiscal year 2023 compared to fiscal year 2022. The airport accounted for nearly 54.5% of the freight transported in the U.S. Capital Region during fiscal year 2023.

Source: Baltimore/Washington Thurgood Marshall International Airport, www.bwiairport.com.

Tipton Airport

As a result of the Base Realignment and Closure Act of 1988, Tipton Army Airfield at Fort Meade was privatized for civilian use. The 366-acre airport reopened as a public facility in November 1999. Bordered by Fort Meade, the National Security Agency, and the Patuxent National Wildlife Refuge, Tipton is almost equal distance from Baltimore, Washington, Annapolis, and Columbia.

Tipton Airport is located on Rt. 32 and minutes from the Baltimore-Washington Parkway, BWI, I-95 and I-97. The airport currently accommodates 113 sport, recreational, private, and business aircraft. Available facilities include a recently resurfaced 3,000' x 75' runway, which is planned to be extended another 1,200'; acres of concrete apron; four large hangers with more than 78,000 square feet of aircraft storage space; over 34,000 square feet of aircraft maintenance and office space; self-serve fuel stations; and flight training. In December 2022, 95 aircraft were based at Tipton Airport including 74 single engine, 7 multi-engine, and 14 helicopters.

Source: Tipton Airport Authority, www.tiptonairport.org.

Port of Baltimore

The Port is located in Baltimore in the center of the Washington-Baltimore Common Market, the fourth largest consumer market in the nation. This location makes it the closest Atlantic seaport to major mid-western populations and manufacturing centers and within a day's reach to one-third of U.S. households. The Port is one of only two eastern U.S. ports with a 50-foot shipping channel, allowing it to accommodate some of the largest container ships in the world. In 2021, the Port introduced a second 50-foot berth. In 2022, four new Neo-Panamax cranes came online which will allow the port to increase import capacity, when combined with a reconfigured terminal. The Port ranks number one in the nation in handling cars and trucks, and in Roll On/Roll Off cargo.

The Port is one of the top ten major employment centers in the State supporting 37,300 jobs, 15,330 of which are direct jobs generated by cargo and vessel activities. The Port generates approximately $2.6 billion in business revenues in the State of Maryland. Activities at the Port generate another $395 million in State, county and municipal tax revenues. Approximately $15.8 million in federal Consolidated Rail Infrastructure and Safety Improvements funding is set to come to the State to add four new working tracks and two crane rail beams within the Port's Seagirt Marine Terminal.

Located in the Port, Trade Point Atlantic is a 3,300-acre development that includes manufacturing, warehouses, and deep-water berths. The facility has over 11.5 million square feet of developed space with an additional 3.5 million square feet under construction. Trade Point Atlantic features a unique combination of access to deep-water berths, railroads, and highways to meet supply chain needs.

Source: www.tradepointatlantic.com

Maryland Port Authority officials estimate cruise activity at the Port supports 400 jobs and generates $63.0 million in local business revenue for Maryland each year. More than 196,000 passengers launch from the Port on Carnival, Royal Caribbean, and Norwegian Cruise Lines sailing to Bermuda, Canada/New England and the Caribbean Islands each year.

Source: Port of Baltimore, 2017 Economic Impact of the Port of Baltimore in Maryland. Martin Associate; open.Maryland.gov.

Tourism

Anne Arundel County leads all other Maryland counties in generating economic impact through travel. In 2022, over 6.8 million travelers visited Anne Arundel County to enjoy the many attractions and amenities including but not limited to, over 500 miles of shoreline, the historic Annapolis area, the U.S. Naval Academy, the annual boat shows and festivals and Arundel Mills/Live! District. During their stay, travelers spent an estimated $3.8 billion, 23.2% more than in 2021. The tourism industry in Anne Arundel County supports 25,708 direct and indirect jobs. These tourism jobs generate $1.81 billion in direct and indirect payroll income. Tourism expenditures in the County account for $819.8 million in federal, state and local taxes. These revenues provide needed infrastructure monies for general fund projects and services.

Anne Arundel County generated $19.3 million in gross hotel tax in fiscal year 2023, an increase of 10% over fiscal year 2022. Live! Casino, a 330,000 square foot gaming facility, opened an adjacent 310-room hotel, restaurants, and a 4,000-seat, three-story, multi-use theater, concert, and event venue with approximately 40,000 square feet of customizable meeting and banquet space, is an economic driver for tourism in Anne Arundel County. In fiscal year 2023, Live! Casino generated $708.9 million in revenues from Video Lottery Terminals and Table Games. Of that revenue, $296.8 million went to various public funds in the State with $37.9 million going directly to local jurisdictions including Anne Arundel County.

Source: The Annapolis & Anne Arundel County Conference & Visitors Bureau/The Economic Impact of Tourism in Maryland-Tourism Economics, Calendar Year 2022; Anne Arundel Economic Development Corp.; Maryland Lottery and Gaming Control Agency, FY2023 Casino Revenue Reports, www.mdgaming.com/marylands-casinos/revenue-reports.

Housing

According to the 2022 Census Bureau's American Community Survey, the County had 221,704 housing units, representing a growth of 1,733 units since the 2020 census. Single-family (detached and attached) units account for approximately 76% of total units.

According to the Maryland State Department of Planning Data Center, from 2021 to 2022 Anne Arundel County continues to be ranked first in new construction in the Baltimore metropolitan region (defined as Anne Arundel County, Baltimore County, Carroll County, Harford County, Howard County, and Baltimore City). In 2022, Anne Arundel County was ranked second behind Prince George's County in the State while in 2021 Anne Arundel was ranked fourth to Prince Georges, Frederick and Howard Counties in the State for new housing units.

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The following table compares new housing units authorized for construction between 2013 and 2022 with the State:

ANNE ARUNDEL COUNTY AND MARYLAND
NEW HOUSING UNITS AUTHORIZED FOR CONSTRUCTION, 2013-2022

Anne Arundel County

Year	Total New Units	Single Family	% of Total New Units	Multi-Family	% of Total New Units
2022	1,760	984	55.91%	776	44.09%
2021	1,721	1,393	80.94%	328	19.06%
2020	1,976	1,951	98.73%	25	1.27%
2019	2,650	1,746	65.89%	904	34.11%
2018	2,046	2,040	99.71%	6	0.29%
2017	2,406	1,825	75.85%	581	24.15%
2016	2,246	1,526	67.94%	658	29.30%
2015	1,116	1,058	94.80%	58	5.20%
2014	683	661	96.78%	22	3.22%
2013	1,881	1,414	75.17%	467	24.83%
Total	18,485	14,598		3,825	

State of Maryland

Year	Total New Units	Single Family	% of Total New Units	Multi-Family	% of Total New Units
2022	19,346	9,760	50.45%	9,586	49.55%
2021	18,496	12,520	67.69%	5,976	32.31%
2020	17,982	12,993	72.26%	4,989	27.74%
2019	18,491	12,053	65.18%	6,438	34.82%
2018	18,647	12,975	69.58%	5,672	30.42%
2017	16,224	12,384	76.33%	3,840	23.67%
2016	15,421	9,853	63.89%	5,385	34.92%
2015	4,470	3,383	75.68%	1,087	24.32%
2014	5,209	2,986	57.32%	2,223	42.68%
2013	18,138	11,043	60.88%	7,095	39.12%
Total	152,424	99,950		52,291	

Source: Maryland Department of Planning, State Data Center 2022 New Housing Units Authorized for Construction.

According to the Census Bureau's latest 2022 American Community Survey 5-year estimate, the median home value in Anne Arundel County was $432,000 (margin of error +/-$4,241), which is $51,500 higher than the median value in the State of Maryland ($380,500 with a margin of error +/-$1,357). Gross median rent was $1,908 (margin of error +/-$28) per month in Anne Arundel County and $1,598 (margin of error +/-$7) per month in Maryland.

Construction Activity

In fiscal year 2023, the number of New Commercial permits issued decreased more than 30% compared to fiscal year 2022 due in large part to a rising interest rate enviroment. Construction costs for New Commercial permits for fiscal year 2023 were also comparably lower. Only two New Commercial permits exceeded an average cost of $15,000,000 while there were only eight New Commercial permits having an average cost of $4,432,447. The project with the highest cost for fiscal year 2023 was a new parking garage with a construction cost of $17,600,000. Other Commercial projects saw a slight increase in permits issued as well but more than a 30% decrease in construction costs compared to fiscal year 2023.

The number of New Residential permits issued in fiscal year 2023 was slightly lower compared to fiscal year 2022 but had a slightly higher overall construction cost. There was a slight decrease in the number of Other Residential permits issued compared to fiscal year 2022 but again saw a slight increase in the overall construction cost.

It is anticipated that the overall number of permits issued in fiscal year 2024 will be flat or slightly down compared to fiscal year 2023. Building permit data for the last five fiscal years is shown below:

BUILDING PERMITS
($ in 000's)

	Residential				Commercial				Combined	
	New Construction		Other		New Construction		Other		Total All Permits	
Year	Issued	Value	Issued	Value	Issued	Value	Issued	Value	Issued	Value
2023	1,878	$334,156	6,518	$156,463	69	$83,486	1,836	$198,625	10,301	$772,730
2022	1,936	295,409	7,121	150,693	104	184,077	1,771	308,617	10,932	938,796
2021	1,996	342,133	7,926	165,245	52	175,159	1,502	227,723	11,476	910,260
2020	2,212	339,028	7,391	111,745	74	110,909	1,744	235,060	11,421	796,742
2019	2,580	353,919	7,813	162,093	101	55,213	1,934	304,522	12,428	875,747

Source: Data compiled by BOCA Building Evaluation Data. All values are exclusive of land.

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SECTION SIX: COUNTY ADMINISTRATION

General

Under its Charter, the County's executive functions are vested in the elected County Executive and the Chief Administrative Officer. The County Council is the County legislative body and its seven members each represent one of the seven relatively equally populated councilmanic districts in which the elected Council member must reside. Each current County Council member was elected by the district that he or she represents. Council members serve four-year terms, with a three-term limit. The County Executive, who is elected county-wide, serves four-year terms with a two-term limit.

Each member of the County Council has one vote, and a simple majority of the County Council is sufficient to pass legislation in the absence of higher voting requirements. Emergency bills require the vote of five County Council members, as do County Council actions to override a veto by the County Executive. The County Council elects its own chair annually. A chart of the County government organization may be found on the following page.

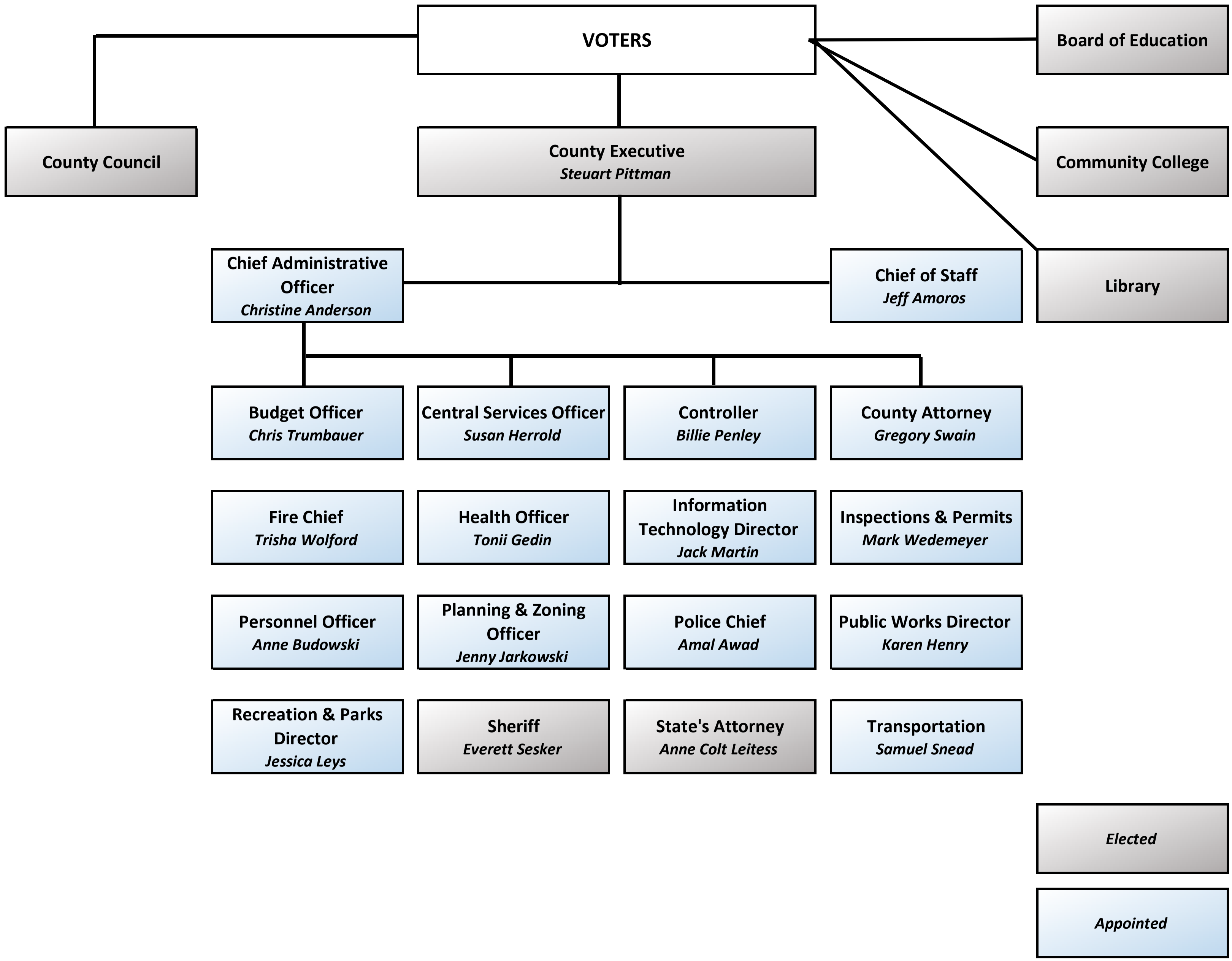
The County's financial matters are administered through the Office of Finance by the Controller of the County. The Controller is appointed by the County Executive on the basis of experience in financial administration and skill in public administration and governmental budgeting, and serves under the supervision of the Chief Administrative Officer. The Controller is charged with the administration of the financial affairs of the County, which generally include: the collection of State and County taxes, special assessments, water and wastewater utility charges, fees and other revenues and funds of every kind due to the County; the enforcement of the collection of taxes in the manner provided by law; the custody and safe-keeping of all funds and securities belonging to or by law deposited with, distributed to, or handled by the County; managing the level of County debt and making required payments thereon; the disbursement of County funds; the keeping and supervision of all accounts; and such other functions as may be prescribed by the Chief Administrative Officer or by legislative act of the County Council not inconsistent with the Charter of the County.

With respect to budget matters, the Office of the Budget, headed by the Budget Officer, appointed by the County Executive and under the supervision of the Chief Administrative Officer, is responsible for formulating the budget; studying the organization, methods, and procedures of each office, department, and agency of the County government; the submission to the Chief Administrative Officer of periodic reports on efficiency and economy; and such other duties and functions as may be assigned by the Chief Administrative Officer or by legislative act of the County Council not inconsistent with the County Charter.

Under the Charter, the County Executive has the power to appoint, without confirmation of the County Council, the Chief Administrative Officer, Budget Officer, County Controller, Personnel Officer, Planning and Zoning Officer, Director of Inspection and Permits, Administrative Hearing Officer, Director of Public Works, Director of Aging and Disabilities, Superintendent of Detention Facilities, Central Services Officer, Director of Information Technology, and Director of Recreation and Parks. The County Executive has the power to appoint, with confirmation of the County Council, the County Attorney, the Chief of Police, and the Fire Chief. The County Council may prevent the County Executive's removal of the County Attorney by a vote of at least five members.

The current County Charter allows for flexibility in reorganizing the executive branch. On the recommendation of the County Executive, the County Council, by an ordinance known as a reorganization ordinance, may create new offices, departments, bureaus, divisions or other units of the executive branch; may reorganize, reassign or abolish existing officers, departments, bureaus, divisions or other units of the executive branch of the County government; and may provide for the unit of the executive branch to report directly to the County Executive.

Anne Arundel County, Maryland



County Executive, Certain Appointed and Legislative Officials

Executive

STEUART PITTMAN, County Executive, was elected after his first campaign for public office in 2018 and re-elected in 2022. Born and raised on his family farm in Davidsonville, Mr. Pittman graduated from University of Chicago and then went on to work as a community organizer in Chicago and Des Moines, Iowa. In that role, he built neighborhood organizations, confronted environmental hazards, and attracted private investment to blighted communities. Once back home, Mr. Pittman coordinated national programs for National Low Income Housing Coalition and Association of Community Organizations for Reform Now (ACORN) before starting his own business as a farmer and horse trainer. He is best known in the horse industry for creating Retired Racehorse Project, an award-winning national nonprofit that is responsible for transitioning thousands of racehorses into second careers.

Mr. Pittman's philosophy of government is both conservative and progressive. As a farmer, he worked hard against onerous regulations that had no public benefit and promoted policies to make the industry commercially viable. As a Director of the Anne Arundel County Soil Conservation District, he pushed for compliance with erosion and sediment control standards to protect local waterways. As County Executive, Mr. Pittman has pledged to make Anne Arundel County "The Best Place – For All," by "Putting Communities First." His strategy is to engage communities from every sector and to practice transparency and data-driven policymaking.

Appointed

CHRISTINE ANDERSON, is Chief Administrative Officer of Anne Arundel County. Ms. Anderson is a seasoned veteran of local and state government posts. Before serving as Chief Administrative Officer, she led the Office of Central Services where she managed county facilities, fleet, procurement, and other essential functions of county operations. As Director, she oversaw more than 2,200 county buildings and properties, procurements totaling in excess of $425 million annually, maintenance of all County equipment and vehicles, and has been implementing the County's electric vehicle program. Prior to joining the County, Ms. Anderson worked for the Maryland Department of Transportation in finance and administrative functions and for the Maryland General Assembly.

CHRIS TRUMBAUER, Budget Officer, was appointed Budget Officer on January 7, 2021, after serving as Budget Officer since October 12, 2020. Mr. Trumbauer also serves as a senior policy advisor to the County Executive. Prior to that, Mr. Trumbauer was the Director of Policy and Communication, serving as the main liaison between the County Executive's Office and the Budget Office. He served two terms as a County Councilmember from 2010-2018, where he played a lead role in annual budget deliberations. He has a Bachelor's of Science degree from University of Maryland.

BILLIE PENLEY, Controller, was appointed effective March 16, 2023. Over Ms. Penley's 29 years with Anne Arundel County government, she has taken on increasingly responsible roles in safeguarding the County's fiscal position. She began her career in the County's Office of Finance with financial reporting, system implementation, and managing the Office's customer service call center. Ms. Penley later transferred to the County's Budget Office where she oversaw the County's Capital Budget Program. She then joined the County's Department of Health, serving as Chief Financial Officer where she coordinated the Department's fiscal response to the COVID-19 pandemic. She returned to the Office of Finance as Assistant Controller to supervise County revenue billing and collection functions prior to becoming Controller.

GREGORY J. SWAIN, County Attorney, was appointed effective December 4, 2018. Mr. Swain has been with the Office of Law since 2011, serving as a Senior Assistant County Attorney and Supervising County Attorney. Before joining the Office of Law, Mr. Swain was the principal attorney at The Swain Law Group with an extensive practice of law in civil and criminal matters focusing on zoning and land use before administrative tribunals, trial and appellate courts of Maryland and the United States District Court.

Mr. Swain holds a Bachelor of Arts degree from St. Mary's College of Maryland and a Juris Doctor degree from the University of Baltimore School of Law. Mr. Swain is a member of the bars of the State of Maryland, United States District Court of Maryland, United States Court of Appeals, and the United States Supreme Court.

AMY GOWAN, Chief Executive Officer of the Anne Arundel Economic Development Corporation ("AAEDC"), was appointed in April 2023. Amy Gowan has worked across the land use spectrum for over 15 years managing and leading teams within the areas of land use, housing, community and economic development. Amy is currently the President and Chief Executive Officer of the Anne Arundel Economic Development Corporation ("AAEDC"), where she directs the organizations efforts to promote economic growth and business development. She oversees all aspects of AAEDC's operations, including business attraction and retention, workforce development, financial lending, revitalization efforts and small business support.

Prior to her current role, Amy served as the Director of Howard County Planning and Zoning and as the Deputy Director for approximately eight years. In her leadership roles, she oversaw department operations, programs and initiatives including review of development projects, commercial center redevelopment projects, long–range community planning, historical and agricultural preservation programs, and all zoning issues affecting the County. Key initiatives during her tenure include a new character based Comprehensive Plan for the county focused on sustainable redevelopment, an unprecedented community engagement effort targeting populations underrepresented in planning processes, an urban renewal project to redevelop a blighted village center and creation of a Citizen Planning Academy.

Prior to moving to and working for Howard County, Amy worked for the City of San Diego, where she held numerous policy and land use related positions. She served as an advisor to the Mayor on various land use projects, most notably as a project manager for a multi-million dollar public/private partnership to construct a new iconic downtown library for San Diego.

In her role as Assistant Deputy Director of Economic Development, she was responsible for implementing the city's economic development programs, including managing over $15 million in Community Development Block Grants, business assistance resources and commercial and neighborhood revitalization programs.

Amy also spent several years as a Policy Advisor for the San Diego Housing Commission and the City of San Diego, working on affordable housing and homeless issues and programs.

In addition to her multi-faceted work experience, Amy has a Master of Public Administration with a specialization in city planning from San Diego State University, and a Bachelor of Science from the University of Scranton.

Legislative

PETE SMITH, Councilmember, First District, is serving his second term on the Council. Mr. Smith was elected to serve as Councilmember for the First District in Anne Arundel County from 2012 to 2018 and was the Council Vice Chair in 2015. He previously served as the Military and Veterans Liaison for Anne Arundel County. He currently serves as a comptroller for the Department of Defense. He has served in the United States Marine Corps for 24 years with 13 years of active-duty service and is an Intelligence Officer in the Marine Corps Reserves. He is a member of the American Society of Military Comptrollers and he serves as the Toys for Tots Anne Arundel County Coordinator. Mr. Smith lives in Severn and has two children.

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ALLISON M. PICKARD, Councilmember, Second District, is serving her second term on the Council and is currently the Chair. She graduated from The College of Charleston with a Bachelor of Arts Degree in Sociology and a minor in Political Science. She continued her education by earning a Masters Level Certificate in Non-Profit Management from Georgetown University. She has over a decade of professional experience in the field of Senior Housing and Senior Services. This experience spans all sectors to include public, private and non-profit and culminated in serving as the Director of Community Programs with Iona Senior Services in Northwest, Washington DC where she oversaw the management of the Older Americans Act grant exceeding $1 million dollars annually. She was responsible for planning and developing new programs, diversifying revenue sources, and raising community awareness for services. Ms. Pickards commitment to the elderly began after serving two terms with AmeriCorps National Civilian Community Corps where she led a 12-member team in a residential program that completed projects across a 17-state region. Ms. Pickard had the privilege to also serve as Staff Assistant to US Senator Ernest F. Hollings of South Carolina during her last 2 years of college. Prior to being elected to the Anne Arundel County Council, Ms. Pickard was active in numerous civic and community organizations. Ms. Pickard served on her homeowners association, Oakwood Elementary PTA, Unity Gardens, and Missions Commission of St. Margarets Church. She was awarded Anne Arundel County Public Schools Volunteer of the Year Award in 2013 for her work at Oakwood Elementary in Glen Burnie where all three of her children went to school. Ms. Pickard was appointed to the Anne Arundel County Board of Education representing Legislative District 33 in June of 2015. While serving on the Board of Education, she served as the Chair of the Policy Committee and the Legislative Committee of the Maryland Association of Boards of Education. Ms. Pickard also served as President of the Anne Arundel County Council of PTAs and Vice Chair of the School Board Appointment Commission. Ms. Pickard resides in the Millersville area with her husband and their three children.

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NATHAN VOLKE, Councilmember, Third District, is serving his second term on the Council. Mr. Volke grew up in Pasadena and attended Anne Arundel County Public Schools, graduating from Chesapeake High School. He is also a graduate of University of Maryland Baltimore County with a B.A. degree in Political Science and University of Baltimore with a J.D. degree. After graduating from law school, Mr. Volke clerked for Judge Paul F. Harris, Jr. on the Circuit Court for Anne Arundel County, then entered private practice where he currently concentrates on family law litigation. He previously served on the Anne Arundel County Library Board of Trustees and was the Chair of the Anne Arundel County Republican State Central Committee. He serves on the Board of Trustees for the Maryland Environmental Trust. He is a member of the Anne Arundel County Bar Association, Pasadena Business Association and the North County Republican Club. Mr. Volke lives in Pasadena with his wife and their two children.

* * *

JULIE K. HUMMER, Councilmember, Fourth District, is serving her first term on the Council and is currently the Vice Chair. Ms. Hummer earned a degree in English from the University of Virginia and a master’s degree in special education from Old Dominion University. Her varied career history includes roles in education as a special education teacher and in the financial realm as an assistant vice president with First Union Bank. Her education background and advocacy work as PTA president at her children’s elementary school led to her appointment to the Anne Arundel County Board of Education from 2015-2020. During her tenure as both Vice President and President, the Board was twice awarded the MAGNA Award from the National Association of Boards of Education (NSBA) for outstanding equity programs. She also served on the Board of Directors and as Legislative Chair of the Maryland Association of Boards of Education (MABE). Ms. Hummer is the chair of the Laurel Race Course Impact Fund Advisory Committee. She represents the Council on the Maryland Association of Counties (MACo) Legislative Committee and Education Sub-Committee and represents MACo on the Governor’s Advisory Committee for Health and Physical Education. She is a proud sister of Alpha Xi Delta sorority and serves as a Trustee of the national Alpha Xi Delta Foundation. Ms. Hummer and her husband, an Army veteran, have lived in District 4 since 2003 and have been active volunteers with the Russett Community Association, Boy Scouts of America (BSA), American Heritage Girls, and their children’s PTAs. Their five children have together logged almost 63 school years across eight different Anne Arundel County Public Schools.

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AMANDA FIEDLER, Councilmember, Fifth District, is serving her second term on the Council. Born and raised in District 5, Ms. Fielder graduated from Broadneck Senior High School, and went on to earn her B.A. degree in Mass Communications – Journalism, and minor in Sociology from Salisbury (State) University. She has worked in media and advertising and is currently an Associate Media Director with a private agency. Ms. Fiedler has always had a deep compassion for people and making a difference and believes strongly in giving back to the community in which she lives. In 2012 she founded a non-profit to support the Blood Donor Center at Anne Arundel Medical Center. In 2015 she started an advocacy group for parents to support educators in Anne Arundel County. She has served on the Womens and Childrens Patient Advisory Council and the Neonatal Intensive Care Unit Quality Control Council at Anne Arundel Medical Center. She sat as PTO President and board member for Broadneck Elementary School, and is an active member of the Greater Severna Park and Arnold Chamber of Commerce. In her time on the Council, Ms. Fiedler has represented the County on the Maryland Association of Counties’ Taxation Subcommittee and, in September of 2021, became a Fellow of the Academy of Excellence in Local Governance from the School of

Public Policy with University of Maryland. She is the mother to three sons and has been married to her husband since 2006. She currently resides on the Broadneck peninsula and enjoys spending time with family and friends, visiting local parks, attending sporting events and experiencing music and the arts.

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LISA D. B. RODVIEN, Councilmember, Sixth District, is serving her second term on the Council. Ms. Rodvien earned her Bachelor's degree from Cornell University, her Master's in Education from George Mason University, and her Juris Doctor, magna cum laude, from the Catholic University of America, Columbus School of Law. While Ms. Rodvien is a current teacher at a small private school, and previously taught at Arundel Middle School in Odenton, Maryland, she began her work in the field of education as an attorney. In the early 2000s, she lobbied on behalf of state education agencies to help implement the requirements of the federal 'No Child Left Behind Act'. Eventually she decided that she wanted to work directly with young people and transitioned to a career in teaching. Ms. Rodvien lives in Annapolis, Maryland with her husband.

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SHANNON J. LEADBETTER, Councilmember, Seventh District, is serving her first term on the Council. The daughter of a Naval Officer and a Southern High School Alumni, Ms. Leadbetter moved to Anne Arundel County when she was 5 years old. She became a District 7 resident at the age of 9 when her family moved from Cape St. Clair to Riva, where she attended Central Elementary, Middle and South River High School. She graduated cum laude from Bucknell University in 1998 with a Bachelors in Political Science and minor in Legal Studies. She worked as an Operations and Systems Consultant for a Fortune 500 Company before marrying her husband, a United States Marine Corps Helicopter Pilot. A customer service and sales expert, Ms. Leadbetter has spent the past 23 years working for small businesses, running her own small business, being an active member of the Parent Teacher Association, serving as the Family Readiness Advisor for HMH-366, and being an active community volunteer – all while raising two sons and successfully carrying her family though her husband's five Marine Corps deployments. Upon her husband's retirement from the Marine Corps, Ms. Leadbetter and her family settled in Crofton, where she led the parent coalition that successfully advocated for a return of students to school buildings in the Spring of 2021, served as a member of the Citizens Advisory Committee for AACPS, and volunteered as a Mid-Day Monitor for AACPS to help return more children to the hybrid classroom. Over her years of service, and through the example set by her parents, she has learned to build a big table and invite everyone to it. She has been married to her husband since 2003 and together they have two sons, who attend Anne Arundel County Public Schools. In her free time, you can find Ms. Leadbetter serving as manager of her sons' soccer teams and cheering them on at their games, completing DIY projects with her husband around the house, and spending time with her parents and her Nana, who all reside in District 7.

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MICHELLE BOHLAYER was appointed County Auditor effective April 1, 2021. Ms. Bohlayer has worked in government accounting and auditing for more than 13 years, including seven years in the Office of the County Auditor for Anne Arundel County and six years with the State of Maryland at the Office of the Comptroller and the Public Service Commission. Prior to that, Ms. Bohlayer's auditing experience was in the private sector, with five years of experience with the Constellation Energy Internal Audit Division. She is a Certified Public Accountant, Certified Information Systems Auditor, and Certified Fraud Examiner. She graduated from the University of Maryland with Bachelor of Science degrees in Accounting and International Business and from Loyola University Maryland with a Master's Degree in Business Administration. Ms. Bohlayer is a member of the American Institute of Certified Public Accountants, the Institute of Internal Auditors, the Government Finance Officers Association, the Maryland Government Finance Officers Association, and the Association of Certified Fraud Examiners.

Labor Relations

For fiscal year 2024, the County Council authorized and approved 4,783 classified and non-classified employee positions for the County's operating budget and 923 authorized temporary full and part-time employees, exclusive of the Board of Education, library, and community college. As of December 6, 2023, there are 5,288 positions filled.

Currently, there are eleven recognized "exclusive representatives" (unions or bargaining units) that engage in collective bargaining with the County:

Local 582 of the American Federation of State, County and Municipal Employees – represents laborers, operators, technicians and crew leaders throughout the County, as well as certain communications employees in the public safety departments, with a total of 831 authorized positions. Contract will expire June 30, 2024;

Local 2563 of the American Federation of State, County and Municipal Employees – represents administrative, support and clerical employees throughout the County, as well as certain civilian employees in the Police Department, with a total of 303 authorized positions. Contract will expire June 30, 2024;

Lodge #70 of the Fraternal Order of Police – represents Police Officers, Police Officers First Class, Police Corporals, Police Sergeants and Police Lieutenants in the Police Department, with a total of 789 authorized positions. Contract will expire June 30, 2024;

Fraternal Order of Anne Arundel Detention Center Officers and Personnel, Inc. – represents Detention Officers and Detention Corporals in the Detention Center, with a total of 246 authorized positions. Contract will expire June 30, 2024;

Local #1563 of the International Association of Fire Fighters – represents Fire Fighters, Emergency Medical Technicians, Paramedics, Fire Lieutenants, Fire Lieutenants/Paramedics, Fire Captains and Fire Captain/Paramedics in the Fire Department, with a total of 922 authorized positions. Contract will expire June 30, 2024;

Local #141 of the International Union of Police Associations – represents Detention Sergeants, with a total of 32 authorized positions. Contract will expire June 30, 2024;

Local #355 of the Teamsters Union – represents the Correctional Program Specialists at the Detention Center Facilities, with a total of 33 authorized positions. Contract will expire June 30, 2024;

Lodge #106 of the Fraternal Order of Police – represents the Deputy Sheriffs, Deputy Sheriff Corporals, Sheriff Sergeants and Sheriff Lieutenants with a total of 82 authorized positions. Contract will expire June 30, 2024;

Local #355 of the Teamsters Union – represents the Fire Battalion Chiefs, with a total of 20 authorized positions. New contract will expire June 30, 2024;

Local #355 of the Teamsters Union – represents the Park Rangers, with a total of 23 authorized positions. Contract will expire June 30, 2024; and

Local #355 of the Teamsters Union – represents the Police Communications Operators III and IV, with a total of 15 authorized positions. Contract will expire June 30, 2024.

As "exclusive representatives," these eleven bargaining unions function as collective bargaining agents for the employees in the respective bargaining units. The unions represent and negotiate with the County to determine the terms and conditions of employment (wages and premiums, hours of work, benefits, leave, promotions, discipline, etc.). Eleven contracts will expire on June 30, 2024 and the County is currently involved in contract negotiations with those units for fiscal year 2025. The County considers its relationship with represented employees to be satisfactory.

Source: Office of Personnel.

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SECTION SEVEN: SERVICES AND FACILITIES

Education

The Board of Education of Anne Arundel County (the "Board") is responsible for the overall operation and policy decisions of the County's public school system. The Board is composed of seven elected members, one from each councilman district and one student member. With the beginning of the 2023-2024 school year, the Board exercised responsibility for 78 elementary schools, 19 middle schools, and 13 high schools, as well as 14 other education facilities, including two applied technology centers, three special education centers, two alternative centers, three early education centers, two charter schools, and two contract schools. The school system also operates six evening high school programs. With a student population of approximately 84,000 students, the ratios for staffing range from 1-for-18 in Kindergarten to 1-for-28 in grades 4 and 5. With a fiscal year 2024 operating budget of $1,650,891,900, the average annual per pupil expenditure is approximately $17,900. The class of 2023 boasted approximately 5,426 graduates, 79% of whom went on to pursue postsecondary education at a two-year or four-year institution.

Higher Education

The County is home to a wide range of higher education institutions. Among these are the following:

Anne Arundel Community College – With learning as its central mission and completion as the ultimate goal for its students, Anne Arundel Community College ("AACC") has responded to the needs of a diverse community for over 60 years by offering high quality, affordable and accessible learning opportunities. The college's nationally recognized, award-winning programs have helped its approximately 36,000 students annually achieve their academic, professional and personal goals. AACC is a fully accredited, public, two-year institution offering credit programs leading to an associate degree, certificate or a letter of recognition. Students may prepare to transfer to a four-year institution or prepare for an immediate career. AACC also offers extensive lifelong learning opportunities and noncredit, continuing education courses to those seeking career training or retraining, working to boost basic skills or pursuing new areas of interest. In addition to its campus in Arnold, Md., the college has degree centers at Arundel Mills, in Glen Burnie and at centers and schools around the county. The Arundel Mills location also offers county residents the ability to obtain a bachelor's degree in certain disciplines without having to leave the county. Designated a Regional Higher Education Center by the State, AACC at Arundel Mills location houses the AACC University Consortium, which includes a select group of four-year colleges and universities that partner with AACC. These University Consortium partners include Frostburg State University, Notre Dame of Maryland University, Stevenson University and University of Maryland Global Campus.

St. John's College in Annapolis – Offers Bachelor of Arts and Master of Arts in liberal arts programs based on the Great Books. St. John's College seeks to maintain a population of 450-475 students and a faculty-student ratio of 1 to 8.

Strayer University in Millersville – Offers undergraduate and graduate degree programs in accounting, business, education, health services administration, information technology, and public administration. Classes are offered day and evening, seven days a week.

U.S. Naval Academy in Annapolis – Offers Bachelors of Science in engineering and technical education for careers in U.S. Navy. The Naval Academy has a student enrollment of 4,450 and employs 560 full-time faculty.

Other educational institutions offering classes in the County are Loyola College, Central Michigan University, Troy State University of Alabama – Atlantic Region, University of Baltimore, McDaniel College, and the College of Notre Dame.

Public Safety

The County Police Department is charged with the responsibility for the safety of the citizens of the County. The Department is divided into four police districts, with headquarters located in Millersville. The Department maintains a firearms training center, a recruit training center, enhanced 911 Emergency Response Center, as well as a fleet of roughly 750 radio-equipped vehicles for use throughout the Police Department. The Department has an authorized strength of 807 sworn officers, 255 civilian employees, and 140 school crossing guards.

The County Fire Department provides fire protection, basic life support ("BLS"), advanced life support ("ALS"), hazardous materials response and mitigation, collapse rescue, confined space rescue, dive rescue, and marine operations. It is a combination department with 954 professional officers and firefighters and approximately 400 response-certified volunteers staffing 31 stations throughout the County. In addition to the firefighters, 32 fire communications officers, three civilian fire inspectors, 28 civilians, with emergency calls handled through a modern central 911 dispatch center. In addition to firefighting equipment and two contract positions support the department's operations. The Fire Department fleet includes 29 ALS transport units, 15 BLS transport units, 31 engine companies (including nine paramedic engines), 10 ladder companies, and eight squad companies.

Within the Fire Department, there are several divisions supporting operations. The Communication Center or Fire Alarm provides fire, rescue, and EMS dispatch services for Anne Arundel County, the City of Annapolis, BWI Thurgood Marshall Airport Fire Department, Fort George G. Meade Fire Department, and the Naval Academy Fire Department. The Operations Support Division manages the procurement, receiving, warehousing, and issuing of uniforms, personal protective equipment, medical supplies, office & janitorial supplies, tools, and equipment necessary for fire department operations. The Information Management Division supports technology services for all phases of emergency response including preplanning, the 911 call, unit response, and post-incident analysis. The Emergency Medical Services Division provides efficient and progressive advanced life support programs. The Fire Marshal's Office provides fire investigation, code enforcement, and prevention services. The Training Division provides training resources and opportunities for professional and volunteer firefighters. The Health and Safety Division ensures the Fire Department operates with the highest possible levels of safety and provides an occupational safety and health program to prevent and reduce the risk of accidents, injuries, and occupational illnesses.

Utilities

Electricity and Gas

Baltimore Gas and Electric Company ("BGE") is the major utility company for the Baltimore region. BGE's service area covers 2,300 square-miles for electric and 800 square-miles for gas. The service area includes Baltimore City and Central Maryland counties. BGE serves over 1.25 million businesses and residential electric customers and 650,000 gas customers within this service area. BGE is a major employer in the State of Maryland employing approximately 3,200 people.

Since 2000, Maryland has offered a competitive utility supplier market. All electric customers of investor-owned utilities and major cooperatives in Maryland have the opportunity to choose their own electric supplier, while keeping BGE to deliver power and respond to power related emergencies.

Source: BGE, www.bge.com; MDelectricity.org.

Telecommunications

Anne Arundel County has benefited from the State of Maryland's focus on telecommunications technology development and application for several decades. Much of the activity is attributable to the presence in the County of federal agencies such as the National Security Agency, which collectively have been an excellent source of systems integration and networking opportunities for the private sector. In Anne Arundel County, 98.8% of the County has broadband coverage of 100Mbps.

Verizon Maryland is the largest provider of communications in the State. Verizon Maryland's fiber network infrastructure is very robust with nearly 18,000 miles of all-fiber network and is valued at $5,500,000,000. More than 95% of access lines are served by digital technology and switching offices and are diversely linked by fiber-optic facilities.

Among the services Verizon provides are residential and commercial telephone lines, long distance, Internet access, DSL, advanced calling services, telephones and accessories, video service and more. Additional providers of communication services in Maryland are Xfinity (Comcast), CenturyLink (Lumen Technologies) and RCN Telecom Services (formerly Broadstripe).

Source: Verizon Communications, www.verizon.com; Maryland Department of Commerce, http://commerce.maryland.gov/; Broadband Now, www.broadbandnow.com/Maryland.

Medical and Health Services

The County is fortunate to have the services of premier health care systems that offer the latest in patient care and preventive medicine. In addition, the County's proximity to Baltimore, Maryland and Washington, D.C. provides residents with access to prestigious health care and medical research institutions. County residents are within driving distance to such facilities as Johns Hopkins Hospital, the National Institute of Health, the University of Maryland Medical Center and Shock Trauma Center, the Kennedy Krieger Institute and the Children's National Medical Center.

Luminis Health Anne Arundel Medical Center

Luminis Health Anne Arundel Medical Center ("LHAAMC"), is a not-for-profit organization located in Annapolis, delivering medical services in Anne Arundel County and portions of Calvert, Prince George's, Queen Anne and Talbot Counties. LHAAMC affiliates include the Pathways Drug and Alcohol Treatment Center, the J. Kent McNew Family Medical Center, Anne Arundel Diagnostics, the ask LHAAMC 24-hour health line, and six satellite locations in Bowie, Easton, Kent Island, Pasadena, Odenton and Waugh Chapel. LHAAMC employs more than 2,800 employees and has a medical staff of 1,800 in Anne Arundel County. Luminis Health's total employment throughout its system is over 6,500.

LHAAMC acute care facility is located on 57 acres in the Carl A. Brunetto Medical Park on Jennifer Road in Annapolis and is the third busiest hospital in the state. The medical center has 404 licensed beds including an 18-bed critical care unit, 12 surgical suites, and a state-of-the-art emergency department that services over 95,600 patients per year. LHAAMC is adjacent to the Clatanoff Pavilion, which services women and children; an outpatient surgery center, the Edwards Pavilion; an Oncology Center, the Donner Pavilion; a medical office building, the Wayson Pavilion; and the Sajak Pavilion which houses the LHAAMC Breast Center, Anne Arundel Diagnostics, a diabetes center, the Geaton and JoAnn DeCesaris Cancer Institute; and the Maryland Neurological Institute.

Source: Luminis Health.

University of Maryland Baltimore Washington Medical Center

University of Maryland Baltimore Washington Medical Center ("UM BWMC"), in partnership with the University of Maryland Medical System, serves the health care needs of county residents in the northern and central parts of Anne Arundel County. This 314-bed hospital facility located in Glen Burnie employs 3,170 employees with 1,015 medical staff members. It houses one of the busiest emergency rooms in the State, treating over 62,000 patients per year and features a 43,000 square foot, state-of-the-art facility.

UM BWMC offers comprehensive in-house services including the Tate Cancer Center, the Center for Advanced Orthopedics, the Joslin Diabetes Center, the Aiello Breast Center, the Wound Healing Center, the Maryland Vascular Center, the Neurology/Sleep Center, Women's and Children's Services and Geriatric Care. In addition, UM BWMC annually reaches an estimated 25,000 community residents through lectures, health fairs, walking programs and screenings. UM BWMC just celebrated the one-year anniversary of its new wing in its critical care unit which added 22 new intensive care beds.

UM BWMC is the second largest hospital within the University of Maryland Medical System ("UMMS"), which is comprised of 14 hospitals, 4,000 affiliated physicians in over 150 locations, and 25,000 employees.

Source: University of Maryland Baltimore Washington Medical Center; www.mybwmc.org.

Planning and Zoning

The County Office of Planning and Zoning (the "Office") is responsible for planning the physical growth of the County. The Office oversees the preparation and revision of the General Development Plan and various other master plans including the Water and Sewer Master Plan, Town Center master plans, Small Area Plans, and other functional plans. The Office is also responsible for administering the Subdivision and Development Regulations, reviewing all development applications for compliance with the Code, and updating the development regulations as needed. The Office also administers the Zoning Ordinance and periodic updates to the Code, and makes recommendations on zoning applications, variances, special exceptions, and nonconforming uses. The Office's Research and GIS section maintains a large array of digital mapping coverages which are used by a variety of County agencies and customers, and is also responsible for various data reporting requirements and database maintenance and for assigning street address numbers. The Office's Cultural Resources section maintains the County's Historic Resources inventory, participates in a variety of historic preservation initiatives, and also administers a robust Archaeology Program that includes field investigations, research, and education.

The Planning Advisory Board, composed of seven qualified voters appointed by the County Executive, makes advisory recommendations to the Planning and Zoning Officer and the County Council relating to the General Development Plan and other master plans, comprehensive zoning maps, certain development applications, and other duties as defined in the County Charter. The Planning Advisory Board also reviews the Capital Budget and Program each year and provides recommendations to the Budget Officer through the Planning and Zoning Officer. The County Executive uses these recommendations to develop a Capital Budget and Program for adoption by the County Council.

Public Works

Anne Arundel County's Department of Public Works performs all public improvement functions, except for schools, in the County. Effective July 1, 1993, the Department of Utilities consolidated into Public Works which became the County's largest service department.

Besides Water and Wastewater, Public Works is responsible for administering all aspects of road maintenance including the engineering, design, repair and maintenance of all County roads as well as snow removal, stream restoration, maintenance of bridges and viaducts, storm drain maintenance, sidewalk construction and repair and mosquito control. Additional duties include inspection services and watershed and stormwater management, and management of solid waste for most residents.

Water and Wastewater

Under the County Charter, the Water and Wastewater Utility Fund was created as a separate and financially self-supporting public enterprise under the jurisdiction of the County for the purpose of supplying water and providing sewerage service to residents of the County. By ordinance, the County Council established the whole County, except for those portions of the County which are within the corporate limits of the City of Annapolis, as the Sanitary District of the County.

Described below are the existing water and wastewater facilities in the County, as well as the planned expansions, and the related capacities of each.

Water Supply System

The County owns and operates water facilities that supply water to approximately 124,341 accounts. The County water system is groundwater oriented, producing drinking water at 12 treatment facilities and 3 independent wells. These facilities derive supplies from 59 production wells. The water system includes 19 booster stations and 25 elevated storage tanks with an effective storage capacity of 34.50 million gallons, and 7 ground storage tanks with a capacity of 13.67 million gallons. The average daily demand in 2023 was 35.60 MGD. The total design capacity of County production facilities is 60.13 MGD. The County produced 12.99 billion gallons of water in 2023.

Sewage Disposal System

The County is divided into ten sewerage service areas. The County owns and operates sewerage treatment facilities and/or sewerage collection systems in seven of the service areas. The remaining three service areas all have conveyance systems that are operated and maintained by the County. Two of the service areas have treatment facilities located in neighboring municipalities. These service areas include Baltimore City (served by Patapsco Sewage Treatment Plant in Baltimore City) and Rose Haven/Holland Point (served by the Chesapeake Beach Wastewater Treatment Plant in Calvert County). The sewerage treatment facilities and/or sewerage collection systems in the County's ten sewerage service areas provide treatment capacity of 59.06 MGD for approximately 132,665 accounts served by the County's wastewater facilities. The treatment facilities and capacities are as follows:

Treatment Facilities	Trend of 24 Month (MGD) Average Daily Flow as of December, 2022	(MGD) Existing Design Capacity	(MGD) Design Capacity to Year 2030
Cox Creek	10.08	15.00	15.00
Patuxent	5.53	10.50	10.50
Maryland City	1.40	3.33	3.33
Broadneck	3.98	8.00	8.00
Broadwater	0.99	2.00	2.00
Annapolis (Joint Facility)	8.61	13.00	13.00
Patapsco (Baltimore City)	1.19	6.39	6.39
Piney Orchard	0.53	0.70	0.70
Rosehaven	0.08	0.14	0.14
Total	32.39	59.06	59.06

The upgrading and/or expansion of several existing wastewater treatment facilities are presently under various stages of design and construction.

Solid Waste Management

The Anne Arundel County Solid Waste Enterprise (the "Enterprise") was created in 1969. It operates as a self-supporting utility with responsibilities including solid waste collection, recycling, and disposal. The Enterprise owns and operates the only sanitary landfill in the County, three residential solid waste drop-off facilities referred to as recycling centers, a paper recovery center for processing corrugated cardboard products from the commercial and residential sectors, a yard waste composting area on its landfill campus for recycling leaves and grass, and a landfill gas-to-electricity facility which uses captured methane gas as fuel in the production of electricity.

Waste Management Operations

Collection — The Enterprise contracts with private haulers for the collection of residential trash, recyclables and yard waste generated in all of the urban and suburban areas of the County and many of the rural areas. The County retains control of these residentially collected materials and presently directs all trash to its own facilities as well as private facilities. Recyclables, including paper, plastic, metal and glass, are directed to a private materials recovery facility. The majority of collected yard waste is composted at the expanded composting pad located on the campus of the Millersville Landfill. The Enterprise owns and operates a small fleet of solid waste collection vehicles which provide residential services such as bulky item collections for appliances or large scrap metal items and a community-based neighborhood cleanup program.

Disposal — The Enterprise owns three municipal solid waste landfill facilities. The Millersville Landfill and Resource Recovery Facility hosts the only fully operational landfill. Recycling centers, which accept recyclables, yard waste and trash from County residents, are located at the Glen Burnie landfill, the Sudley landfill, and the Millersville landfill. Post-closure care is provided at all three landfills. The Enterprise has completed the redesign of the Millersville landfill to maximize its disposal capacity and to incorporate state-of-the-art environmental controls such as multiple liners and cover systems, leachate collection systems including a pretreatment plant, and a gas management system, including a landfill gas-to-electricity facility. Landfill design elements exceed all present regulations and were selected to provide the necessary and required environmental safeguards. Development of State-permitted disposal capacity, in conjunction with waste reduction and recycling initiatives, is expected to provide the County with a solid waste disposal system that is projected to last at least until the year 2048. Future disposal options are being studied as outlined in the General Development Plan and the 10-Year Solid Waste Management Plan.

Recycling — The County achieved the original Maryland Recycling Act ("MRA") goal of 20% by January 1, 1994, and has exceeded the revised goal of 35% before December 31, 2015. Recycling in the residential sector (which began with the start-up program for 6,300 homes in 1989) has the Enterprise providing curbside recyclables and yard waste collection to all single-family dwellings, select multi-family residences, County offices and some small businesses served by local government contracted private haulers since October 1993. Materials recovered include paper, plastic, metal and glass and yard waste. The State's most recently published MRA rate[*] for Anne Arundel County is 40%.

The Enterprise has operated a commercial corrugated cardboard and paper processing operation since 1986. The facility receives, bales, and ships cardboard to market. The Enterprise also provides six household hazardous waste collection days per year.

Regional Involvement — The County continues to explore and evaluate regional opportunities that deal with a variety of solid waste management activities. Cooperation with Baltimore City, Baltimore County, Carroll County, Harford County, Howard County, Montgomery County, and Prince George's County is ongoing with work conducted through the Northeast Maryland Waste Disposal Authority, the Baltimore Metropolitan Council, and other organizations.

Financial Operation

The Enterprise operates as a utility, recovering its costs through service user fees. The main user charges are landfill tipping fees charged to commercial customers and customers with large loads, and waste collection customer fees charged to residential customers whose solid waste is collected by the Enterprise. User fee charges by the Enterprise are solely within the discretion of the County and are not subject to control by any State or federal agency. User fee ordinances must be approved by a majority of the County Council.

Historically, the County has adopted rates sufficient for the Enterprise to meet or exceed its expenditure obligations for operation, maintenance, and debt service costs. The County has ensured the financial stability of the Enterprise through periodic review and revision of rate levels and structures over time. The Enterprise has never required the supplement of its revenues from other sources to meet its obligations. Significant landfill closure cost accruals have been recorded, using engineering estimates of the closure costs in light of U.S. Environmental Protection Agency regulations concerning solid waste disposal sites, and the period of estimated use of current cells. Rate increases have been implemented which management believes will ensure the long-term financial self-sufficiency of the Enterprise in view of the regulatory requirements. (See "FINANCES - Solid Waste Fund").

Climate Preparedness

To plan for major emergencies, including planning and adapting to the effects of rising sea levels, more frequent and destructive storms, and other consequences of climate change, the County adopted its Hazard Mitigation Plan, which was approved by the Maryland Emergency Management Administration ("MEMA") and the Federal Emergency Management Administration ("FEMA") in 2005 and updated in 2018; adopted its Emergency Operations Plan, which was approved by MEMA in 2018; and adopted its Nuisance Flooding Plan in September of 2020 (together, the "Emergency Plans"). In 2023, Anne Arundel County completed its Sea Level Rise Strategic Plan

[*] Table 17, County Recyclables by Commodity in Tons for CY21, Maryland Solid Waste Management and Diversion Report – 2022, Maryland Department of the Environment, Land and Materials Administration, Resource Management Program, https://mde.maryland.gov/programs/land/RMP/Documents/MSWMaDR%20%2722.pdf

Update, Phase 1 Vulnerability and Risk Assessment. In early 2024, the County initiated a climate adaptation study for the Shady Side peninsula in the southern portion of the county.

Anne Arundel County is bounded by the Patapsco River to the north, the Chesapeake Bay to the east, and the Patuxent River to the west. As a coastal county, it is particularly vulnerable to rising sea levels, flooding, and other impacts of climate change, including riverine flooding and the increased frequency and severity of storm events. As climate risks intensify, the Emergency Plans provide recommendations that not only mitigate and respond to climate events but also create social and economic returns. The County will be challenged to develop and maintain physical infrastructure needed to prepare for the impacts of climate change, including capital projects to elevate roads, repair or replace culverts, implement stormwater runoff controls, construct additional stormwater management infrastructure, and repair and remove dams, among other measures. In preparation, the County is taking proactive steps to assess its infrastructure for vulnerabilities and better position itself to thrive despite elevated climate risks.

All proposed capital projects must now identify their resilience to climate change before being funded. For example, engineers must declare whether or not the proposed projects are: located outside of the 500-yr FEMA floodplain; located at least 10 feet above mean high, high water levels within the Chesapeake Bay; providing for storage of precipitation from a 10-yr duration storm event; providing onsite renewable energy generation; meeting LEED gold or higher certification; and providing redundant, backup power sources.

The County has also received FEMA grant funding through the Building Resilient Infrastructure and Communities ("BRIC") program to assess the vulnerability of roadways to both sea-level rise and inland flooding events and to develop a climate adaptation plan for southern, low-lying portions of the County. These efforts will create a list of priority roadway improvements that will protect infrastructure and allow the County to provide services to communities, as well as create a roadmap for climate adaptation.

The County has also begun a number of programs to protect communities from flooding caused by sea level rise and stormwater.

As a result of the studies mentioned previously, the County is undertaking a large drainage improvement project along a low-lying and frequently flooded stretch of Clark Station Road in Severn, Maryland that has included the acquisition of low-lying properties upstream of the area, and will involve improvements to the storm drain conveyance systems. This project is seen as the first of many comprehensive, community resilience projects that will protect properties from future flooding and is in the final stages of design.

The County has also initiated a voluntary, low-lying property acquisition grant program that enables owners of low-lying properties the opportunity to sell their property to the County in order to remove themselves from the repeated flooding hazard. The first property acquired through the program has had the structure demolished, and the property restored the property to a natural state enabling it to store floodwaters and protect surrounding communities.

The County Council recently created the nation's first multijurisdictional climate resilience finance authority. The Resilience Authority of Annapolis and Anne Arundel County will develop, finance, and support infrastructure projects that support resilience efforts within the County and the City. As an independent body, the Resilience Authority, is uniquely suited to tackle expensive, long-term infrastructure projects because it can operate outside of the county and city's budgets and debt ceiling restrictions. As a complement to the City's and County's programs and planning efforts, the Authority seeks to streamline assessment, engineering, and construction of community-scale resiliency projects.

The County is taking other actions to address climate preparedness challenges, including the filing of a complaint against various energy providers, including, but not limited to, BP P.L.C, Crown Central LLC, Chevron Corp., Exxon Mobil Corp., Shell Oil Company, Citgo Petroleum Corp., and the American Petroleum Institute (the "Defendants") in the Circuit Court for Anne Arundel County Maryland (case no, C-02-CS-21-000565), which is currently stayed in the United States District Court, District of Maryland (Northern Division) (case no. 1:21-cv-01323-ELH) pending resolution of a motion to remand the case back to Circuit Court of Anne Arundel County Maryland (the "Complaint"). Under the Complaint, the County alleges that the Defendants have knowingly engaged in the unrestricted production and use of fossil fuel products, resulting in the creation of greenhouse gas pollution that has already impacted and will continue to impact the economic and public health, safety and general welfare of County residents. In the Complaint, the County alleges that it will experience significant additional and accelerating sea level rise over the coming decades and is projected to experience at least five feet of sea level rise before the end of this century. The County is requesting, among other things, that the Court award the County monetary damages with respect to the harm alleged to have been caused by Defendants. There is no assurance that the County will prevail in the litigation or otherwise recover funds from the Defendants that would assist in offsetting the costs of implementing the Emergency Plans.

Recreation and Parks

The Department of Recreation and Parks is primarily responsible for the administration of a comprehensive system of recreational programs for County residents and the preservation of valuable land, which includes over 160 parks and natural areas. It manages specialized recreational facilities, including swim centers, golf courses, a baseball stadium, and a softball complex. The department also oversees approximately 210 miles of multi-use trails, and programs such as school-age childcare and adaptive recreation. More than 12,800 acres of parkland fall under the Department's jurisdiction. The Department's open space includes neighborhood parks, greenways, archaeological, environmental, and historical preserves, and large regional facilities occupying several hundred acres of land. A dedicated professional staff of park rangers, environmental specialists, athletic and recreational supervisors and planners provide leisure activities for citizens of all ages including the senior and physically challenged populations. Extensive volunteer networks supply more than 1.5 million staff hours per year to Department programs.

Source: Recreation & Parks.

Insurance

It is the policy of the County to retain risks of losses in those areas where it believes it is more economical to manage its risks internally and set aside assets for claims settlement in its internal service fund. The County purchases insurance for cyber liability, real and personal property, boiler and machinery, and aviation coverage, and faithful performance bonds, as well as school bus insurance for the bus contractors of the Board of Education and vehicle liability insurance for the contract operation of the Department of Aging and Disability Transportation Program.

The County maintains the self-insurance fund to provide workers' compensation and directors' and officers' coverage for the County Government, the Board of Education and the Community College and general liability and vehicle liability coverage for the County Government and the Board of Education, watercraft coverage for County fireboats as well as to supplement the high deductible commercial first party property coverage.

The internal service fund, maintained to account for self-insurance activity, has no equity balance. (See "Appendix A, Basic Financial Statements," Note 14).

Source: Risk Management.

SECTION EIGHT: APPROVAL OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement have been approved by Anne Arundel County, Maryland.

ANNE ARUNDEL COUNTY, MARYLAND

By: /s/ Steuart Pittman
STEUART PITTMAN
County Executive

and

By: /s/ Christine Anderson
CHRISTINE ANDERSON
Chief Administrative Officer

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APPENDIX A

Anne Arundel County, Maryland

Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

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SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

The Honorable County Executive and
The Honorable Members of the County Council
Anne Arundel County, Maryland

Opinion

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anne Arundel County, Maryland (the County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows and budget and actual for the general and grants special revenue funds thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Anne Arundel County Board of Education, Anne Arundel County Community College, Anne Arundel Economic Development Corporation, Tipton Airport Authority, Anne Arundel Workforce Development Corporation, and Anne Arundel County Retirement and Pension System. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it related to the amounts included for the County, is based solely on the report of the other auditors.

The financial statements that we did not audit, which are listed above, represent the percentages of the total assets, total net position, and total revenues of the accompanying financial statements as listed below.

	Percentage of Opinion Unit		
	Total Assets	Total Net Position	Total Operating Revenues
Component units			
Major			
Board of Education	88.0%	128.3%	89.7%
Community College	10.0%	-30.4%	7.8%
Non-Major			
Economic Development	0.3%	-0.4%	0.2%
Tipton Airport	0.6%	-2.5%	0.2%
Workforce Development	0.2%	-0.2%	0.5%
Total Percentage of Component Units	99.1%	94.8%	98.4%
Fiduciary Funds:			
Pension Trust Fund	81.8%	81.2%	56.7%

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for one year beyond the date the financial statements are available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liabilities and related ratios, schedules of investment returns, schedules of employer's contributions, schedules of proportionate share of pension plans, schedules of County's contributions, schedules of changes in net OPEB liabilities and related ratios, retiree health benefits trust schedules of contributions, and schedule of changes in length of service award program net pension liability and related ratios, as identified in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other

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auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The combining fund statements, budgetary statements and other supporting schedules, as referenced in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund statements, budgetary statements and other supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund statements, budgetary statements, and other supporting schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Owings Mills, Maryland
December 21, 2023

SB + Company, LLC

Management's Discussion and Analysis

Introduction

The following Management Discussion and Analysis (MD&A) offers an overview and analysis of the basic financial statements for the fiscal year ended June 2023.[1] The statements address the following three key areas:

- *Near-term financing*, or the County's ability to meet its short-term financial obligations in a timely manner;
- *Financial position*, or the County's current and determined future financial health; and
- *Economic condition*, or the likelihood of the County's financial position improving or deteriorating.

The MDA should be viewed in conjunction with other sections of the ACFR, including the transmittal letter and notes to the basic financial statements.

Financial Highlights

The following chart highlights the changes in the County's net position, total revenues, and total expenses between FY 2023 and FY 2022.

	Governmental Activities				Business-Type Activities				Total			
	2023	2022	$	%	2023	2022	$	%	2023	2022	$	%
Net Position	$ (103.9)	$ (188.0)	$ 84.1	-44.7%	$ 1,330.4	$ 1,350.0	$ (19.6)	-1.5%	$ 1,226.5	$ 1,162.1	$ 64.4	5.5%
Total Revenues	2,266.3	2,197.3	69.0	3.1%	265.9	279.8	(13.9)	-5.0%	2,532.2	2,477.0	55.1	2.2%
Total Expenses	2,183.6	1,968.3	215.3	10.9%	284.1	257.7	26.4	10.2%	2,467.7	2,226.0	241.7	10.9%

Note: Amounts shown in millions.

- **Governmental Activities-Net position net increase of $84.1 million or 44.7%**: Due to a $41.4 million increase in net investment in capital assets and a $38.9 million increase in restricted assets.
- **Business-Type Activities-Net position net decrease of $19.6 million or 1.5%:** Mainly due to a $16.0 million decrease in restricted assets and a $5.1 million decrease in unrestricted assets.
- **Governmental Activities-Total revenues net increase of $69.0 million or 3.1%**: Due to increases in general revenue. Tax revenue comprised the largest portion of the general revenue increase at $118.4 million or 7.4%. Investment income also increased by $43.6 million or 404.5%. Offsetting the increase in general revenue was an overall decrease in program revenues. Although charges for services increased by $50.9 million or 34.4%, operating and capital grants revenues decreased by $23.3 million or 17.3% and $42.9 million or 48.1%, respectively.
- **Business-Type Activities-Total revenues net decrease of $13.9 million or 5.0%:** Mainly due to a decrease in capital grants of $22.5 million or 24.4%.
- **Governmental Activities-Total expenses net increase: $215.3 million or 10.9%**: Mainly due to a $172.6 million or 45.0% increase in public safety expenses, a $66.6 million or 7.1% increase in education expenses, a $14.9 million or 44.6% increase in judicial expenses, and a $14.8 million or 13.7% increase in health and human services expenses.
- **Business-Type Activities-Total expenses net increase: $26.4 million or 10.2%:** Mainly due to an increase in waste collection expenditures of $22.4 million or 52.5%.

Section A: Overview of Basic Financial Statements

The basic financial statements consist of the following:

Government-wide financial statements: Provide a long-term view of the County's finances. They record revenues and expenses when the earnings process is complete (full accrual basis), as opposed to when they are actually received or paid (cash basis). Government-wide financial statements include the following statements:

Statement of Net Position: reports the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the fiscal year. It excludes fund balances. Over time, changes in net position may indicate improvement or deterioration in financial condition.

Statement of Activities: shows the changes in net position (revenue net of expenses) of functions individually and in the aggregate.

The Statement of Net Position and the Statement of Activities categorize primary government operations into governmental activities, business-type activities, and component units.

Governmental activities: are primary government functions that are principally supported by taxes and other general revenue sources. Governmental activities include education, public safety, general government, health and human services, public works, recreation and community services, judicial functions, code enforcement, and land use and development.

Business-type activities: are government functions that are primarily supported by user fees and charges. Business-type activities include utility services, waste collection, and child care services.

Component units: are entities that the County provides substantial funding for and/or the County Executive appoints a majority of the entities' Board members, implying a substantial degree of control over their management. Component units include the Board of Education, Community College, Library, Economic Development Corporation, Tipton Airport, and Workforce Development Corporation.

Fund financial statements: Report detailed information on different fund types within the primary government. Unlike government-wide statements, fund financial statements are on a modified accrual basis. Information about major funds such as the General Fund, the Impact Fees Capital Projects Fund, and the General County Capital Projects Fund, are shown in separate columns due to their size or significance. Non-major funds are aggregated into one column known as "Other Non-Major Funds." Fund financial statements include the following statements:

Balance Sheet: presents the net assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting in fund balances.

Statement of Revenues, Expenditures, and Changes in Fund Balances: shows changes in revenues, expenditures, and fund balances from the beginning of the fiscal year to the end of the fiscal year.

Statement of Revenues, Expenses, and Changes in Net Position The Statement of Operations and Changes in Net Position shows the results of the County's operations—the extent to which the County's tax revenue covers its net cost

Statement of Cash Flows: reflects the effects of cash receipts and cash payment activity during the fiscal year.

Statement of Fiduciary Net Position: provides the assets, deferred outflows of resources, liabilities, deferred outflows, and net position for each fiduciary fund.

Statement of Changes in Fiduciary Net Position: reports changes in net position from the beginning to the end of the fiscal year resulting from Fiduciary operations.

Fund financial statements provide detailed information about the following fund types:

Governmental funds: comprise funds that are typically supported by tax revenues. These funds include the General Fund, grant funds, special revenue funds, debt service funds, capital project funds, and special revenue funds are used to segregate revenue sources to ensure they are spent for their intended purpose. Debt service funds are used to accumulate resources to pay certain long-term debt issued by the County or separate districts. Since governmental fund statements focus primarily on the sources, uses, and balances of current financial resources and often have a budgetary focus, the statements help determine whether there are more or less financial resources available in the near future to finance County programs.

Proprietary funds: focus on major funds and include enterprise and internal service funds.

Enterprise funds: support services primarily for external customers. Enterprise funds include the Water and Wastewater Fund, the Solid Waste Fund, and the Child Care Fund.

Internal service funds: primarily provide benefits to other funds, departments, or agencies of the County. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Transactions for these funds are recorded using the full accrual basis of accounting. Long-term assets and liabilities are recorded on the statements. Internal service funds include the Self Insurance Fund, the Health Insurance Fund, the Central Garage and Transportation Fund, and the Garage Replacement Fund.

Fiduciary funds: reflect monies held for the benefit of parties outside the County and retired government employees. The County's four defined benefit pension plans that form the Retirement System Pension Trust Funds and the Retirees Health Benefits Trust Fund are included in this category. Also included in this category are custodial funds. Custodial funds are used to accumulate temporary deposits and other funds collected from outside parties. The funds will then be either returned to the payer or passed on to a third party. These funds follow the full accrual method of accounting.

The chart on the following page summarizes the scope, fund types, required financial statements, measurement focus, and basis of accounting for both government-wide statements and fund financial statements.

	Government-wide Statements			Fund Statements		
	Governmental Activities	**Business-Type Activities**	**Discretely Presented Component Units**	**Governmental Funds**	**Proprietary Funds**	**Fiduciary Funds**
Scope of the Report and Fund Types	Activities generally financed through taxes, intercounty revenues, and other nonexchange revenues	Activities financed in whole or in part by fees charged to external parties for goods and services	Legally separate organizations for which the elected officials of the primary government are financially accountable	• General Fund • Grants Fund • Special Revenue Funds • Debt Service Funds • Capital Projects Funds Generally used to account for tax-supported activities	• Enterprise Funds • Internal Services Funds Activities focus on the determination of operating income, changes in net position, financial position, and cash flow	• Custodial Funds • Pension Trust Funds • Investment Trust Funds • Private Purpose Trust Funds Activities held in a trustee or custodial capacity for others and therefore cannot be used to support the government's own programs
Required Financial Statements	• Statement of Net Position • Statement of Activities			• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses, and Changes in Net Position • Statement of Cash Flows	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Measurement Focus and Basis of Accounting	Economic resources and accrual basis			Current financial resources and modified accrual basis	Economic resources and accrual basis	Accrual basis

Budgetary Statements: Compare General Fund and Grants Special Revenue Fund expenditures against their appropriations. The statements use the budgetary method when accounting for transactions. Revenues are generally recognized when available, and expenditures are recognized when a commitment, in the form of a purchase order or contract, has been issued to a vendor.

Notes to the Basic Financial Statements: Provide additional information essential to a full understanding of government-wide and fund financial statements.

Required Supplementary Information: Provide trend data for the Pension Trust Funds and Other Post-Employment Benefits (OPEB).

Section B: Financial Data and Management's Analysis

Government-wide Statements

Statement of Net Position

The following condensed Statement of Net Position lists current and non-current assets, deferred outflow of resources, current and non-current liabilities, and deferred inflow of resources for fiscal years 2023 and 2022.

Anne Arundel County, Maryland
Statement of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Assets:						
Current	$ 873,407,286	$ 901,259,941	$ 203,846,414	$ 210,987,314	$ 1,077,253,700	$ 1,112,247,255
Restricted - Current	557,230,534	457,948,605	283,911,027	296,882,496	841,141,561	754,831,101
Restricted - Noncurrent	-	-	19,186,848	19,696,451	19,186,848	19,696,451
Capital	1,661,790,176	1,556,092,473	1,927,751,908	1,887,518,642	3,589,542,084	3,443,611,115
Total	3,092,427,996	2,915,301,019	2,434,696,197	2,415,084,903	5,527,124,193	5,330,385,922
Deferred outflow of resources	538,000,454	355,928,035	41,632,538	32,770,014	579,632,992	388,698,049
Liabilities:						
Current	305,430,819	303,388,069	95,828,877	87,122,065	401,259,696	390,510,134
Restricted - current	103,028,829	138,370,005	10,770,378	10,711,130	113,799,207	149,081,135
Noncurrent	3,306,761,657	2,843,150,824	1,035,530,898	982,475,556	4,342,292,555	3,825,626,380
Total	3,715,221,305	3,284,908,898	1,142,130,153	1,080,308,751	4,857,351,458	4,365,217,649
Deferred inflow of resources	19,117,958	174,281,577	3,771,139	17,510,583	22,889,097	191,792,160
Net Position:						
Net investment in capital assets	676,150,623	634,757,425	1,038,973,087	1,037,504,264	1,715,123,710	1,672,261,689
Restricted	250,244,909	211,341,812	295,911,339	311,887,638	546,156,248	523,229,450
Unrestricted	(1,030,306,345)	(1,034,060,658)	(4,456,983)	643,681	(1,034,763,328)	(1,033,416,977)
Total net position	$ (103,910,813)	$ (187,961,421)	$ 1,330,427,443	$ 1,350,035,583	$ 1,226,516,630	$ 1,162,074,162

Unrestricted current assets in governmental activities are \$12.9 million or 1.5% less in fiscal year 2023 primarily due to a decrease in cash and temporary investments of \$96.8 million arising from market conditions, a decrease in due from component units of \$4.2 million. The decrease was offset by an increase in taxes and other state revenue receivables of \$85.4 million driven by timing and \$2.3 million in prepaid and other receivables.

The unrestricted current assets of business-type activities decreased by \$7.1 million or 3.4%, primarily due to a decrease in cash and temporary investments and other state revenue receivables of \$7.7 million and \$1.2 million, respectively. The decrease was offset by an increase of \$2.8 million in service billing receivables.

Restricted current assets in governmental activities increased by \$99.3 million or 21.7%, due to an increase of \$99.3 million in restricted cash and temporary investments. The Grant fund balance carried a negative fund balance of \$18.8 million. This deficit in the Grant fund balance increased by 56.1% in fiscal year 2023 as a result of unpaid grant reimbursements at the end of the fiscal year. County agencies, especially the health department, have carried unpaid balances dating back to year 2020 when COVID-19 caused significant delays in processing grant reimbursements to the County.

The restricted cash in the Impact Fee Capital Projects Fund increased by $8.5 million as a result of an increase in its fund balance of $8.1 million. This was primarily due to a decrease in transfers out of $4.9 million. The General County Capital Project Fund had an increase in cash and investments of $110.7 million. This increase is in part the result of an overall increase in realized capital project funding, coupled with a decrease in accounts receivable of $12.9 million and an increase in accounts payable and accrued liabilities of $11 million.

The Non-major Governmental Funds increased by $11 million or 10.0% in cash and investments, mainly due to increases in special revenue funds as follows:

- The Opioid Abatement Fund and the Housing Trust Fund were included in these funds in fiscal year 2023 and carried cash and investment balances of $4.7 and $8.0 million, respectively.
- Arundel Community Development Service grants increased by $8.1 million.
- Odenton Town Center Tax Increment increased by $4.5 million.

Restricted current assets in business-type activities decreased by $13.0 million or 4.4%, primarily due to a decrease in investments of $11.2 million due to market conditions.

Restricted noncurrent assets in governmental activities increased by $164.2 million or 6.3% from the prior fiscal year. This increase is mainly due to an increase in capital assets as a result of capitalization of water and waste water capital projects being completed during the current fiscal year.

It is important to note that, although counties in the State of Maryland issue debt for the construction of schools, the local boards of education own the schools. Ownership reverts to the County if the Anne Arundel County Board of Education no longer needs the building. The County also funds projects for Anne Arundel Community College (AACC) and others that do not result in County assets. While the County's statements include this outstanding debt, there are no capital assets recorded on the primary government's statements.

Unrestricted current liabilities for governmental activities decreased by $2 million or 0.7%. This occurred primarily due to a decrease in accounts payable, accrued liabilities, internal balances and escrow deposits of $16.4 million, $0.3 million, and $0.1 million, respectively, offset by an increase in unearned revenue of $4.6 million.

The current unrestricted liabilities in business-type activities increased by $8.7 million or 10.0% from the prior fiscal year mainly due to increased accrued liabilities as a result of timing.

Restricted current liabilities for governmental activities decreased by $35.3 million or 25.5% mainly as a result of an increase in unearned revenue as a result of $39.5 million of ARPA funding that was not utilized in the current year. This was a decrease of $29.1 million from the $68.6 million of unearned ARPA revenue at the end of fiscal year 2023 in that same fund.

Noncurrent liabilities in governmental activities, Pension benefits, and OPEB obligations increased by $433.8 million, primarily due to an increase in pension benefits. As of July 1, 2022, a subscription liability of $14.0 million is being reported due to the adoption of GASB 96.

The following table shows the fluctuations in the unrestricted net position in the governmental activities over the past four years. The reduction in net position is the result of assets used for capital improvements classified in the net investment in capital assets and the recording of the pension benefits and OPEB obligation.

Fiscal year	Balance (in millions)	Fiscal year	Balance (in millions)
2020	$ (1,371.9)	2022	$ (1,034.1)
2021	(1,298.5)	2023	(1,030.3)

Statement of Activities

The following condensed Statement of Activities lists revenues first, with functional expenses presented last. The schedule includes comparative amounts from the previous fiscal year.

	Governmental Activities		Business type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for services	$ 199,390,887	$ 148,410,210	$ 168,038,762	$ 162,427,398	$ 367,429,649	$ 310,837,608
Operating grants & contributions	111,667,527	134,967,857	-	-	111,667,527	134,967,857
Capital grants & contributions	46,351,613	89,331,031	69,742,708	92,279,830	116,094,321	181,610,861
	357,410,027	372,709,098	237,781,470	254,707,228	595,191,497	627,416,326
General Revenues:						
General property taxes	873,849,117	854,191,742	-	-	873,849,117	854,191,742
Local income taxes	836,419,317	745,469,114	-	-	836,419,317	745,469,114
State shared taxes	16,215,423	8,465,642	-	-	16,215,423	8,465,642
Recordation & transfer taxes	118,352,717	198,086,989	-	-	118,352,717	198,086,989
Local sales taxes	31,227,504	29,120,925	-	-	31,227,504	29,120,925
Investment income	32,795,673	(10,770,518)	4,205,644	(419,533)	37,001,317	(11,190,051)
Other revenue	-	-	23,917,221	25,467,783	23,917,221	25,467,783
	1,908,859,751	1,824,563,894	28,122,865	25,048,250	1,936,982,616	1,849,612,144
Total revenues	2,266,269,778	2,197,272,992	265,904,335	279,755,478	2,532,174,113	2,477,028,470
Expenses:						
Education	1,009,588,263	942,940,746	-	-	1,009,588,263	942,940,746
Public safety	523,492,613	383,475,342	-	-	523,492,613	383,475,342
General government	261,756,642	274,812,069	-	-	261,756,642	274,812,069
Health & human services	118,153,403	108,192,358	-	-	118,153,403	108,192,358
Public works	55,721,080	53,350,615	-	-	55,721,080	53,350,615
Recreation & community services	97,685,530	95,365,139	-	-	97,685,530	95,365,139
Judicial	45,481,079	33,446,760	-	-	45,481,079	33,446,760
Code enforcement	21,965,726	15,863,411	-	-	21,965,726	15,863,411
Land use & development	14,814,964	10,424,039	-	-	14,814,964	10,424,039
Interest expense on debt and leases	34,958,828	50,469,151	-	-	34,958,828	50,469,151
Water & wastewater	-	-	211,402,753	208,736,083	211,402,753	208,736,083
Waste collection	-	-	65,278,475	42,688,148	65,278,475	42,688,148
Child care	-	-	7,432,289	6,231,208	7,432,289	6,231,208
Total expenses	2,183,618,128	1,968,339,630	284,113,517	257,655,439	2,467,731,645	2,225,995,069
Increase(decrease) in net position	82,651,650	228,933,362	(18,209,182)	22,100,039	64,442,468	251,033,401
Non operating income and expense:						
County Transfer	1,398,958	1,836,177	(1,398,958)	(1,836,177)	-	-
Change in Net Position	84,050,608	230,769,539	(19,608,140)	20,263,862	64,442,468	251,033,401
Net Position, beg of year	(187,961,421)	(418,730,960)	1,350,035,583	1,329,771,721	1,162,074,162	911,040,761
Net Position, end of year	$ $ (103,910,813)	$ (187,961,421)	$ 1,330,427,443	$ 1,350,035,583	$ 1,226,516,630	$ $ 1,162,074,162

Revenues in Governmental Activities increased from the prior fiscal year by $68.9 million or 3.1%. This is mainly due to an increase in local income tax of $90.9 million or 12.2%, charges for services of $50.9 million or 34.4% and general property taxes of $19.7 million or 2.3%. Investment income increased by $43.6 million or 404.5% due to movements in market rates. The increases were offset by a decrease in recordation and transfer tax revenue of $79.7 million or 40.3%, and decreases in grant operating and capital revenues of $23.3 million or 17.3% and $42.9 million or 48.1%, respectively, mainly due to the use of ARPA funds compared to last fiscal year.

Expenses in Governmental Activities decreased by $215.3 million or 10.9% from the prior fiscal year. Certain functional categories of expenditures had significant fluctuations during fiscal year 2023. The most notable fluctuations were in public safety for $140.1 million or 36.5%, primarily due to increase in pay packages, and contractual services for police and fire departments.

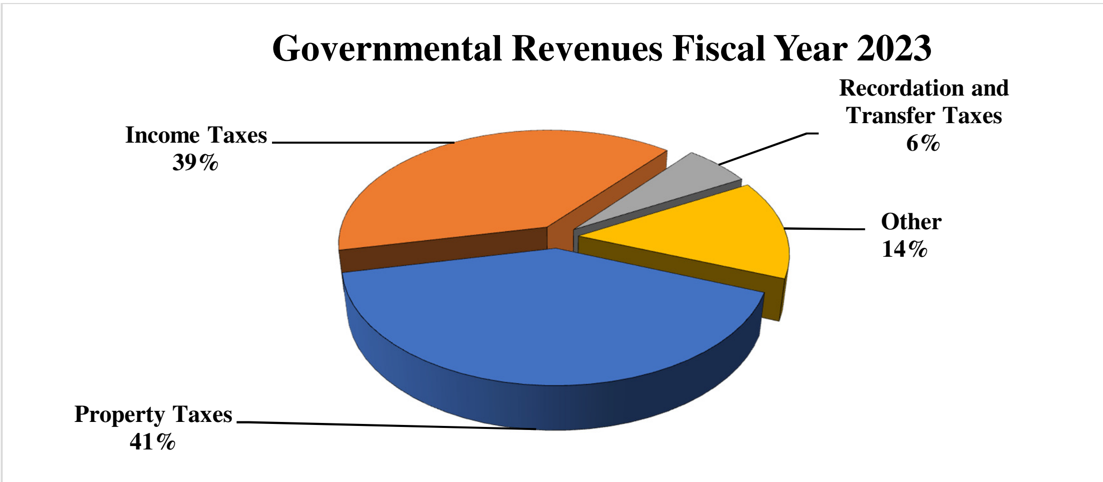
Revenues in Business-type Activities decreased by $14 million or 5% from the prior fiscal year mainly due to decreased capital grant and contributions of $22.5 million or 24.4%, offset by an increase of $4.6 million or 1,102.5% in investment income compared to the prior year.

Expenses in Business-type Activities increased $26.4 million or 10.2% primarily due to an increase in waste collection contractual services.

Section C: Distribution of Revenues and Expenses

Government-wide Revenues

The following chart shows the percentage distribution of revenues from governmental activities and the percentage expended on each function.



General revenue sources continue to provide the vast majority of the County's revenue. Tax revenues provided 86.0% of the revenue base, an increase of 3.0% from fiscal year 2022 driven by higher income and property taxes. Charges for services paid to the County by users were 6.0% for fiscal year 2023 which decreased slightly from 7.0% in fiscal year 2022.

An analysis of the percentage distribution of revenues shows an increase in income tax revenue from 34.0% to 39.0% and a decrease in recordation and transfer tax revenue from 9.0% to 6.0%. Property tax revenue increased from 38.0% to 41.0% and investment income increased from -1.0% to 1.0%. Expenditure distribution percentages remained constant from fiscal year 2022.

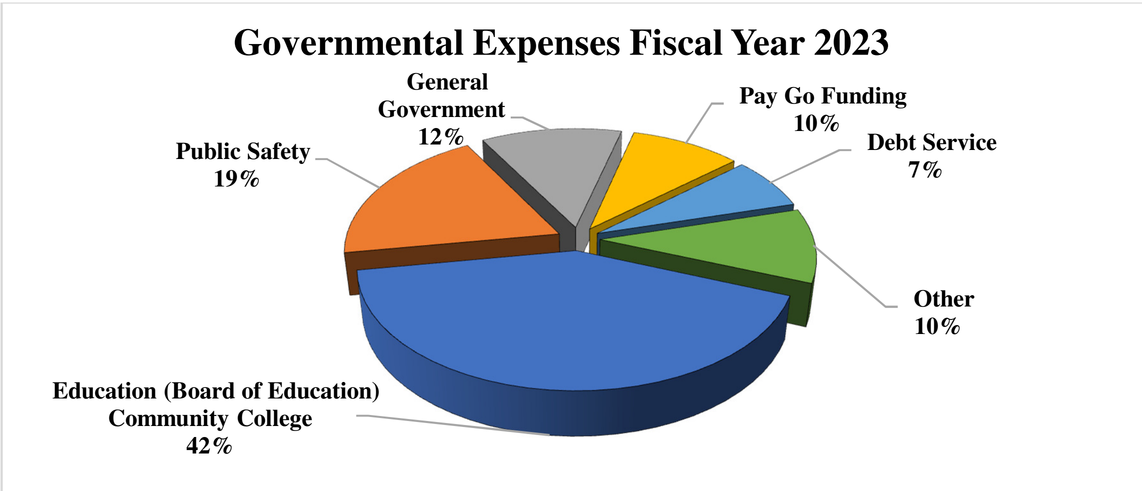
The following analysis shows the movement in tax revenues for the year ended June 2023.

- *Sales and use tax revenue* primarily driven by an increase in general sales due to continued relaxed business and travel restrictions as COVID-19 concerns subsided, allowing the economy to return to normal activity.

- *Property tax revenue* reflected increased recordation and transfer tax revenues due to increased purchase and refinancing activities. Despite unchanged property tax rates from fiscal year 2022, property tax revenue increased. This increase in property tax revenue stemmed from an increase in assessments.

Other government-wide revenues increased in fiscal year 2023 due to continued federal efforts to address the immediate impacts of the pandemic, including grants and contributions from the American Rescue Plan Act (ARPA) and the Elementary and Secondary School Emergency Relief Fund.

Government-wide Expenses



An analysis of the percentage distribution of expenses by function revealed that education expenses decreased from 48% in fiscal year 2022 to 42% in fiscal year 2023 while public safety expenses remained constant at 19%. General government expenses decreased slightly from 14% to 12% as did health and human services and recreation and community services, both decreasing from 5% to 3%. Public works expenses remained constant.

The major components of the changes in governmental activities expenses include the following:

- Education expenses increased due to an increase in pension expenses, slightly offset by decreased OPEB expenditures. Additionally, expenditures increased due to stimulus-related spending to run schools, pay salaries, address learning loss, purchase supplies and communication equipment for emergency connectivity, and maintain and operate infrastructure.

- Public safety and judicial expenses increased due to pension expenses and fringe benefits, slightly offset by decreased expenditures in the OPEB Plan.

- Transportation expenses increased due to an increase in pensions, judgments and claims, and fringe benefits, slightly offset by decreased OPEB expenditures.

Section D: Fund Statements

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Although tables have not been included herein, certain elements of the major fund statements presented in the basic financial statements are discussed below.

Governmental Funds

The focus of the County's governmental funds is to provide information on near–term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, committed, assigned, and unassigned fund balances can serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

Total assets in the General Fund decreased by $45.4 million or 6.1%, from $742.3 million to $696.9 million from the prior fiscal year. The decrease primarily occurred in cash and investments of $102.8 million, offset by an increase in local income taxes receivable of $50.8 million. Total fund balance decreased by $83.9 million, from $551.5 million to $467.7 million.

General Fund revenues increased by $26.7 million, or 1.4%, from $1,902.8 million to $1,929.5 million over fiscal year 2022. The increases were primarily due to revenues from general property tax, local income tax, and investment income of $15.7 million, $54.8 million, and $36.3 million, respectively, offset by a decrease in recordation and transfer tax revenue of $79.7 million. The increase in general property tax revenue was attributable to an increase in the taxable assessments for the County, while the increase in local income taxes was due to additional revenues collected by the State.

Expenditures increased by $127.7 million or 7.2%, from $1,774.5 million to $1,902.2 million over the same time period.

The County has a Revenue Reserve Fund which is included in the unassigned category of General Fund balance. This reserve may only be used when revenues fall below budget expectations and would require legislative action. The fund has been in existence since fiscal year 1994 and has been drawn upon by management in fiscal years 2009 and 2010 in the amounts of $16.8 million and $16.0 million, respectively, as a result of underperforming revenues during the 2008-2009 recession. At the end of the current fiscal year, the balance of the reserve fund was $121.5 million. The increase from the prior fiscal year is due to a current year contribution of $23.2 million.

The County also has set aside $21.1 million for permanent public infrastructure which is included in the restricted fund balance of the General Fund.

Grants Fund

The Grants Fund continues to be presented as a major fund in the current fiscal year as a result of the inflow and outflow of ARPA grants received from federal and state government sources. Budgetary revenues in the grants fund were higher by $42.4 million, mainly due to multiyear ARPA grant funds not previously expended and therefore collected in the current year. The Grants fund balance shows a decrease of $6.8 million or 56.4%, from a negative $12.0 million in fiscal year 2022 to a negative $18.8 million in fiscal year 2023. The overall fund balance is negative as a result of unpaid grant reimbursements at year-end.

Impact Fees Capital Project Fund

The Impact Fees Capital Project Fund retains developer impact fees until needed for the construction of capital assets. The total fund balance increased by $8.5 million or 7.6%, from $112.2 million in fiscal year 2022 to $120.7 million in fiscal year 2023. This was mainly a result of impact fee revenues of $22.8 million exceeding impact fee expenses of $3.6 million and transfers out to capital projects of $10.7 million. The amounts transferred are used for the construction of capital assets and to pay off debt, both of which are related to impact fee eligible projects.

General County Capital Projects Fund

The General County Capital Projects Fund's total assets increased by $97.9 million or 50% in fiscal year 2023 to $292 million. This is primarily due to a $110.7 million increase in cash and investments at the end of the current fiscal year which was primarily driven by incoming PAYGO funds to support capital improvements, offset by a $12.8 million decrease in receivables. Amounts due from the Board of Education decreased by $4.2 million.

Liabilities increased by $9.2 million compared to the prior fiscal year, primarily due to an increase in the amount due to the Board of Education of $7.5 million and a $2.5 million increase in Accounts Payable due to timing of the close of the year. Deferred inflow of resources decreased by $4.0 million due to a decrease in unavailable grant and program revenue. The change in fund balance from the prior fiscal year increased from $120.8 million to $213.6 million in fiscal year 2023, primarily due to an increase of $92.7 million in unassigned fund balance.

Revenues in the General County Capital Projects Fund decreased by $5.3 million in fiscal year 2023 to $28.2 million. Expenditures in this fund increased by $23.2 million which was mainly attributable to major capital outlay projects including $9.9 million of Advance Land Acquisitions, information technology enhancements of $14.1 million, and road infrastructure projects of $17.3 million. The Board of Education was down by $5.4 million for the year ending June, 2023. Major capital projects in education this fiscal year included:

- Building system renovations for $16.3 million
- Old Mill Middle and High Schools for $46.9 million
- West County Elementary School for $10.6 million

Proprietary Funds

The County's proprietary fund statements provide the same information found in the government-wide financial statements, but in more detail.

The Water and Wastewater Fund's assets totaled $2.3 billion at the end of fiscal year 2023. Capital assets increase each year as capital projects are completed and developer-donated water and sewer facilities are added. The main increase in liabilities was an increase in debt of $25.3 million. As a result of the changes in assets and liabilities, the Water and Wastewater Fund's net position decreased by $22.8 million or 1.7%.

The Statement of Revenues, Expenses, and Changes in Fund Net Position for Water and Wastewater Fund had an increase in operating revenues of $5.3 million. Operating expenses increased by $2.1 million or 1.2%, mainly from an increase in personal services of $10.1 million and an increase in supplies of $2.7 million coupled by an increase of $3.8 million in depreciation expense, offset by a decrease in contractual services of $14.1 million. Non-operating revenue and expenses increased from the previous year by $4.4 million, while capital contributions and grants decreased by $22.5 million.

The Solid Waste Fund's assets increased by $3.5 million mainly due to solid waste renovations of $1.9 million. Liabilities increased by $4.5 million from the prior fiscal year in part due to the current portion of long-term debt of $5.4 million compared fiscal year 2022.

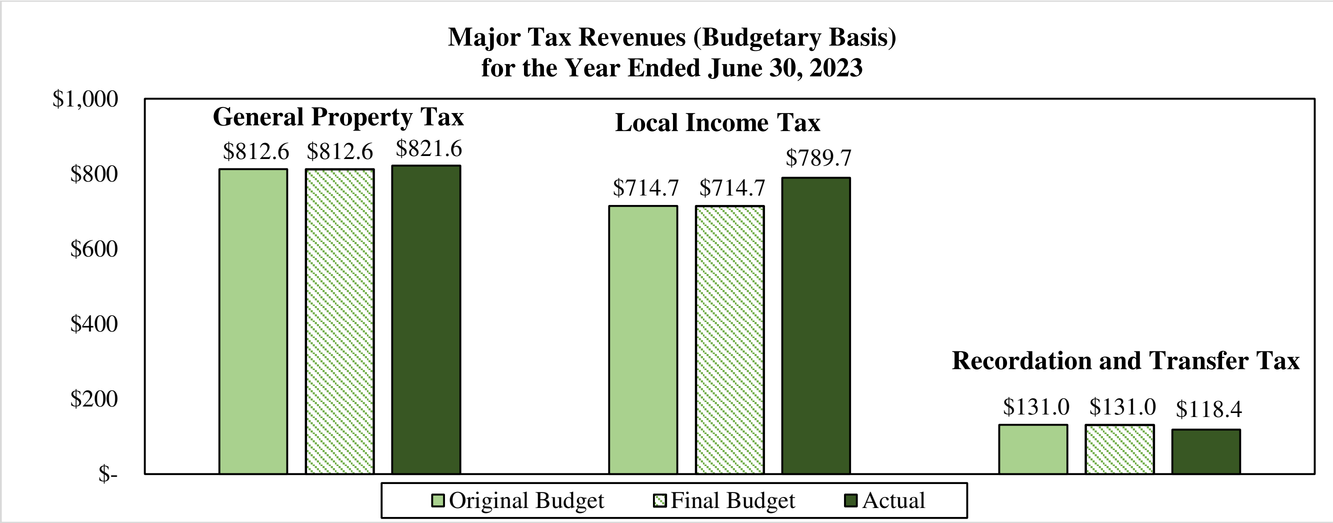
The Statement of Revenues, Expenses, and Changes in Fund Net Position for Solid Waste Operating expenses increased by $22.4 million due to the prior year closeout of the Cell 8 landfill of $15.3 million and removal from Landfill closing cost. In fiscal year 2023, operating expenses increased in personal and contractual services by approximately $10.2 million primarily as a result of a $2.4 million GASB 68 pension allocation adjustment in personal services and an approximately $7.8 million increase in contractual services due to increases in contract pricing for curbside collections, special recycling services, and special disposal services.

Fiduciary Funds

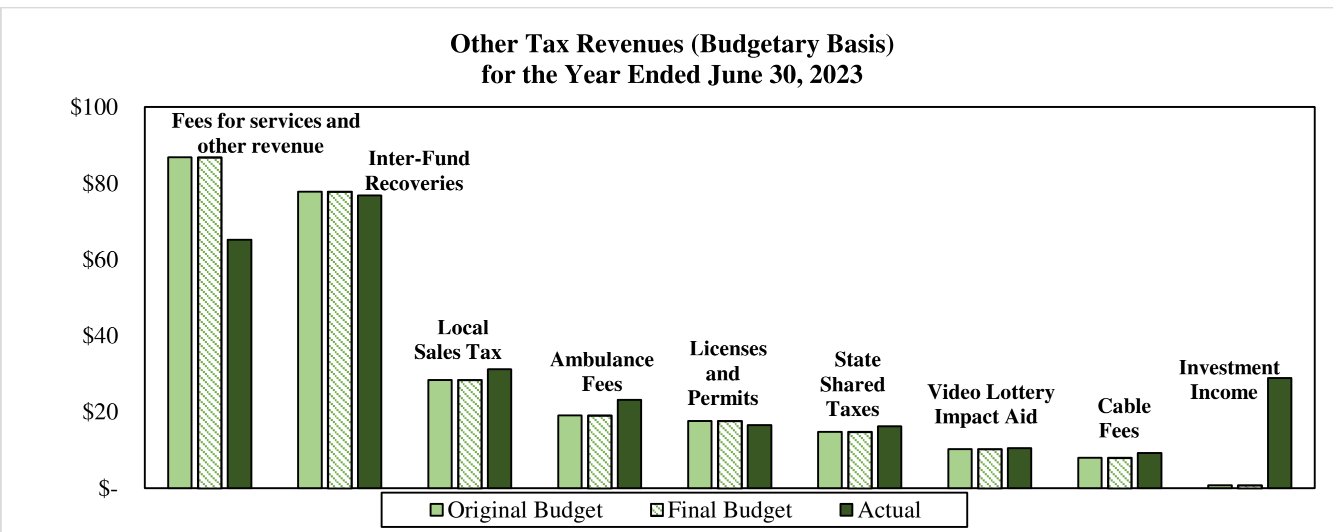
Fiduciary funds include the Pension Trust Funds, the OPEB Trust Fund, and Custodial Funds. The Pension Trust Funds are presented for the calendar year ended December 31, 2022. Total investments in the Pension Trust decreased by $267.7 million or 11.3% in calendar year 2022. The Pension Fund net position decreased from $2.4 billion to $2.1 billion or 11.6% mainly due to a decrease in net depreciation in market value of investments. Pension contributions increased from $141.1 million or 25.9% in calendar year 2022 to $115.2 million during calendar year 2023. Pension contributions are determined by the actuarial valuations based on the net pension liability. The pension net investment income decreased by $556.9 million or 186.8% from the prior year. The net position of the OPEB Trust at the end of the current fiscal year was $487.8 million, an increase of $86.5 million or 21.6% from the prior fiscal year mainly due to a $30.8 million net appreciation in fair value of investments. The Custodial net position is $27.1 million in fiscal year 2023.

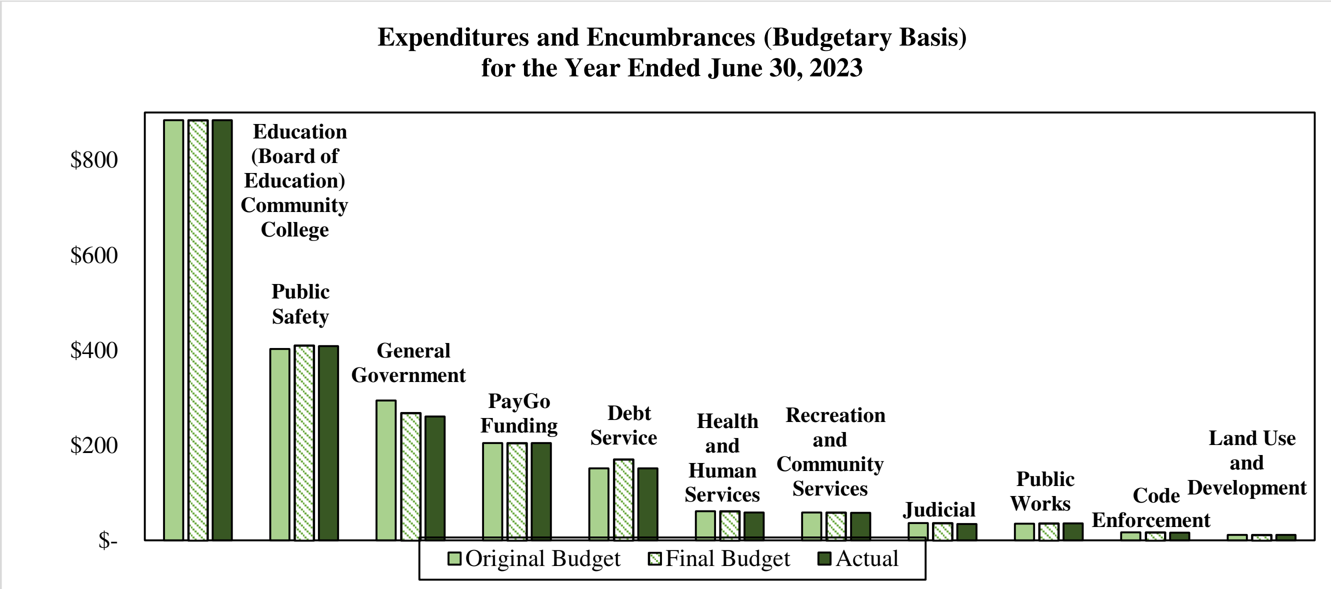
Budgetary Variations

The budgetary statements of the General Fund show actual revenues of $2 billion compared to budgeted amounts of $1.9 billion, resulting in $112.7 million more revenue than anticipated from local income and property taxes.



The most significant budgetary variations within components of revenue were the increases in investment income that exceeded budgetary expectations by $28.1 million or 3,387%. Ambulance fees and cable fees exceeded budgetary expectations by $4.2 million or 22% and $1.3 million or 16%, respectively. Local sales tax revenue also was higher by $2.8 million or 9.7%. Revenues from property and sales taxes and State shared taxes exceeded budgetary expectations by $13.1 million or 1.5%, in the aggregate. Revenues from recordation and transfer taxes, inter-fund recoveries, and licenses and permits had a combined decrease of 6.5% mainly due to lower-than-expected inter-fund recoveries from the Enterprise Funds as well as the Capital Project Funds.





Total expenditures on a budgetary basis were $2.2 billion which approximated appropriation authority of $2.2 billion, resulting in $32.7 million or 1.5% less than planned. The most notable variance was in debt service of $18.5 million. The General Fund and the Board of Education underspent $9.5 million and $9.0 million less, respectively. In general government, part of the variance was in the Chief Administrative Office which was $2.3 million under budget. Health and human services also were under budget by $2.4 million, mostly due to substituting ARPA funds for general funds, resulting in an unspent $1.7 million in general funds. Judicial and recreation and community services had variances of $1.9 million and $1.1 million, respectively. The Sheriff's Office had a variance of $1.4 million, the Fire Department $3.7 million, and the Office of Central Services $1.5 million. The Fire Department's variance was mainly due personal services partly as a result of position vacancies.

Management is not aware of any reasons why these and other budgetary variations would have a significant effect on future liquidity or services.

Section E: Capital Assets

The table below presents the asset values of the capital asset categories in governmental and business-type activities, net of accumulated depreciation. Below is a discussion of the fluctuations.

Anne Arundel County, Maryland
Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and easements	$ 298,130,555	$ 280,022,449	$ 19,243,130	$ 18,373,610	$ 317,373,685	$ 298,396,059
Historical property and works of art	4,166,465	4,166,465	-	-	4,166,465	4,166,465
Land improvements	222,776,281	185,193,813	-	-	222,776,281	185,193,813
Landfills			51,760,600	52,174,304	51,760,600	52,174,304
Buildings	195,855,737	172,133,510	38,403,774	39,552,411	234,259,511	211,685,921
Roads, bridges and signals	176,963,757	181,457,176	-	-	176,963,757	181,457,176
Sidewalks, curbs and gutters	40,187,113	39,481,943	-	-	40,187,113	39,481,943
Storm drains and culverts	177,808,410	174,734,478	-	-	177,808,410	174,734,478
Water and sewer plants and lines	-	-	1,455,085,592	1,365,159,289	1,455,085,592	1,365,159,289
Automobiles and rolling stock	62,300,303	58,379,441	7,374,137	6,383,488	69,674,440	64,762,929
Furniture and equipment	35,016,426	41,409,978	9,934,147	11,654,899	44,950,573	53,064,877
Software	1,368,724	1,385,403	-	-	1,368,724	1,385,403
Right of use-leases	43,177,819	37,225,794	93,513	121,310	43,271,332	37,347,104
Right of use-subscriptions	17,627,758	14,462,900	-	-	17,627,758	14,462,900
Construction in progress	386,410,828	380,502,023	345,857,015	394,099,331	732,267,843	774,601,354
Total	$ 1,661,790,176	$ 1,570,555,373	$ 1,927,751,908	$ 1,887,518,642	$ 3,589,542,084	$ 3,458,074,015

Governmental capital assets – Governmental activities capital assets increased by $91.23 million or 5.8% from fiscal year 2022.

Major capital asset events during the current fiscal year included the following:

- $17.3 million for road resurfacing and reconstruction
- $14.1 million for information technology enhancement
- $9.9 million for Advance Land Acquisition
- $8.5 million for park renovations

The County adopted GASB statement No.96, Subscription-based information technology arrangements, for fiscal year 2023. The standard requires that the County recognize SBITAs as intangible capital assets (right to use underlying assets) and amortize the assets over the life of the lease. As a result of this the County recognized $22,034,697 as intangible SBITA assets, $18,131,782 as liability, and $4,406,939 as amortization expense.

The business-type activities capital assets increased by $40.2 million or 2.1% from fiscal year 2022, mainly due to an increase in water and sewer plants and lines capital projects completed and placed in service. The remaining categories of assets show modest variations because new additions are negated by the continued depreciation of existing assets.

Major capital asset events during the current fiscal year included the following:

- $34.7 million for general water and sewer main replacement and reconstruction
- $11.3 million for upgrade and retrofit of sewer pumping station facilities
- $5.5 million for Broad Creek WTP expansion
- $3.1 million for Cox Creek grit system improvement

The Statement of Net Position presents the gross asset balances and total accumulated depreciation. The following table summarizes this information for depreciable assets and presents accumulated depreciation as a percentage of the gross depreciable assets. Accumulated depreciation as a percentage of depreciable assets continues to be at 53%. The business-type capital assets continue to be at 44% for the accumulated depreciation as a percentage of the asset values at fiscal year-end.

Anne Arundel County, Maryland
Analysis of Depreciable Assets

		Total Depreciable Capital Assets	Less Accumulated Depreciation	Net Depreciable Capital Assets	Accumulated Depreciation as a Percent of Total
Governmental					
2023	*	$ 2,090,987,307	$ (1,117,904,979)	$ 973,082,328	53%
2022		1,950,704,897	(1,059,303,361)	891,401,536	54%
2021		1,809,334,953	(1,007,079,095)	802,255,858	56%
2020		1,752,416,903	(979,986,918)	772,429,985	56%
2019		1,705,463,427	(934,687,358)	770,776,069	55%
2018		1,666,353,729	(898,876,045)	767,477,684	54%
Business-type					
2023		$ 2,781,085,814	$ (1,218,434,051)	$ 1,562,651,763	44%
2022		2,624,509,146	(1,149,463,445)	1,475,045,701	44%
2021		2,384,206,168	(1,079,655,308)	1,304,550,860	45%
2020		2,303,599,166	(1,023,183,019)	1,280,416,147	44%
2019		2,214,565,724	(966,700,080)	1,247,865,644	44%
2018		2,109,864,062	(915,143,615)	1,194,720,447	43%

* This schedule does not include the SBITA

The comparison of these fiscal years does not provide any definitive conclusion about the County's replacement of aging assets. Management will continue to monitor these trends. Additional information about the County's capital assets and changes therein is provided in Note 5 to the basic financial statements.

Section F: Debt Administration

The County's outstanding debt at the end of fiscal years 2023 and 2022 is presented in the table below. The County issued general obligation bonds of $198.4 million in April 2023, including $132.5 million for governmental activities and $65.9 million for water and wastewater activities to fund improvements for general county capital projects of $129.6 million, waste management projects of $3.0 million, and water and sewer projects of $65.9 million. The County had a decrease in Maryland Water Quality loans for water and wastewater improvements of $4.8 million in the Water and Wastewater Fund. There was a new Maryland water quality loan for Heritage Harbor in the amount of $912.0 thousand. The changes to the state loans were not significant Principal payments of $241,911 were made on existing loans. The County did not initiate new agricultural easements through installment purchase agreements during fiscal year 2023. Other changes to debt balances resulted from principal payments during fiscal year 2023. Additional information about the County's debt and changes therein is provided in Note 8 to the basic financial statements.

Outstanding Debt

Anne Arundel County, Maryland

Outstanding Debt *

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	$ 1,501,117,041	$ 1,477,542,396	$ 813,198,910	$ 789,915,317	$ 2,314,315,951	$ 2,267,457,713
Tax incremental and other debt	56,780,000	61,015,000	-	-	56,780,000	61,015,000
State loans	1,681,761	1,896,672	-	-	1,681,761	1,896,672
Capital leases	-	20,150	-	-	-	20,150
Leases	44,465,177	37,687,242	95,129	120,650	44,560,306	37,807,892
Subscriptions	18,131,782	-	-	-	18,131,782	-
Installment purchase agreements	13,425,000	13,445,000	-	-	13,425,000	13,445,000
Total	$ 1,635,600,761	$ 1,591,606,460	$ 813,294,039	$ 790,035,967	$ 2,448,894,800	$ 2,381,642,427

* Does not include unamortized premiums.

Section G: Fiscal Year 2024 and Beyond

The County real property tax rate for fiscal year 2024 is $0.980 per $100 of assessed valuation. This is 5% higher than the previous year's property tax rate. Fiscal year 2024 property tax receipts are estimated to increase 8.3% over the fiscal year 2023 actual receipts. Any future decrease in real property assessments would not significantly impact the property tax revenue yield because of the wide gap between assessable values and "taxable" assessable values, the growth of which was limited by the Homestead Property Credit Program to 2% per year during the housing boom years.

The fiscal year 2024 budget includes two changes in the local income tax rates using the Progressive Local Income Tax structure. First, the County implements new tax brackets for joint filers, which will lower the income tax rate on the first $75,000 of taxable income from 2.81% to 2.70%. Second, for taxable income above $400,000 for individual filers and $480,000 for joint filers, the tax rate will increase to 3.2%. Based on the most recent estimate, fiscal year 2024 income tax revenue is projected to increase 1.01% over the fiscal year 2023 actual revenue. The projected income tax revenue is about $52.3 million more than the estimated amount of $737.4 million for fiscal year 2023.

State law allows the County to collect a stormwater fee from taxpayers to fund the implementation of a local watershed protection and restoration program. These fees are maintained in a dedicated fund, the Watershed Protection and Restoration Fund. For fiscal year 2024, the stormwater fee increased to $93.7 per equivalent run off unit (ERU) and the Watershed Protection and Restoration Fund had an approved budgeted revenue of $27.4 million.

For fiscal year 2024, the Anne Arundel County Public Schools are funded by the County at $881.5 million, a $46.7 million or 5.6% increase over the prior fiscal year. This funding level exceeds the required Maintenance of Effort level for fiscal 2024. Anne Arundel County Public Schools fiscal year 2024 capital budget contains 41 planned projects totaling $192.7 million or 35.8% of the General County capital projects. Of the total fiscal year 2024 General Fund debt service budget, 53.8% is allocated for school debt.

The County's support of Anne Arundel Community College will decrease $1 million in fiscal year 2024 over fiscal year 2023 to a total of $50.1 million, $48.4 million from the General Fund and $1.7 million from the Video Lottery Local Impact Aid Special Revenue Fund. The County has appropriated $7 million for the college's fiscal year 2024 capital projects, which will be financed by issuing general obligation bonds. The college's annual debt service of $7.9 million is paid by the County.

Fiscal year 2024 General Fund budget estimates total revenues at $1.99 billion, an increase of $95.4 million or 50% over fiscal year 2023 original budgeted amounts. As fiscal year 2023 revenues came in much higher than the budgeted amounts, the County most likely will revise its fiscal year 2024 revenue estimates upward during the fiscal year 2025 budget process. Expenditures for fiscal year 2024 will continue to be tightened and trimmed where possible with some strategic investments, particularly in public safety and technology. The County also anticipates issuing bonds during fiscal year 2024.

As mentioned above, the fiscal year 2024 budget includes a progressive income tax rate for all County income taxpayers. The fiscal year 2024 property tax rate is $0.980 per $100 of assessed valuation – this rate still positions the County as the 10th lowest of Maryland's 24 county jurisdictions, and lowest among the "Big 7" central Maryland counties. The Homestead Tax Credit rate for County real property tax is at 2% which remains unchanged from the past fiscal year.

The fiscal year 2024 budget includes increasing the hotel/motel tax rate from 7% to 8%, and establishing a 25-cent surcharge on rideshare trips that originate in the County. Together these two revenue enhancements are projected to bring in approximately $2.3 million in new revenues in fiscal year 2024.

The fiscal year 2024 budget makes several investments to secure long-term fiscal stability. The budget includes increasing the Revenue Reserve Fund to 8% of general fund operating revenues, with a contribution of $24.6 million. This will result in an estimated balance of $159.2 million of reserves at the end of fiscal year 2024.

Bill 42-19 has been passed to establish the Reserve Fund for Permanent Public Improvements (PPI Fund). This is a special fund provided for in the County Charter. The revenue for the Fund is based off of 1/10th of a percentage point by which the income tax rate exceeds 2.5% and capped at $21 million a year to pay for the debt service of a one-time capital infusion of $250 million. Fiscal year 2024 General Fund Budget met the required contribution toward the PPI Fund of $21 million.

The Water and Wastewater Fund usage rates for water and wastewater fees for fiscal year 2024 are $3.23/1,000 gal and $5.67/1,000 gal, respectively; this is an 8.8% increase from prior fiscal year. The Solid waste service charge per household are set at $380/year; this is an 11.4% increase from prior fiscal year. Landfill tipping fees are unchanged at $85/ton. There are no rate changes on Capital Facility Connection Charges and the Environment Protection Fee (EPF) in fiscal year 2024.

Requests for Additional Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning information in this report or requests for additional finance information should be addressed to the Office of Finance, 44 Calvert Street, Annapolis, Maryland 21401. Complete financial reports are also available on our website www.aacounty.org. The County's component units, except for the library, issue their own separately audited financial statements. These statements may be obtained by directly contacting the component unit. Contact information can be found on Note 1A of this report.

Anne Arundel County, Maryland

Statement of Net Position

June 30, 2023

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Non-major
ASSETS						
Current Assets						
Cash and temporary investments	$ 501,467,568	$ 149,012,861	$ 650,480,429	$ 242,234,454	$ 39,652,492	$ 8,595,740
Taxes and other revenue receivable	288,120,588	23,408,983	311,529,571	58,673,373	-	-
Service billings receivable	12,966,024	24,662,281	37,628,305	-	5,015,183	1,061,392
Prepaid and other assets	6,669,698	78,314	6,748,012	36,633,487	1,092,933	2,183,969
Lease receivable	3,957,605	3,454,745	7,412,350	98,116	-	-
Inventories	6,064,437	2,802,991	8,867,428	2,619,651	550,778	39,910
Due from other governmental agencies	37,838,916	426,239	38,265,155	-	1,306,379	-
Due from primary government	-	-	-	39,580,014	511,384	1,928,641
Due from component units	16,322,450	-	16,322,450	-	-	-
Restricted assets						
Cash and temporary investments	557,230,534	36,247,401	593,477,935	424,426	-	912,571
Investments	-	247,663,626	247,663,626	-	-	-
Total current assets	1,430,637,820	487,757,441	1,918,395,261	380,263,521	48,129,149	14,722,223
Non-current Assets						
Restricted assets						
Long term assessment and connection charges	-	19,186,848	19,186,848	-	-	-
Total non-current restricted assets	-	19,186,848	19,186,848	-	-	-
Loans receivable and other assets	-	-	-	-	20,698,798	1,109,020
Capital assets not being depreciated	688,707,848	365,100,145	1,053,807,993	475,670,479	8,899,387	-
Capital assets being depreciated	2,090,987,307	2,781,085,814	4,872,073,121	2,475,140,083	296,926,864	51,735,762
Less accumulated depreciation	(1,117,904,979)	(1,218,434,051)	(2,336,339,030)	(1,127,349,962)	(123,834,515)	(19,273,667)
Net capital assets being depreciated	973,082,328	1,562,651,763	2,535,734,091	1,347,790,121	173,092,349	32,462,095
Total capital assets	1,661,790,176	1,927,751,908	3,589,542,084	1,823,460,600	181,991,736	32,462,095
Total non-current assets	1,661,790,176	1,946,938,756	3,608,728,932	1,823,460,600	202,690,534	33,571,115
Total assets	3,092,427,996	2,434,696,197	5,527,124,193	2,203,724,121	250,819,683	48,293,338
DEFERRED OUTFLOW OF RESOURCES						
Pension benefits	397,740,913	25,825,054	423,565,967	55,664,350	1,693,797	4,152,683
OPEB benefits	136,056,655	15,691,968	151,748,623	249,858,155	43,563,092	14,237,347
LOSAP benefits	4,202,886	-	4,202,886	-	-	-
Unamortized deferred refunding loss	-	115,516	115,516	-	132,400	-
Total deferred outflow of resources	538,000,454	41,632,538	579,632,992	305,522,505	45,389,289	18,390,030

Accompanying notes to the financial statements are an integral part of this statement.

Anne Arundel County, Maryland

Statement of Net Position

June 30, 2023

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Non-major
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	$ 63,039,300	$ 35,717,433	$ 98,756,733	$ 204,731,259	$ 8,075,015	$ 3,185,987
Current portion of non-current liabilities	183,790,714	57,960,552	241,751,266	35,129,086	734,912	1,606,870
Notes payable	-	-	-	-	966,214	-
Current portion of lease liability	3,440,918	46,234	3,487,152	-	60,557	2,905,331
Current portion of subscription liability	4,090,250	-	4,090,250	-	-	-
Internal balances	(1,290,149)	1,290,149	-	-	-	-
Due to primary government	-	-	-	16,322,450	-	-
Due to component units	41,740,614	-	41,740,614	-	-	-
Escrow deposits	921,492	814,509	1,736,001	-	-	-
Unearned revenue	9,697,680	-	9,697,680	3,468,393	7,629,700	2,922,426
Liabilities related to restricted assets						
Accounts payable and accrued liabilities	47,543,030	8,448,337	55,991,367	-	-	-
Escrow and other deposits	5,743,942	-	5,743,942	-	-	-
Unearned revenue	49,741,857	2,322,041	52,063,898	-	-	-
Total current liabilities	408,459,648	106,599,255	515,058,903	259,651,188	17,466,398	10,620,614
Non-current liabilities						
Compensated absences and other obligations	-	57,854	57,854	25,243,773	2,340,877	-
Net pension liability	998,765,340	80,238,025	1,079,003,365	79,902,429	3,918,111	10,016,153
Net other post-employment liability	522,397,789	67,928,570	590,326,359	1,125,188,289	61,397,811	39,410,757
Net LOSAP liability	15,129,475	-	15,129,475	-	-	-
Unpaid insurance claims	44,214,143	-	44,214,143	-	-	-
Estimated landfill closure and postclosure	-	19,767,423	19,767,423	-	-	-
Lease liability	41,024,259	50,860	41,075,119	-	133,772	629,518
Subscription liability	14,041,532	-	14,041,532	224,434	1,179,820	-
Long-term debt	1,671,189,119	866,851,029	2,538,040,148	8,904,475	5,574,522	892,734
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	637,137	637,137	-	-	-
Total non-current liabilities	3,306,761,657	1,035,530,898	4,342,292,555	1,239,463,400	74,544,913	50,949,162
Total liabilities	3,715,221,305	1,142,130,153	4,857,351,458	1,499,114,588	92,011,311	61,569,776
DEFERRED INFLOW OF RESOURCES						
Pension benefits	3,070,122	328,045	3,398,167	31,344,452	484,230	37,911
OPEB benefits	982,426	124,689	1,107,115	1,620,200,698	51,776,779	15,487,483
LOSAP benefits	8,828,199	-	8,828,199	-	-	-
Unamortized deferred refunding gain	2,231,113	-	2,231,113	-	-	-
Lease related	3,976,823	3,318,405	7,295,228	92,708	-	-
Property tax revenue collected in advance	29,275	-	29,275	-	-	-
Total deferred inflow of resources	19,117,958	3,771,139	22,889,097	1,651,637,858	52,261,009	15,525,394
NET POSITION						
Net investment in capital assets	676,150,623	1,038,973,087	1,715,123,710	1,784,800,145	175,913,469	28,027,548
Restricted for:						
Debt service	32,409,541	295,094,047	327,503,588	-	-	-
Capital improvements	93,892,585	426,239	94,318,824	-	-	-
Permanent Public Infrastructure	21,547,484	-	21,547,484	-	-	-
Scholarships/endowments	-	-	-	-	12,090,157	-
Reforestation	5,418,156	-	5,418,156	-	-	-
Community Development	14,510,459	-	14,510,459	-	-	-
Other purposes	82,466,684	391,053	82,857,737	18,839,622	-	1,616,546
Unrestricted	(1,030,306,345)	(4,456,983)	(1,034,763,328)	(2,445,145,587)	(36,066,974)	(40,055,896)
Total net position (deficit)	$ (103,910,813)	$ 1,330,427,443	$ 1,226,516,630	$ (641,505,820)	$ 151,936,652	$ (10,411,802)

Accompanying notes to the financial statements are an integral part of this statement.

Anne Arundel County, Maryland

Statement of Activities

Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenues and Changes in Net Position					
					Primary Government			Discretely Presented Component Units		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Non-major
Primary government										
Governmental activities										
Education	$ 1,009,588,263	$ -	$ -	$ 18,703,303	$ (990,884,960)	$ -	$ (990,884,960)	$ -	$ -	$ -
Public safety	523,492,613	61,591,467	34,310,973	641,529	(426,948,644)	-	(426,948,644)	-	-	-
General government	261,756,642	34,476,892	21,011,601	3,615,102	(202,653,047)	-	(202,653,047)	-	-	-
Health and human services	118,153,403	9,905,975	41,511,140	-	(66,736,288)	-	(66,736,288)	-	-	-
Public works	55,721,080	25,192,891	697,709	11,757,723	(18,072,757)	-	(18,072,757)	-	-	-
Recreation and community services	97,685,530	51,999,021	12,123,651	11,633,956	(21,928,902)	-	(21,928,902)	-	-	-
Judicial	45,481,079	2,878,000	1,936,148	-	(40,666,931)	-	(40,666,931)	-	-	-
Code enforcement	21,965,726	12,240,652	-	-	(9,725,074)	-	(9,725,074)	-	-	-
Land use and development	14,814,964	1,105,989	76,305	-	(13,632,670)	-	(13,632,670)	-	-	-
Interest on debt and leases	34,958,828	-	-	-	(34,958,828)	-	(34,958,828)	-	-	-
	2,183,618,128	199,390,887	111,667,527	46,351,613	(1,826,208,101)	-	(1,826,208,101)	-	-	-
Business-type activities										
Water and wastewater	211,402,753	93,299,610	-	69,742,708	-	(48,360,435)	(48,360,435)	-	-	-
Waste collection	65,278,475	68,134,095	-	-	-	2,855,620	2,855,620	-	-	-
Child care	7,432,289	6,605,057	-	-	-	(827,232)	(827,232)	-	-	-
	284,113,517	168,038,762	-	69,742,708	-	(46,332,047)	(46,332,047)	-	-	-
Total primary government	$ 2,467,731,645	$ 367,429,649	$ 111,667,527	$ 116,094,321	(1,826,208,101)	(46,332,047)	(1,872,540,148)	-	-	-
Component units										
Board of Education	$ 1,513,474,156	$ 9,386,848	$ 287,360,492	$ 220,409,813	-	-	-	(996,317,003)	-	-
Community College	157,049,064	33,170,998	20,416,301	4,184,129	-	-	-	-	(99,277,636)	-
Library System	34,828,134	189,922	5,327,236	-	-	-	-	-	-	(29,310,976)
Economic Development Corp	3,967,054	35,568	1,499,278	-	-	-	-	-	-	(2,432,208)
Tipton Airport Authority	2,773,766	2,184,821	-	2,753,576	-	-	-	-	-	2,164,631
Workforce Development	10,215,068	201,878	9,974,256	-	-	-	-	-	-	(38,934)
Total component units	$ 1,722,307,242	$ 45,170,035	$ 324,577,563	$ 227,347,518	-	-	-	(996,317,003)	(99,277,636)	(29,617,487)
General revenues										
General property taxes					873,849,117	-	873,849,117	-	-	-
Local income taxes					836,419,317	-	836,419,317	-	-	-
State shared taxes - unrestricted					16,215,423	-	16,215,423	-	-	1,000,000
Recordation and transfer taxes					118,352,717	-	118,352,717	-	-	-
Local sales taxes					31,227,504	-	31,227,504	-	-	-
Unrestricted contributions					-	-	-	1,268,491,997	97,716,467	28,208,884
Investment income					32,795,673	4,205,644	37,001,317	6,645,982	3,203,668	22,496
Other revenue					-	23,917,221	23,917,221	15,530,806	(2,162,655)	476,814
County transfer					1,398,958	(1,398,958)	-	-	-	-
Total general revenues					1,910,258,709	26,723,907	1,936,982,616	1,290,668,785	98,757,480	29,708,194
Changes in net position					84,050,608	(19,608,140)	64,442,468	294,351,782	(520,156)	90,707
Net position, July 1 (as restated)					(187,961,421)	1,350,035,583	1,162,074,162	(935,857,602)	152,456,808	(10,502,509)
Net position, June 30					$ (103,910,813)	$ 1,330,427,443	$ 1,226,516,630	$ (641,505,820)	$ 151,936,652	$ (10,411,802)

Accompanying notes to the financial statements are an integral part of this statement.

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Anne Arundel County, Maryland

Balance Sheet

Governmental Funds

June 30, 2023

	Major Funds				Non-major	
	General	Grants Special Revenue	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	Totals
ASSETS						
Cash and investments	$ 388,369,796	$ 45,803,210	$ 120,193,731	$ 267,319,746	$ 123,913,847	$ 945,600,330
Receivables						
Property taxes						
(net of $3,991,006 allowance)	1,452,645	-	-	-	-	1,452,645
Local sales taxes	8,297,397	-	-	-	-	8,297,397
State shared revenues	5,611,455	-	-	-	-	5,611,455
Due from other governmental agencies	3,323,282	22,530,190	-	8,081,045	3,904,399	37,838,916
Due from other funds	36,918,803	-	-	-	-	36,918,803
Due from Board of Education	3,846	-	-	16,318,604	-	16,322,450
Local income tax	216,982,521	-	-	-	-	216,982,521
Leases	3,957,605	-	-	-	-	3,957,605
Other, net	25,627,230	18,947	593,153	325,089	29,212,151	55,776,570
Inventories	4,795,981	-	-	-	-	4,795,981
Other assets	1,537,145	-	-	-	194	1,537,339
Total assets	$ 696,877,706	$ 68,352,347	$ 120,786,884	$ 292,044,484	$ 157,030,591	$ 1,335,092,012
LIABILITIES						
Accounts payable and accrued liabilities	$ 46,394,697	$ 6,193,147	$ -	$ 33,059,111	$ 8,290,772	$ 93,937,727
Due to other funds	7,564,116	11,576,459	-	-	468,774	19,609,349
Due to component units	-					
Board of Education	-	-	-	39,300,589	-	39,300,589
Community College	-	-	-	511,384	-	511,384
Library	1,928,641	-	-	-	-	1,928,641
Escrow and other deposits	921,492	-	89,108	44,608	5,610,226	6,665,434
Unearned revenue	9,697,680	49,741,857	-	-	-	59,439,537
Total liabilities	66,506,626	67,511,463	89,108	72,915,692	14,369,772	221,392,661
DEFERRED INFLOW OF RESOURCES						
Unavailable local income tax	158,728,333	-	-	-	-	158,728,333
Unavailable grant and program revenue	-	19,670,223	-	5,563,607	26,172,337	51,406,167
Leases	3,976,823	-	-	-	-	3,976,823
Property tax revenue collected in subsequent year	29,275	-	-	-	-	29,275
Total deferred inflow of resources	162,734,431	19,670,223	-	5,563,607	26,172,337	214,140,598
FUND BALANCES						
Non-spendable	4,795,981	-	-	-	-	4,795,981
Restricted	21,547,484	5,449,573	120,697,776	22,397,596	117,475,109	287,567,538
Committed	-	-	-	-	13,523,832	13,523,832
Assigned	168,906,742	-	-	191,167,589	-	360,074,331
Unassigned	272,386,442	(24,278,912)	-	-	(14,510,459)	233,597,071
Total fund balances	467,636,649	(18,829,339)	120,697,776	213,565,185	116,488,482	899,558,753
Total liabilities, deferred inflows and fund balances	$ 696,877,706	$ 68,352,347	$ 120,786,884	$ 292,044,484	$ 157,030,591	$ 1,335,092,012

Accompanying notes to financial statements are an integral part of this statement.

Anne Arundel County, Maryland

Reconciliation of Governmental Fund Balance to Governmental Net Position

Governmental Funds

June 30, 2023

Total fund balance for governmental funds as shown on the Balance Sheet	$	899,558,753
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on governmental funds balance sheet:		
Capital assets not being depreciated		688,707,848
Capital assets		1,993,872,081
Accumulated depreciation /Amortization		(1,049,000,981)
Deferred outflows and inflows are recognized in the statement of net position, but are not reported in governmetnal funds:		
Deferred Outflows of Resources - County Pension		393,606,407
Deferred Outflows of Resources - MSRPS Pension		204,702
Deferred Outflows of Resources - OPEB		133,677,502
Deferred Outflows of Resources - LOSAP		4,202,886
Deferred Inflows of Resources		
Deferred Inflows of Resources-County Pension		(2,937,670)
Deferred Inflows of Resources-MSRPS Pension		(83,503)
Deferred Inflows of Resources - OPEB		(964,713)
Deferred Inflows of Resources - LOSAP		(8,828,199)
Deferred Inflows of Resources - Unamortized gain on refunding		(2,231,113)
Certain liabilities not due and payable in the current period and, therefore, not included on governmental funds balance sheet		
Long-term bonded debt		(1,784,159,126)
Federal and state loans		(1,681,761)
Wynne liability due to State of Maryland		(15,482,686)
Net pension liability - County		(985,117,864)
Net pension liability - MSRPS Pension		(836,757)
Net OPEB Liability		(512,303,578)
LOSAP total pension liability		(15,129,475)
Compensated absences		(32,712,075)
Lease Liability		(44,455,181)
Subscription Liability		(18,131,782)
Accrued interest payable on debt recorded in governmental activities		(14,551,193)
Unavailable revenues		
Revenues that will be collected after year-end but are not available soon enough to pay for the current period's expenditures		210,134,500
The assets and liabilities recorded in the internal service funds have been added to governmental net position because these funds are used to provide services to other funds		
Net position of the Internal Service Funds		55,660,923
Certain expenditures paid with current resources deferred to future periods on the Statement of Net Position		5,071,242
Total net position (deficit) for governmental activities as shown on Statement of Net Position	$	(103,910,813)

Accompanying notes to financial statements are an integral part of this statement.

Anne Arundel County, Maryland

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2023

	Major Funds				Non-major	
	General	Grants Special Revenue	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	Totals
REVENUES						
General property taxes	$ 821,649,599	$ -	$ -	$ -	$ 52,199,518	$ 873,849,117
Local income taxes	789,717,002	-	-	-	-	789,717,002
State shared taxes	16,215,423	-	-	-	-	16,215,423
Grants and aid	-	73,905,175	-	24,656,030	11,933,282	110,494,487
Recordation and transfer taxes	118,352,717	-	-	-	-	118,352,717
Local sales taxes	31,227,504	-	-	-	-	31,227,504
License and permit fees	16,549,952	-	-	-	-	16,549,952
Ambulance fees	23,263,395	-	-	-	-	23,263,395
Cable fees	9,318,677	-	-	-	-	9,318,677
Impact fees	-	-	21,695,583	-	-	21,695,583
Special community benefit taxes	-	-	-	-	9,985,961	9,985,961
Video lottery local impact aid	10,507,575	-	-	-	18,436,608	28,944,183
Watershed protection and restoration	-	-	-	-	24,198,415	24,198,415
Investment income	28,752,268	-	1,101,780	1,777,378	1,164,247	32,795,673
Fees for services and other revenue	63,984,162	112,313	-	1,748,484	21,317,545	87,162,504
Total revenues	1,929,538,274	74,017,488	22,797,363	28,181,892	139,235,576	2,193,770,593
EXPENDITURES						
Current						
Education	884,090,100	-	2,873,451	120,924,712	1,700,000	1,009,588,263
Public safety	402,191,075	10,813,932	-	-	7,421,530	420,426,537
General government	200,625,437	22,099,261	-	-	7,275,422	230,000,120
Health and human services	56,165,585	44,720,047	-	-	1,864,907	102,750,539
Public works	32,464,984	444,753	692,344	-	13,181,535	46,783,616
Recreation and community services	58,707,732	1,735,048	-	-	22,410,363	82,853,143
Judicial	33,887,976	2,353,219	-	-	112,261	36,353,456
Code enforcement	16,532,962	-	-	-	1,249,270	17,782,232
Land use and development	11,352,272	71,872	-	-	538,438	11,962,582
Capital outlay	-	-	-	182,355,965	-	182,355,965
Debt service						
Interest payments on debt	61,063,357	-	-	-	9,092,213	70,155,570
Principal payments on debt	140,859,669	-	-	-	10,509,230	151,368,899
Interest payments on leases	509,527	10,404	-	-	33	519,964
Principal payments on leases	3,642,557	451,717	-	-	6,008	4,100,282
Debt issuance costs	114,533	-	-	-	-	114,533
Total expenditures	1,902,207,766	82,700,253	3,565,795	303,280,677	75,361,210	2,367,115,701
Revenues over (under) expenditures	27,330,508	(8,682,765)	19,231,568	(275,098,785)	63,874,366	(173,345,108)
OTHER FINANCING SOURCES (USES)						
Transfers in	41,725,134	1,889,597	-	368,529,941	1,145,023	413,289,695
Transfers out	(322,877,064)	-	(10,683,823)	(1,777,378)	(77,951,430)	(413,289,695)
General obligation bonds issued	115,455,000	-	-	-	14,100,000	129,555,000
Refunding bonds issued	40,730,000	-	-	-	-	40,730,000
Premium from sale of bonds	-	-	-	-	18,759,800	18,759,800
Premium on refunding of bonds	5,973,165	-	-	-	-	5,973,165
Proceeds from leases	190,617	-	-	-	-	190,617
Proceeds from SBITA	7,571,797	-	-	-	-	7,571,797
Transfer from Water and Wastewater Fund	-	-	-	877,600	-	877,600
Transfers from Solid Waste Fund	-	-	-	191,900	329,458	521,358
Total other financing sources (uses)	(111,231,351)	1,889,597	(10,683,823)	367,822,063	(43,617,149)	204,179,337
Net change in fund balances	(83,900,843)	(6,793,168)	8,547,745	92,723,278	20,257,217	30,834,229
Fund balances, July 1	551,537,492	(12,036,171)	112,150,031	120,841,907	96,231,265	868,724,524
Fund balances, June 30	$ 467,636,649	$ (18,829,339)	$ 120,697,776	$ 213,565,185	$ 116,488,482	$ 899,558,753

Accompanying notes to financial statements are an integral part of this statement.

Anne Arundel County, Maryland

Reconciliation of Changes in Fund Balances to Changes in Net Position

Governmental Funds

Year Ended June 30, 2023

Changes in fund balances as shown on Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds	$	30,834,229
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over the estimated useful lives of those assets through an annual depreciation charge. The differences are as follows:		
Current year additions of capital assets		163,165,202
Current year disposals of capital assets		(1,472,903)
Depreciation/Amortization expense recorded in the Statement of Activities		(70,232,494)
Governmental funds report the additions and payments of long term liabilities in the period that current resources are provided or used. In the Statement of Activities, new debt is recorded as a liability and payments of principal are charged against that liability. Interest payable must be accrued from the date of the last interest payment to the end of the fiscal year. Debt related differences are as follows:		
New debt issued in current year		(170,285,000)
Principal payments on debt		151,200,416
Additions of new leases		(11,442,707)
Lease payments		4,670,586
SBITA payments		3,902,915
SBITA issued		(7,571,797)
Change in accrued interest payable		722,546
Amortization of prior year refunding gain/loss		30,803,957
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds		
Change in Wynne accrued liability due to the State of MD		884,724
Changes in pension liabilities and related deferred outflows and inflows of resources		(95,666,824)
Accrual of LOSAP liability		(499,913)
Accrual of other post-employment benefit liability (OPEB)		2,385,179
Accrual of compensated absences		2,514,442
Expense was deferred to future periods		1,011,295
Premiums received on bond issues have been deferred in the government-wide statements. The revenue will be recognized over the life of the related bonds.		
Amortization of premiums		(24,732,965)
Certain revenue was deferred on the governmental fund statements because it was not available to pay expenditures of the current period. These deferred amounts are recognized as revenue in the Statement of Activities.		72,499,185
The current year activity in the internal service funds has been combined and eliminated against the governmental activities in the Statement of Activities. The net activity in the internal service funds that resulted from provision of services to business-type activities, component units, and outside agencies must be recognized in the Statement of Activities.		
Net position of the Internal Service Funds		2,331,476
Business-type activities allocation of Internal Service Funds net position		(970,941)
Changes in net position as shown in governmental activities on the Statement of Activities	$	84,050,608

Accompanying notes to financial statements are an integral part of this statement.

Anne Arundel County, Maryland

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

General Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General property taxes	$ 812,632,900	$ 812,632,900	$ 821,649,599	$ 9,016,699
Local income taxes	714,700,000	714,700,000	789,717,002	75,017,002
State shared taxes	14,842,900	14,842,900	16,215,423	1,372,523
Recordation and transfer taxes	131,000,000	131,000,000	118,352,717	(12,647,283)
Local sales taxes	28,468,000	28,468,000	31,227,504	2,759,504
Licenses and permits	17,708,000	17,708,000	16,549,952	(1,158,048)
Ambulance fees	19,100,000	19,100,000	23,263,395	4,163,395
Cable fees	8,000,000	8,000,000	9,318,677	1,318,677
Video Lottery Impact Aid	10,250,000	10,250,000	10,507,575	257,575
Investment income	830,000	830,000	28,940,153	28,110,153
Interfund recoveries	77,812,500	77,812,500	76,822,894	(989,606)
Fees for services and other revenues	59,734,200	59,734,200	65,222,624	5,488,424
Total revenues	1,895,078,500	1,895,078,500	2,007,787,515	112,709,015
EXPENDITURES				
Current				
Education	834,741,000	834,741,000	834,741,000	-
Higher education	49,427,800	49,427,800	49,349,100	78,700
Public safety	402,976,300	409,816,700	408,976,453	840,247
General government	294,149,500	267,927,800	260,562,936	7,364,864
Health and human services	61,125,600	61,125,600	58,710,025	2,415,575
Public works	35,158,400	35,860,300	35,808,149	52,151
Recreation and community services	58,943,300	58,943,300	57,823,064	1,120,236
Judicial	36,282,500	36,304,500	34,424,114	1,880,386
Land use and development	11,254,300	11,371,800	11,344,688	27,112
Code enforcement	16,807,700	16,807,700	16,532,962	274,738
Debt service	151,604,100	170,144,000	151,645,135	18,498,865
Pay go funding - capital projects	204,980,000	204,980,000	204,795,000	185,000
Total expenditures	2,157,450,500	2,157,450,500	2,124,712,626	32,737,874
Revenues over (under) expenditures	$ (262,372,000)	$ (262,372,000)	(116,925,111)	$ 145,446,889
Fund balances, budgetary, July 1			371,796,246	
Fund balances, budgetary, June 30			$ 254,871,135	

Fund balance - GAAP Basis	$ 467,636,649
Non-spendable	(4,795,981)
Restricted	(21,547,484)
Assigned	(168,906,742)
Unassigned - Revenue reserve allocation	(121,506,380)
Effects of:	
Fair market value adjustment	1,398,508
Cumulative LOSAP effect	763,250
County Parking Garage Fund	(562,708)
Inmate Benefits and Morale Fund	(1,084,418)
Permanent Public Improvements	(46,232,104)
Lease revenue	19,218
Self Insurance Fund surplus allocation	(6,015,914)
Central Garage Fund deficit allocation	7,564,116
Unassigned - Non-GAAP basis	106,730,010
Assigned for subsequent years	148,141,125
Fund balance - budgetary basis	$ 254,871,135

Accompanying notes to financial statements are an integral part of this statement.

Anne Arundel County, Maryland

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Grants Special Revenue Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Grants and aid	$ 99,000,200	$ 120,989,532	$ 80,161,456	$ (40,828,076)
Fees, General Fund contributions and other	4,779,600	4,781,600	3,185,221	(1,596,379)
	103,779,800	125,771,132	83,346,677	(42,424,455)
Expenditures				
Public safety	14,274,300	15,746,900	12,016,766	3,730,134
General government	29,092,900	30,909,100	22,006,701	8,902,399
Health and human services	56,503,100	70,281,895	46,823,114	23,458,781
Public works	295,000	754,400	76,865	677,535
Recreation and community services	541,000	3,399,900	2,167,848	1,232,052
Judicial	2,751,500	4,356,937	2,354,817	2,002,120
Land use and development	321,000	321,000	53,243	267,757
Code enforcement	1,000	1,000	-	1,000
	103,779,800	125,771,132	85,499,354	40,271,778
Revenues over (under) expenditures	$ -	$ -	(2,152,677)	$ (2,152,677)
Partnership Fund balance, budgetary, July 1			191,978	
Fund balance, budgetary, July 1			(9,572,605)	
Fund balance, budgetary, June 30			$ (11,533,304)	

Revenues over (under) expenditures - GAAP	$ (6,793,168)
Transfer in Partnership fund balance	(270,833)
Revenue deferred for GAAP purposes	6,256,281
Effect of Encumbrances	(1,344,957)
Revenues over (under) expenditures Budgetary Basis	$ (2,152,677)

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

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Anne Arundel County, Maryland

Statement of Net Position

Proprietary Funds

June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Non-major Fund		
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
ASSETS					
Current assets					
Cash and temporary investments	$ 117,419,851	$ 30,865,104	$ 727,906	$ 149,012,861	$ 26,682,619
Investments	-	-	-	-	86,415,153
Service billings receivable	23,402,245	1,247,580	12,456	24,662,281	12,966,024
Due from other funds	145,805	31,526	1,767	179,098	9,033,363
Inventories	2,517,193	285,798	-	2,802,991	1,268,456
Lease receivable	3,454,745	-	-	3,454,745	-
Other	76,211	-	2,103	78,314	61,117
Restricted assets					
Cash and temporary investments	15,604,968	20,642,433	-	36,247,401	-
Investments	247,663,626	-	-	247,663,626	-
Receivables					
Due from other governmental agencies	426,239	-	-	426,239	-
Other, net	23,408,983	-	-	23,408,983	-
Total current assets	434,119,866	53,072,441	744,232	487,936,539	136,426,732
Noncurrent assets					
Restricted assets					
Deferred connection and assessment charges	19,186,848	-	-	19,186,848	-
Capital assets	2,979,706,781	166,479,178	-	3,146,185,959	97,115,226
Less accumulated depreciation	(1,136,177,397)	(82,256,654)	-	(1,218,434,051)	(68,903,998)
Total capital assets, net of depreciation	1,843,529,384	84,222,524	-	1,927,751,908	28,211,228
Total noncurrent assets	1,862,716,232	84,222,524	-	1,946,938,756	28,211,228
Total assets	2,296,836,098	137,294,965	744,232	2,434,875,295	164,637,960
DEFERRED OUTFLOW OF RESOURCES					
Pension benefits	20,814,377	4,529,990	480,687	25,825,054	3,929,804
OPEB benefits	12,518,764	2,668,170	505,034	15,691,968	2,379,153
Unamortized deferred refunding loss (gain)	818,560	(703,044)	-	115,516	-
Total deferred outflows	34,151,701	6,495,116	985,721	41,632,538	6,308,957
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	30,716,501	4,895,191	105,741	35,717,433	2,093,410
Current portion of long-term debt and obligations	52,407,662	5,446,020	106,870	57,960,552	20,944,185
Due to other funds	928,880	540,367	-	1,469,247	25,052,668
Lease payable	41,925	3,373	936	46,234	1,677
Escrow deposits	740,262	74,247	-	814,509	-
Liabilities related to restricted assets					
Accounts payable and accrued liabilities	8,448,337	-	-	8,448,337	-
Unearned revenue	2,322,041	-	-	2,322,041	-
Total current liabilities	95,605,608	10,959,198	213,547	106,778,353	48,091,940
Noncurrent liabilities					
Unpaid insurance claims	-	-	-	-	44,214,143
Accrued liability for compensated absences	5,123	48,958	3,773	57,854	-
Net pension liability	65,167,067	13,687,692	1,383,266	80,238,025	12,810,719
Net OPEB liability	53,615,580	13,028,959	1,284,031	67,928,570	10,094,211
Long-term leases payable	48,167	1,618	1,075	50,860	8,319
Estimated landfill closure and postclosure	-	19,767,423	-	19,767,423	-
Long-term debt	826,656,388	40,194,641	-	866,851,029	-
Unearned revenue	637,137	-	-	637,137	-
Total noncurrent liabilities	946,129,462	86,729,291	2,672,145	1,035,530,898	67,127,392
Total liabilities	1,041,735,070	97,688,489	2,885,692	1,142,309,251	115,219,332
DEFERRED INFLOW OF RESOURCES					
Pension benefits	266,730	55,990	5,325	328,045	48,949
OPEB benefits	96,935	22,740	5,014	124,689	17,713
Lease related	3,318,405	-	-	3,318,405	-
Total deferred inflows	3,682,070	78,730	10,339	3,771,139	66,662
NET POSITION					
Net investment in capital assets	997,351,079	41,622,008	-	1,038,973,087	28,201,232
Restricted for debt service	295,094,047	-	-	295,094,047	-
Restricted for capital improvements	426,239	-	-	426,239	-
Restricted for other purposes	-	391,053	-	391,053	-
Unrestricted	(7,300,706)	4,009,801	(1,166,078)	(4,456,983)	27,459,691
Total net position	$ 1,285,570,659	$ 46,022,862	$ (1,166,078)	$ 1,330,427,443	$ 55,660,923

Accompanying notes to financial statements are an integral part of this statement.

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Anne Arundel County, Maryland

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Non-major Fund		
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
OPERATING REVENUES					
Charges for services	$ 93,256,278	$ 58,043,276	$ 6,605,057	$ 157,904,611	$ 48,960,676
Landfill charges	-	9,952,588	-	9,952,588	-
Medical premiums	-	-	-	-	98,682,184
Other revenues	11,089,627	258,648	2,052	11,350,327	17,132,793
Total operating revenues	104,345,905	68,254,512	6,607,109	179,207,526	164,775,653
OPERATING EXPENSES					
Personnel services	44,540,516	10,044,209	5,641,286	60,226,011	16,253,742
Contractual services	34,905,028	45,666,227	214,193	80,785,448	2,593,014
Supplies and materials	12,882,871	579,327	386,297	13,848,495	2,396,998
Business and travel	248,530	214,014	22,457	485,001	19,867
Cost of goods issued	-	-	-	-	10,684,808
Depreciation	69,266,812	3,596,747	1,956	72,865,515	10,044,958
Provision for claims and estimated losses	-	-	-	-	124,446,706
Landfill closure and postclosure costs	-	(1,913,954)	-	(1,913,954)	-
Pro rata shares	-	4,641,800	-	4,641,800	-
Other	14,874,190	168,567	1,166,100	16,208,857	1,706,100
Total operating expenses	176,717,947	62,996,937	7,432,289	247,147,173	168,146,193
Operating income (loss)	(72,372,042)	5,257,575	(825,180)	(67,939,647)	(3,370,540)
NONOPERATING REVENUES (EXPENSES)					
Investment income	3,538,519	253,184	10,433	3,802,136	4,547,034
Interest earned on long-term receivables	403,508	-	-	403,508	-
Other revenues	11,426,056	169,897	-	11,595,953	-
Other expenses	(1,354,532)	(965,479)	-	(2,320,011)	-
Interest expense	(33,330,274)	(1,316,059)	-	(34,646,333)	-
Gain on disposal of assets	43,332	138,231	-	181,563	1,154,982
Income (loss) before contributions and transfers	(91,645,433)	3,537,349	(814,747)	(88,922,831)	2,331,476
Capital contributions, fees and grants	69,742,708	-	-	69,742,708	-
Transfer to Energy Revolving Loan Fund	-	(329,458)	-	(329,458)	-
Transfer to General County Capital Projects	(877,600)	(191,900)	-	(1,069,500)	-
Change in net position	(22,780,325)	3,015,991	(814,747)	(20,579,081)	2,331,476
Net position, July 1	1,308,350,984	43,006,871	(351,331)	1,351,006,524	53,329,447
Net position, June 30	$ 1,285,570,659	$ 46,022,862	$ (1,166,078)	$ 1,330,427,443	$ 55,660,923

Reconciliation of changes in net position per statement above to change in net position business-type activities:	
Change in net position shown above	$ (20,579,081)
The portion of internal service funds' current year activity related to enterprise funds allocated to the business-type activities on the government-wide statement of activities.	970,941
Increase in net position as shown on the government-wide statement of activities	$ (19,608,140)

Accompanying notes to financial statements are an integral part of this statement.

Anne Arundel County, Maryland

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Non-major Fund		
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received for services	$ 101,436,392	$ 68,275,639	$ 6,606,311	$ 176,318,342	$ 148,707,602
Cash received for expense reimbursement	-	-	-	-	129,345
Cash payments to suppliers for goods and services	(63,812,445)	(44,261,745)	(1,791,008)	(109,865,198)	(16,107,292)
Cash payments for insurance claims	-	-	-	-	(121,641,640)
Cash payments to employees for services	(38,367,539)	(8,714,227)	(5,680,099)	(52,761,865)	(7,544,706)
Pro Rata Shares	-	(4,641,800)	-	(4,641,800)	-
Escrow deposits received	-	-	-	-	2,742,255
Other operating receipts	-	-	-	-	3,049,401
Other operating payments	-	(168,567)	-	(168,567)	(1,706,100)
Net cash provided (used) by operating activities	(743,592)	10,489,300	(864,796)	8,880,912	7,628,865
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash paid to General County Capital Projects	(877,600)	(965,479)	-	(1,843,079)	-
Cash paid to Energy Revolving Loan Fund	-	(329,458)	-	(329,458)	-
Cash received from other funds	403,990	-	-	403,990	2,542,339
Net cash used for noncapital financing activities	(473,610)	(1,294,937)	-	(1,768,547)	2,542,339
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of bonds	65,885,000	3,000,000	-	68,885,000	-
Proceeds from grant funds	4,798,646	-	-	4,798,646	-
Proceeds from loan	911,651	-	-	911,651	-
Proceeds from developers' contributions	230,484	-	-	230,484	-
Refunds to developers	(147,936)	-	-	(147,936)	-
Assessments and connection charges	26,225,227	-	-	26,225,227	-
Environmental protection fees for capital assets	28,632,418	-	-	28,632,418	-
Payments of long-term debt	(39,408,412)	(3,459,646)	-	(42,868,058)	-
Interest payments	(33,043,798)	(1,500,637)	-	(34,544,435)	-
Acquisition and construction of capital assets	(98,792,794)	(3,941,475)	-	(102,734,269)	(9,763,057)
Premium on sale of bonds	18,643,654	-	-	18,643,654	-
Proceeds from sale of equipment	-	-	-	-	1,154,982
Payment of capital related fees	(1,293,173)	-	-	(1,293,173)	-
Net cash provided (used) by capital and related financing activities	(27,359,033)	(5,901,758)	-	(33,260,791)	(8,608,075)

Anne Arundel County, Maryland

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Non-major Fund		
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of investment securities	$ (324,190,770)	$ -	$ -	$ (324,190,770)	$ (236,933,375)
Sale of investment securities	335,419,177	-	-	335,419,177	231,726,892
Rebates, interest income and reimbursements	1,689,663	-	-	1,689,663	-
Investment income received	3,538,519	253,184	10,433	3,802,136	216,639
Net cash provided (used) by investing activities	16,456,589	253,184	10,433	16,720,206	(4,989,844)
Net increase (decrease) in cash and cash equivalents	(12,119,646)	3,545,789	(854,363)	(9,428,220)	(3,426,715)
Cash and temporary investments, July 1	145,144,465	47,961,748	1,582,269	194,688,482	30,109,334
Cash and temporary investments, June 30	$ 133,024,819	$ 51,507,537	$ 727,906	$ 185,260,262	$ 26,682,619
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	$ (72,372,042)	$ 5,257,575	$ (825,180)	$ (67,939,647)	$ (3,370,540)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	69,266,812	3,596,747	1,956	72,865,515	10,044,958
Other	-	-	2,011	2,011	(5,652)
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows					
Accounts receivable	(1,903,870)	21,127	(798)	(1,883,541)	(4,433,931)
Prepaid expenses	(65,623)	-	-	(65,623)	18,319
Inventories	56,937	(54,023)	-	2,914	230,879
Deposit with provider	-	-	-	-	2,742,255
Accounts payable and accrued liabilities	(901,509)	1,672,006	(196,950)	573,547	(3,214,501)
Unpaid claims	-	-	-	-	4,393,406
Landfill closure and postclosure costs	-	(1,502,681)	-	(1,502,681)	-
Due to other funds	-	131,471	6,112	137,583	-
Due from other funds	-	37,096	-	37,096	-
Escrow deposits	8,369	-	-	8,369	-
Accrued liability for compensated absences	(87,507)	(130,274)	20,795	(196,986)	43,560
Accrued liability for pension	21,277,794	4,608,962	485,929	26,372,685	4,005,232
Deferred outflow of resources	(7,904,507)	(1,563,745)	(215,475)	(9,683,727)	(1,482,141)
Deferred inflow of resources	(11,227,157)	(2,244,847)	(267,440)	(13,739,444)	(1,930,982)
Accrued liability for OPEB benefits	3,108,711	659,886	124,244	3,892,841	588,003
Net cash provided (used) by operating activities	$ (743,592)	$ 10,489,300	$ (864,796)	$ 8,880,912	$ 7,628,865
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributions of capital assets from developers	$ 12,961,006	$ -	$ -	$ 12,961,006	$ -
Trade in of capital assets	90,000	(138,231)	-	(48,231)	-
Change in capital contributions, fees and grants, accruals and deferrals	(2,940,944)	-	-	(2,940,944)	-
Increase (decrease) in fair value of investments	(2,167,783)	-	-	(2,167,783)	4,166,496
Amortization of refunding gains (losses)	(248,641)	184,578	-	(64,063)	-
Noncash investing, capital and financing activities	$ 7,693,638	$ 46,347	$ -	$ 7,739,985	$ 4,166,496

Accompanying notes to financial statements are an integral part of this statement.

Anne Arundel County, Maryland

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	Pension (December 31, 2022) and Other Post Employment Plan Trust Funds	Custodial Funds
ASSETS		
Investments, at fair value:		
Cash and temporary investments	$ 83,502,460	$ 31,515,165
U. S. government obligations	26,288,609	-
Bank Loans	7,698,664	-
Corporate obligations	172,251,089	-
Domestic fixed income mutual funds	303,492,853	-
International fixed income mutual funds	93,535,864	-
Domestic equity	773,634,161	-
International equity pools	570,347,790	-
Private markets	360,414,445	-
Real estate investment pools	182,491,098	-
Aetna insurance pooled fixed income	20,071,222	-
Total investments	2,593,728,255	31,515,165
Collateral from securities lending transactions	91,028,941	-
Receivables:		
Accounts receivable	11,085,918	5,399,137
Employer contributions	9,199,234	-
Participant contributions	1,842,170	-
Accrued interest and dividends	3,046,726	-
Investment sales proceeds	8,785,785	-
Total receivables	33,959,833	5,399,137
Deposits on hand	172,928	-
Total assets	2,718,889,957	36,914,302
LIABILITIES		
Accounts payable and accrued liability	10,392,747	190,439
Escrow and other deposits	-	9,618,641
Due to other governmental agencies	-	1,075
Investment commitments payable and unearned revenue	21,948,573	-
Obligation for collateral received under securities lending transactions	91,028,941	-
Total liabilities	123,370,261	9,810,155
NET POSITION		
Restricted for:		
Pension	2,107,729,728	-
OPEB	487,789,968	-
Custodial Funds	-	27,104,147
Total net position	$ 2,595,519,696	$ 27,104,147

Accompanying notes to the financial statements are an integral part of this statement.

Anne Arundel County, Maryland

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended June 30, 2023

	Pension (December 31, 2022) and Other Post Employment Plan Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Employer	$ 197,042,324	$ -
Participant	25,036,191	-
Insurance subsidies and rebates	14,846,656	-
Total contributions	236,925,171	-
Investment income:		
Net appreciation in fair value of investments	(271,737,452)	-
Interest income	32,715,477	-
Dividend income	35,160,340	-
Total investment income	(203,861,635)	-
Less investment expense	9,705,653	-
Net income from investing activities	(213,567,288)	-
Securities lending activities:		
Securities lending income	1,869,738	-
Securities lending expenses:		
Borrower rebates	1,552,112	-
Management fees	127,050	-
Securities lending expense	1,679,162	-
Securities lending net income	190,576	-
Total net investment income	(213,376,712)	-
Custodial revenues	-	17,145,108
Total additions	23,548,459	17,145,108
DEDUCTIONS		
Participant benefit payments and refunds	156,929,997	-
Insurance claims and premiums	53,655,259	-
Administrative expenses	2,709,786	-
Custodial expenditures	-	30,376,037
Total deductions	213,295,042	30,376,037
Net increase	(189,746,583)	(13,230,929)
Fiduciary net position, beginning of year	2,785,266,279	40,335,076
Fiduciary net position, end of year	$ 2,595,519,696	$ 27,104,147

Accompanying notes to the financial statements are an integral part of this statement.

1 Summary of Significant Accounting Policies

The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental units as prescribed by the Governmental Accounting Standards Board (GASB). This note summarizes the significant accounting policies.

A Reporting Entity – The County's basic financial statements include various departments, agencies, and other organizational units governed directly by the County Executive and the County Council, herein referred to as the primary government. These statements also include other entities, which by the entities' relationships with the primary government are considered component units of the County. Accounting principles dictate that those entities that are financially accountable to the primary government or where exclusion would cause the financial statements to be misleading or incomplete should be included in the County's basic financial statements. The County's component units and the reasons for the entities' inclusion are as follows:

- **Anne Arundel County Board of Education** (Board of Education) - The Board of Education and the Anne Arundel County Public School System provide public education for the County's students in grades kindergarten through twelve.
- **Anne Arundel Community College** (Community College) – The Community College and its Foundation operate an institution of higher education within the County.
- **Public Library Association of Annapolis and Anne Arundel County, Inc.** (A.A. County Public Library or Library) – The Library operates the public library system within the County.
- **Anne Arundel Economic Development Corporation** (Economic Development) – Economic Development provides services and programs that promote economic development within the County.
- **Tipton Airport Authority** (Tipton Airport) – Tipton Airport operates a general aviation airport in the western area of the County.
- **Anne Arundel Workforce Development Corporation** (Workforce Development) – Workforce Development provides job training and placement services to County citizens.

All of these entities are component units because the primary government approves the entities' respective budgets and/or provides a substantial amount of funding. In addition, the County Executive appoints a majority of the members of the governing bodies for Economic Development, Tipton Airport, and Workforce Development.

All of these entities are discretely presented in the government-wide statements. The Board of Education and the Community College are considered major component units and have been presented in separate columns on the face of the government-wide statements.

Separately issued financial statements for the Board of Education, the Community College, Economic Development, Tipton Airport, and Workforce Development may be obtained from the respective administrative offices. The addresses are provided below. The library does not issue separate financial statements, and all of its required financial statements have been included in the County's Annual Comprehensive Financial Report (ACFR).

Anne Arundel County Board of Education
2644 Riva Road
Annapolis, MD 21401

Anne Arundel Community College
101 College Parkway
Arnold, MD 21012

Anne Arundel Economic Development Corp.
2660 Riva Road, Suite 200
Annapolis, MD 21401

Tipton Airport Authority
P. O. Box 155
Odenton, MD 21113-0155

Anne Arundel Workforce Development Corp.
1131 Benfield Boulevard, Suite N
Millersville, MD 21108

B Financial Statement Presentation, Measurement Focus, and Basis of Accounting – The basic financial statements are divided into three categories: government–wide financial statements, fund financial statements, and budgetary statements.

Government-Wide Financial Statements

The government-wide financial statements, consisting of the Statement of Net Position and the Statement of Activities, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year levied, and grants and similar revenues are recognized when all eligibility requirements imposed by the provider have been met.

The government-wide statements present governmental activities, which are supported primarily by taxes and intergovernmental revenues, separately from business-type activities, which are funded primarily by user fees. In addition, the primary government's activity is presented separately from its discretely presented component units. The government-wide statements do not include the net position or activities of the fiduciary funds, which include the pension trust funds, other post-employment trust funds and the custodial funds, because these funds account for assets that are not owned by the County.

Interfund activity within the primary government's governmental activities and business-type activities has been eliminated from the government-wide statements. Residual balances between the governmental and business-type categories are presented on the Statement of Net Position as "Internal balances." In addition, transactions between these activities and the internal service funds, which primarily serve the primary government, have been eliminated. Certain residual assets, liabilities, and net positions of the internal service funds have been added to governmental activities. In addition, transactions between the internal service funds and component units or other non-County agencies have been included in governmental activities.

Fund Financial Statements

The fund financial statements include statements for the governmental funds, the proprietary funds, and the fiduciary funds. Major funds within each category have been presented in separate columns, while all non-major funds are combined in one column.

Governmental fund financial statements - The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered available if those revenues are collectible within the current period or shortly thereafter to pay liabilities of the current period. Expenditures are generally recorded when incurred; however, expenditures for debt service, compensated absences, claims, and judgments are recorded when payments are due.

The County considers revenue collected within ninety days of the end of the year as available, except for property taxes, which must be collected within sixty days. Property taxes, income taxes, certain shared taxes, and grants that have not been received within the availability period have been deferred to future periods and recorded as deferred inflow of resources.

The governmental fund financial statements separately present the following major funds:

- **General Fund** – This fund is the primary operating fund. It accounts for all financial resources of the primary government except those accounted for in another fund.
- **Grants Special Revenue Fund** – The grants fund accounts for grant monies collected by the County through the following departments: Chief Administrative Office, Circuit Court, Fire, Health, Police, Planning and Zoning, Recreation and Parks, Sheriff's Office, Social Services, State's Attorney's Office, Aging and Disability, and Detention Facilities.
- **Impact Fee Capital Projects Fund** – This capital projects fund accounts for impact fees collected from developers to pay a share of the cost of additional school capacity, road improvements, and public safety facilities necessitated by the development.

- **General County Capital Projects Fund** – This fund accounts for all financial resources that are received and used for the acquisition or development of major capital improvements. Resources received are applied such that the most restrictive resources are used first. This generally results in the following order: restricted revenues such as developer contributions, bonds, pay-as-you-go, and grants.

Proprietary fund financial statements - The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of cash flows. These funds account for County services that operate as self-supporting activities. Those who benefit from these services bear the cost through the payment of user fees. The proprietary fund financial statements separately present the following major enterprise funds:

- **Water and Wastewater** – This fund accounts for the operating, debt service, and capital improvement activities of the water and wastewater utility services provided to County residents and businesses.
- **Solid Waste** – This fund accounts for the costs associated with the collection and disposal of refuse for County residents and businesses. This includes the cost of operations, debt service, capital improvements, and landfill restoration.

The proprietary fund statements also include a column that presents totals for internal service funds. These funds operate as self-supporting activities that primarily serve the primary government and its component units. The internal service funds of the County are:

- **Self-Insurance** – The County is self-insured for workers' compensation, auto liability, and general liability insurance. This fund accounts for the self-insured activity and the purchase of policies from commercial insurers for certain specific exposures. These services, provided to the primary government and certain component units, are funded through charges to the users.
- **Health Insurance** – The County is self-insured for employee and retiree medical benefits. This fund accounts for this health insurance activity and the payment to outside administrators and medical service providers. These services are provided to the primary government and certain component units and other agencies and are funded through premiums charged to the users.
- **Central Garage and Transportation –** This fund accounts for activity in the County's central garage, which provides the primary government and certain component units with vehicle maintenance, fuel usage, and motor pool vehicles. Costs are recovered through fees to users for maintenance, fuel use, and vehicle lease charges.
- **Garage Vehicle Replacement –** This fund accounts for the collection of replacement fees from participating funds within the primary government and certain component units. The fees are used to replace motor pool vehicles as needed.

Fiduciary fund financial statements - The fiduciary fund statements include the following:

- **Pension Trust Fund** – This fund accounts for activities of the Anne Arundel County Retirement and Pension System (Retirement System). The Retirement System consists of activity in the primary government's four defined-benefit pension plans and reports on a calendar-year basis. The Pension Trust Fund is reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. These plans accumulate employer and employee contributions and invest these funds to provide guaranteed pension benefits after retirement. Employer contributions are based on actuarial recommendations.

  Pension expenses are liquidated within the following governmental funds: the General Fund, Reforestation Fund and grant funds. They are also liquidated in the following internal service and enterprise funds: Self Insurance, Central Garage and Transportation, Water and Wastewater, Solid Waste and Child Care.

- **Anne Arundel Retiree Health Benefits Trust Fund –** This fund consists of the activities of the Anne Arundel Retiree Health Benefits Trust (OPEB Trust Fund). The OPEB Trust Fund has fiduciary responsibility to administer the agent multi-employer defined benefit plans for the purpose of providing retiree health benefits as "other post-employment benefit" for following three entities; the Anne Arundel County Plan (County

Plan), the Anne Arundel Community College Plan (College Plan), and the Public Library Association of Annapolis and Anne Arundel County, Inc. (Library Plan).

Anne Arundel County Retiree Health Benefits are liquidated within the following governmental funds: the General Fund, Reforestation Fund and grant funds. They are also liquidated in the following internal service and enterprise funds: Self Insurance, Central Garage and Transportation, Water and Wastewater, Solid Waste and Child Care.

- **Custodial Funds –** Custodial funds account for deposits that are collected and held on behalf of individuals, organizations, or other governments. These monies include the following: escrow deposits for developer subdivisions, sediment control, tax sale, special taxing districts, and other miscellaneous purposes; monies held in trust on behalf of the Special Tax and Assessment Districts; and taxes collected for other governments.

Budgetary Statements

The basic financial statements include a Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the General Fund. This statement is prepared using the budgetary basis of accounting in which revenues are recognized when both earned and available. This non-GAAP basis of accounting recognizes that the County's budget is adopted in accordance with legal requirements regarding appropriation authority and the certification of the availability of funds to support those appropriations. Pursuant to the County Charter, the capital and operating budgets are presented by the County Executive to the County Council by May 1st. The County Council holds public hearings regarding the budget. The Annual Budget and Appropriation Ordinance must be approved by June 15th (prior to the start of the next fiscal year on July 1st) and provides the spending authority at the department level for the operations of the County. Unexpended or unencumbered appropriations in the operating budget expire at year end. The County also recognizes revenues collected within ninety days of the end of the fiscal year as available for the prior year's appropriation, except for property taxes, which must be collected within sixty days and grant revenue when the County Controller has determined that sufficient documentation exists to support that revenues not yet collected within ninety days of the end of the year are available to support appropriations in that fiscal year. Budgetary expenditures are recognized when encumbered or when goods or services are received. All major capital project funds have legally adopted budgets and unspent appropriations at year end carry forward to the subsequent year, except for the Impact Fee Fund. All non-major governmental funds have legally adopted budgets, except the Storm Drain Fees Fund, Recreation Land Fees Fund, Street Light Fund, and Energy Revolving Loan Fund, which are expended through the Capital Projects Fund. Additional Budgetary information can be found at
Previous Budgets | Anne Arundel County Government (aacounty.org)

Combining and Other Supplementary Schedules

For all columns in the basic financial statements that accumulate the data for non-major funds or component units, the County has provided combining statements that present the individual funds included in these non-major categories. In addition, budgetary statements of revenue and expenditures for all primary government funds for which budgets are adopted have been provided. Separate financial statements for the Library, a non-major component unit, are also presented because the Library does not issue separate financial statements.

C Cash, Investments, and Related Income – Cash includes bank deposits in checking and savings accounts. Investments include external pools and fixed income issues which generally mature within one year. Investments may extend longer than one year to facilitate the specific purpose of a fund. Details on investment types and terms are displayed in Note 3, "Cash and Investments."

Investments are recorded at fair value. Available cash from the primary government and Library is pooled in the General Fund and invested in money market or other investments. To facilitate the pooling, cash belonging to other funds is transferred to and from the General Fund. On the Statement of Cash Flows for the proprietary funds, cash and cash equivalents include bank deposits and liquid investments readily convertible to cash such as money market funds and certificates of deposits.

Investment income is generally allocated to each fund based on its proportionate share of the average daily cash balance each month. Investment income earned on the balances in certain special revenue funds, certain internal service funds, custodial funds, and the Library Fund is retained in the General Fund. In addition, investment earnings recognized in the General County Capital Projects Fund are transferred to the General Fund.

Investments of the Retirement System are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on periodic independent appraisals. Investments that do not have an established market, such as Private Markets, are reported at estimated fair value. The fair value of private equities is based on management's valuation of estimates and assumptions from information and representations provided by the respective general partners, in the absence of readily ascertainable market values. There are no investments with parties or in entities related to the County.

D Inventories and Prepaid Expenses – Inventories of parts and supplies recorded in the General Fund and certain proprietary funds are valued at cost on a first-in, first-out method. The government-wide and the fund statements record the cost of inventory as it is consumed, while the budgetary statements record the cost when the inventory is purchased. For the government-wide and proprietary statements, prepaid expenses are recognized as the services are consumed. For the budgetary statements, prepaid items are recognized when either encumbered or paid.

E Program Revenues – The government-wide Statement of Activities is presented using a net-cost format. Total costs are presented on a functional basis. Some of these functional activities are financed in whole or in part by program revenues received from parties outside the County government. These program revenues are subtracted from the functional costs to arrive at net costs. General County revenues are then applied against the net costs to arrive at changes in net position for the fiscal year.

Program revenues include amounts received from those who purchase, use, or directly benefit from a program; amounts received from outside parties that are restricted to one or more specific programs; and earnings on investments that are legally restricted for a specific purpose. Program revenues include user fees and charges, impact fees, fines, license and permit fees, special community benefit assessments, grants and contributions, and restricted investment income.

F Capital Assets – Capital assets of the primary government are recorded in the applicable governmental or business-type activities columns on the government-wide Statements of Net Position. These asset balances include all constructed, purchased, or developer-donated public domain infrastructure (roads, bridges, and similar items). Infrastructure with an individual value of $50,000 or more, intangible assets, including subscription assets and software with an individual value of $50,000 or more, library books are recorded at cost, and other assets with an individual value of $5,000 or more are capitalized. Capital assets are valued at historical cost or estimated historical cost. Donated assets are recorded at acquisition value on the date donated. Land and easements, historical property, and works of art are assets that are not depreciated. Depreciable assets are depreciated on a straight-line basis over the respective useful lives. The estimated useful lives of the capital assets are determined by the category. They are listed as follows:

Category	Years	Category	Years
Buildings, structures, sidewalks, curbs, gutters and water / sewer lines	50	Heavy machinery and other equipment	5 – 10
Water / sewer structures	35	Library collection	10
Land improvements	30	Furniture and fixtures	5 – 10
Culverts and storm drains	25 – 50	Office equipment, intangible assets, software, and telecommunications systems	5 – 7
Roads and bridges	17 – 30	Automobiles and small rolling stock	5
Landfills	15 – 20		

G Deferred Outflows/Inflows of Resources – A deferred outflow of resources represents the consumption of net assets that applies to a future period that will not be recognized as an outflow of the resources (expenditure) until that future period. At the end of the current fiscal year, the County Primary Government had deferred outflows of resources for pension benefits, Other Post-Employment Benefits (OPEB), Length of Service Awards Program (LOSAP), and unamortized deferred refunding losses. The Board of the Maryland State Retirement, Anne Arundel County Pension and Retirement System, and Anne Arundel Retiree Health Benefits Trust (OPEB) recognizes deferred outflows of resources (DOR) which are amortized according to the actuarial valuation report. The DOR can occur from contributions after measurement date, changes in investment, changes in assumptions and changes in experience, as determined from the actuarial valuation report. Deferred inflow of resources (DIR) represents an acquisition of net assets that applies to a future reporting period that will not be recognized as an inflow of resources (revenue) until that time. For government-mandated and voluntary non-exchange transactions on the governmental funds, a deferred inflow (DIR) is reported when resources are received before time requirements are met and revenue unavailable. The governmental funds had deferred inflows of resources (DIR) representing unavailable tax revenues, E-Rate Federal reimbursements, 911 fees, and unavailable grant and program revenues. On the government wide statements, the primary government had deferred inflows of resources (DIR) representing pension, OPEB, LOSAP and advances in property tax revenue. Additionally, deferred inflows are recorded at both the fund and entity-wide levels related to lessor activity under GASB 87. The Board of the Maryland State Retirement, Anne Arundel County Pension and Retirement System, and Anne Arundel Retiree Health Benefits Trust (OPEB) recognizes deferred inflows of resources (DIR) related to pensions and OPEB actuarial estimates which are amortized according to the actuarial valuation report. The DIR can occur from changes in investment, actuarial assumptions and actuarial experience, as determined from the actuarial valuation report.

Deferred outflows of resources are presented below the total assets on the government-wide, proprietary, and governmental statements. Deferred inflows of resources are presented below the total liabilities on the government-wide, proprietary, and governmental statements.

H ***Operating and Non-operating Revenues and Expenses and Capital Contributions*** – The Statement of Revenues, Expenses, and Changes in Fund Net Position for proprietary funds categorize revenue sources into operating, non-operating, and capital contributions. Operating revenues include charges for water, wastewater, landfill usage, child care and other revenues used to fund the ongoing provision of water and wastewater, waste collection, and child care services to citizens. The statement also presents combined totals for the internal service funds. These funds collect charges from other funds and component units for insurance and the primary government's motor pool maintenance and replacement. Non-operating revenues include all other sources, such as interest earned and other revenues. Capital contributions include developer-contributed assets and grants, capital connection fees, capital facility assessments, and front foot benefit fees restricted for the construction of capital assets or the payment of debt issued for capital construction.

Operating expenses in the proprietary funds and in the internal service funds include the costs of operating the County's water and wastewater system, waste collection activities, and school-based child care services. Expenses consist of personnel and non-personnel services, cost of goods issued, depreciation, landfill closure and post-closure costs, indirect costs, and other miscellaneous allocated expenses. Non-operating expenses include interest on debt and other miscellaneous expenses.

I ***Bond premiums and refunding gain or loss –*** The primary government typically receives premiums as a result of the sale of general obligation bonds. The treatment of the premiums differs depending on the basis of accounting used on the related statements. Premiums earned on debt in governmental activities are recognized as revenue in the year of the bond sale on the fund statement, amortized over the life of the bonds on the government-wide presentation, and applied against the purchase of capital assets in the subsequent fiscal years on the budgetary statement. Premiums earned on the bonds in business-type activities are amortized over the life of the bonds on the fund level and government-wide presentations, recorded as premium revenue on budgetary statements and then applied against the purchase of capital assets in the subsequent fiscal years. The refunding gain or loss is applied against the shorter life of the old debt or the new debt.

J ***Indirect costs*** – Administrative costs of the primary government are generally included in the general government functional expenses on the government-wide Statement of Activities and the fund financial statements. However, some allocations of administrative costs are made through an indirect cost allocation plan, resulting in charges to the proprietary funds, Pension Trust Fund, and General County Capital Projects Fund. These allocated costs are included in the functional expenses of these other funds.

K ***Encumbrances*** – The governmental funds utilize encumbrance accounting under which purchase orders, contracts, and other commitments are recorded in order to reserve budget appropriations for that purpose. Open encumbrances at fiscal year-end are shown as part of the restricted, committed or assigned fund balance, depending on the nature of the fund, in the governmental fund statements and are recorded as expenditures on the budgetary statements. Encumbrances as of June 30, 2023 totaled $174,754,174 in the governmental fund types, of which $124,821,156 is for construction activity. The proprietary funds utilize encumbrance accounting for budgetary purposes. As of June 30, 2023, the proprietary funds had encumbrances totaling $122,404,729, of which $104,601,124 is for construction activity.

L ***Fund Balance Classification*** – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. See Footnote 10 for additional information on Governmental Fund Balance. The classifications used in the governmental fund financial statements are as follows:

- ***Non-spendable***: This classification includes amounts that cannot be spent because they either (a) are not in spendable form or (b) are legally or contractually required to be maintained intact. The County has classified inventories, and prepaid items as non-spendable.

- ***Restricted:*** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The following fund balances are classified as restricted:

    - ***Permanent Public Infrastructure (PPI):*** $21,547,484 of the general fund is restricted through enabling legislation from County bill 42-19 which established the reserve fund for permanent public improvement (PPI).

    - ***Base realignment and closure (BRAC):*** restricted by the Annotated Code of Maryland, Economic Development Article, Section 5-1306 for the revitalization and incentive programs in the BRAC area.

    - ***Impact fees:*** restricted by the Annotated Code of Maryland, Local Government Article, Section 20-701 for expanded infrastructure required to accommodate new development.

    - ***Forfeiture and asset seizure team***: restricted by federal regulations for law enforcement activities.

    - ***Roads and special benefits***: restricted by the Annotated Code of Maryland, Local Government Article, Section 10-314 for the improvements and benefits within designated districts.

    - ***Reforestation***: restricted by the Annotated Code of Maryland, Natural Resources Article, Section 5-1610 for the reforestation of properties in the County.

    - ***Laurel racetrack community benefit:*** restricted by the Annotated Code of Maryland, Business Regulation Article, Section 11-404 for certain services and facilities in the vicinity of the Laurel racetrack.

    - ***Grants:*** restricted by various state and federal laws, regulations and grant agreements that specify how funds may be spent.

    - ***Circuit court:*** restricted by the Annotated Code of Maryland, Court and Judicial Proceeding Article, Section 7-204 for Circuit Court operations.

    - ***Odenton Town Center Tax Increment:*** restricted by State Enabling Legislation and the creation of the special taxing district as defined in Anne Arundel County Resolution 42-14, for the creation of Odenton Town Center Development District.

    - ***Erosion districts:*** restricted by the Annotated Code of Maryland, Local Government Article, Section 21-306 for erosion control projects and related loans in designated districts.

    - ***Video lottery local impact aid:*** restricted by the Annotated Code of Maryland, State Government

Article, Section 9-1A-31(b) for improvements and facilities in the vicinity of the video lottery facility.

- ***Watershed protection and restoration*:** restricted by the Annotated Code of Maryland, Environment Article, Section 4-202.1(h) (4) for stormwater management and projects.

- ***Bond premium:*** restricted by the County Charter, Section 720(b) for capital improvements financed with the proceeds of the bonds that generated the premiums.

- ***Debt Service:*** is restricted through debt covenants.

- ***Committed***: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority through the passing of ordinances. These amounts cannot be used for any other purpose unless the County Council removes or changes the ordinance that was employed when the funds were initially committed. The following funds are committed based on legislation in the County code: Bike, Pedestrian, Transportation and Infrastructure Fund; Street Lights Capital Project Fund; Recreation Land Fees Fund; and Energy Revolving Loan Fund. The Installment Purchase Agreement Fund is committed for the purchase of agricultural and woodland preservation programs.

- ***Assigned:*** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. The policy to assign funds is established through the Annual Budget and Appropriation Ordinance each year which is approved by both the County Council and the County Executive. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. General County Capital Projects are assigned for the repair and replacement of equipment.

- ***Unassigned***: The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. This classification includes the residual fund balance for the General Fund. The Arundel Community Development Service Fund and the Grants Fund have negative unassigned fund balance which represents the timing difference between the grant expenditures and payments received for the reimbursable grants.

The County typically uses restricted resources first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

M ***Compensated absences -*** The primary government's Statements of Net Position include an accrual for compensated absences. This accrual is an estimate of unused annual leave as of June 30, 2023 the annual leave accrual is calculated using unused annual leave hours as of June 30, 2023 and pay rates in place for each employee at the end of the fiscal year.

The compensated absences accrual also includes an estimate of sick leave payouts earned as of fiscal year-end plus the estimated FICA that would be paid on the amount. Certain employees are paid $25 per day for unused sick leave upon retirement. The estimate uses unused sick days at year end multiplied by $25 per day. The accrual is then adjusted to reflect an estimate of the current employees that will ultimately retire with the primary government.

Compensated absences are liquidated within the General Fund and Reforestation Fund. They are also liquidated in the Self Insurance, Central Garage and Transportation, Water and Wastewater, Solid Waste and Child Care.

N New GASB Pronouncements - In fiscal year ended June 30, 2023 the County adopted No. 96, Subscription-Based Information Technology Arrangements (SBITA). This GASB Statement improves guidance regarding the accounting and financial reporting of SBITAs by governments. The statement requires all SBITAs to be accounted for in a similar manner.

The right-to-use subscription asset (an intangible asset) and a corresponding subscription liability of $14,462,900 was reported in the governmental activity's statements as of July 1, 2022.

The following pronouncements will be evaluated for future implementation:

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the County upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Effective Statement No.	GASB Accounting Standard Fiscal	Effective Fiscal Year
100	Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62	2024
101	Compensated Absences	2025

O Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the related notes. Actual results could differ from those estimates.

2 Budgetary Information

Expenditures and encumbrances of funds may not exceed legally adopted appropriations. The appropriations are established by the County Council in the Annual Budget and Appropriation Ordinance. During the fiscal year, the County Council may adopt supplemental budgetary appropriation ordinances that increase appropriations from revenue not anticipated in the budget or in excess of that anticipated in the budget. The County Executive has the authority to approve intra-department transfers within a fund. Transfers of appropriations from one department to another or from one capital project to another require the County Council's approval by ordinance. The legal level of budgetary control is at the department level for the operating funds, at the project level for capital projects, and at the district level for Roads and Special Community Benefit Districts, Shore Erosion Control Districts, and Waterway Improvement Special Taxing Districts. All unexpended, unencumbered appropriations lapse at year end, except appropriations for capital projects. The County adopts budgets for all funds except the Custodial and Fiduciary Funds, Library Dedicated Revenue Fund and the capital project funds for the Bike, Pedestrian, Transportation and Infrastructure Fund, Recreation Land Fees Fund, Street Light Fund, and Energy Revolving Loan Fund, which are expended through the General County Capital Projects Fund. Appropriations in the grant funds may be increased without a separate ordinance if the conditions in the code are met.

A Excess Expenditures over Appropriation Limits – Expenditures for Conference & Visitor's Center and Arts Council exceeded budgeted appropriations by $38,702 and $6,830, respectively, in FY23.

B Fund Deficits - The Grants Special Revenue Fund had a deficit fund balance in the amount of ($18,829,339) as a result of funds expended in the current fiscal year that were not reimbursed by the grantor, in particular the State Health Department, within 90 days of the fiscal year end. Child Care Fund had a deficit net position in the amount of ($1,166,078) as a result of increased personal services costs. The Board of Education and Anne Arundel County Public Library, both discretely presented component units, have deficit net positions of ($641,505,820) and ($25,892,099), respectively, as a result of unfunded liabilities for other postemployment and pension benefits. In addition, Governmental Activities has a deficit net position of ($103,910,813) on the full accrual statements as a result of unfunded liabilities for other postemployment and pension benefits.

C Reconciliation Between Fund Financial Statements and Budgetary Statements - The General Fund's Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual use different revenue and expenditure recognition policies, a reconciliation of these two statements is provided as follows:

		General Fund
Revenue (under) over expenditures - budgetary basis	$	(116,925,111)
Net effect of encumbrances		5,232,658
FMV Interest Adj - GAAP		1,206,960
Revenue Reserve Fund Balance		23,186,903
Bond Refunding Premium		43,895
Bond Refunding COI		(43,895)
Transfer for Permanent Public Improvements		18,907,595
Self Insurance Fund Deficit		(15,981,529)
Lease Revenue		(45,412)
Garage Fund Deficit		(589,313)
Effects of Inmate Benefit Fund & Parking Garage Fund		608,016
Net inventory change		498,390
Change in fund balance - modified accrual basis	$	(83,900,843)

3 Cash and Investments

The primary government pools available cash and centrally invests these funds to maximize earnings. The component units also pool available cash in this manner. Assets of the Anne Arundel County Pension and Retirement System (Retirement System) and the Anne Arundel County Retiree Health Benefits Trust, which covers Other Post-Employment Benefits (OPEB), are held separately. Significant accounting policies related to cash and investments are included in Note 1C.

A Policies – The primary government is authorized to invest available public money in obligations of the U.S. Government, its agencies and instrumentalities; repurchase agreements that are fully collateralized by direct U.S. Government obligations and U.S. Government agency and instrumentality obligations, including fixed rate Mortgage-Backed Securities; Bankers' Acceptances; mutual funds that are registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940 (the Act), are operating in accordance with Rule 2A-7 of the Act, and have received the highest possible rating from at least one Nationally Recognized Statistical Rating Organization as designated by the SEC; Certificates of Deposit; and Commercial Paper. In addition, the primary government can participate in the local government investment pool authorized and maintained by the State of Maryland. The fair value of the position in the pool is the same as the value of the shares. Finally, the primary government is authorized to invest bond proceeds that are subject to arbitrage rebate requirements in State and local government obligations.

The primary government, Board of Education, Community College, and Library all participate in the Maryland Local Government Investment Pool (MLGIP), which provides all local government units of the State a relatively safe investment vehicle for the short-term investment of funds. The State Legislature created MLGIP with the passage of Article 95 22G, of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, is managed by PNC Capital Advisors, LLC. The pool is a 2a7 like pool, which is not registered with the Security and Exchange Commission (SEC), but generally operates in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940 (Rule 2a7). MLGIP has a credit rating of AAAm and seeks to maintain a $1 per share value, is designed to give local government units of the State an investment vehicle for short-term investment of funds.

Legislation became effective during fiscal year 2015 that expanded the authorized investments for Self-Insurance funds. In addition to the vehicles available for public money, the non-current portion of Self Insurance fund reserves may be invested in investment grade domestic corporate bonds, mutual funds, exchange traded funds, and taxable or tax-exempt municipal securities.

Pooled cash is primarily used to purchase short-term investments. Policy requires that for repurchase agreement investments made by the County, the initial collateral securities underlying repurchase agreement investments have a market value of at least 102.0% of the cost of the repurchase agreement. The collateral is in the County's name and held by an independent third party or at the Federal Reserve. When the collateral falls under 101.0% or is $100,000 less than the 102.0%, additional collateral is required to bring the total to the required level. As of June 30, 2023, there were no repurchase agreements to collateralize at 102.0%

The Retirement System is authorized to invest in U.S. Government securities, insurance company general accounts, commercial paper, money market mutual funds, corporate bonds, common and international stocks, limited partnerships, absolute return funds, private markets, mortgage participations, and real estate. The Retirement System lends its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. Effective December 1, 2016, the Retirement System's Lending Agent was Deutsche Bank AG. Deutsche Bank AG lends securities for collateral in the form of cash or other securities of 102.0% for domestic securities and 105.0% for international. Cash collateral received by the Retirement System with respect to these transactions is invested in a separate, un-pooled account basis at the direction of the Board of Trustees in fully collateralized repurchase agreements.

At year end, the Retirement System had no credit risk exposure to borrowers, because the amount of collateral held by the Retirement System was greater than the value of securities on loan. The market value of invested collateral held as of December 31, 2022 was $93,450,204. There were no securities held as collateral. The market value of securities on loan for the Retirement System as of December 31, 2022 was $91,289,193.

The Retirement System did not impose any restrictions during the year on the amount of the loans that the agent made on its behalf. Moreover, there were no losses during the year resulting from a default of the borrowers or agent. All security loans can be terminated on demand by either the Retirement System or the borrower. Cash collateral received was invested in Repurchase Agreements, which as of December 31, 2022 had a weighted average final maturity of 1.0 day. The interest rate risk is zero days, as assets and liabilities can be rate changed on a daily basis.

The Anne Arundel Retiree Health Benefits Trust (OPEB Trust) is authorized to invest in large capitalized domestic equities, small capitalized domestic equities, international equities, emerging international equities, core fixed income, diversified fixed income, and real estate. The OPEB Trust's Board of Trustees has established an Investment Policy Statement (IPS) to set forth investment objectives, policies, guidelines, monitoring and review procedures relating to the management and safekeeping of all assets of the OPEB Trusts. Policy allows the use of mutual/commingled funds as investment vehicles under certain guidelines.

B ***Balances and Custodial Credit Risk*** – As of June 30, 2023, the carrying amount of the primary government's bank deposits was $552,353 and bank balances were $5,167,015. All bank balances were fully secured by Federal Deposit insurance or fully collateralized. The total money market fund balance was $277,468,567.

Cash balances of the Board of Education are fully secured by Federal Deposit insurance and collateral held in the Board's name at the Federal Reserve Bank of Richmond. Deposits for Anne Arundel Community College are secured and properly protected. The cash balances of the other non-major component units were insured.

Money market fund balances for the Retirement System as of calendar year-end December 31, 2022 and OPEB Trust as of fiscal year ended June 30, 2023, were $68,839,140 and $14,663,320 respectively.

Custodial credit risk is the risk that the primary government will not be able to recover deposits in the event of the failure of a depository financial institution or will not be able to recover collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the primary government, and are held by either a counterparty or the counterparty's trust department or agent, but not in the primary government's name. The primary government's Investment Policy requires that the Controller maintain a list of financial institutions authorized to provide investment services, including custodial services and collateral requirements. Internal procedures establish the methods for evaluating eligible institutions. Custodial credit risk for deposits is not addressed in the policy.

C ***Interest Rate Risk*** – Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The fair value of fixed income (debt) securities is affected by increases and declines in interest rates. These investments may also have embedded call features allowing the issuer to redeem part or all of the issue prior to maturity at a pre-determined price. In addition, debt issues may have interest rates that vary according to a pre-determined external index (such as the Secured Overnight Financing Rate) or a pre-determined step-up in the interest rate at a pre-determined date(s). The primary government's Investment Policy does not specifically address interest rate risk. However, term limits are established for certain investments to minimize interest rate risk. The Retirement System's Investment Policy Statement (IPS) sets limits on floating rates for mortgage-backed securities and establishes limits on the average duration of some investment types.

The table that follows uses the *Segmented Time Distribution* method to display debt investments by maturity for the primary government and the component units by term and investment type. Market values for issues within the primary government's agency/instrumentalities category include $87,953,219 of callable issues as of June 30, 2023. There is one corporate bond that has both callable and variable-rate features in the amount $1,598,976 as of June 30, 2023. The component units' issues have no variable rate securities. Exchange traded fund (ETF) investments with a market value of $21,667,887 are not included in this table.

Primary Government		Investment Maturities			
Investment Type	Fair Value	Less than 1 year	1 to 5 years	6 to 10 years	Greater than 10 years
U.S. Government securities	$ 241,800,123	$ 228,244,478	$ 11,479,188	$ 499,559	$ 1,576,898
Agencies / instrumentalities	546,635,452	428,067,077	106,155,831	12,412,544	-
Supranationals	37,178,688	29,569,282	7,609,406	-	-
Money market pools	277,468,567	277,468,567	-	-	-
Commercial paper	113,092,500	113,092,500	-	-	-
Repurchase agreements	-	-	-	-	
Corporate bonds	42,730,244	16,228,786	26,501,458	-	-
Municipals bonds	243,369,335	80,962,649	162,406,686	-	-
	$ 1,502,274,909	$ 1,173,633,339	$ 314,152,569	$ 12,912,103	$ 1,576,898
Component units					
Board of Education					
Investment Type					
Money market pools	$ 169,128,493	$ 169,128,493	$ -	$ -	$ -
	$ 169,128,493	$ 169,128,493	$ -	$	$
Community College					
Investment Type					
Money market pools	$ 27,653,478	$ 27,653,478	$ -	$ -	$ -
	$ 27,653,478	$ 27,653,478	$ -	$ -	$ -
Other non-major component units					
Investment Type					
Money market pools	$ 338	$ 338	$ -	$ -	$ -
	$ 338	$ 338	$ -	$ -	$ -

The following table uses *Segmented Time Distribution* to display the Retirement System's debt holdings by maturity term and investment type as of December 31, 2022. Some issues within the categories agencies/instrumentalities, corporate bonds, collateralized mortgage obligations, and other asset-backed securities have variable-rate features. The total fair value of the securities with variable rate features was $8,028,031 as of December 31, 2022.

The table also includes issues with call features and assumes that these issues will be held to maturity. The total fair market value of callable securities totals $114,329,539 with call dates ranging from January 4, 2022 for continuously callable issues to August 5, 2069. Stated call prices are generally at par. The callable holdings include issues with floating interest rates, which have a market value of $11,611,441. Non-debt investments, guaranteed contracts, and un-invested cash with a combined fair value of $1,540,947,164, do not have maturity dates and therefore are not included in this table.

Retirement System

		Investment Maturites (in Years)			
Investment Type	Fair Value	**Less than 1 year**	**1 to 5**	**6 to 10**	**over 10**
Money market pools	$ 68,839,140	$ 68,839,140	$ -	$ -	$ -
Agency/Instrumentalities	35,539,231	705,135	171,430	818,827	33,843,839
Bank Loans	7,698,664	398,172	6,657,272	643,220	-
Bond Mutual Funds	272,602,181	272,602,181	-	-	-
Collateralized Mrtg Obligations	6,436,050	-	561,770	294,440	5,579,840
Corporate Bonds	112,353,209	271,735	54,930,225	45,337,465	11,813,784
Foreign and Yankee Bonds	16,330,619	255,052	11,090,547	2,318,451	2,666,569
Other Asset-Backed Securities	1,591,980	-	-	165,287	1,426,693
U.S. Treasuries	26,288,609	7,321,600	4,126,576	3,688,890	11,151,543
Totals	$ 547,679,683	$ 350,393,015	$ 77,537,820	$ 53,266,580	$ 66,482,268

Not included above is AETNA pool of $20,071,222.

The OPEB Trust owned one debt mutual fund exposed to interest rate risk as of June 30, 2023. As of June 30, 2023 the trust owned one fixed income mutual fund with an effective maturity of 5.3 years with a fair value of $124,426,536.

D ***Credit Risk*** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Debt securities are rated by Nationally Recognized Statistical Rating Organizations to provide purchasers with an opinion of the capability and willingness of a borrower to repay its debt. The primary government's Investment Policy does not address credit risk. The following table displays the County's debt holdings and quality ratings from Standard & Poor's. Ratings for the component units and Retirement System are listed separately. Exchange traded fund (ETF) investments with a market value of $21,667,887 are not included in this table.

Credit ratings of U.S. government agency securities that are only implicitly guaranteed by the U.S. government are categorized accordingly in the main body of this table. Implicitly guaranteed agency securities include government mortgage backed, government agencies, and short-term U.S. treasury bills and notes. Other categories issued are Federal National Mortgage Association, Federal Deposit Insurance Corporation, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Financing Corporation, Small Business Association, Farmer Mac, and Federal Farm Credit.

		Standard & Poor's Credit Ratings					
Primary Government							
Investment Type	Value	A-1	AAA	AA	A	BBB	Not Rated
Agencies/instrumentalities	$ 546,635,452	$ -	$ -	$ 97,975,458	$ -	$ -	$ 448,659,994
Supranationals	37,178,688	-	7,609,406	-	-	-	29,569,282
Commercial paper	113,092,500	113,092,500	-	-	-	-	-
Corporate bonds	42,730,244	-	-	2,465,175	33,874,466	6,390,603	-
Municipal securities	243,369,334	-	157,259,513	86,109,821	-	-	-
Money market pools	277,468,567	-	269,675,845	-	-	-	7,792,722
Total Credit Risk-Debt Securities	1,260,474,785	$ 113,092,500	$ 434,544,764	$ 186,550,454	$ 33,874,466	$ 6,390,603	$ 486,021,998
U.S. Gov't & Agencies **	241,800,123						
Total Debt Securities	$ 1,502,274,908						
Component Units							
Board of Education							
Investment Type							
Money market pools	$ 169,128,493	$ -	$ 169,128,493	$ -	$ -	$ -	$ -
	$ 169,128,493	$ -	$ 169,128,493	$ -	$ -	$ -	$ -
Community College							
Investment Type							
Money market pools	$ 27,653,478	$ -	$ 27,653,478	$ -	$ -	$ -	$ -
	$ 27,653,478	$ -	$ 27,653,478	$ -	$ -	$ -	$ -
	-	-	-	-	-	-	-
Non-major component units							
Investment Type							
Money market pools	$ 338	-	$ 338	$ -	$ -	$ -	$ -
	$ 338	$ -	$ 338	$ -	$ -	$ -	$ -

*** The fair value of U.S. government agency securities is listed here. Due to the explicit guarantee from the U.S. government, they are considered to have no credit risk for reporting purposes.*

The Retirement System's Investment Policy Statement provides guidelines to all fixed income managers related to allowable quality ratings. Holdings displayed by rating as of December 31, 2022, excluding equities and un-invested cash with a total fair value of $1,540,947,164, are displayed next.

Retirement System

		Standard & Poor's Credit Ratings			
	Total Fair Value	**AAA - A**	**BBB - B**	**CCC - C**	**NR**
Aetna insurance pool fixed income	$ 20,071,222	$ -	$ -	$ -	$ 20,071,222
Agency/instrumentalities	35,539,231	-	1,061,951	-	34,477,280
Bank loans	7,698,664	98,123	-	-	7,600,541
Collateralized mort. obligations	6,436,050	1,282,741	928,027	-	4,225,282
Corporate bonds	112,353,209	13,222,986	96,495,395	498,608	2,136,220
Mutual funds	272,602,181	-	-	-	272,602,181
Other asset-backed obligations	1,591,980	560,003	151,320	89,731	790,926
Money market pools	68,839,140	-	-	-	68,839,140
Yankee & foreign gov. issued	16,330,619	3,637,382	12,575,273	117,964	-
Total credit risk of debt securities	$ 541,462,296	$ 18,801,235	$ 111,211,966	$ 706,303	$ 410,742,792
US gov't & agencies *	26,288,609				
Total debt securities	$ 567,750,905				

**The fair value of U.S. government agency securities is listed here. Due to the explicitly guarantee from the U.S. government, they are considered to have no credit risk for reporting purposes.*

The following table displays fair value and ratings for debt issues owned by the OPEB Trust as of June 30, 2023:

Retiree Health Benefits Trust

			Standard & Poor's Credit Ratings							
		Total		AAA-A		BBB-B		CCC-C		NR
Fixed Income Mutual Funds	$	124,426,536	$	-	$	-	$	-	$	124,426,536
Short Term Investment Pool		14,663,320		-		-		-		14,663,320
Total Debt Securities	$	139,089,856	$	-	$	-	$	-	$	139,089,856

E ***Concentration Risk*** – Concentration risk is the risk of loss attributed to the magnitude of the government's investment in a single issuer. As of June 30, 2023, Federal Home Loan Bank was 23.2% of the primary government's investments, Federal Farm Credit Bank represented 5.9%, Federal National Mortgage Association was 4.2%, Federal Agricultural Mortgage Corporation was 1.6%, Federal Home Loan Mortgage Corporation was 1.1%, and Tennessee Valley Authority was 0.2%. The primary government's Investment Policy requires diversification of investments by security type and institution. Issuer limits are not addressed. There was no investment greater than 5.0% for the Board of Education or the Community College, excluding pools. The Retirement System's IPS sets maximum concentration limits by asset type and manager style. As of December 31, 2022, there was no exposure to a single issuer greater than 5.0% of the Retirement System's plan net position, excluding investment pools.

F ***Foreign Currency Risk*** – This risk relates to the potential, unfavorable fluctuation of exchange rates compared with the U.S. Dollar. Neither the primary government nor its component units had exposure to foreign currency risk as of June 30, 2023. The Retirement System recognizes the value of global diversification and retains six managers for global and international equity and fixed income investments. Global and international managers may also purchase or sell currency on a spot basis and may enter into forward exchange contracts on currency, provided that the use of such contracts is designed to dampen portfolio volatility or to facilitate the settlement of securities transactions.

As of December 31, 2022, the Retirement System had no direct exposure to fixed income foreign currency. The fair market value of international/global equities and fixed income assets, which are managed in pooled funds, totaled $540,011,258 as of December 31, 2022.

As of June 30, 2023, the OPEB Trust had no direct exposure to fixed income foreign currency. The fair market value of one international mutual fund totaled $123,872,396.

G ***Fair Value Measurement*** – The Primary Government, Retirement System and Retiree Health Benefits Trusts have categorized the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Level 1	Unadjusted quoted prices in active markets for identical instruments.
Level 2	Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuation in which all significant inputs are observable.
Level 3	Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share, or its equivalent, as a practical expedient are not classified in the fair value hierarchy.

The schedule of investments by type and hierarchy level as of June 30, 2023 is displayed below. As of June 30, 2023, short-term investments of $277,468,567 were in money market mutual funds, which are not subject to the fair value measurement requirements.

Assets at Fair Value June 30, 2023

Primary Government Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
U.S. Treasuries	$ 241,800,123	$ 241,800,123	$ -	$ -
Agencies/instrumentalities	546,635,452	546,635,452	-	-
Supranationals	37,178,688	-	37,178,688	-
Commercial paper	113,092,500	113,092,500	-	-
Corporate bonds	42,730,244	42,730,244	-	-
Municipals bonds	243,369,334	-	243,369,334	-
Exchange Traded Funds	21,667,887	21,667,887	-	-
	$ 1,246,474,228	$ 965,926,206	$ 280,548,022	$ -

As of June 30, 2023, all investments and deposits for the Board of Education and the non-major component units were in money market mutual funds, which are not subject to the fair value measurement requirements.

The following table shows the fair market measurements for the Retirement System as of December 31, 2022. As of December 31, 2022, all short-term investments were in money market mutual funds, which are not subject to the fair value measurement requirements.

Pension System Assets at Fair Value December 31, 2022

Assets at Fair Value December 31, 2022 Investment Type		Fair Value		Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)
Fixed Income Investments								
U.S. Government obligations	$	26,288,608	$	-	$	26,288,608	$	-
Agency/Instrumentalities		35,539,232		-		35,539,232		-
Collateralized Mort. obligations		6,436,051		-		6,436,051		-
Other asset-backed obligations		1,591,980		-		1,591,980		-
Corporate bonds		112,353,209		-		112,353,209		-
Bank Loans		7,698,665		-		7,698,665		-
Yankee & Foreign Gov. Issued		16,330,619		-		16,330,619		-
Fixed income mutual funds		175,861,981		93,535,864		82,326,117		-
Total fixed income investments		382,100,345		93,535,864		288,564,481		-
Equity Investments								
Domestic equity		353,169,778		353,169,778		-		-
International equity pools		203,430,151		203,430,151		-		-
Total equity investments		556,599,929		556,599,929		-		-
Total investments by fair value level	$	938,700,274	$	650,135,793	$	288,564,481	$	-

Pension System Net Asset Value December 31, 2022

Investment Types at net asset value		Net Asset Value		Unfunded Commitments as of 12/31/22	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Commingled funds-debt	$	96,740,200	$	-	Twice monthly	15 days
Commingled funds-equities		382,208,005		-	Daily, Monthly	Daily, 5 Business days
International equity pool		85,329,723		-	Daily	Daily
Real estate (REIT) fund		156,395,060		-	Quarterly	90 days
Opportunistic		1,136,889		2,414,753	Quarterly	95 days
Private markets buyouts		139,604,108		71,399,370	Not eligible	Not eligible
Private markets distressed		102,702,016		6,915,000	Not eligible	Not eligible
Private markets energy		13,897,220		7,494,335	Not eligible	Not eligible
Private markets fund of funds		1,994,885		1,753,513	Not eligible	Not eligible
Private markets growth equity		61,962,948		27,847,200	Not eligible	Not eligible
Private markets mezzanine		2,977,094		1,425,848	Not eligible	Not eligible
Private markets secondaries		36,139,284		13,060,404	Not eligible	Not eligible
Total at net asset value		1,081,087,432	$	132,310,423		
Investments measured at amortized cost						
Money market pools		68,839,140				
Aetna insurance pooled fixed income		20,071,223				
Total Investments	$	2,108,698,069				

Securities classified in Level 1 are valued using quoted prices in active markets for those securities. Securities classified in Level 2 and Level 3 are valued using methodologies such as various bid evaluations, market averages and other matrix pricing techniques as well as values derived from associated traded securities or last trade data. In instances where inputs used to measure fair value fall into different levels, the fair value is categorized based on the lowest level input that is significant to the valuation.

Investments valued at the net asset value (NAV) per share, or its equivalent, have been classified separately in the table above and include investments considered to be Alternative Investments as defined by the American Institute of Certified Public Accountants. The definition includes investments for which a readily determinable fair value does not exist (that is, investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not available from sources such as financial publications, the exchanges, or NASDAQ).

These types of investments can be held within any of the asset classes used by the System based on underlying portfolio holdings and analysis of risk and return relations. These investments can be structured in different ways, including limited partnerships, limited liability companies, common trusts, and mutual funds. Some are closed-ended with a specific life and capital commitments while others are open-ended with opportunity for ad hoc contributions or withdrawals and termination with proper notice.

Exposure to Derivatives – Derivative instruments are securities that derive value from another asset and are in the form of a contract between two or more parties. Common derivatives are futures contracts, forwards contracts, options, and swaps. The System has no direct exposure to derivative securities. There are however, mutual funds, commingled funds, and other investment vehicles in which the System has a percentage ownership that have exposure to futures, currency forward contracts, commodity forward contracts, and total return swap contracts. These funds enter into derivative contracts as part of their investment strategies to mitigate risk and volatility.

A derivative policy statement is included in the Investment Policy Statement (IPS). Prohibited instruments include options, commodities, uncovered options or futures, uncovered short positions, short selling, and use of financial leverage. The derivative exposure as of December 31, 2022 within the mutual funds is comprised of allowable instruments based on the IPS.

Commingled/Mutual Funds – These types of funds are open-ended funds and may be utilized in equity or fixed income asset classes. They are funds made up of underlying securities that have readily available fair values (publicly traded stocks or bonds). The Retirement System owns units of these funds rather than the individual securities. Contributions or withdrawals from the funds can be made as needed, generally with daily or monthly liquidity, with a notice period of one to thirty days. There are no unfunded commitments for these types of investments, because they are liquid funds.

Private Markets – Private Market investments are typically private interests in corporations across different areas of the capital structure and in different stages of the corporations' development via limited partnership vehicles. Private Market investments are illiquid and long-term in nature (10-12 years), typically held until maturity. These portfolios generally have a "J-Curve Effect" whereby there are low to negative returns in the initial years due to the payment of investment management fees and initial funding of investments made by the General Partner during a period when investments are typically carried at cost and returns have not been realized. To diversify the program, investments are made across business cycles, vintage years, and different strategies. The Retirement Systems' Investment Policy Statement has a dedicated asset class for Private Markets. There is no option to request redemptions from the Private Market funds.

The schedule of fair market measurements for the Community College follows:

Community College Assets at Fair Value June 30, 2023

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Community College				
Equity mutual funds				
Domestic broad equity	$ 6,184,373	$ 6,184,373	$ -	$ -
International equity	4,892,157	4,892,157	-	-
Mid cap broad equity	2,408,309	2,408,309	-	-
Small cap broad equity	1,435,264	1,435,264	-	-
Real assets equity	933,383	933,383	-	-
	$ 15,853,486	$ 15,853,486	$ -	$ -
Bond funds	3,670,802	3,670,802	-	-
Equity securities	37,566	37,566	-	-
	$ 19,561,854	$ 19,561,854	$ -	$ -

The schedule of fair market measurements for the Retiree Health Benefits Trusts follows:

Retiree Health Benefits Trust Assets at Fair Value June 30, 2023

Assets at Fair Value June 30, 2023 **Investment Type**	**Total Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Mutual Funds				
Fixed Income	$ 124,426,536	$ 124,426,536	$ -	$ -
Domestic Equity	195,971,897	195,971,897	-	-
International Equity	123,872,396	123,872,396	-	-
Total Mutual Funds	$ 444,270,829	$ 444,270,829	$ -	$ -

Assets at Net Asset Value June 30, 2023

Investment Type	**Net Asset Value**
Real estate (REIT) fund	**$** 26,096,037
Total at net asset value	26,096,037
Investments measured at amortized cost	
Money Market pool	14,663,320
Total Investments	$ 485,030,186

4 Receivables

A ***Property Taxes Receivable*** - The County's property tax is levied each July 1st based on values assessed and certified by the Maryland State Department of Assessments as of that date. Liens are placed on property at that time. A revaluation of each property is required to be completed every three years. For owner-occupied residential property, owners can choose to pay one payment due September 30th or two installments due on September 30th and December 31st. Property taxes are due from all other taxpayers on September 30th. Once the due date has passed, interest and penalties are charged each month on the unpaid balance. Property with delinquent taxes, are included in the tax sale each May or June.

B ***State Income Taxes Receivable*** – Revenue from the income tax is derived from personal income from County residents like salaries and social security payments as well as income from capital gains, interest and some business income. Local income tax revenue was collected by The State and distributed to local governments throughout the year. The State's distribution of the County's share of income taxes lags behind the County's fiscal year. Management estimates the amount of receivables for taxes earned in the fiscal year by analyzing the historical trends of distribution patterns and current year income tax activity. The estimated unavailable local income tax balance as of June 30, 2023 was $158,728,333. The local income tax rate for the reporting fiscal year is 2.81%.

C ***Long-Term Receivables*** – The primary government has long-term receivables recorded in the Water and Wastewater Fund consisting of front foot benefit assessments, capital facility connection fees, and interest charges that vary from 1.6% to 8.0%. These receivables are collected over five to thirty years. The balance as of June 30, 2023 was $19,186,848.

5 Capital Assets

The components of capital assets, changes in asset categories, and accumulated depreciation for the fiscal year ended June 30, 2023 are presented as follows:

Category	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Governmental activities:				
Capital assets not being depreciated:				
Land and easements	$ 280,022,449	$ 18,108,106	$ -	$ 298,130,555
Historical property/works of art	4,166,465	-	-	4,166,465
Construction in progress	380,502,023	139,626,715	(133,717,910)	386,410,828
Total assets not depreciated	664,690,937	157,734,821	(133,717,910)	688,707,848
Capital assets being depreciated (as restated):				
Land improvements	346,209,118	51,420,708	(108,124)	397,521,702
Buildings	335,981,486	32,777,837	(1,237,340)	367,521,983
Roads and bridges	426,017,460	7,392,492	(5,040,131)	428,369,821
Sidewalks, curbs, and gutters	61,373,905	1,822,646	(212,646)	62,983,905
Storm drains and culverts	427,006,941	11,986,654	-	438,993,595
Automobiles and rolling stock	157,223,745	20,361,367	(12,496,035)	165,089,077
Furniture, fixtures, and equipment	141,924,051	2,810,067	(1,377,762)	143,356,356
Software	13,316,179	829,620	(1,752,483)	12,393,316
Right of use-leases	41,652,012	11,995,059	(924,216)	52,722,855
Right of use-subscriptions *	14,462,900	7,571,797	-	22,034,697
Total assets depreciated	1,965,167,797	148,968,247	(23,148,737)	2,090,987,307
Less accumulated depreciation/amortization for:				
Land improvements	(161,015,305)	(13,806,124)	76,008	(174,745,421)
Buildings	(163,847,976)	(8,723,884)	905,614	(171,666,246)
Roads and bridges	(244,560,284)	(11,835,367)	4,989,587	(251,406,064)
Sidewalks, curbs, and gutters	(21,891,962)	(1,117,475)	212,645	(22,796,792)
Storm drains and culverts	(252,272,463)	(8,912,722)	-	(261,185,185)
Automobiles and rolling stock	(98,844,304)	(16,058,324)	12,113,854	(102,788,774)
Furniture, fixtures, and equipment	(100,514,073)	(9,036,560)	1,210,703	(108,339,930)
Software	(11,930,776)	(846,299)	1,752,483	(11,024,592)
Right of use-leases	(4,426,218)	(5,533,758)	414,940	(9,545,036)
Right of use-subscriptions	-	(4,406,939)	-	(4,406,939)
Total accumulated depreciation/amortization	(1,059,303,361)	(80,277,452)	21,675,834	(1,117,904,979)
Total capital assets being depreciated, net	905,864,436	68,690,795	(1,472,903)	973,082,328
Total governmental activities, net	$ 1,570,555,373	$ 226,425,616	$ (135,190,813)	$ 1,661,790,176
Business-type activities:				
Capital assets not being depreciated:				
Land and easements	$ 18,373,610	$ 869,520	$ -	$ 19,243,130
Construction in progress	394,099,331	98,519,810	(146,762,126)	345,857,015
Total assets not depreciated	412,472,941	99,389,330	(146,762,126)	365,100,145
Capital assets being depreciated:				
Buildings	57,792,455	-	-	57,792,455
Landfills	107,397,774	972,775	-	108,370,549
Water and sewer plants and lines	2,410,017,623	156,831,736	-	2,566,849,359
Automobiles and rolling stock	16,765,237	2,367,851	(1,944,103)	17,188,985
Furniture, fixtures, and equipment	32,365,892	412,285	(2,074,145)	30,704,032
Right of use-leases	170,165	28,467	(18,198)	180,434
Total assets depreciated	2,624,509,146	160,613,114	(4,036,446)	2,781,085,814
Less accumulated depreciation/amortization for:				
Buildings	(18,240,044)	(1,148,637)	-	(19,388,681)
Landfills	(55,223,470)	(1,386,479)	-	(56,609,949)
Water and sewer plants and lines	(1,044,858,334)	(66,905,433)	-	(1,111,763,767)
Automobiles and rolling stock	(10,381,749)	(1,377,202)	1,944,103	(9,814,848)
Furniture, fixtures, and equipment	(20,710,993)	(1,993,601)	1,934,709	(20,769,885)
Right of use-leases	(48,855)	(52,207)	14,141	(86,921)
Total accumulated depreciation/amortization	(1,149,463,445)	(72,863,559)	3,892,953	(1,218,434,051)
Total capital assets being depreciated, net	1,475,045,701	87,749,555	(143,493)	1,562,651,763
Total business-type activities, net	$ 1,887,518,642	$ 187,138,885	$ (146,905,619)	$ 1,927,751,908

Category	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Board of Education:				
Capital assets not being depreciated:				
Land and improvements	$ 77,320,333	$ 8,181	$ -	$ 77,328,514
Construction in progress	205,660,904	210,584,724	(17,903,663)	398,341,965
Total assets not depreciated	282,981,237	210,592,905	(17,903,663)	475,670,479
Capital assets being depreciated:				
Buildings	2,310,413,867	20,646,568	-	2,331,060,435
Intangibles	14,577,681	1,393,733	(5,889,097)	10,082,317
Furniture, fixtures, and equipment	72,702,331	7,996,038	(2,298,017)	78,400,352
Intangible leased assets	42,650,337	11,476,218	(52,270)	54,074,285
Right of use-subscriptions	-	1,522,694	-	1,522,694
Total assets depreciated	2,440,344,216	43,035,251	(8,239,384)	2,475,140,083
Less accumulated depreciation for:				
Buildings	(998,244,331)	(47,765,634)	-	(1,046,009,965)
Intangibles	(9,371,401)	(1,333,434)	4,495,364	(6,209,471)
Furniture, fixtures, and equipment	(46,728,899)	(5,598,995)	2,221,040	(50,106,854)
Intangible leased assets	(10,476,698)	(14,080,028)	11,596	(24,545,130)
Right of use-subscriptions	-	(478,542)	-	(478,542)
Total accumulated depreciation	(1,064,821,329)	(69,256,633)	6,728,000	(1,127,349,962)
Total capital assets being depreciated, net	1,375,522,887	(26,221,382)	(1,511,384)	1,347,790,121
Total Board of Education, net	$ 1,658,504,124	$ 184,371,523	$ (19,415,047)	$ 1,823,460,600
Community College:				
Capital assets not being depreciated (as restated):				
Land	$ 4,092,203	$ -	$ -	$ 4,092,203
Construction in progress	1,997,978	7,941,963	(5,132,757)	4,807,184
Total assets not depreciated	6,090,181	7,941,963	(5,132,757)	8,899,387
Capital assets being depreciated (as restated):				
Land improvements	8,553,275	98,720	(303,656)	8,348,339
Buildings and improvements	254,714,722	1,924,956	(630,121)	256,009,557
Furniture, fixtures, and equipment	35,031,620	1,422,114	(9,377,070)	27,076,664
Leasehold improvements	7,880	-	(7,880)	-
Leased furniture and equipment	290,819	-	-	290,819
Leased building	163,925	-	-	163,925
Intangible assets	670,849	-	(546,742)	124,107
Right of use-subscriptions	3,926,256	1,188,923	(201,726)	4,913,453
Total assets depreciated	303,359,346	4,634,713	(11,067,195)	296,926,864
Less accumulated depreciation for (as restated):				
Land improvements	(4,620,146)	(372,255)	228,839	(4,763,562)
Buildings and improvements	(92,270,996)	(8,181,956)	402,124	(100,050,828)
Furniture, fixtures, and equipment	(21,553,147)	(1,600,895)	7,185,047	(15,968,995)
Leasehold improvements	(7,289)	-	7,289	-
Leased furniture and equipment	(128,528)	(75,104)	-	(203,632)
Leased building	(46,836)	(23,418)	-	(70,254)
Intangible assets	(670,849)	-	546,742	(124,107)
Right of use-subscriptions	(1,299,641)	(1,454,359)	100,863	(2,653,137)
Total accumulated depreciation	(120,597,432)	(11,707,987)	8,470,904	(123,834,515)
Total capital assets being depreciated, net	182,761,914	(7,073,274)	(2,596,291)	173,092,349
Total Community College, net	$ 188,852,095	$ 868,689	$ (7,729,048)	$ 181,991,736

** Subscriptions beginning balance of $14,462,900 reflects implementation of GASB 96 as of July 1, 2022.*

Category	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Other non-major:				
Capital assets being depreciated:				
Buildings and improvements (as restated)	$ 201,071	$ 12,489	$ -	$ 213,560
Airport improvements	19,678,075	3,095,722	-	22,773,797
Library collection	21,658,688	5,232,231	(4,776,971)	22,113,948
Automobiles and rolling stock	26,632	-	(26,632)	-
Furniture, fixtures, and equipment	1,608,925	285,145	(251,442)	1,642,628
Right of use	5,176,144	145,658	(329,973)	4,991,829
Total assets depreciated	48,349,535	8,771,245	(5,385,018)	51,735,762
Less accumulated depreciated for:				
Buildings and improvements (as restated)	(81,733)	(17,121)	-	(98,854)
Airport improvements	(9,626,212)	(911,308)	-	(10,537,520)
Library collection	(5,703,967)	(2,000,624)	1,864,496	(5,840,095)
Automobiles and rolling stock	(24,648)	-	24,648	-
Furniture, fixtures, and equipment	(1,448,385)	(81,922)	253,425	(1,276,882)
Right of use	(927,289)	(919,877)	326,850	(1,520,316)
Total accumulated depreciation	(17,812,234)	(3,930,852)	2,469,419	(19,273,667)
Total capital assets, being depreciated, n	30,537,301	4,840,393	(2,915,599)	32,462,095
Total other non-major, net	$ 30,537,301	$ 4,840,393	$ (2,915,599)	$ 32,462,095

The County has established tax increment and special taxing districts to aid in development efforts within certain geographical areas. The proceeds of debt issued on behalf of the districts are primarily used for capital improvements. Expenditures related to the improvements are recorded in the County's capital projects and are included as construction in progress until the projects are completed. The related assets are capitalized when developer construction agreements are finalized and the assets inspected. The assets are depreciated over their estimated useful lives.

Certain items in construction in progress may be expensed once the projects close based on the final analysis of the capital projects closing. As a result, the amounts closed in construction in progress may be greater than the additions to capital assets.

Depreciation and amortization expense has been included in the functional categories on the Statement of Activities based on the governmental department, business-type activity, or component unit responsible for the asset. The table that follows shows the depreciation expense for each functional category.

Governmental activities:	
Public safety	$ 13,667,849
General government	23,546,940
Health and human services	2,765,613
Public works	25,867,371
Recreation and community services	12,840,332
Judicial	1,461,562
Code enforcement	37,921
Land use and development	89,864
	$ 80,277,452

Business-type activities:	
Water and wastewater	$ 69,266,812
Solid Waste	3,596,747
	$ 72,863,559
Component units:	
Board of Education	$ 69,256,633
Community College	11,707,987
Library System	2,364,235
Economic Development Corp	49,103
Tipton Airport Authority	911,308
Workforce Development	606,206
	$ 84,895,472

6 Restricted Assets and Liabilities

The following funds are shown as restricted on the government-wide financial statements, Statement of Net Position: General, Grants, Impact Fees Capital Project, General County Capital Projects, Forfeiture and Asset Seizure Team, Roads and Special Benefits District, Reforestation, Laurel Racetrack, Video Lottery Local Impact Aid, Opioid Abatement, Housing Trust, Arundel Community Development Services, Circuit Court, Erosion Districts, Watershed Protection and Restoration, Tax Increment Funds and Special Taxing Districts. In addition, fees collected by the Water and Wastewater Fund, including capital connections, front foot benefit assessments, and environmental protection fees are restricted for the payment of debt service incurred for the construction of capital facilities. Water and Wastewater Fund capital grants are restricted and the Solid Waste Fund includes restricted funds for the payment of closure and post-closure costs.

7 Interfund and Intra-Entity Balances and Transfers

The interfund balances of the primary government consist of the following as of June 30, 2023:

Fund With Receivable	Fund With Payable	Amount	Represents
General Fund	Non-major Governmental Funds	$ 468,774	Temporary borrowing from the General Fund
General Fund	Grants Special Revenue Fund	11,576,459	Temporary borrowing from the General Fund
General Fund	Internal Service Funds	18,857,657	Temporary borrowing from the General Fund
General Fund	Internal Service Funds	6,015,913	Self Insurance Fund surplus allocation
Non-major Enterprise Funds	Internal Service Funds	1,767	Self Insurance Fund surplus allocation
Water and Wastewater Fund	Internal Service Funds	145,805	Self Insurance Fund surplus allocation
Solid Waste Fund	Internal Service Funds	31,526	Self Insurance Fund surplus allocation
Internal Service Funds	Water and Wastewater Fund	928,880	Central Garage Fund deficit allocation
Internal Service Funds	Solid Waste Fund	540,367	Central Garage Fund deficit allocation
Internal Service Funds	General Fund	7,564,116	Central Garage Fund deficit allocation
		$ 46,131,264	

Interfund balances between the General Fund and internal service funds have been eliminated on the government-wide Statement of Net Position.

Transfers between the primary government's governmental funds totaled $413,289,695 for fiscal year 2023. The transfers are for the following:

Originating Fund	Recipient Fund	Amount	Purpose
General Fund	Arundel Community Development Services	$ 270,000	Transfers for grants
General Fund	General County Capital Projects	115,455,000	Bond proceeds transferred for capital projects
General Fund	General County Capital Projects	204,795,000	Pay-as-you-go transfers for capital projects
Impact Fees Capital Projects	General County Capital Projects	9,841,339	Impact fee funding for capital projects
Laurel Racetrack	General County Capital Projects	28,272	Transfers for capital projects
Odenton Town Center Tax Increment	General County Capital Projects	690,242	Transfers for capital projects
Watershed Protection and Restoration	General County Capital Projects	14,100,000	Transfers for capital projects
Bond Premium	General County Capital Projects	18,759,800	Transfers for capital projects
Video Lottery Local Impact Aid	General County Capital Projects	4,430,750	Transfers for capital projects
Street Light Capital Projects	General County Capital Projects	429,538	Transfers for capital projects
General County Capital Projects	Watershed Protection and Restoration	136,499	Investment income allocation retained
General County Capital Projects	General Fund	1,640,879	Investment income allocation retained
Impact Fees Capital Projects	General Fund	842,484	Impact fees transferred for debt service
Nursery Road Tax Increment	General Fund	6,805,299	Transfers legally appropriated
West County Tax Increment	General Fund	7,785,994	Transfers legally appropriated
Arundel Mills Tax Increment	General Fund	7,849,500	Transfers legally appropriated
Parole Tax Increment	General Fund	15,002,337	Transfers legally appropriated
National Business Park North TIF	General Fund	261,905	Transfers legally appropriated
Village South at Waugh Chapel TIF	General Fund	1,536,736	Transfers legally appropriated
AA County Partnership for CYF	Grants	270,833	Transfers for grants
General Fund	Grants	1,618,764	Transfers for grants
General Fund	Installment Purchase Agreements	738,300	Transfers for land preservation
Special Taxing Districts	Erosion Districts	224	Transfers for project maintenance
		$ 413,289,695	

	Transfers In				
Transfer Out	General Fund	Grants Special Revenue	General County Capital Projects	Non-Major Governmental	Total
General Fund	$ -	$ 1,618,764	$ 320,250,000	$ 1,008,300	$ 322,877,064
Impact Fees Capital Projects	842,484	-	9,841,339	-	10,683,823
General County Capital Projects	1,640,879	-	-	136,499	1,777,378
Non-Major Governmental	39,241,771	270,833	38,438,602	224	77,951,430
Total Transfers In	$ 41,725,134	$ 1,889,597	$ 368,529,941	$ 1,145,023	$ 413,289,695

Transfers between the primary government's proprietary funds and governmental funds presented as follows, totaled $1,398,958 for fiscal year 2023. The transfers from the Water and Wastewater Fund and the Solid Waste Fund to the General County Capital Projects Fund are for an information technology project. The transfer from the Solid Waste Fund to the Non-major Governmental Funds is for Energy Revolving Loan Fund loans.

Originating Fund	Recipient Fund	Amount
Water and Wastewater Fund	General County Capital Projects	$ 877,600
Solid Waste Fund	General County Capital Projects	191,900
Solid Waste Fund	Non-major Governmental Funds	329,458
		$ 1,398,958

As of June 30, 2023, receivable and payable balances remained between the primary government and the discretely presented component units. These balances and transactions are a result of the primary government's ongoing funding of the component units' capital and operating costs and a return of funding. Those balances and the payments from the primary government to or on behalf of these parties are presented as follows:

Receivables/Payables

Entity with Receivable	Entity with Payable	Amount
Board of Education	Primary Government	$ 39,580,014
Community College	Primary Government	511,384
Other Non-major	Primary Government	1,928,641
Primary Government	Board of Education	16,322,450
		$ 58,342,489

Primary Government Expenditures

Originating Entity	Recipient Entity	Amount
Primary Government	Board of Education	$ 954,355,035
Primary Government	Community College	55,233,228
Primary Government	Other Non-major	31,390,864
		$ 1,040,979,127

8 Bonded Debt and Other Obligations

The primary government's Statement of Net Position includes short and long-term debt and obligations comprised of bond anticipation notes, general obligation bonds, special assessment debt, installment purchase agreements, and liabilities related to State loans, unpaid insurance claims and claims and judgments. Descriptions of certain of these obligations and the respective balances, debt service requirements, and changes during fiscal year 2023 are provided as follows.

A Bond Anticipation Notes **–** The County periodically incurs short-term debt by issuing bond anticipation notes for the purchase of capital related assets. Upon refinancing, at the notes' maturities, they will be marketed at then-current interest rates which is calculated based on the weekly SOFR Index plus thirty basis points. This remarketing is backed for liquidity purposes by a letter of credit, the terms of which provide that no principal repayments are due if there is a call on the letter of credit, until the termination of the agreement. The maturity date of the current liquidity arrangement is December 14, 2024. The County has a credit amount available of up to $90 million, of which none is outstanding as of June 30, 2023.

B ***General County Debt –*** Substantially all long-term bonded debt is issued as general obligation bonds for the purchase of capital assets and guaranteed by the full faith and credit of the County, subject to guidelines set forth in Title10, Subtitle1, Section 4-10-104 of the County Charter, which addresses bonds and notes for capital improvements. The following table includes general obligation bonds which include amounts issued for the Watershed Protection and Restoration Fund, but excludes the tax increment bonds, installment purchase agreements, and state loans. These are listed separately. Business-type debt includes general obligation bonds issued for the Solid Waste Fund and Water and Wastewater Fund. The debt service requirements for the bonds outstanding as of June 30, 2023 are presented as follows:

General County Debt

Year Ending	Governmental		Business-type	
June 30,	Principal	Interest	Principal	Interest
2024	$ 98,640,851	$ 67,591,815	$ 44,063,468	$ 36,137,552
2025	94,048,880	63,258,957	42,638,854	34,426,371
2026	86,602,147	58,556,902	42,096,286	32,384,728
2027	83,375,188	54,241,984	41,620,264	30,428,629
2028	80,020,580	50,252,642	40,980,760	28,560,011
2029-2033	333,771,664	197,683,437	191,572,837	116,488,657
2034-2038	227,624,868	128,177,269	156,157,853	76,063,816
2039-2043	211,944,711	80,675,459	130,991,740	42,872,613
2044-2048	204,293,370	35,599,217	89,731,630	16,157,711
2049-2053	80,794,782	5,115,286	33,345,218	2,366,564
	$ 1,501,117,041	$ 741,152,968	$ 813,198,910	$ 415,886,652

C ***Tax Increment and Other Debt -*** As of June 30, 2023, there was $56,780,000 of Special Obligation Tax Increment Bonds payable from property tax revenue generated from assessment increases occurring since the formation of the tax increment districts. This debt is included in the primary government's long-term debt on the Statements of Net Position. The County has pledged its full faith and credit for the following Special Obligation Tax Increment Bonds: Arundel Mills Refunding 2004, National Business Park Refunding 2004, West Nursery Road 2004, Arundel Mills Refunding 2014, National Business Park Refunding 2014, and West Nursery Road Refunding 2014. As of June 30, 2023, the County has also pledged its full faith and credit for National Business Park North 2018 Refunding bonds and Village South at Waugh Chapel 2018 Refunding bonds.

During the fiscal year ended June 30, 2023, $52,199,518 of incremental property tax revenue was collected and available for debt service purposes as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances for the Non-major Governmental Funds. Of this amount, $1,099,113 is related to Park Place which is not considered part of the County's debt and $4,925,826 is related to Odenton Town Center TIF which does not have debt outstanding as of June 30, 2023. The table that follows outlines the debt service requirements for these bonds.

Year Ending June 30,	Principal	Interest	Year Ending June 30,	Principal	Interest
2024	$ 4,600,000	$ 1,992,519	2029-2033	$ 14,920,000	$ 3,636,245
2025	4,965,000	1,758,644	2034-2038	12,760,000	1,402,833
2026	5,310,000	1,543,219	2039-2041	2,650,000	141,049
2027	5,620,000	1,349,519			
2028	5,955,000	1,143,819		$ 56,780,000	$ 12,967,847

In addition, there were $1,345,000, $9,730,000, $29,205,000, and $22,280,000 of special tax district bonds related to the Farmington Village Project, the Villages of Dorchester, Two Rivers, and Arundel Gateway outstanding as of June 30, 2023, respectively. The proceeds of these bonds were used to finance infrastructure improvements within the special districts. These bonds are payable solely from the proceeds of a special tax levied on parcels within the districts and are not backed by the County's full faith and credit. This debt does not appear on the Statement of Net Position. The County acts only as a fiduciary in collecting the taxes and servicing the debt.

D ***State Loans*** – The County has interest free loans outstanding in the amount of $1,681,761 as of June 30, 2023. These loans were received from the State for waterway improvements. During fiscal year 2023, the County paid $214,911 for principal. The table that follows outlines the debt service requirements:

Year Ending June 30,	Principal	Year Ending June 30,	Principal
2024	$ 202,260	2029-2033	$ 569,492
2025	202,260	2034-2038	84,999
2026	202,260	2039-2041	29,100
2027	195,695		
2028	195,695		$ 1,681,761

E ***Installment Purchase Agreements*** **–** The County has instituted an Installment Purchase Program to facilitate County purchases of real property easements to maintain farmland and other open space. Under this program, the County signs long-term debt agreements with property holders with a minimal down payment, typically $1,000. Interest and nominal principal payments are made over the life of the agreement, and a balloon payment is due at the end of the term to pay off the remaining principal balance. To pay the balloon payment, the County purchases and reserves a zero coupon U.S. Treasury Strip. This investment matures when the agreement expires and effectively earns the same interest rate that the County pays on the debt. The debt requirements as of June 30, 2023 are presented as follows:

Year Ending June 30,	Principal	Interest	Year Ending June 30,	Principal	Interest
2024	$ 20,000	$ 717,146	2029-2033	$ 1,534,000	$ 848,604
2025	20,000	716,030	2034-2038	1,444,000	602,308
2026	20,000	714,915	2039-2043	1,487,000	202,976
2027	20,000	713,799			
2028	8,880,000	712,683		$ 13,425,000	$ 5,228,461

F ***Year-end Balances, Debt Limitations, and Authorized Debt*** - A summary of the debt issues currently outstanding is provided as follows:

	Dates	Rates	Original Issue	Outstanding
Governmental activities:				
General obligation bonds	2024-2053	2.00% to 5.00%	$ 2,070,251,037	$ 1,501,117,041
Tax increment district bonds	2024-2041	1.50% to 5.00%	79,240,000	56,780,000
Installment purchase agreements	2024-2041	4.55% to 6.00%	13,819,916	13,425,000
State loans	2024-2040	0%	4,813,912	1,681,761
Total governmental activities			2,168,124,865	1,573,003,802
Business-type activities:				
Water and wastewater serial bonds	2024-2053	1.00% to 5.00%	1,023,069,960	770,205,952
Solid waste serial bonds	2024-2053	2.00% to 5.00%	57,308,963	42,992,958
Total business-type activities			1,080,378,923	813,198,910
			$ 3,248,503,788	$ 2,386,202,712

The County Charter authorizes the County Council to approve the issuance of general obligation bonds and to set limits on bonds issued through ordinance. Based on the effective ordinance, bonds (other than water and sewer) are limited at 5.2% of the assessable base of real property and 13.0% of the assessable base of personal property and certain operating real property of the County. In addition, general obligation water and water and wastewater bonds are limited at 5.6% of the assessable base of real property and 14.0% of the assessable base of personal property and certain operating real property within the County's sanitary district. As of June 30, 2023, the legal debt limitations and margins are as follows:

	General Bonds (5.2%/13.0% Limitations)	Water and Wastewater (5.6%/14.0% Limitations)
Charter imposed limitation	$ 5,550,794,603	$ 5,520,379,147
Bonded debt outstanding		
Installment purchase agreements	13,425,000	-
General obligation-serial bonds	1,355,190,807	770,205,952
General obligation-serial bonds, WPRF	145,926,234	-
General obligation-serial bonds, Solid Waste	42,992,958	-
Tax increment bonds	56,780,000	-
	1,614,314,999	770,205,952
Legal debt margin	$ 3,936,479,604	$ 4,750,173,195

As of June 30, 2023, the County had the total authority to issue bonds in the amount of $2,535,288,075 of which $979,746,420 has not been issued. Included in the amounts available to issue to date are $396,399,264 for general obligation water and wastewater series bonds, and $30,451,761 of general obligation bonds for the Solid Waste Fund. This unused authority will be used to fund existing capital projects and those appropriated through the budgetary process.

G ***Loans Payable –*** On July 25, 2012, the Anne Arundel Community College Foundation finalized an agreement between Anne Arundel County, Maryland (the issuer) and The Bank of New York (the Trustee) whereby the Foundation refinanced $12,180,000 of the economic development revenue bonds. The proceeds of the loan were used to finance the cost of the construction of educational facilities. Principal payments began September 1, 2014, with the final principal payment being due on September 1, 2028. Interest on the bonds varies from 2.00% to 4.00%. The loan balance as of June 30, 2023 was $5,800,000. Scheduled principal payments due on the bonds payable for future years ending June 30 are shown as follows:

Year Ending June 30,	Principal Payments	Year Ending June 30,	Principal Payments	Year Ending June 30,	Principal Payments
2024	$ 895,000	2026	$ 950,000	2028	$ 1,010,000
2025	925,000	2027	975,000	2029	1,045,000
					$ 5,800,000

H ***Payables to State of Maryland –*** In the case of Comptroller v. Wynne, 135 S.Ct. 1787 (2015), the United States Supreme Court ruled in May 2015 that Maryland residents who paid income taxes to another state on income earned in the other state were entitled to a credit against the county portion of the Maryland income tax owed. The ruling meant that each county in Maryland would experience a reduction in income tax revenue, including Anne Arundel County. The Comptroller's Office calculated the fiscal impact of the ruling on the County to be $17,694,496 of refunds for prior years' taxes, and an estimated reduction of $4,000,000 each year going forward. The calculated amount of refunds to be paid has been recorded as a non-current liability on the Statement of Net Position and an accrued liability in the General Fund. The County began reimbursing the State of Maryland in May 2021 in the amount of $221,181 quarterly. These reimbursements will continue for 80 installments over twenty years. During fiscal year 2023, total payments of $884,724 were made and $15,482,686 remains outstanding at June 30, 2023.

I Changes in Debt and Obligations – The changes in the primary government's long-term liabilities are presented as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 1,477,542,396	$ 170,285,000	$ 146,710,355	$ 1,501,117,041	$ 98,640,851
Unamortized premium	215,885,006	24,732,965	27,780,886	212,837,085	22,920,425
Tax incremental and other debt	61,015,000	-	4,235,000	56,780,000	4,600,000
Total bonds payable	1,754,442,402	195,017,965	178,726,241	1,770,734,126	126,161,276
State loans	1,896,672	-	214,911	1,681,761	202,260
Equipment financing	20,150	-	20,150	-	-
Leases	37,687,242	11,442,707	4,664,772	44,465,177	3,770,918
Subscriptions *	14,462,900	7,571,797	3,902,915	18,131,782	4,090,250
Installment purchase agreements	13,445,000	-	20,000	13,425,000	20,000
Unpaid insurance claims	60,360,274	120,184,644	115,791,238	64,753,680	20,539,537
Compensated absences	35,587,605	37,123,167	39,594,049	33,116,723	33,116,723
Total long-term	1,917,902,245	371,340,280	342,934,276	1,946,308,249	187,900,964
Total governmental activities	$ 1,917,902,245	$ 371,340,280	$ 342,934,276	$ 1,946,308,249	$ 187,900,964
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 789,915,317	$ 91,551,651	$ 68,268,058	$ 813,198,910	$ 44,063,468
Unamortized premium	104,387,887	13,135,567	10,168,485	107,354,969	9,600,233
Total bonds payable	894,303,204	104,687,218	78,436,543	920,553,879	53,663,701
Leases	120,650	28,468	53,989	95,129	44,269
Compensated absences	4,808,282	2,870,301	4,733,170	2,945,413	2,887,559
Total long-term	899,232,136	107,585,987	83,223,702	923,594,421	56,595,529
Total business-type activities	$ 899,232,136	$ 107,585,987	$ 83,223,702	$ 923,594,421	$ 56,595,529

* *Subscriptions beginning balance of $14,462,900 reflects implementation of GASB 96 as of July 1, 2022.*

J Refundings – In fiscal year 2023, the County defeased certain General Obligation and Water Wastewater Bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. The funds are held in escrow by a third-party custodian invested in U.S. Government issued securities. On April 12, 2023 the County issued $62,485,000 in non-taxable refunding bonds for the following: $40,730,000 to refund $46,400,000 of General Obligation Bonds Series 2013, $21,755,000 to refund $25,400,000 of Water and Wastewater Series 2013. The true interest cost for the General Obligation bonds refunded bonds was 2.07% and the true interest cost for the Water Wastewater bonds refunded was 2.96%. The current refunding net proceeds were deposited in an irrevocable trust account with an escrow agent to provide for all future debt service payments on the refunding bonds. As a result, the refunding bonds are considered to be defeased and have been removed from the primary government statement of net position. The savings or aggregate difference in debt service from refunding General Obligation Series 2013, was $6,374,759 and from refunding Water Wastewater Series 2013 was $2,869,337. The net effect of the total refunding loss for General Obligation was $9,516,886, and the effect of the refunding gain for Water Wastewater Series 2013 was $757,139. The refunding loss is being amortized over the shorter life of either the old refunded bonds or new the new refunding bonds. There was a net present value savings of $9.2 million in debt service.

9 Leases

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The County leases and subleases a significant amount of nonfinancial assets such as land, buildings, equipment and infrastructure. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, a lease liability and the associated lease asset is recognized on the government-wide Statement of Net Position.

A County as Lessee

The County has entered into various lease agreements as lessee primarily for office space and office equipment. Leases have initial terms from 2 to 31 years with an average length of 10 years, and contain one or more renewals at the County's option, most commonly for five-year periods and others at one or three years. The County has generally included these renewal periods in the lease term when it is reasonably certain that the County will exercise the renewal option. The County's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes, and insurance, which are expensed as incurred as variable lease payments. For office space leases that include variable payments, those include payments for the County's proportionate share of the building's property taxes, insurance, and common area maintenance. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments.

As of June 30, 2023, the statement of net position included the following amounts relating to leases:

	Governmental	Business-Type	Total	Component Unit Library
Right of Use Asset				
Equipment	$ 1,450,961	$ 180,435	$ 1,631,396	$ 124,327
Buildings	47,609,264	-	47,609,264	1,449,543
Land and Improvements	3,662,630	-	3,662,630	-
	52,722,855	180,435	52,903,290	1,573,870
Accumulated Amortization				
Equipment	(870,597)	(86,922)	(957,519)	(92,179)
Buildings	(8,205,336)	-	(8,205,336)	(344,446)
Land and Improvements	(469,103)	-	(469,103)	-
	(9,545,036)	(86,922)	(9,631,958)	(436,625)
	$ 43,177,819	$ 93,513	$ 43,271,332	$ 1,137,245

The future principal and interest lease payments as of June 30, 2023, were as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total Payment
2024	$ 3,770,918	$ 541,656	$ 4,312,574
2025	3,306,433	498,504	3,804,937
2026	3,316,662	459,049	3,775,711
2027	3,281,811	419,379	3,701,190
2028	3,293,708	380,203	3,673,911
2029 - 2033	16,986,986	1,284,880	18,271,866
2034 - 2039	10,508,659	294,395	10,803,054
	$ 44,465,177	**$ 3,878,066**	**$ 48,343,243**

	Business-Type Activities		
Fiscal Year	Principal	Interest	Total Payment
2024	$ 44,269	$ 837	$ 45,106
2025	26,186	514	26,700
2026	17,750	237	17,987
2027	6,925	25	6,949
	$ 95,130	**$ 1,612**	**$ 96,742**

	Component Unit - Library		
Fiscal Year	Principal	Interest	Total Payment
2024	$ 99,855	$ 14,343	$ 114,198
2025	87,555	13,201	100,756
2026	87,826	12,156	99,982
2027	86,903	11,105	98,008
2028 - 2032	87,218	10,068	97,286
2033 - 2037	449,822	34,024	483,846
2038 - 2039	278,272	7,796	286,068
	$ 1,177,451	**$ 102,693**	**$ 1,280,144**

B ***County as Lessor***

The County leases out some of its buildings and land. Most leases have initial terms from 2 to 77 years with an average length of 10 years and contain one or three more renewals at the County's option for five-year periods. The County has included these renewal periods in the lease terms when they are both non-cancellable and reasonably certain to be exercised. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments. Although the County is exposed to changes in the residual value at the end of the current leases, the County typically enters into new operating leases and therefore will not immediately realize any reduction in residual value at the end of these leases.

On July 1, 2022, Anne Arundel County, MD entered into a 60-month lease as Lessor for the use of Amberly Water Tank-Verizon. An initial lease receivable was recorded in the amount of $314,343. As of 06/30/2023, the value of the lease receivable is $260,002. The lessee is required to make monthly fixed payments of $5,253. The lease has an interest rate of 3.3050%. The value of the deferred inflow of resources as of June 30, 2023 was $251,474, and Anne Arundel County, MD recognized lease revenue of $62,869 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

	Activity		
	Governmental	Business-Type	Total
Lease Revenue	$ 967,917	$ 1,689,040	$ 2,656,958
Interest Revenue	49,099	11,033	60,132
Total Revenue	$ 1,017,016	$ 1,700,073	$ 2,717,090

As of June 30, 2023, the principal and interest requirements to maturity for the lease receivable are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 611,526	$ 47,270	$ 658,796
2025	424,287	43,131	467,418
2026	293,323	39,975	333,298
2027	140,037	37,919	177,955
2028	125,919	36,129	162,048
2029 - 2033	676,126	152,406	828,531
2034 - 2038	761,323	101,219	862,542
2039 - 2043	566,881	52,503	619,384
2044 - 2046	358,187	10,813	369,000
	$ 3,957,609	**$ 521,364**	**$ 4,478,973**

	Business-Type Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 1,415,090	$ 15,550	$ 1,430,640
2025	904,697	9,888	914,585
2026	670,847	5,517	676,364
2027	464,112	1,767	465,879
	$ 3,454,746	**$ 32,722**	**$ 3,487,468**

10 Subscription Based Information Technology Arrangements (SBITA)

As of June 30, 2023, the statement of net position included the following amounts relating to SBITA:

	Governmental Activities:		
	Principal	Interest	Total
2024	$4,090,250	$562,448	$4,652,698
2025	4,378,666	435,568	4,814,234
2026	4,682,053	299,686	4,981,739
2027	4,980,813	154,040	5,134,853
Total Minimum Payments	$18,131,782	$1,451,742	$19,583,524

Governmental Activities

	Right of Use Asset				Accumulated Amortization			
	7/1/2022	Additions	Reductions	6/30/2023	7/1/2022	Additions	Reductions	6/30/2023
SBITA	$ 14,462,900	$ 7,571,797	$ -	$ 22,034,697	$ -	$ 4,406,939	$ -	$ 4,406,939

11 Governmental Fund Balance

The County typically uses restricted balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

	Major Funds				Non-major	
	General	Grants Special Revenue	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	Totals
FUND BALANCES						
Non-spendable						
Inventories	$ 4,795,981	$ -	$ -	$ -	$ -	$ 4,795,981
Total non-spendable	4,795,981	-	-	-	-	4,795,981
Restricted						
Reserve for Permanent Public Improvements (PPI)	21,547,484	-	-	-	-	21,547,484
Impact fees capital projects	-	-	120,697,776	-	-	120,697,776
Forfeiture and asset seizure team	-	-	-	-	727,582	727,582
Roads and special benefits	-	-	-	-	1,000,954	1,000,954
Reforestation	-	-	-	-	5,418,156	5,418,156
Laurel racetrack community benefit	-	-	-	-	173,636	173,636
Grants	-	5,449,573	-	2,517,438	14,510,459	22,477,470
Circuit court	-	-	-	-	419,605	419,605
Park Place	-	-	-	-	469,152	469,152
Odenton Town Center Tax Increment	-	-	-	-	30,507,138	30,507,138
Erosion districts	-	-	-	-	1,757,807	1,757,807
Video lottery local impact aid	-	-	-	8,020,389	1,990,927	10,011,316
Opioid abatement	-	-	-	-	5,079,641	5,079,641
Housing trust	-	-	-	-	8,000,000	8,000,000
Watershed protection and restoration	-	-	-	11,859,769	45,517,649	57,377,418
Debt service	-	-	-	-	1,902,403	1,902,403
Total restricted	21,547,484	5,449,573	120,697,776	22,397,596	117,475,109	287,567,538
Committed						
Street lights capital projects	-	-	-	-	4,760,155	4,760,155
Recreation and land fees	-	-	-	-	346,178	346,178
Energy revolving loan	-	-	-	-	692,568	692,568
Bike, Pedestrian, Trans & Infrastructure	-	-	-	-	388,494	388,494
Installment purchase agreements	-	-	-	-	7,336,437	7,336,437
Total committed	-	-	-	-	13,523,832	13,523,832
Assigned						
General County capital projects	-	-	-	191,167,589	-	191,167,589
General County	168,906,742	-	-	-	-	168,906,742
Total assigned	168,906,742	-	-	191,167,589	-	360,074,331
Unassigned	272,386,442	(24,278,912)	-	-	(14,510,459)	233,597,071
Total fund balances	$ 467,636,649	$ (18,829,339)	$ 120,697,776	$ 213,565,185	$ 116,488,482	$ 899,558,753

Encumbrances Encumbrance accounting is employed as part of the budgetary presentation for the General Fund, special revenue funds, and capital projects funds. Encumbrances included in governmental fund balances are as follows:

		Encumbrance Balances
General Fund		
Police	$	3,897,015
Fire		2,976,901
Office of Emergency Management		74,575
Detention Facilities		1,040,161
County Executive		9,900
Office of Budget		68
Office of Finance		183,685
Central Services		2,327,892
Personnel		225,785
Information Technology		3,663,834
Legislative Branch		172,215
Transportation		461,921
Health		538,288
Social Services		41,563
Services for the Aging		143,345
Public Works		3,333,663
Recreation & Parks		1,028,740
States Attorney		7,616
Sheriffs Office		422,710
Planning & Zoning		215,740
Housing Trust Fund		8,000,000
Grants Fund		5,448,774
Partnership for Children Youth and Families		800
Arundel Community Development Services		14,510,459
Reforestation Fund		10,922
Watershed Protection and Restoration		1,196,446
General County Capital Projects Fund		106,425,067
Watershed Protection and Restoration Capital Projects Fund		18,396,089
Total	$	174,754,174

12 Deferred Outflows and Inflows of Resources and Unearned Revenue

Governmental funds and proprietary funds report deferred outflows of resources which are related to net assets that are applicable to future reporting periods. The components of deferred outflows were reported as follows:

	Governmental Activities	Business-Type Activities - Enterprise Funds: Water and Wastewater	Solid Waste	Child Care	Business-Type Totals	Grand Totals
Deferred outflow of resources						
Pension benefits						
Contributions subsequent to measurement date	$ 51,318,679	$ 2,788,781	$ 603,430	$ 62,814	$ 3,455,025	$ 54,773,704
Change in experience	52,282,782	2,295,716	492,696	51,651	2,840,063	55,122,845
Change in assumptions	88,883,330	5,920,137	1,251,423	132,446	7,304,006	96,187,336
Change in proportion	40,750	-	-	-	-	40,750
Change in investments	205,215,373	9,809,743	2,182,441	233,776	12,225,960	217,441,333
Total pension benefits	397,740,914	20,814,377	4,529,990	480,687	25,825,054	423,565,968
OPEB benefits						
Contributions subsequent to measurement date	58,262,086	5,335,971	1,132,666	213,260	6,681,897	64,943,983
Change in experience	10,904,319	1,068,682	253,601	21,684	1,343,967	12,248,286
Change in assumptions	32,766,705	3,128,753	726,167	130,282	3,985,202	36,751,907
Change in investments	34,123,655	2,985,358	555,736	139,808	3,680,902	37,804,557
Total OPEB benefits	136,056,765	12,518,764	2,668,170	505,034	15,691,968	151,748,733
Length of Service Awards Program (LOSAP)						
Contributions subsequent to measurement date	392,325	-	-	-	-	392,325
Change in assumptions	3,810,561	-	-	-	-	3,810,561
Total LOSAP benefits	4,202,886	-	-	-	-	4,202,886
Unamortized deferred refunding loss	-	818,560	(703,044)	-	115,516	115,516
Total deferred outflows	$ 538,000,565	$ 33,333,141	$ 7,198,160	$ 985,721	$ 41,517,022	$ 579,517,587

	Governmental Activities - Internal Service Funds *: Self Insurance	Central Garage & Transportation	Totals	Component Units: BOE	Community College	Library	Economic Development
Deferred outflow of resources							
Pension benefits							
Contributions subsequent to measurement date	$ 129,165	$ 395,042	$ 524,207	$ 9,927,245	$ 514,561	$ 305,724	$ 211,426
Change in experience	104,293	323,802	428,095	-	-	249,803	155,175
Change in assumptions	250,505	861,330	1,111,835	8,861,225	455,953	381,345	731,294
Change in investments	502,889	1,362,778	1,865,667	23,901,847	-	1,489,393	599,432
Change in proportion	-	-	-	12,974,033	723,283	-	-
Total pension benefits	986,852	2,942,952	3,929,804	55,664,350	1,693,797	2,426,265	1,697,328
OPEB benefits							
Contributions subsequent to measurement date	244,106	765,176	1,009,282	33,768,236	4,906,600	2,198,022	-
Change in experience	43,340	158,524	201,864	101,681,606	819,336	153,746	58,696
Change in assumptions	149,108	464,329	613,437	114,408,313	35,842,061	10,977,553	178,425
Change in investments	137,807	416,762	554,569	-	1,995,095	543,992	131,813
Total OPEB benefits	574,361	1,804,791	2,379,152	249,858,155	43,563,092	13,873,313	368,934
Unamortized deferred refunding loss	-	-	-	-	-	-	-
Total deferred outflows	$ 1,561,213	$ 4,747,743	$ 6,308,956	$ 305,522,505	$ 45,256,889	$ 16,299,578	$ 2,066,262

* *Included in Governmental Activities column above.*

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. In addition, governmental funds and governmental activities defer revenue recognition in connection with resources that have been received, but unearned. At the end of the current fiscal year, the components of deferred inflows and unearned revenue were reported as follows:

		Business-Type Activities - Enterprise Funds				
	Governmental Activities	**Water and Wastewater**	**Solid Waste**	**Child Care**	**Business-Type Totals**	**Grand Totals**
Deferred inflow of resources						
Pension benefits						
Change in experience	$ 3,047,188	$ 266,730	$ 55,990	$ 5,325	$ 328,045	$ 3,375,233
Change in assumptions & proportion	18,944	-	-	-	-	18,944
Change in investments	3,990	-	-	-	-	3,990
Total pension benefits	3,070,122	266,730	55,990	5,325	328,045	3,398,167
OPEB benefits						
Change in experience	129,228	13,771	3,543	(10)	17,304	146,532
Change in assumptions	853,198	83,164	19,197	5,024	107,385	960,583
Total OPEB benefits	982,426	96,935	22,740	5,014	124,689	1,107,115
Length of Service Awards Program						
Change in experience	3,715,370	-	-	-	-	3,715,370
Change in assumptions	5,112,829	-	-	-	-	5,112,829
Total LOSAP benefits	8,828,199	-	-	-	-	8,828,199
Property tax revenue collected in advance	29,275	-	-	-	-	29,275
Leases	3,976,823	3,318,405	-	-	3,318,405	7,295,228
Unamortized deferred refunding gain	2,231,113	-	-	-	-	564,092
Total deferred inflows	$ 19,117,958	$ 3,682,070	$ 78,730	$ 10,339	$ 3,771,139	$ 22,889,097

	Governmental Activities - Internal Service Funds *			Component Units			
	Self Insurance	Central Garage and Transportation	Totals	BOE	Community College	Library	Economic Development
Deferred inflow of resources							
Pension benefits							
Change in experience	$ 9,711	$ 39,238	$ 48,949	$ 5,534,679	$ 276,575	$ 18,501	$ 19,410
Change in assumptions	-	-	-	628,115	30,988	-	-
Change in investments	-	-	-	24,658,786	102,512	-	-
Change in proportion	-	-	-	521,689	74,095	-	-
Changes proportion share of contribution	-	-	-	1,183	60	-	-
Total pension benefits	9,711	39,238	48,949	31,344,452	484,230	18,501	19,410
OPEB benefits							
Change in experience	367	1,772	2,139	-	9,850,690	2,612,530	853
Change in assumptions	3,446	12,128	15,574	1,620,200,698	41,926,089	12,869,488	4,612
Change in investments	-	-	-	-	-	-	-
Total OPEB benefits	3,813	13,900	17,713	1,620,200,698	51,776,779	15,482,018	5,465
Total deferred inflows	$ 13,524	$ 53,138	$ 66,662	$ 1,651,545,150	$ 52,261,009	$ 15,500,519	$ 24,875

* *Included in Governmental Activities column above.*

13 Conduit Debt

The County has issued Industrial Revenue Bonds to provide financial assistance to third parties for the acquisition or construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on underlying mortgage loans. Upon repayment of the bonds, ownership of the facilities transfers to the private entity served by the bond issuance.

As of June 30, 2023 153 Industrial Revenue Bonds series have been issued. The aggregate principal amounts payable for the three series issued after July 1, 1996 that are still outstanding was $19,865,000. The aggregate principal amounts payable for the 150 issued prior to July 1, 1996, could not be determined; however, the original issues totaled $582,700,000. The County is not obligated in any manner for payment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

14 Pension Plans

County employees participate in one of four single-employer defined benefit pension plans, which are in separate trust funds and administered by the Anne Arundel County Retirement and Pension System (Retirement System). The Retirement System issues a separate financial report for these plans. A copy of this report can be obtained from Anne Arundel County on the Office of Personnel page of the County website at www.aacounty.org. Some County employees participate in two multi-employer cost sharing pension plans administered by the State of Maryland. The County plans were established under authority created by County Charter and legislation, while the State plans were created by State legislation. The County's actuarial valuation measurement date is December 31, 2021.

A Summary of Significant Accounting Policies for Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County System and the Maryland State Retirement and Pension System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the respective Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

B Single Employer Defined Benefit Pension Plans – The Retirement System administers the Anne Arundel County Employees' Retirement Plan (Employees Plan), Anne Arundel County Police Service Retirement Plan (Police Plan), Anne Arundel County Fire Service Retirement Plan (Fire Plan), and Anne Arundel County Detention Officers' and Deputy Sheriffs' Pension Plan (Detention Plan). Although the assets of the plans are commingled for investment purposes, each plan's assets must be used for the payment of benefits to the participants within that plan, in accordance with the terms of the plan. All benefit provisions are established by County legislation. Each of the plans provides for cost of living adjustments to annual benefit payments.

Membership in each plan consisted of the following as of December 31, 2022 based on the January 1, 2023, actuarial valuation:

	Employees' Retirement Plan	Police Service Retirement Plan	Fire Service Retirement Plan	Detention Officers' and Deputy Sheriffs' Plan	Total
Retirees and beneficiaries receiving payments	2,201	817	677	345	4,040
Terminated Plan members entitled to but not yet receiving payments	293	-	-	3	296
Deferred Retirement Option (DROP)	-	78	82	43	203
Active Plan members	2,156	680	802	293	3,931
Total	4,650	1,575	1,561	684	8,470

<u>Employees Plan</u> - Plan Description – The Employees' Retirement Plan is a single-employer defined benefit pension plan that covers all full-time general employees of the County who are not included in any other pension plan, as well as employees of Anne Arundel Economic Development Corporation. The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries pursuant to two separate benefit structures, Tier I and Tier II. Cost-of-living adjustments (COLAs) are also provided pursuant to County legislation.

Contributions – Contribution rates for participants are established through County legislation. Employees who elect to be in Tier I are required to contribute 4.0% of their annual covered salary. Tier II employees are not required nor permitted to make contributions.

Cliff Vesting – Participants hired on or before June 30, 2015 will be fully vested after their fifth year of service. Termination prior to the fifth year will result in the return of all employee contributions, if applicable, plus 4.25% interest per annum with no additional benefits available. Participants hired on or after July 1, 2015 will be fully vested after their tenth year of service. Termination prior to the tenth year will result in the return of all employee contributions, if applicable, plus 4.25% interest per annum with no additional benefits available.

Police Plan - Plan Description – The Police Service Retirement Plan is a single-employer defined benefit pension plan that covers the following classes of workers: Police Officer, Police Officer First Class, Police Corporal, Police Sergeant, Police Lieutenant, Police Captain, Police Major, Deputy Police Chief (classified position), and (by election) the Chief of Police and Deputy Police Chief (by election if exempt). The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. COLAs are also provided pursuant to County legislation.

Contributions – Contribution rates for participants are established through County legislation. Plan participants are required to contribute 7.25% of their basic rate of pay as a participant. The basic rate of pay is the rate of annual basic compensation (including longevity) with the County on the day specified, excluding overtime payments and other forms of additional compensation.

Normal Retirement – Participants hired on or after February 25, 2002 will be fully vested on the earlier of their attainment of age 50 and completion of their fifth year of service, or their completion of 20 years of service. Participants hired before February 25, 2002 will be fully vested on the earlier of their attainment of age 50 or completion of 20 years of service. Termination prior to attainment of Normal Retirement will result in the return of all employee contributions, if applicable, plus 3.0% interest per annum with no additional benefits available.

Fire Plan - Plan Description – The Fire Service Retirement Plan is a single-employer defined benefit pension plan that covers the following classes of workers: Fire Fighter II, Fire Fighter III, Fire Fighter Cardiac Rescue Technician, Fire Fighter/Emergency Medical Technician-Paramedic, Fire Lieutenant, Fire Captain, Fire Battalion Chief, Fire Division Chief, Fire Deputy Chief, and (by election) the Assistant Fire Chief and Fire Chief. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. COLAs are also provided pursuant to County legislation.

Contributions – Contribution rates for participants are established through County legislation. Plan participants are required to contribute 7.25% of their annual covered salary.

Normal Retirement – Participants who retire on or after July 1, 2002 will be fully vested on the earlier of their attainment of age 50 and completion of their fifth year of service, or their completion of 20 years of service. Participants who retired prior to July 1, 2002 will be fully vested on the earlier of their attainment of age 50 and completion of 5 years of service. Termination prior to attainment of Normal Retirement will result in the return of all employee contributions, if applicable, plus 3.0% interest per annum with no additional benefits available.

Detention Plan - Plan Description – The Detention Officers' and Deputy Sheriffs' Retirement Plan is a single-employer defined benefit pension plan that covers the following classes of workers: Detention Officer, Detention Corporal, Detention Sergeant, Detention Lieutenant Detention Captain, Correctional Program Specialist I, Correctional Program Specialist II, Criminal Justice Program Supervisor, Correctional Facility Administrator, Assistant Correctional Facility Administrator, Deputy Sheriff I, Deputy Sheriff II, Deputy Sheriff III, Deputy Sheriff IV, and (by election) the Superintendent of Detention Facilities. The plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. COLAs are also provided pursuant to County legislation.

Contributions – Contribution rates for participants are established through County legislation. Plan participants are required to contribute 6.75% of their annual covered salary.

Cliff Vesting – Participants will be fully vested on the attainment of age 50 and completion of their fifth year of service. Termination prior to attainment of Normal Retirement will result in the return of all employee contributions, if applicable, plus 4.25% interest per annum, with no additional benefits available.

Additional detail for determining benefit payments and eligibility for retirement can be found on the County Connect Personnel Benefits web site under Pension System Information for all four plan.

C Multiple-Employer Pension Plans - Primary government employees hired prior to July 1, 1969 who elected not to transfer to the Employees Plan and substantially all employees of the Board of Education, Library and Community College participate in plans of the Maryland State Retirement and Pension System (the State System), which are multi-employer cost sharing defined benefit pension plans. The system plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The State System issues a financial report that includes financial statements and required supplementary information that can be obtained at http://www.sra.state.md.us or by writing to State Retirement Agency of Maryland, 120 East Baltimore Street, Baltimore, MD 21202.

Information on the State System follows:

Plan description: Retirees and employees of the County are covered by the Maryland State Retirement and Pension System (the System), which is a cost sharing employer public employee retirement system. The State System is made up of two cost-sharing pools: the "State Pool" and the "Municipal Pool". The Municipal Pool consists of the participating governmental units that elected to join the System. Neither pool shares in each other's actuarial liabilities, thus participant governmental units that elect to join the State System share in the liabilities of the Municipal Pool only. The State System is comprised of the Teachers' Retirement and Pension Systems, Employees' Retirement and Pension System, State Police Retirement System, Judges' Retirement System, and Law Enforcement Officers' Pension System. Most of the County retirees and employees participate in the Employees' System. The State System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. The Plans are administered by the State Retirement Agency. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees.

Benefits provided: The State System provides retirement allowances and other benefits to State employees of participating governmental units, among others. For individuals who become members of the Employees' Retirement and Pension Systems on or before June 30, 2011, retirement/pension allowances are computed using both the highest three years Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For individuals who become members of the Employees' Pension System on or after July 1, 2011, pension allowances are computed using both the highest five years AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retirees' benefits allowance will be computed. Some of these options require actuarial reductions based on the retirees' and/or designated beneficiary's attained age and similar actuarial factors.

A member of the Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

A member of the Employees' Pension System on or before June 30, 2011 is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of the Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the members' combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

For most individuals who retired from the Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the members AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998, plus 1.4% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998 plus 1.8% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. Beginning in July 1, 2011, any new member of the Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Employees' Pension System.

Contributions: The County and covered members are required by State statute to contribute to the State System. Members of the Employees' Pension System are required to contribute 7.0% annually. Members of the Employees' Retirement System are required to contribute 5.0% to 7.0% annually, depending on the retirement option selected. The contribution requirements of the members, as well as the State and participating governmental employers are established and may be amended by the Board of Trustees for the State System.

The County's total required contribution during the year ended June 30, 2022 was $93,571. Of this amount, $27,504 was for County Officials Retirement System and $66,067 was for Master Judges Retirement System. The final payment for the State withdrawal payoff of unfunded liability was made in 2020. The rates varied from 0.0% for the actuarially determined contractual liability to 40.0% of covered payroll for the participant in the Judges Retirement System and 20.7% for the County Officials Retirement System. The County made its share of the required contributions.

As of June 30, 2023, the County reported a liability of $836,757 for its proportionate share of the net pension liability of the State System. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2022. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2022, the County's proportionate share was 0.0042%.

Actuarial assumption: The total pension liability for the State System in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.75%
Investment rate of return	6.80%

Mortality rates were based on PUB-2010 Mortality Tables with projected generational improvements based on the MP-2018 fully generational mortality improvement scale.

The economic and demographic actuarial assumptions used in the June 30, 2021 valuation were adopted by the System's Board of Trustees based upon review of the State System's experience study for the period 2014-2018, after the completion of the June 30, 2019 valuations. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2020. As a result, an investment return assumption of 6.80% and an inflation assumption of 2.25% were used in the June 30, 2021 valuation.

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-range expected rate of return by weighting the expected future real rates by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the State System's investment consultant(s) and actuary(s). For each major asset class that is included in the System's target asset allocation, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Public Equity	34%	6.0%
Private Equity	16%	8.4%
Rate Sensitive	21%	1.2%
Credit Opportunity	8%	4.9%
Real Assets	15%	5.2%
Absolute Return	6%	3.5%
Total	100%	

Source- Maryland State Retirement and Pension System Annual Comprehensive Finanicial Report For the Years Ended June 30, 2022 and 2021

The above was the System's Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2022.

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was (2.97)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate: The single discount rate used to measure the total pension liability was 6.80%. This single discount rate was based on the expected rate of return on pension plan investments of 6.80%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

D Funding Policy and Annual Pension Costs – The employee contribution requirements for each defined benefit plan in the Retirement System are set by County legislation. The County's annual contribution is based on annual actuarial valuations. The Required Supplementary Information following these notes presents changes in net pension liability and related ratios by Plan.

Certain participants in the State Retirement and Pension Systems (State plans) are required to contribute 2.0% to 8.0% of compensation to the plans. The County is required to contribute the remaining amounts necessary to fund the plans, except that the State pays the employer's share of retirement costs on behalf of certain teachers, professional librarians, and related positions for the Board of Education, Library, and Community College, in accordance with State law. These amounts are shown as grant revenue and current expenses in the financial statements of these component units. County expenditures for those employees in the State plans for the years ended June 30, 2023 and 2022 equal the required contributions and are summarized as follows along with the State's contribution on behalf on the employees discussed previously.

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022
County contributions:		
County	$ 93,571	$ 95,446
Board of Education	9,927,245	9,114,191
Community College	189,315	218,537
State contributions on behalf of:		
Board of Education	62,856,767	67,416,052
Community College	4,782,813	4,934,036
Library	1,678,018	1,672,314
	$ 79,527,729	$ 83,450,576

E Net Pension Liability of the System by Plan - The components of the net pension liability and assumptions for each Plan as of December 31, 2022 as calculated by the actuary are displayed as follows:

	Employees' Retirement Plan	Police Service Retirement Plan	Fire Service Retirement Plan	Detention Officers' and Deputy Sheriffs' Retirement Plan	Total
Total pension liability	$ 1,122,510,497	$ 949,292,672	$ 867,959,209	$ 256,150,110	$ 3,195,912,488
Plan fiduciary net position	(701,144,795)	(618,001,322)	(617,263,587)	(171,320,023)	(2,107,729,727)
Plan net pension liability	$ 421,365,702	$ 331,291,350	$ 250,695,622	$ 84,830,087	$ 1,088,182,761
Plan fiduciary net position as a percentage of the total pension liability	62.46%	65.10%	71.12%	66.88%	65.95%

Note to schedule	Source is actuarial data based on preliminary financials. The difference between this schedule and the final combining statement of changes in fiduciary net position on Page 14 are considered immaterial.			
Actuarial assumptions	The total pension liability was determined by an actuarial valuation as of December 31, 2022 using the following summarized actuarial assumptions, applied to all periods in the measurement. Full descriptions of the actuarial assumptions are available in the January 1, 2023 valuation reports. The most recent Experience and Assumption Study was conducted in 2018 for the period 2012 to 2016.			
Inflation	3.00%	3.00%	3.00%	3.00%
Salary increases	Rates vary by participant age for each Plan.			
Investment rate of return	7.00%, net of pension plan investment expense, including inflation for each Plan.			
Mortality Scale	RP-2014 Blue Collar Mortality Table for males and females projected generationally using scale MP-2018.			
Set forward for post-disability mortality.	9 years	5 years	5 years	5 years

Long-Term Expected Returns - For investment purposes, the four County Plans which comprise the System are managed on a co-mingled basis. The long-term expected rates of investment return are the same for each Plan. The long-term (30 year) expected rate of return on pension System investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by using an optimizer program that relies on the arithmetic return inputs, the standard deviation forecast (risk) for each asset class, and the correlations among them. The result is a 30-year nominal, geometric, net-of-fee return forecast for the pension assets. The 30-year real rate of return is calculated by netting the inflation assumption out of the nominal forecast. The nominal and real rates of return forecasts for each major asset class included in the pension System's target asset allocation, as of December 31, 2022 are summarized in the following table. Data is provided by the System's Investment Advisor, New England Pension Consultants, which uses a 30-year geometric inflation assumption of 2.54%.

30-Year Return Assumption by Asset Class
As of December 31, 2022

		30-Year Geometric Forecast	
	Asset Class	(Nominal Returns)	(Real Returns)
	Inflation (CPI)	2.54%	0.00%
	Cash	3.42%	0.86%
	Core Fixed Income(1)	4.85%	2.10%
*	High-Yield Bonds	7.81%	4.60%
	Emerging Market Debt (External)	7.58%	4.18%
	Emerging Market Debt (Local Curren	6.89%	3.50%
	Large Cap Equity	8.17%	4.27%
	Small/Mid Cap Equity	9.25%	4.72%
	International Equities (Unhedged)	8.37%	4.06%
	Emerging Int'l Equities	12.95%	6.89%
	Private Equity	12.86%	7.40%
	Private Debt	9.74%	6.43%
	Real Estate	7.99%	3.85%

Note: NEPC's 30-year geometric CPI inflation assumption is 2.54%.
**Core Bonds assumption based on market weighted blend of Bloomberg Barclays US Aggregate Bond Index (Treasuries, IG Credit, MBS).*

Discount Rate: The calculation of actuarial liabilities for valuation purposes is based on a current estimate of future benefit payments. The calculation includes a computation of the "present value" of those estimated future benefit payments using an assumed discount rate; the higher the discount rate assumption, the lower the estimated liability will be. For purposes of estimating the liabilities (future and accrued) in this report, an assumption was selected based on the expected long-term rate of return on plan investments. Using a lower discount rate assumption, such as a rate based on long-term bond yields, could substantially increase the estimated present value of future and accrued liabilities. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

F Changes in the Net Pension Liability by Plan for the Measurement Period December 31, 2022:

Employees' Plan	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of 12/31/21	$ 1,077,190,517	$ 803,075,985	$ 274,114,532
Changes for the year:			
Service cost	19,163,557	-	19,163,557
Interest	73,167,303	-	73,167,303
Changes of benefit terms	-	-	-
Differences between expected and actual	16,875,765	-	16,875,765
Changes of assumptions	-	-	-
Contributions - employer	-	43,712,093	(43,712,093)
Contributions - member	-	6,042,684	(6,042,684)
Net investment income	-	(87,245,685)	87,245,685
Benefit payments, including refunds of member contributions	(63,886,645)	(63,886,645)	-
Administrative expense	-	(553,637)	553,637
Other	-	-	-
Net Changes	45,319,980	(101,931,190)	147,251,170
Balances at 12/31/22	$ 1,122,510,497	$ 701,144,795	$ 421,365,702

Note: The source is actuarial date based on preliminary financials. The differences between this schedule and the final combining statement of changes in the fiduciary net positon are considered immaterial.

Police Service Plan	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/21	$ 898,694,627	$ 696,773,180	$ 201,921,447
Changes for the year:			
Service cost	17,610,965	-	17,610,965
Interest	61,350,585	-	61,350,585
Changes of benefit terms	-	-	-
Differences between expected and actual experience	16,151,905	-	16,151,905
Changes of assumptions	-	-	-
Contributions - employer	-	37,521,975	(37,521,975)
Contributions - member	-	4,283,963	(4,283,963)
Net investment income	-	(75,544,189)	75,544,189
Benefit payments, including refunds of member contributions	(44,515,410)	(44,515,410)	-
Administrative expense	-	(518,197)	518,197
Other	-	-	-
Net Changes	50,598,045	(78,771,858)	129,369,903
Balances at 12/31/22	$ 949,292,672	$ 618,001,322	$ 331,291,350

Note: The source is actuarial date based on preliminary financials. The differences between this schedule and the final combining statement of changes in the fiduciary net positon are considered immaterial.

Fire Service Plan		Increase (Decrease) Total Pension Liability (a)		Plan Fiduciary Net Position (b)		Net Pension Liability (a) - (b)
Balances at 12/31/21	$	818,854,297	$	692,932,130	$	125,922,167
Changes for the year:						
Service cost		18,296,393		-		18,296,393
Interest		56,026,941		-		56,026,941
Changes of benefit terms		-		-		-
Differences between expected and actual experience		11,720,435		-		11,720,435
Changes of assumptions		-		-		-
Contributions - employer		-		32,340,864		(32,340,864)
Contributions - member		-		4,411,745		(4,411,745)
Net investment income		-		(74,960,004)		74,960,004
Benefit payments, including refunds of member contributions		(36,938,857)		(36,938,857)		-
Administrative expense		-		(522,291)		522,291
Other		-		-		-
Net Changes		49,104,912		(75,668,543)		124,773,455
Balances at 12/31/22	$	867,959,209	$	617,263,587	$	250,695,622

Note: The source is actuarial date based on preliminary financials. The differences between this schedule and the final combining statement of changes in the fiduciary net positon are considered immaterial.

Detention Officers and Deputy Sheriffs' Plan		Increase (Decrease) Total Pension Liability (a)		Plan Fiduciary Net Position (b)		Net Pension Liability (a) - (b)
Balances at 12/31/21	$	247,529,692	$	191,178,583	$	56,351,109
Changes for the year:						
Service cost		4,968,945		-		4,968,945
Interest		16,921,460		-		16,921,460
Changes of benefit terms		-		-		-
Differences between expected and actual experience		(1,680,902)		-		(1,680,902)
Changes of assumptions		-		-		-
Contributions - employer		-		11,362,022		(11,362,022)
Contributions - member		-		1,431,692		(1,431,692)
Net investment income		-		(20,925,862)		20,925,862
Benefit payments, including refunds of member contributions		(11,589,085)		(11,589,085)		-
Administrative expense		-		(137,327)		137,327
Other		-		-		-
Net Changes		8,620,418		(19,858,560)		28,478,978
Balances at 12/31/22	$	256,150,110	$	171,320,023	$	84,830,087

Note: The source is actuarial date based on preliminary financials. The differences between this schedule and the final combining statement of changes in the fiduciary net positon are considered immaterial.

Sensitivity of the net pension liability to changes in the discount rate: The following schedule presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1.0 percentage point lower (6.00%) or 1.0 percentage point higher (8.00%) than the current rate.

	Employees' Retirement Plan	Police Service Retirement Plan	Fire Service Retirement Plan	Detention Officers' and Deputy Sheriffs' Retirement Plan
1% Decrease to 6.00%	$ 551,071,288	$ 460,871,131	$ 370,067,075	$ 115,770,837
Current Discount Rate 7.00%	421,365,702	331,291,350	250,695,622	84,830,087
1% Increase to 8.00%	312,424,385	226,596,660	153,960,355	59,259,997

Sensitivity of groups within the State System:

	Officials	Judges
Proportional Share of State System	0.00119460%	0.00298740%
1% Decrease to 5.80%	$ 366,736	$ 917,115
Current Discount Rate 6.80%	239,025	597,732
1% Increase to 7.80%	133,049	332,723

G Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County Pension Plans – Recognized pension expenses and deferred outflows of resources, including amounts for the Anne Arundel County Public Library and Anne Arundel County Economic Development Corp., for the measurement date of December 31, 2022, are displayed by Plan in the following table.

	Employees' Retirement Plan	Police Service Retirement Plan	Fire Service Retirement Plan	Detention Officers' and Deputy Sheriffs' Retirement Plan	Total Pension System
PENSION EXPENSE:	$ 80,256,102	$ 72,843,884	$ 60,445,140	$ 17,066,302	$ 230,611,428
DEFERRED OUTFLOWS OF RESOURCES:					
Differences between expected and actual experience	$ 15,821,892	$ 20,094,746	$ 18,771,312	$ 839,873	$ 55,527,823
Changes of assumptions	37,512,128	24,277,673	31,456,717	3,987,090	97,233,608
Net difference between projected and actual earnings on pension plan investments	73,816,756	64,324,277	63,408,063	17,978,925	219,528,021
Contributions subsequent to measurement date	19,296,966	16,491,666	14,287,320	5,119,452	55,195,404
Total Deferred Outflow of Resources	$ 146,447,742	$ 125,188,362	$ 127,923,412	$ 27,925,340	$ 427,484,856
DEFERRED INFLOWS OF RESOURCES:					
Differences between expected and actual experience	$ (1,675,620)	$ -	$ (556,354)	$ (1,120,601)	$ (3,352,575)
Differences between projected and actual plan investments	-	-	-	-	-
Total Deferred Inflow of Resources	$ (1,675,620)	$ -	$ (556,354)	$ (1,120,601)	$ (3,352,575)
Total Deferred Activity	$ 144,772,122	$ 125,188,362	$ 127,367,058	$ 26,804,739	$ 424,132,281

The contributions subsequent to measurement date as listed above, will be recognized as a reduction in net pension liability in fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense and amortized over an additional four to five years as provided by the actuary as follows:

	Employees' Retirement Plan	Police Service Retirement Plan	Fire Service Retirement Plan	Detention Officers' and Deputy Sheriffs' Retirement Plan	Total Pension System
Year ending December 31:					
2023	$ 32,202,325	$ 30,898,745	$ 24,957,436	$ 6,651,661	$ 94,710,167
2024	32,132,757	33,352,224	31,921,427	3,796,178	101,202,586
2025	32,550,671	19,604,659	29,168,698	4,368,305	85,692,333
2026	28,589,403	24,841,068	27,032,177	6,869,143	87,331,791
Total	$ 125,475,156	$ 108,696,696	$ 113,079,738	$ 21,685,287	$ 368,936,877

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County portion of the Maryland State Retirement and Pension System – Recognized pension expenses and deferred outflows of resources for the measurement date of June 30, 2022 are displayed by Plan in the table below. Details for the entire State System can be obtained at http://www.sra.state.md.us.

County Portions of Maryland State Retirement and Pension System

	Master Judges	Officials	Total Portion
PENSION EXPENSE:	$ 85,602	$ 32,555	$ 118,157
DEFERRED OUTFLOWS OF RESOURCES:			
Changes of assumptions	$ 66,367	$ -	$ 66,367
Net difference between projected and actual earnings	2,138	-	2,138
Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	40,750	-	40,750
Contributions subsequent to measurement date	68,181	27,265	95,446
Subtotal of outflows	177,436	27,265	204,701
DEFERRED INFLOWS OF RESOURCES:			
Differences between expected and actual experience	(43,186)	(17,383)	(60,569)
Between Employer Contributions and Share of Contributions	-	(9,812)	(9,812)
Changes of assumptions	(6,705)	(2,427)	(9,132)
Difference between projected and actual earnings	-	(3,990)	(3,990)
Subtotal of inflows	(49,891)	(33,612)	(83,503)
Total Deferred Activity	$ 127,545	$ (6,347)	$ 121,198
Net pension liability	$ 597,732	$ 239,025	$ 836,757

The contributions subsequent to measurement date as listed above will be recognized as a reduction in net pension liability in fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Master Judges	Officials	Total
2023	$ (17,876)	$ (2,480)	$ (20,356)
2024	(17,535)	(2,344)	(19,879)
2025	(26,502)	(5,929)	(32,431)
2026	34,825	15,247	50,072
2027	(2,212)	(2,009)	(4,221)
Total	$ (29,300)	$ 2,485	$ (26,815)

The County and State pension plans reconciles to the Statement of Net position, as presented in the following table:

	Governmental Activities	Business-Type Totals	Library	Economic Development	Pension Totals	County & State Pension Totals
DEFERRED OUTFLOWS OF RESOURCES:						
Differences between expected and actual experience	$ 52,282,782	$ 2,840,063	$ 249,803	$ 155,175	$ 55,527,823	$ 55,527,823
Changes of assumptions	88,924,080	7,304,006	381,345	731,294	97,340,725	97,340,725
Net difference between projected and actual earnings on pension plan investments	205,215,373	12,225,960	1,489,393	599,432	219,530,158	219,530,158
Contributions subsequent to measurement date	51,318,679	3,455,025	305,724	211,426	55,290,854	55,290,854
Total Deferred Outflow of Resources	$ 397,740,913	$ 25,825,054	$ 2,426,265	$ 1,697,328	$ 427,689,560	$ 427,703,957
DEFERRED INFLOWS OF RESOURCES:						
Differences between expected and actual experience	$ 3,047,188	$ 328,045	$ 18,501	$ 19,410	$ 3,413,144	$ 3,384,294
Changes of assumptions & proportion	18,944	-	-	-	18,944	6,796
Net difference between projected and actual earnings on pension plan investments	3,990	-	-	-	3,990	-
Total Deferred Inflow of Resources	$ 3,070,122	$ 328,045	$ 18,501	$ 19,410	$ 3,436,078	$ 3,391,090
PENSION LIABILITY:	$ 997,928,583	$ 80,238,025	$ 6,126,936	$ 3,889,217	$ 1,088,182,761	$ 1,089,019,518

The aggregate totals for pension plans are presented below:

	Total Pension Liability	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Employees' Plan	$ 1,122,510,497	$ 421,365,702	$ 146,447,742	$ (1,675,620)	$ 80,256,102
Police Service Plan	949,292,672	331,291,350	125,188,362	-	72,843,884
Fire Service Plan	867,959,209	250,695,622	127,923,412	(556,354)	60,445,140
Detention Service Plan	256,150,110	84,830,087	27,925,340	(1,120,601)	17,066,302
Master Judges (State Plan)	N/A	597,732	177,436	(49,891)	85,602
Officials (State Plan)	N/A	239,025	27,265	(33,612)	32,555
LOSAP Plan	15,129,475	15,129,475	4,202,886	(8,828,199)	508,513
Total Pension Plans	$ 3,211,041,963	$ 1,104,148,993	$ 431,892,443	$ (12,264,277)	$ 231,238,098

H Payable to the County Pension System – At December 31, 2022, the System reported $24.0 million in payables.

I Commitments – The System has committed to fund various private markets investments totaling $516.8 million at December 31, 2022, of which approximately $132.3 million remains unfunded. The expected funding dates for these commitments extend through 2028.

***J Teacher pension funding shift* -** Legislation enacted by the Maryland General Assembly during 2012 requires County Boards of Education to pay a portion of employer contributions for members of the Teachers' Retirement System or the Teachers' Pension System beginning in fiscal year 2013. Beginning in fiscal year 2017, each local Board pays the normal cost for their teachers in the Teachers' Retirement System and the Teachers' Pension System. Since that time, the annual appropriations for the Teachers' Pension System have been as follows:

Fiscal Year	Appropriation
Fiscal Year 2017	$ 22,079,472
Fiscal Year 2018	23,665,760
Fiscal Year 2019	23,665,760
Fiscal Year 2020	23,980,202
Fiscal Year 2021	24,701,353
Fiscal Year 2022	25,713,345
Fiscal Year 2023	32,443,555

***K 401(a) Employee Retirement Savings Plan* –** Anne Arundel County Bill No. 95-17 created the new 401(a) Employee Retirement Savings Plan. Effective July 1, 2018, any employee hired in any position eligible to participate in the Employees' Retirement System shall have the election to choose the Employee Retirement Savings Plan. Employee contribution for the Savings Plan is 4% and there is an 8% employer contribution. An employee vests in the new plan in 5 years. The amount not vested as of June 30, 2022 was $1,165,996.

L Firemen's Length of Service Award Program (LOSAP): The County instituted and began administering a single employer defined benefit length of service award program (LOSAP or the Plan), for volunteer firemen and ambulance personnel on May 1, 1975. Anne Arundel County Bill No 90-16 modified the methods and terms of the awards program.

***Summary of Significant Accounting Policies for LOSAP Pension Plan* -** LOSAP is included in the Fire Departments departmental financial statements and full accrual Governmental Activities section of the County financial statements. For purposes of measuring the pension liability related to pension and pension expense, benefit payments are recognized when due and payable in accordance with the benefit terms. This is an unfunded program, so there are no assets accumulated for this program. The County does not issue a separate financial statement for the LOSAP.

General Information about the LOSAP Pension Plan:

Plan description: The Anne Arundel County Length of Service Award Program is a single-employer defined benefit retirement plan administered by Anne Arundel County, Maryland, which provides retirement and death benefits to volunteer fire and ambulance personnel serving the various independent volunteer fire companies in the County.

Benefits provided: Under the LOSAP, participants become vested after 25 years of eligible service beginning at age 50. No benefit is paid if service is less than 25 years.

Employees covered by benefit terms: A person who has served as an active member of a County or Annapolis City volunteer fire company is entitled to receive benefits under LOSAP if the person has satisfied the following requirements:

Persons who are at least 50 years old and who have completed at least 25 years of active volunteer service with a County volunteer fire company or an Annapolis City volunteer fire company; or volunteer firefighters who have been determined by the Maryland Workmen's Compensation Commission to have been permanently and totally disabled in the performance of duties as a volunteer firefighter.

Volunteer personnel who have qualified for benefits under the above provisions shall receive a monthly benefit payment according to the following payment schedule:

1. For members receiving benefits as of January 1, 2017, eligibility for an increase in benefits shall be determined based on earning active service credit in seven of the previous ten years (January 1, 2007 to December 31, 2016). If the member has not met this service requirement, the benefit will remain at $250 per month for life.

2. For members receiving benefits as of January 1, 2017 and have met the requirement for continued active service in seven of the previous ten years, benefits will be increased to the following:

- 25 to 34 years of active service, receive $300 per month for life;
- 35 to 44 years of active service, receive $350 per month for life;
- 45 or more years of active service, receive $400 per month for life.

3. Current beneficiaries who continue to earn active service credit shall be eligible for benefit increases as they obtain the next service milestone on the benefit scale.

4. Any new beneficiaries that become eligible for benefits shall receive a benefit payment in accordance with the above scale and shall be eligible for benefit increases as they obtain the next service milestone on the benefit scale.

The surviving spouse of a volunteer firefighter who, at the time of death, was receiving benefits under LOSAP is entitled to receive a surviving spouse benefit. The benefits shall be paid to the surviving spouse monthly until the death or remarriage of that spouse. As of January 1, 2017, all current spouse beneficiaries shall continue to receive the benefit as a rate of $150 per month. After January 1, 2017, any new spouse beneficiaries shall receive a benefit equal to 50.0% of the member benefit at the time of the member's death.

The total LOSAP liability was determined by an actuarial valuation as of December 31, 2022 using the following actuarial assumptions:

Actuarial Assumptions:

Inflation Rate	3.00 %
Discount rate	4.05 %
Salary increases	Not applicable
Mortality	Pub-2010 General Employee rates set forward 1 year with Scale MP-2021
Retirement	First eligible
Turnover	Rates varying based on age and service
Disability	Rates varying based on age

Source: Index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher

The following table details the changes in the net pension liability:

Changes in the Net Pension Liability	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 1/1/22	$ 21,312,726	$ -	$ 21,312,726
Changes for the year:			
Service cost	758,560	-	758,560
Interest	398,842	-	398,842
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,283,213)	-	(1,283,213)
Change in assumptions	(5,267,190)	-	(5,267,190)
Employer contributions	-	790,250	(790,250)
Benefit payments, including refunds of member contributions	(790,250)	(790,250)	-
Net Changes	(6,183,251)	-	(6,183,251)
Balances at 12/31/22	$ 15,129,475	$ -	$ 15,129,475

LOSAP Deferred Outflows of Resources and Deferred Inflows of Resources – Recognized LOSAP expenses and deferred outflows of resources for the measurement date of December 31, 2022 are displayed in the table below.

	Volunteer Fire Personnel
LOSAP EXPENSE:	$ (508,513)
DEFERRED OUTFLOWS OF RESOURCES:	
Changes of assumptions	$ 3,810,561
Contributions subsequent to measurement date	392,325
Subtotal of deferred outflows	4,202,886
DEFERRED INFLOWS OF RESOURCES:	
Differences between expected and actual experience	(3,715,370)
Changes of assumptions	(5,112,829)
Subtotal of deferred inflows	(8,828,199)
Total Deferred Activity	$ (4,625,313)
LOSAP liability	$ 15,129,475

** Current liability included in accounts payable in the government wide Statement of Net Assets*

The contributions subsequent to measurement date as listed above will be recorded in accounts payable and accrued expenses in fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to LOSAP will be recognized in pension expense as follows:

Year ending December 31:		LOSAP
2023	$	648,889
2024		648,889
2025		648,889
2026		648,889
2027		648,877
Thereafter		1,773,205

Sensitivity of the net LOSAP liability to changes in the discount rate: The following presents the net LOSAP liability of the County LOSAP, calculated using the discount rate of 4.05%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.05%) or 1.0% percentage-point higher (5.05%) than the current rate:

	1% Decrease 3.05%	Current Discount Rate 4.05%	1% Increase 5.05%
County's Net Pension Liability	$ 17,298,288	$ 15,129,475	$ 13,378,258

Source: Yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

The following schedule presents the LOSAP participants at December 31, 2022:

LOSAP Participant Summary at December 31, 2022

	Active Participants	Volunteers Receiving Payment	Survivors Receiving Payment
Number	449	180	69
Average Age	43.55	70.89	79.11
Total Annual Benefits		$ 646,200	$ 126,900
Average Service	8.56		

15 Other Post-employment Benefits

The County (which includes the County and Anne Arundel Economic Development Corporation), the Community College, and the Library participate in a single employer defined benefit healthcare plan for retirees. The assets of each participant (the County, Community College, and Library) are commingled for investment and payment of benefits, however each participant's activity is tracked separately, and each participant receives a separate actuarial valuation. The following provides a summary of the plans' descriptions and eligibility, funding policies and sources of authorization, annual cost and net obligations, and the actuarial methods and assumptions used in determining costs and liabilities. In addition, required supplementary information includes trend data about these plans. The Supplementary Information following these notes presents multi-year trend information about whether the actuarial value of each plan's assets is increasing or decreasing relative to the actuarial accrued liability for benefits year to year over a four-year period.

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The total OPEB liability is based on January 1, 2021 valuation data for the County, College, and Library Plans with a roll forward of data to June 30, 2022. The Plan's liability was rolled forward to the measurement date June 30, 2023. The methods, assumptions, plan provisions, and participant data used are detailed in the actuarial valuation report dated August 21, 2023 with the exception of the actuarial cost method. These calculations are based on the Entry Age Normal (EAN) cost method as required by GASB 74 and GASB 75. The EAN actuarial cost method requires a salary scale assumption. The Actuary used the salary scale assumption used to value Anne Arundel County's pension plans. The calculation of the Actuarially Determined Contribution for the fiscal year ended June 30, 2023 is contained in the actuarial valuation report dated October 12, 2023.

A Plan Description, Eligibility, Authorization, and Funding Policy - The primary government provides a group health plan for employees and retirees under the authority of § 6-1-308 of the County Code. This health plan may be extended to other component units under § 6-1-309 of the County Code. The Community College and the Library provide retiree health insurance through participation in the County's health plans. Anne Arundel Economic Development, a component unit of the County, is a participant in the County plan. The County collects premiums from these entities to offset the related costs. The County Code requires the County to pay 80.0% of the health coverage cost for current County retirees and terminated vested employees that retired before July 1, 2014. Employees not eligible for normal or early retirement by January 1, 2017 will receive a subsidy based on years of service. The Library currently pays 80.0% for Library retirees. The primary government plan provides the same health plans to active employees and pre-age sixty-five retirees. The County offers a Medicare Advantage Plan to post age sixty-five retirees. The County offers the same prescription benefit for active employees and pre-age sixty-five retirees. Post age sixty-five retirees are eligible to participate in an Employer Group Waiver Plan (EGWP) plus WRAP for prescription benefits. County and Library retirees have the option of retaining dental and vision coverage, but must pay the full premium for these benefits.

The Anne Arundel County Public school system offers a separate single employer defined OPEB plan, which is disclosed in its separately issued financial statements. Anne Arundel County Public Schools (AACPS) employees eligible to retire and receive Maryland State Retirement Agency (MSRA) benefits may be eligible for retiree healthcare benefits based on date of hire and service criteria. This is not part of the County plan. Employees hired prior to September 15, 2002 receive Board funding of 75.0% for Medical/Rx and dental benefits. For employees hired after September 15, 2002, ten years of AACPS service is required to be eligible for retiree health benefits. The Board funds a portion of the medical premium ranging from 25.0% with ten years of service to 75.0% with twenty or more years of service. No Board funding is provided for dental benefits. No Board funding is provided for vision coverage regardless of service date. Active employees and retirees have the same medical, dental, and vision plans while retirees over sixty-five have three Medicare Supplemental Plans available. The retiree and active prescription plan co-payments differ. The retiree plan is evaluated separately based on claims experience; however, a blended percentage increase has been applied to the retiree rates.

A Summary of the key elements of the AACPS Plan are disclosed below:

Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
$ 1,125,188,289	$ 249,858,155	$ 1,620,200,698

The Community College (the College) provides medical, dental, and vision benefits to eligible retirees who are enrolled in medical coverage at the time of retirement. The benefit levels, employee contributions, and employer contributions are governed by and may be amended by the College Board of Trustees. Retirees are eligible for these benefits if they have a minimum of ten years of service and meet the eligibility requirement of their retirement plan, (Maryland State Retirement System or Optional plan). The College contributes to the cost of retirees' benefits at a rate of 2.5% for each year of service, and employees must have at least ten years of service to qualify. The maximum paid by the College is 75.0%. Retirees have no vested rights to these benefits.

A copy of the Anne Arundel Retiree Health Benefits Trust (OPEB Trust) financial statements may be obtained by contacting Anne Arundel County Office of Personnel, 2660 Riva Road, Annapolis, MD 21401.

B ***Membership by Plan*** – Anne Arundel County retirees meeting certain criteria are eligible for medical insurance and prescription coverage in retirement. The College provides certain health care benefits to eligible retirees. The benefits provided, benefit levels, retiree contributions and employer contributions are governed by the College's Board of Trustees and during the budgetary process. The Board of Trustees may amend or change the plan periodically. The Library, through its Health Benefits Pooling Agreement with the County, has agreed that its benefits and costs to the retirees will match the County Plan. The number of participants in the OPEB Trust as of June 30, 2023 follows. Data is based on actuarial valuations dated August 2, 2023.

	County Plan	**College Plan**	**Library Plan**	**Total**
Employees with medical coverage	3,982	663	207	4,852
Deferred vested termination	294	-	-	294
Retirees	2,952	269	145	3,366
Total	7,228	932	352	8,512

C ***Funding Policy*** – Effective July 1, 2015, the County Council under Bill 13-15 established the Retiree Health Benefits Trust to include the primary government, the College and the Library. The Bill requires that the balance of Reserve Funds for Retiree Health Benefits on July 1, 2015 be transferred to the Trust. The Bill established a Board of Trustees to manage the Trust and designated the County Personnel Officer to administer the Trust. The County Executive will recommend annual appropriations to the Trust. The County Council will approve this request as is or may increase it during the County Annual Budget process. Previously, the County established under its Charter, a Reserve Fund for Retiree Health Benefits into which funds were appropriated for the sole purpose of funding retiree health benefits. This Reserve Fund has been closed and the funds transferred to the Trust Fund.

D ***Actuarial Methods and Assumptions*** – Projections of benefits for financial reporting purposes are based on the substantive OPEB Trust (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between employers and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial assumptions used in the latest valuation are as follows.

Schedule of Actuarial Methods and Assumptions

	County Plan	College Plan	Library Plan
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset valuation Method	Market value of Assets	Market value of Assets	Market value of Assets
Actuarial Assumptions			
Discount Rate	6.30% Long-term expected return based on trust assets	6.30% Long-term expected return based on trust assets	6.30% Long-term expected return based on trust assets
Payroll Increase	Pension Plan Assumptions	Pension Plan Assumptions	Pension Plan Assumptions
Ultimate Healthcare Cost Trend Rate	3.94%	3.94%	3.94%

Notes:

1) *The health cost trend rate in 2023 is 7.50%, in 2024 is 7.50%, in 2025 is 5.20%. The rate in 2030 is 5.01%. The rate in 2050 is 4.64%. The rate in 2070 is 4.20%. The ultimate rate is 3.94%*
2) *The Plan's actual benefit payments may be greater or lesser than the amounts shown, depending on the Plan's actual demographic experience, and claims experience.*
3) *The information above is from the actuarial valuation reports dated March 31, 2023 which used census valuation data as of January 1,2023.*

Mortality rates: Healthy uses SOA RPH-2014 adjusted to 2006 Blue Collar Headcount-Weighted Mortality; MP-2018 base year 2006 fully generational. Disabled - General County employees uses SOA RP-2014 adjusted to 2006 Blue Collar Mortality with Scale MP-2018 (set forward 9 years). Disabled - Uniformed services employees (Police, Firefighters, and Correctional facilities) uses SOA RP-2014 adjusted to 2006 Blue Collar Mortality with Scale MP-2018 (set forward 5 years).

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Anne Arundel Retiree Health Benefits Trust (the Trust) and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the County. The measurement date for the current fiscal year-end was June 30, 2023. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

The following table details the changes in the net OPEB liability for the County Plan:

Change in Net OPEB Liability
County Plan

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2021 for FYE 2022	$ 922,824,247	$ 367,567,030	$ 555,257,217
Changes for the Year			
Service Cost	26,785,353		26,785,353
Interest	56,943,836		56,943,836
Changes of Benefit Terms	-		-
Experience Losses/(Gains)	1,505,964		1,505,964
Trust Contribution - Employer		103,959,456	(103,959,456)
Net Investment Income		(56,445,319)	56,445,319
Changes in Assumptions	-		-
Benefit Payments (net of retiree contributions)	(39,413,634)	(39,413,634)	-
Administrative Expense		(112,123)	112,123
Net Changes	45,821,519	7,988,380	37,833,139
Balance as of June 30, 2022 for FYE 2023	$ 968,645,766	$ 375,555,410	$ 593,090,356

For the fiscal year ended June 30, 2023 Anne Arundel County General Employees, recognized an OPEB expense of $78,768,149, reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,306,980	$ (147,385)
Changes of assumptions	36,930,333	(965,195)
Net difference between projected and actual earnings on OPEB plan investments	37,936,260	-
Employer contribution subsequent to measurement date	64,944,094	-
Total	**$ 152,117,667**	**$ (1,112,580)**

The contributions subsequent to measurement date as listed above will be recognized as a reduction in net OPEB liability in fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30:	
2024	$ 20,551,081
2025	20,301,582
2026	16,444,523
2027	26,530,526
2028	233,392
Thereafter	-

The following table details the changes in the net OPEB liability for the College Plan:

Change in Net OPEB Liability
College Plan

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2021 for FYE 2022	$ 106,906,646	$ 18,363,120	$ 88,543,526
Changes for the Year			
Service Cost	5,506,726		5,506,726
Interest	2,996,163		2,996,163
Changes of Benefit Terms	-		-
Experience Losses/(Gains)	(67,607)		(67,607)
Trust Contribution - Employer		4,886,737	(4,886,737)
Net Investment Income		(2,983,352)	2,983,352
Changes in Assumptions	(33,682,465)		(33,682,465)
Benefit Payments (net of retiree contributions)	(2,002,714)	(2,002,714)	-
Administrative Expense		(4,853)	4,853
Net Changes	(27,249,897)	(104,182)	(27,145,715)
Balance as of June 30, 2022 for FYE 2023	$ 79,656,749	$ 18,258,938	$ 61,397,811

For the fiscal year ended June 30, 2023 Anne Arundel Community College recognized an OPEB expense of $5,845,774. Anne Arundel Community College reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 819,337	$ (9,850,690)
Changes of assumptions	35,842,058	(41,926,089)
Net difference between projected and actual earnings on OPEB plan investments	1,995,094	-
Employer contribution subsequent to measurement date	1,086,400	
Total	**$ 39,742,889**	**$ (51,776,779)**

The contributions subsequent to measurement date as listed above will be recognized as a reduction in net OPEB liability in fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30:	
2024	$ (1,410,823)
2025	(1,415,434)
2026	(1,533,878)
2027	(215,663)
2028	1,331,072
Thereafter	(9,875,563)

The following table details the changes in the net OPEB liability for the Library Plan:

Change in Net OPEB Liability
Library Plan

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2021 for FYE 2022	$ 52,672,289	$ 3,823,106	$ 48,849,183
Changes for the Year			
Service Cost	2,241,412		2,241,412
Interest	997,571		997,571
Changes of Benefit Terms	-		-
Experience Losses/(Gains)	(263,113)		(263,113)
Trust Contribution - Employer		2,586,746	(2,586,746)
Net Investment Income		(671,667)	671,667
Changes in Assumptions	(13,264,123)		(13,264,123)
Benefit Payments (net of retiree contributions)	(1,167,786)	(1,167,786)	-
Administrative Expense		(909)	909
Net Changes	(11,456,039)	746,384	(12,202,423)
Balance as of June 30, 2022 for FYE 2023	$ 41,216,250	$ 4,569,490	$ 36,646,760

For the fiscal year ended June 30, 2023, Anne Arundel Public Library recognized an OPEB expense of $2,230,639. Anne Arundel County Public Library reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	153,746	$	(2,612,530)
Changes of assumptions		10,977,553		(12,869,488)
Net difference between projected and actual earnings on OPEB plan investments		543,992		-
Employer contribution subsequent to measurement date		2,198,022		-
Total	**$**	**13,873,313**	**$**	**(15,482,018)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

Fiscal Year Ended June 30:		
2024	$	(134,883)
2025		1,654,037
2026		(1,147,087)
2027		(1,924,253)
2028		(2,254,541)
Thereafter		-

E ***Net OPEB Liability of the Trust –*** The components of the net OPEB liability of the Plan, measured at June 30, 2022, for June 30, 2023 fiscal year-end are displayed on the following schedule.

Net OPEB Liability of the Trust
As of June 30, 2023
(in thousands)

	County Plan	College Plan	Library Plan	TOTAL
Total OPEB liability	$ 968,645	$ 79,657	$ 41,216	$ 1,089,518
Plan fiduciary net position	(375,555)	(18,259)	(4,569)	(398,383)
Net OPEB liability	$ 593,090	$ 61,398	$ 36,647	$ 691,135
Plan fiduciary net position as a percentage of the total OPEB liability	38.77%	22.92%	11.09%	
Net OPEB liability:				
Anne Arundel County Gov.	$ 590,326	$ -	$ -	$ 590,326
Economic Development	2,764	-	-	2,764
College Plan	-	61,398	-	61,398
Library Plan	-	-	36,647	36,647
Net OPEB liability	$ 593,090	$ 61,398	$ 36,647	$ 691,135

Actuarial assumptions — The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

	County Plan	College Plan	Library Plan
Inflation	2.40%	2.40%	2.40%
Discount rate	6.30%	6.30%	6.30%
Initial healthcare cost trend	3.90%	3.90%	3.90%

F ***Long-term expected real rate of return*** – The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation of 25 percent for fixed income and 60 percent for equity investments, and including the expected rate of inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

2023 30-Year Return Assumptions by Asset Class

Asset Class	30-Year Geometric Forecast (Nominal Returns)	30-Year Geometric Forecast (Real Returns)
Inflation (CPI)	2.70%	2.66%
Cash	3.33%	0.61%
Core Fixed Income[(1)]	4.54%	1.79%
Diversified Fixed Income[(2)]	5.65%	2.87%
Large Cap Equity	6.73%	3.92%
Small/Mid Cap Equity	7.34%	4.52%
International Equities (Unhedged)	6.50%	3.70%
Emerging Int'l Equities	9.50%	6.62%
Real Estate (Core)	5.35%	2.58%

Notes

NEPC's 30-year geometric CPI inflation assumption is 2.7%.

(1) Core Bonds assumption based on market weighted blend of Bloomberg Barclays US Aggregate Bond Index (Treasuries, IG Credit, MBS)

(2) Diversified Fixed Income assumption based on market weighted blend of Treasuries, Investment Grade Corporate Credit, High Yield, Bank Loans, Emerging Market Debt, and Non-US Bonds

Policy allows use of mutual/commingled funds as investment vehicles. The following schedule displays the asset allocation targets in the IPS.

Asset Allocations by Investment Policy

	Target Allocation	Minimum Allocation	Maximum Allocation
Large Cap U.S. Equities	26%	21%	31%
Small/Mid Cap U.S. Equities	7%	2%	12%
International Equities- Developed Markets	21%	16%	26%
Emerging International Equities	6%	1%	11%
Total Equity	**60%**	**50%**	**70%**
Core Fixed Income	11%	6%	16%
Diversified Fixed Income	14%	9%	19%
Total Fixed Income	**25%**	**15%**	**35%**
Real Estate (Core)	5%	0%	10%
Total Real Estate	**5%**	**0%**	**10%**
Cash	10%	0%	20%
Total Cash	**10%**	**0%**	**20%**

G ***Discount rate*** – The discount rate used to determine the actuarial net liability varied by Plan. Based on assumptions of increasing contribution levels and normal costs for future hires, the County Plan is expected to never become insolvent. Consequently, the actuary determined the County, College, and Library Plans' liability using the expected rate of return on assets of 6.30 percent as the discount rate

H ***Sensitivity of the net OPEB liability to changes in the discount rate*** – The following presents the net OPEB liability of each Plan based on the current discount rate, as well as what the liability would be if it were calculated using a rate that is 1.0% lower or 1.0% higher than the current discount rate as follows:

	Discount Rate Sensitivity as of June 30, 2023		
	Net OPEB liability		
	1.00% Decrease	Discount Rate	1.00% Increase
	5.30%	6.30%	7.30%
County Plan	$ 744,672,954	$ 593,090,356	$ 471,708,143
College Plan	$ 74,608,830	$ 61,397,811	$ 50,658,322
Library Plan	$ 43,460,526	$ 36,646,760	$ 31,200,425

I ***Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate*** – The trend rate selected is based on an economic model developed by a health care economist for the Society of Actuaries. Future medical trend increases could vary significantly from the model. Model inputs will be updated periodically based on the best estimate of the economy at the time. Small changes in the model inputs can result in actuarial losses or gains of 5 to 15 percent of liabilities. The same trend rate is used for each Plan. The following presents the net OPEB liability for each Plan, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	Healthcare Trend Cost Sensitivity as of June 30, 2023		
	Net OPEB liability		
	1.00% Decrease	Trend Rates	1.00% Increase
	2.90%	3.90%	4.90%
County Plan	$ 449,907,547	$ 593,090,356	$ 775,174,426
College Plan	$ 48,094,237	$ 61,397,811	$ 78,587,554
Library Plan	$ 30,286,256	$ 36,646,760	$ 44,817,037

The schedules of funding progress, included as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

16 Risk Management

The County retains the risk of loss for workers' compensation and Directors and Officers coverage for the primary government, the Library, the Board of Education, and the Community College; general liability and vehicle liability coverage for the primary government, Library and the Board of Education; and health coverage for the primary government. The County purchases insurance coverage for real and personal property and money and security coverage, as well as school bus insurance for the bus contractors of the Board of Education. All insurance activities are recorded in the Self Insurance Fund, except for health activity, which is recorded in the Health Insurance Fund.

The Self Insurance Fund has recognized a liability at fiscal year-end for those claims where a loss has occurred and the amount of loss can be reasonably estimated. This estimate includes reserves for non-incremental claims adjustment expense. An actuarial review of all claims is used as the basis for determining the liability at the end of the year. Management, with the assistance of claims administrators, estimates the liabilities for the Health Insurance Fund. Both funds include estimated liabilities for claims that have been incurred but not reported. Claims are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. As of June 30, 2023, the Self Insurance Fund liability of $58,086,446 is discounted, since discounting is more reflective of the nature of the claims. The Health Insurance Fund liability of $6,667,234 is undiscounted since claims will be paid within one year of the date incurred. Settlements have not exceeded coverage for each of the past three years. Changes in the balances of claims liabilities during fiscal years 2023 and 2022 were as follows:

		2023		2022
Liability balance, July 1	$	60,360,274	$	75,379,890
Current year claims and changes in estimates:				
Changes in estimates - prior periods		(5,560,348)		(7,890,629)
Changes in estimates - current year		120,184,644		115,213,591
Claims payments		(110,230,890)		(122,342,578)
Liability balance, June 30	$	64,753,680	$	60,360,274

17 Landfill Closure, Post closure, and Remediation

The primary government has utilized three landfill sites, however, only one site, the Millersville Landfill, is still accepting trash. The others, Glen Burnie and Sudley, ceased accepting solid waste in 1983 and 1993, respectively. The Millersville site consists of nine individual cells. Cells 1 through 8 are closed. Closure for cell 8 was competed in 2022. Cell 9 has opened and is 21.0% full. Cell 9 has a useful life to at least 2049. The table that follows presents the costs and liabilities related to all sites. The costs for cells 8 and 9 at the Millersville Landfill are determined by applying the percent of capacity used to the total estimated closure and post closure costs.

	Millersville	Closed Sites	Total
Total costs:			
Closure	$ 64,542,442	$ 18,163,719	$ 82,706,161
Post closure	28,514,455	1,700,944	30,215,399
	93,056,897	19,864,663	112,921,560
Less:			
Amount recognized thru June 30, 2022	58,088,622	19,864,663	77,953,285
Costs remaining to be recognized	$ 34,968,275	$ -	$ 34,968,275
Liability recorded as of June 30, 2023			
Current portion post closure	$ 1,097,124	$ 271,610	$ 1,368,734
Closure Cell 9 Long Term	4,914,783	-	4,914,783
Post closure Long Term	13,423,306	1,429,334	14,852,640
Total Long Term Liability	18,338,089	1,429,334	19,767,423
Total Liability	$ 19,435,213	$ 1,700,944	$ 21,136,157

The primary government accounts for landfill activities in the Solid Waste Fund. Management estimates the costs of closure, post closure, remediation, and monitoring the landfills based on federal and state regulations. These estimates are recorded at current costs and are management's best judgment of the minimum cost required to correct identified problems and close and remediate open cells. These estimates are subject to periodic reevaluation, and actual costs may differ due to inflation or deflation, changes in technology, or changes in applicable laws and regulations. The closure reserves increased in the amount of $985,278, primarily as a result of Cell 9 closure costs through June 30, 2023 and post closure reserves decreased by $1,070,487 in fiscal year 2023. These amounts include changes to the estimates in the reserves, payments, and other adjustments.

The Solid Waste Fund has restricted assets of $20,642,433 for closure and post closure care as of June 30, 2023.

18 Tax Abatements

Anne Arundel County provides tax abatements through the following programs - Payment in Lieu of Taxes (PILOT), Brownfields Site property tax credits, Agricultural Land tax credits and Enterprise Zone tax credits.

A ***PILOT -*** The purpose of the first type of County PILOT agreement is to provide quality multi-family housing communities for households of limited income in the County. Agreements are made with the County in negotiated amounts in lieu of County real property taxes per Tax Property Article § 7-506.1. For fiscal year 2023, the net amount of taxes abated after receipt of the PILOT payments was $376,682. The second type of County PILOT agreement is for economic development projects that demonstrate to the satisfaction of the Anne Arundel County Executive and County Council of Anne Arundel County that the project is an economic development project that provides a public benefit. Agreements are made with the County in negotiated amounts in lieu of County real or personal property tax per Tax Property Article § 7-520. For fiscal year 2023, the County had one of this type of PILOT agreement and the amount of the abatement of real and personal property taxes was $688,329.

B ***Brownfields Site Tax Credit –*** The County provides a Brownfields Site tax credit on real property taxes levied on qualified brownfields sites as authorized by Tax Property Article § 9-229. The brownfields tax credit is effective for each of the five taxable years following the issuance of the notice of revaluation by the State Department of Assessments and Taxation after completion of a voluntary cleanup or a corrective action plan for a qualified site. For fiscal year 2023, the total amount of taxes abated for brownfields sites was $289,400.

C ***Agricultural Land Tax Credit –*** The County provides an agricultural land tax credit on real property taxes levied on agricultural land and woodland if the property is included in an agricultural preservation district as provided in the Agriculture Article § 2-509 of the State Code or a County agricultural district as provided in County Code and the landowner has agreed to remain in the district for at least ten years. For fiscal year 2023, the total amount of agricultural taxes abated was $652,919.

D ***Enterprise Zone Tax Credit –*** The County provides enterprise zone tax incentives to businesses and property owners located in economically distressed communities. The Enterprise Zone tax credit from County real property taxes for eligible assessments of qualified properties is authorized per Tax Property Article § 9-103. For fiscal year 2023, there were no County participants in this program, therefore no taxes were abated.

E ***The State of Maryland –*** The State of Maryland has programs that result in tax abatements for Anne Arundel County real property taxes. Per Tax Property Article § 8-209, property owners of qualified agricultural land receive a preferential land value. Land is assessed according to its current use and not according to its market value, resulting in a reduced assessed value of the land and thereby reducing the taxes. Lower assessments are given for land that is devoted to farm or woodland uses. For fiscal year 2023, there were 1,541 accounts totaling 46,455 acres receiving a preferential land value of $12,263,925. The exact amount of the tax abatement is unknown because the State Department of Assessments and Taxation is unable to provide the market value and can only provide the preferential land value.

Qualified country clubs and golf courses are assessed according to their preferred use value rather than their market value per Tax Property Article§§ 8-212 - 8-218. This lower assessment results in lower taxes. For fiscal year 2023, the difference between the preferred use value and the market value reduced the assessments by $25,657,505 resulting in an abatement of $239,385 in County real property taxes.

19 Contingent Liabilities

A ***Impact Fees*** – At June 30, 2023, the primary government held impact fees accumulated for construction of schools and roads in designated districts of the County. County legislation authorizes the collection of such fees. In addition, the County has entered into impact fee agreements with developers who provide offsite improvements designed to lessen the impact of development on the immediate community. Unredeemed impact fee credits totaled $ 17,008,359 as of June 30, 2023.

B ***Lawsuits –*** The claimant contractor was the successful bidder on a public works contract for a road resurfacing project in the County. Pursuant to the contract, the contractor asserted claims for additional compensation above its contract price. The County considered the claims and approved compensation for change orders and the retainage release. In October 2022, the County denied the contractor’s claim for delay damages of $1,400,000 which the contractor claims were caused by the County's construction manager. The contractor appealed the denial of its claim pursuant to the terms of the contract and a hearing was held that concluded on March 28, 2023. A decision was issued in favor of the County on June 20, 2023. The appeal time expired on July 20, 2023. The claim is concluded with no recovery.

A developer that proposed a commercial facility requiring both State and County approval filed suit against Anne Arundel County and the State of Maryland on December 17, 2020 seeking to compel certain State and County actions concerning its proposed facility. After a hearing, the Court issued an order on May 26, 2021 declaring that communications regarding the proposed development by County officials to the State were void, and ordering the State to continue processing the developer's application. The County unsuccessfully appealed to the Appellate Court of Maryland, and the Supreme Court of Maryland declined to consider the appeal on March 27, 2023. Thereafter, the developer filed a petition for $1.3 million in attorneys' fees on July 19, 2023, alleging that the County's defense of the initial suit, and the pursuit of its unsuccessful appeals, were unwarranted. A hearing on the petition for attorneys' fee was held on October 2, 2023. The parties are awaiting a ruling from the Court.

The County received a notice of claim from a claimant who asserts that he was severely injured in October 2022 when a branch fell from a dead tree while he was a pedestrian on a County public sidewalk. The claimant maintains that he was knocked unconscious and suffered severe injuries. The claimant alleges that some of his injuries are permanent. The claimant contends that the County had prior notice of the dead tree and should have taken corrective action to make the sidewalk safe. By statute, the County's liability is limited to $400,000 for all claims arising out of the incident.

The County is an interested party in various legal proceedings that normally occur in governmental operations, including various tort and contract suits, suits alleging violations of individual rights, and matters involving claims relating to land development, property damage, personal injury, employee liability, and workers' compensation. With respect to such claims or matters for which reserves have not yet been funded, excluding the matters set forth immediately above, in the judgment of the County Attorney, the aggregate expected liability of the County will not exceed $2,000,000, not including workers' compensation claims.

C ***Federal Financial Assistance*** - The County receives significant financial assistance from the U.S. Government. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits. Any disallowances as a result of these audits become a liability of the fund that received the grants. As of June 30, 2023, the County estimates that no material liabilities will result from such audits.

Anne Arundel Retirement and Pension System
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios - Employees' Retirement Plan
For Years Ended December 31

(Dollar amounts in thousands)	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	$ 19,164	$ 18,886	$ 16,774	$ 16,344	$ 16,687	$ 15,497	$ 15,144	$ 15,115	$ 14,159
Interest	73,167	67,772	70,362	65,128	63,246	60,502	59,292	58,329	53,353
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	16,876	1,093	(4,189)	12,546	3,826	9,562	(12,599)	(17,971)	16,408
Changes of assumptions	-	51,630	-	32,671	-	-	-	-	22,567
Benefit payments, including refunds of member contributions	(63,887)	(60,714)	(57,779)	(55,081)	(50,575)	(47,380)	(44,024)	(41,253)	(39,012)
Net change in total pension liability	45,320	78,666	25,168	71,608	33,184	38,181	17,813	14,221	67,475
Total pension liability - beginning	1,077,191	998,524	973,356	901,748	868,564	830,383	812,570	798,349	730,874
Total pension liability - ending (a)	$ 1,122,511	$ 1,077,191	$ 998,524	$ 973,356	$ 901,748	$ 868,564	$ 830,383	$ 812,570	$ 798,349
Plan fiduciary net position									
Contributions - employer	43,712	36,178	32,567	29,637	27,033	25,654	25,810	25,630	24,451
Contributions - member	6,043	5,528	5,764	5,512	5,612	5,472	5,182	4,847	4,662
Net investment income	(87,246)	103,656	48,589	90,338	(31,166)	94,908	41,345	(8,374)	28,451
Benefit payments, including refunds of member contributions	(63,887)	(60,714)	(57,779)	(55,081)	(50,575)	(47,380)	(44,024)	(41,253)	(39,012)
Administrative expense	(554)	(561)	(535)	(609)	(543)	(526)	(497)	(504)	(519)
Net change in plan fiduciary net position	(101,931)	84,086	28,606	69,797	(49,640)	78,127	27,816	(19,654)	18,034
Plan fiduciary net position - beginning	803,076	718,990	690,383	620,587	670,226	592,099	564,283	583,936	565,902
Plan fiduciary net position - ending (b)	$ 701,145	$ 803,076	$ 718,990	$ 690,383	$ 620,587	$ 670,226	$ 592,099	$ 564,283	$ 583,936
County's net pension liability - ending (a)-(b)	$ 421,366	$ 274,115	$ 279,535	$ 282,973	$ 281,161	$ 198,337	$ 238,284	$ 248,287	$ 214,413
Plan fiduciary net position as a percentage of the total pension liability	62.5%	74.6%	72.0%	70.9%	68.8%	77.2%	71.3%	69.4%	73.1%
Covered payroll	$ 152,078	$ 139,975	$ 138,428	$ 134,892	$ 138,239	$ 130,313	$ 127,827	$ 127,091	$ 126,343
County's net pension liability as a percentage of covered payroll	277.1%	192.7%	199.7%	204.4%	208.4%	152.2%	182.9%	194.2%	168.7%
Expected average remaining service years of all participants	4	5	5	5	5	5	5	5	5

Notes to Schedule:

1 Source is actuarial data based on preliminary financials. The differences between this schedule and the final combining statement of changes in fiduciary net position are considered immaterial.

2 This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, pension plans should present for those years for which data is available.

3 There are no benefit changes reflected in the current schedule.

4 For 2021, the discount rate / investment rate of return was lowered from 7.45% to 7.00%.

5 Full descriptions of the actuarial assumptions are available in the January 1, 2022 actuarial valuation report.

Anne Arundel Retirement and Pension System

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - Police Service Retirement Plan

For Years Ended December 31

(Dollar amounts in thousands)	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	$ 17,611	$ 17,596	$ 14,504	$ 13,064	$ 12,826	$ 12,689	$ 12,057	$ 12,258	$ 10,951
Interest	61,351	55,381	55,148	52,474	50,963	48,563	47,032	45,473	41,480
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	16,152	5,789	20,346	(2,017)	(2,591)	6,202	(4,527)	(4,693)	12,801
Changes of assumptions	-	48,555	-	10,096	-	-	-	-	18,331
Benefit payments, including refunds of member contributions	(44,515)	(39,555)	(38,637)	(36,791)	(35,938)	(34,950)	(33,357)	(31,134)	(29,507)
Net change in total pension liability	50,598	87,765	51,361	36,826	25,261	32,504	21,205	21,903	54,055
Total pension liability - beginning	898,695	810,929	759,569	722,742	697,482	664,978	643,773	621,870	567,815
Total pension liability - ending (a)	$ 949,293	$ 898,695	$ 810,929	$ 759,569	$ 722,742	$ 697,482	$ 664,978	$ 643,773	$ 621,870
Plan fiduciary net position									
Contributions - employer	37,522	29,599	24,900	23,094	21,934	20,931	20,411	19,560	18,870
Contributions - member	4,284	4,255	4,181	3,669	3,372	3,250	3,158	3,104	2,950
Net investment income	(75,544)	89,125	42,157	75,786	(25,860)	78,155	33,500	(7,869)	21,813
Benefit payments, including refunds of member contributions	(44,515)	(39,555)	(38,637)	(36,791)	(35,938)	(34,950)	(33,357)	(31,134)	(29,507)
Administrative expense	(518)	(509)	(476)	(530)	(464)	(445)	(417)	(423)	(418)
Net change in plan fiduciary net position	(78,772)	82,914	32,125	65,228	(36,956)	66,941	23,295	(16,762)	13,707
Plan fiduciary net position - beginning	696,773	613,859	581,734	516,505	553,461	486,520	463,225	479,988	466,281
Plan fiduciary net position - ending (b)	$ 618,001	$ 696,773	$ 613,859	$ 581,734	$ 516,505	$ 553,461	$ 486,520	$ 463,225	$ 479,988
County's net pension liability - ending (a)-(b)	$ 331,292	$ 201,921	$ 197,071	$ 177,835	$ 206,237	$ 144,020	$ 178,458	$ 180,547	$ 141,882
Plan fiduciary net position as a percentage of the total pension liability	65.1%	77.5%	75.7%	76.6%	71.5%	79.4%	73.2%	72.0%	77.2%
Covered payroll	$ 60,710	$ 57,129	$ 58,777	$ 53,035	$ 48,322	$ 45,989	$ 44,894	$ 43,879	$ 42,960
County's net pension liability as a percentage of covered payroll	545.7%	353.4%	335.3%	335.3%	426.8%	313.2%	397.5%	411.5%	330.3%
Expected average remaining service years of all participants	4	4	4	4	4	4	4	4	4

Notes to Schedule:

1 Source is actuarial data based on preliminary financials. The differences between this schedule and the final combining statement of changes in fiduciary net position are considered immaterial.

2 This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, pension plans should present information for those years for which data is available.

3 There are no benefit changes reflected in the current schedule.

4 For 2021, the discount rate / investment rate of return was lowered from 7.45% to 7.00%.

5 Full descriptions of the actuarial assumptions are available in the January 1, 2022 actuarial valuation report.

6 Covered payroll does not include pay for members in DROP.

Anne Arundel Retirement and Pension System

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - Fire Service Retirement Plan

For Years Ended December 31

(Dollar amounts in thousands)	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	$ 18,296	$ 17,012	$ 14,146	$ 12,612	$ 11,785	$ 11,556	$ 11,102	$ 10,339	$ 9,184
Interest	56,027	49,832	50,304	47,454	45,537	43,670	42,294	41,924	38,949
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	11,720	14,680	(913)	(573)	3,521	2,210	(1,552)	(14,630)	3,679
Changes of assumptions	-	42,475	6,468	10,153	-	-	-	-	18,028
Benefit payments, including refunds of member contributions	(36,939)	(34,049)	(32,663)	(30,098)	(31,973)	(33,129)	(33,868)	(31,520)	(28,823)
Net change in total pension liability	49,105	89,950	37,342	39,548	28,869	24,309	17,976	6,112	41,016
Total pension liability - beginning	818,854	728,904	691,562	652,014	623,144	598,836	580,860	574,748	533,731
Total pension liability - ending (a)	$ 867,959	$ 818,854	$ 728,904	$ 691,562	$ 652,014	$ 623,144	$ 598,836	$ 580,860	$ 574,748
Plan fiduciary net position									
Contributions - employer	32,341	24,643	20,506	17,637	15,704	14,664	14,591	15,122	15,899
Contributions - member	4,412	4,203	4,093	3,652	3,524	3,441	3,257	3,050	2,778
Net investment income	(74,960)	88,952	42,359	75,388	(25,208)	77,992	33,899	(7,744)	22,688
Benefit payments, including refunds of member contributions	(36,939)	(34,049)	(32,663)	(30,098)	(31,973)	(33,129)	(33,868)	(31,520)	(28,823)
Administrative expense	(522)	(513)	(486)	(522)	(430)	(448)	(428)	(436)	(423)
Net change in plan fiduciary net position	(75,669)	83,236	33,809	66,058	(38,382)	62,520	17,451	(21,528)	12,119
Plan fiduciary net position - beginning	692,932	609,696	575,887	509,828	548,211	485,690	468,239	489,767	477,648
Plan fiduciary net position - ending (b)	$ 617,263	$ 692,932	$ 609,696	$ 575,887	$ 509,828	$ 548,211	$ 485,690	$ 468,239	$ 489,767
County's net pension liability - ending (a)-(b)	$ 250,695	$ 125,922	$ 119,208	$ 115,675	$ 142,185	$ 74,933	$ 113,146	$ 112,621	$ 84,981
Plan fiduciary net position as a percentage of the total pension liability	71.1%	84.6%	83.6%	83.3%	78.2%	88.0%	81.1%	80.6%	85.2%
Covered payroll	$ 61,934	$ 58,237	$ 55,428	$ 51,011	$ 48,728	$ 46,954	$ 46,228	$ 43,838	$ 40,476
County's net pension liability as a percentage of covered payroll	404.8%	216.2%	215.1%	226.8%	291.8%	159.6%	244.8%	256.9%	210.0%
Expected average remaining service years of all participants	5	5	5	6	6	6	6	5	5

Notes to Schedule:

1 Source is actuarial data based on preliminary financials. The differences between this schedule and the final combining statement of changes in fiduciary net position are considered immaterial.

2 This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, pension plans should present information for those years for which data is available.

3 There are no benefit changes reflected in the current schedule.

4 For FY 2020, the salary scale and retirement rates were updated to reflect the new County pay scale. For 2021, the discount rate / investment rate of return was lowered from 7.45% to 7.00%.

5 Full descriptions of the actuarial assumptions are available in the January 1, 2022 actuarial valuation report.

6 Covered Payroll does not include pay for members in DROP.

Anne Arundel Retirement and Pension System

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios -Detention Officers and Deputy Sheriffs' Plan

For Years Ended December 31

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)									
Service cost	$ 4,969	$ 4,982	$ 4,704	$ 4,147	$ 4,533	$ 4,658	$ 4,461	$ 4,634	$ 4,602
Interest	16,921	15,283	15,556	14,632	13,836	12,912	12,281	11,401	10,301
Changes of benefit terms	-	-	-	-	-	-	-	4,635	-
Differences between expected and actual experience	(1,681)	2,520	(750)	1,010	1,938	2,244	(1,678)	(2,558)	2,322
Changes of assumptions	-	11,961	-	1,348	-	-	-	-	3,494
Benefit payments, including refunds of member contributions	(11,589)	(11,098)	(8,863)	(8,610)	(8,162)	(6,821)	(6,485)	(6,279)	(5,819)
Net change in total pension liability	8,620	23,649	10,647	12,528	12,145	12,993	8,579	11,833	14,900
Total pension liability - beginning	247,530	223,881	213,234	200,706	188,562	175,569	166,990	155,156	140,256
Total pension liability - ending (a)	$ 256,150	$ 247,530	$ 223,881	$ 213,234	$ 200,706	$ 188,562	$ 175,569	$ 166,990	$ 155,156
Plan fiduciary net position									
Contributions - employer	11,362	9,276	8,165	7,600	7,282	7,000	6,689	6,371	6,111
Contributions - member	1,432	1,494	1,530	1,402	1,352	1,354	1,316	1,317	1,298
Net investment income	(20,926)	24,208	11,639	19,918	(6,825)	19,607	8,159	(1,919)	4,944
Benefit payments, including refunds of member contributions	(11,589)	(11,098)	(8,863)	(8,610)	(8,162)	(6,821)	(6,485)	(6,279)	(5,819)
Administrative expense	(137)	(133)	(123)	(135)	(108)	(109)	(100)	(98)	(96)
Net change in plan fiduciary net position	(19,859)	23,748	12,348	20,174	(6,461)	21,030	9,579	(608)	6,438
Plan fiduciary net position - beginning	191,179	167,431	155,083	134,908	141,369	120,339	110,760	111,368	104,930
Plan fiduciary net position - ending (b)	$ 171,320	$ 191,179	$ 167,431	$ 155,083	$ 134,908	$ 141,369	$ 120,339	$ 110,760	$ 111,368
County's net pension liability - ending (a)-(b)	$ 84,830	$ 56,351	$ 56,450	$ 58,151	$ 65,798	$ 47,193	$ 55,230	$ 56,230	$ 43,788
Plan fiduciary net position as a percentage of the total pension liability	66.9%	77.2%	74.8%	72.7%	67.2%	75.0%	68.5%	66.3%	71.8%
Covered payroll	$ 20,201	$ 20,422	$ 21,401	$ 22,057	$ 19,573	$ 19,790	$ 19,801	$ 19,386	$ 19,776
County's net pension liability as a percentage of covered payroll	419.9%	275.9%	263.8%	263.6%	336.2%	238.5%	278.9%	290.1%	221.4%
Expected average remaining service years of all participants	3	3	3	3	3	3	3	4	4

Notes to Schedule:

1 Source is actuarial data based on preliminary financials. The differences between this schedule and the final combining statement of changes in fiduciary net position are considered immaterial.

2 This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, pension plans should present for those years for which data is available.

3 There are no benefit changes reflected in the schedule for the current year.

4 For 2021, the discount rate / investment rate of return was lowered from 7.45% to 7.00%.

5 Full descriptions of the actuarial assumptions are available in the January 1, 2022 actuarial valuation report.

6 Covered Payroll does not include pay for members in DROP.

Required Supplementary Information
Schedule of Investment Returns
Anne Arundel County Retirement and Pension System
For the Years Ended December 31

The investments for the Employees', Police Service, Fire Service and Detention Officers' and Deputy Sheriffs' Retirement Plans are commingled. The annual money-weighted rate of return for all plans are disclosed below:

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2022	(10.7) %
2021	14.5 %
2020	7.1 %
2019	14.5 %
2018	(4.9) %
2017	15.7 %
2016	6.2 %
2015	(1.8) %
2014	4.5 %

Note: *Money-weighted results for the required ten year timeframe will be added as available.*
Source: *New England Pension Consultants, LLC*

Schedule of Investment Returns
Maryland State Retirement and Pension System
For the Years Ended June 30

	Annual Money-Weighted Rate of Return Net of Investment Expenses
2022	(3.0) %
2021	26.7 %
2020	3.5 %
2019	6.4 %
2018	8.1 %
2017	10.0 %
2016	1.2 %
2015	2.7 %
2014	14.4 %

Note: *Money-weighted results for the required ten year timeframe will be added as available.*
Source: *Annual Comprehensive Financial Report of the Maryland State Retirement Pension System.*

Anne Arundel County Retirement and Pension System

Required Supplementary Information

Schedule of Employer's Contributions - Employees' Retirement Plan

For the Last Ten Years Ended June 30

(Dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 38,594	$ 38,537	$ 33,820	$ 31,314	$ 27,961	$ 26,104	$ 25,204	$ 26,416	$ 24,894	$ 23,958
Contributions in relation to the actuarially determined contribution	43,741	38,537	33,820	31,314	27,961	26,104	25,204	26,416	24,894	23,958
Contribution deficiency	$ (5,147)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll (See note)	$ 152,078	$ 142,222	$ 139,975	$ 138,428	$ 134,892	$ 138,239	$ 130,313	$ 127,827	$ 127,091	$ 115,809
Contributions as a percentage of Covered payroll	28.76%	27.10%	24.16%	22.62%	20.73%	18.88%	19.34%	20.67%	19.59%	20.69%
Valuation date	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014

Notes:

1) *Covered payroll for 2014 has been changed to reflect the new GASB language.*

2) *2023 had an additional one time budgeted contribution.*

3) *Methods and assumptions listed below are used by the actuary to determine contribution rates:*

Actuarial cost method	*Projected Unit Credit*
Amortization method	*Level percentage of payroll, closed, increasing 3.0% per year.*
Remaining amortization	*Periods range from 12 to 21 years. Starting with new bases in 2018, assumption changes and gains and losses are amortized over 20 years and Plan changes are amortized over the average future service of the active population at the time of the change.*
Asset valuation method	*5-year smoothed fair value.*
Inflation	*3.00%*
Salary increases	*Rates vary by participant age.*
Investment rate of return	*7.00% Net of pension plan investment expense, including inflation.*
Retirement age	*Rates vary by participant age and service.*
Mortality	*RP-2014 Blue Collar Mortality Table for males and females projected generationally using scale MP-2018. A nine-year set forward is used for post-disability mortality.*

Source: Actuarial Section of the Anne Arundel County Retirement and Pension System Annual Comprehensive Financial Report for the Year Ended December 31, 2022.

Anne Arundel County Retirement and Pension System

Required Supplementary Information

Schedule of Employer's Contributions - Police Service Retirement Plan

For the Last Ten Years Ended June 30

(Dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 32,983	$ 33,071	$ 26,126	$ 23,675	$ 22,513	$ 21,355	$ 20,507	$ 20,315	$ 18,805	$ 18,934	$ 16,558
Contributions in relation to the actuarially determined contribution	37,466	33,071	26,126	23,675	22,513	21,355	20,507	20,315	18,805	18,934	16,558
Contribution excess	$ (4,482)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 70,810	$ 68,149	$ 67,888	$ 61,345	$ 55,102	$ 51,759	$ 50,560	$ 48,117	$ 48,262	$ 41,714	$ 40,522
Contributions as a percentage of Covered payroll	52.91%	48.53%	38.48%	38.59%	40.86%	41.26%	40.56%	42.22%	38.97%	45.39%	40.86%
Valuation date	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013

Notes:

1) *Covered payroll for 2014 has been changed to reflect the new GASB language.*

2) *2023 had an additional one time budgeted contribution.*

3) *Methods and assumptions listed below are used by the actuary to determine contribution rates:*

Actuarial cost method	*Projected Unit Credit*
Amortization method	*Level percentage of payroll, closed, increasing 3.0% per year.*
Remaining amortization	*Periods range from 12 to 21 years. Starting with new bases in 2018, assumption changes and gains and losses are amortized over 20 years and Plan changes are amortized over the average future service of the active population at the time of the change.*
Asset valuation method	*5-year smoothed fair value.*
Inflation	*3.00%*
Salary increases	*Rates vary by participant age.*
Investment rate of return	*7.00% Net of pension plan investment expense, including inflation.*
Retirement age	*Rates vary by participant age and service.*
Mortality	*RP-2014 Blue Collar Mortality Table for males and females projected generationally using scale MP-2018. A five-year set forward is used for post-disability mortality.*

Source: *Actuarial Section of the Anne Arundel County Retirement and Pension System Annual Comprehensive Financial Report for the Year Ended December 31, 2022.*

Anne Arundel County Retirement and Pension System

Required Supplementary Information

Schedule of Employer's Contributions - Fire Service Retirement Plan

For the Last Ten Years Ended June 30

(Dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 28,575	$ 27,143	$ 22,143	$ 18,868	$ 16,406	$ 15,001	$ 14,328	$ 14,855	$ 15,389	$ 16,409
Contributions in relation to the actuarially determined contribution	33,057	27,143	22,143	18,868	16,406	15,001	14,328	14,855	15,389	16,409
Contribution excess	$ (4,482)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 71,480	$ 67,851	$ 63,461	$ 58,710	$ 54,769	$ 51,767	$ 50,412	$ 49,182	$ 48,550	$ 44,951
Contributions as a percentage of Covered payroll	46.25%	40.00%	34.89%	32.14%	29.95%	28.98%	28.42%	30.20%	31.70%	36.50%
Valuation date	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014

Notes:

1) Covered payroll for 2014 has been changed to reflect the new GASB language.

2) 2023 had an additional one time budgeted contribution.

3) Methods and assumptions listed below are used by the actuary to determine contribution rates:

Actuarial cost method	*Projected Unit Credit*
Amortization method	*Level percentage of payroll, closed, increasing 3.0% per year.*
Remaining amortization	*Periods range from 12 to 21 years. Starting with new bases in 2014, assumption changes and gains and losses are amortized over 20 years and Plan changes are amortized over the average future service of the active population at the time of the change.*
Asset valuation method	*5-year smoothed fair value.*
Inflation	*3.00%*
Salary increases	*Rates vary by participant age.*
Investment rate of return	*7.00% Net of pension plan investment expense, including inflation.*
Retirement age	*Rates vary by participant age and service.*
Mortality	*RP-2014 Blue Collar Mortality Table for males and females projected generationally using scale MP-2018. A five-year set forward is used for post-disability mortality.*

Source: Actuarial Section of the Anne Arundel County Retirement and Pension System Annual Comprehensive Financial Report for the Year Ended December 31, 2022.

Anne Arundel County Retirement and Pension System

Required Supplementary Information

Schedule of Employer's Contributions - Detention Officers' and Deputy Sheriffs' Retirement Plan

For the Last Ten Years Ended June 30

(Dollars in thousands)

	2023	*2022*	*2021*	*2020*	*2019*	*2018*	*2017*	*2016*	*2015*	*2014*
Actuarially determined contribution	$ 10,239	$ 10,008	$ 8,545	$ 7,785	$ 7,416	$ 7,149	$ 6,851	$ 6,526	$ 6,215	$ 6,007
Contributions in relation to the actuarially determined contribution	11,478	10,008	8,545	7,785	7,416	7,149	6,851	6,526	6,215	6,007
Contribution excess	$ (1,239)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 24,586	$ 24,679	$ 24,702	$ 24,504	$ 21,445	$ 21,269	$ 21,001	$ 19,975	$ 19,776	$ 18,133
Contributions as a percentage of Covered payroll	46.68%	40.55%	34.59%	31.77%	34.58%	33.61%	32.62%	32.67%	31.43%	33.13%
Valuation date	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014

Notes:

1) Covered payroll for 2014 has been changed to reflect the new GASB language.

2) 2023 had an additional one time budgeted contribution.

3) Methods and assumptions listed below are used by the actuary to determine contribution rates:

Actuarial cost method	*Projected Unit Credit*
Amortization method	*Level percentage of payroll, closed, increasing 3.0% per year.*
Remaining amortization	*Periods range from 1 to 21 years. Starting with new bases in 2014, assumption changes and gains and losses are amortized over 20 years and Plan changes are amortized over the average future service of the active population at the time of the change.*
Asset valuation method	*5-year smoothed fair value.*
Inflation	*3.00%*
Salary increases	*Rates vary by participant age.*
Investment rate of return	*7.00% Net of pension plan investment expense, including inflation.*
Retirement age	*Rates vary by participant age and service.*
Mortality	*RP-2014 Blue Collar Mortality Table for males and females projected generationally using scale MP-2018. A five-year set forward is used for post-disability mortality.*

Source: Actuarial Section of the Anne Arundel County Retirement and Pension System Annual Comprehensive Financial Report for the Year Ended December 31, 2022.

Anne Arundel County Maryland
Required Supplementary Information
Schedule of County's Proportionate Share for Officials of the Net Pension Liability Maryland State Retirement and Pension System

As of June 30	2022	2021	2020	2019	2018	2017	2016	2015
County's portion of the net pension liability	0.0011946%	0.00125000%	0.0012133%	0.0012034%	0.0012379%	0.0011945%	0.00111830%	0.00094790%
County's proportionate share of the net pension liability	$ 239,025	$ 187,528	$ 274,230	$ 248,200	$ 259,731	$ 258,295	$ 263,850	$ 196,990
County's covered payroll	132,998	132,999	133,001	133,001	133,001	132,999	132,999	128,624
County's proportionate share of the net pension liability as a percentage of its covered payroll	55.64%	70.92%	48.50%	53.59%	51.21%	51.49%	50.41%	65.29%
Plan fiduciary net position as a percentage of the total pension liability	76.27%	81.84%	70.72%	72.34%	71.18%	69.38%	65.79%	68.78%

Notes:

1 *This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, pension plans should present information for those years for which the data is available.*

2 *There are no benefit changes reflected in the current schedule.*

3 *Changes in Assumptions to the Maryland State Retirement and Pension System:*
Adjustments to the roll-forward liabilities were made to reflect the following assumptions in June 2014 valuation.
--Inflation assumption changed from 2.25% to 2.60%.

4 *Methods and Assumptions Used in Calculation sof Actuarially Determined Contributions:*

Actuarial	*Entry Age Normal*
Amortizaton Method	*Level Percentage of Payroll, Closed*
Remaining Amortization Period	*25 years for State system*
Asset Valutaion Method	*5-year smoothed fair value (max. 120% and min. 80% of the market value)*
Inflation	*2.25% general, 2.75% wage*
Salary Increases	*2.75% to 11.25% including inflation*
Investment Rate of Return	*6.80%*
Retirement Age	*Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for 2019 valuation pursuant to an experience study of the 2014-2018 period.*
Mortality	*Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimesional) mortality improvement scale.*

Anne Arundel County Maryland
Required Supplementary Information
Schedule of County's Proportionate Share for Judges Plan of the Net Pension Liability Maryland State Retirement and Pension System

As of June 30	2022	2021	2020	2019	2018	2017	2016	2015
County's portion of the net pension liability	0.0029874%	0.0029724%	0.0033051%	0.0033248%	0.0033694%	0.0033089%	0.0029627%	0.0043607%
County's proportionate share of the net pension liability	$ 597,732	$ 445,932	$ 746,990	$ 685,763	$ 706,946	$ 715,507	$ 699,020	$ 906,228
County's covered payroll	165,085	162,647	159,458	147,796	144,646	141,808	134,289	133,379
County's proportionate share of the net pension liability as a percentage of its covered payroll	27.62%	36.47%	21.35%	21.55%	20.46%	19.82%	19.21%	14.72%
Plan fiduciary net position as a percentage of the total pension liability	76.27%	81.84%	70.72%	72.34%	71.18%	69.38%	65.79%	68.78%

Notes:

1 *This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, pension plans should present information for those years for which the data is available.*

2 *There are no benefit changes reflected in the current schedule.*

3 *Changes in Assumptions to the Maryland State Retirement and Pension Syst updated 8/23/22*
Adjustments to the roll-forward liabilities were made to reflect the following assumptions in June 2014 valuation.
--Inflation assumption changed from 2.25% to 2.60%.

4 *Methods and Assumptions Used in Calculation sof Actuarially Determined Contributions:*

Actuarial	*Entry Age Normal*
Amortizaton Method	*Level Percentage of Payroll, Closed*
Remaining Amortization Period	*25 years for State system*
Asset Valutaion Method	*5-year smoothed fair value (max. 120% and min. 80% of the market value)*
Inflation	*2.25% general, 2.75% wage*
Salary Increases	*2.75% to 11.25% including inflation*
Investment Rate of Return	*6.80%*
Retirement Age	*Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for 2019 valuation pursuant to an experience study of the 2014-2018 period.*
Mortality	*Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimesional) mortality improvement scale.*

Anne Arundel County

Required Supplementary Information

Schedule of County Contributions to State Municipal Pool Officials

For the Last Ten Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 27,504	$ 27,265	$ 27,544	$ 26,015	$ 24,711	$ 24,685	$ 24,312	$ 21,785	$ 19,980	$ 17,993
Contributions in relation to the actuarially determined contribution	27,504	27,265	27,544	26,015	24,711	24,685	24,312	21,785	19,980	17,993
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 132,998	$ 133,000	$ 132,999	$ 133,001	$ 133,001	$ 133,001	$ 132,999	$ 132,999	$ 132,999	$ 128,624
Contributions as a percentage of covered payroll	20.68%	20.50%	20.71%	19.56%	18.58%	18.56%	18.28%	16.38%	15.02%	13.99%

Notes:

1) Prior to fiscal year 2010, the contribution for Elected and Appointed Officials was made by the State. House Bill 101, effective fiscal 2010, transferred the liability from the State to the County.

2) Methods and assumptions used to determine contribution rates:

Actuarial cost method	*Entry Age Normal.*
Amortization method	*Level percentage of payroll, closed.*
Remaining amortization period	*25 years for State System.*
Asset valuation method	*Five-year smoothed fair value (max. 120% amd min. 80% of the market value).*
Inflation	*2.25% general, 2.75% wage*
Salary increases	*2.75% to 11.25% including inflation*
Investment rate of return:	*6.8%*
Retirement age	*Experince-based table of rates that are specific to the type of eligibility condition. Last updated for 2019 valuation pursuant to an experience study of the 2014-2018 period.*
Mortality	*Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimesional) mortality improvement scale.*

Source: Annual Comprehensive Financial Report of the Maryland State Retirement and Pension System for the Years Ended June 30, 2021 and 2020.

Anne Arundel County

Required Supplementary Information

Schedule of County Contributions to State Municipal Pool Judges

For the Last Ten Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 66,067	$ 68,181	$ 65,498	$ 70,863	$ 68,275	$ 67,188	$ 67,347	$ 57,716	$ 57,395	$ 65,724
Contributions in relation to the actuarially determined contribution	66,067	68,181	65,498	70,863	68,275	67,188	67,347	57,716	57,395	65,724
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 165,085	$ 162,646	$ 162,647	$ 159,458	$ 153,324	$ 147,796	$ 144,646	$ 141,808	$ 134,289	$ 133,379
Contributions as a percentage of covered payroll	40.02%	41.92%	40.27%	44.44%	44.53%	45.46%	46.56%	40.70%	42.74%	49.28%

Notes:

1) The County's annual contribution is determined by an actuarially calculation of the County's liability.

2) Methods and assumptions used to determine contribution rates:

Actuarial cost method	*Entry Age Normal.*
Amortization method	*Level percentage of payroll, closed.*
Remaining amortization period	*25 years for State System.*
Asset valuation method	*Five-year smoothed fair value (max. 120% amd min. 80% of the market value).*
Inflation	*2.25% general, 2.75% wage*
Salary increases	*2.75% to 11.25% including inflation*
Investment rate of return	*6.8%*
Retirement age	*Experince-based table of rates that are specific to the type of eligibility condition. Last updated for 2019 valuation pursuant to an experience study of the 2014-2018 period.*
Mortality	*Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimesional) mortality improvement scale.*

Source: Annual Comprehensive Financial Report of the Maryland State Retirement and Pension System for the Years Ended June 30, 2021 and 2020.

Anne Arundel County Maryland

Retiree Health Benefits Trust

Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios - County Plan

For Years Ended June 30

Amounts in thousands

Plan fiscal year end	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	$ 27,830	$ 26,785	$ 22,188	$ 19,895	$ 18,452	$ 17,759	$ 17,092
Interest	59,752	56,944	54,646	49,423	43,578	41,434	39,648
Changes of benefit terms	-	-	-	40,100	-	-	-
Differences between expected and actual experience	(332,160)	1,506	4,323	440	23,849	(884)	-
Changes of assumptions	(2,061)	-	55,396	(1,558)	(505)	-	-
Benefit payments	(29,607)	(39,414)	(39,870)	(28,258)	(35,593)	(23,539)	(33,075)
Net change in total OPEB liability	(276,246)	45,821	96,683	80,042	49,781	34,770	23,665
Total OPEB liability - beginning	968,645	922,824	826,141	746,099	696,318	661,548	637,883
Total OPEB liability - ending (a)	$ 692,399	$ 968,645	$ 922,824	$ 826,141	$ 746,099	$ 696,318	$ 661,548
Plan fiduciary net position							
Contributions - employer	$ 64,939	$ 88,060	$ 82,787	$ 91,811	$ 63,586	$ 57,335	$ 44,908
Contributions - retiree	7,507	7,716	8,035	7,772	7,477	-	6,246
Other	-	13,391	11,534	10,136	8,458	-	4,398
Investment income	47,396	(54,570)	66,906	3,950	10,312	9,193	11,582
Benefit payments	(39,904)	(46,078)	(46,270)	(43,782)	(44,008)	(23,539)	(33,075)
Administrative expense	(182)	(1,143)	(1,129)	(1,084)	(1,057)	(39)	(894)
Net change in plan fiduciary net position	79,756	7,376	121,863	68,803	44,768	42,950	33,166
Plan fiduciary net position - beginning	378,345	370,969	249,106	180,303	135,837	92,887	59,720
Plan fiduciary net position - ending (b)	$ 458,101	$ 378,345	$ 370,969	$ 249,106	$ 180,303	$ 135,837	$ 92,887
County's net OPEB liability - ending (a)-(b)	$ 234,298	$ 590,300	$ 551,855	$ 577,035	$ 565,796	$ 560,481	$ 568,661
Fiduciary net position as a percentage of the Total OPEB liability	66.16%	39.06%	40.20%	28.97%	24.16%	19.51%	14.04%
Expected average remaining service years of all participants	7	6	6	6	6	6	6
Covered payroll	$ 395,319	$ 318,044	$ 305,970	$ 294,514	$ 276,058	$ 263,129	$ 258,490
County's net OPEB liability as a percentage of covered payroll	59.27%	185.60%	180.36%	195.93%	204.96%	213.01%	219.99%
Discount Rate	6.30%	6.30%	6.30%	6.75%	6.75%	6.38%	6.38%

Notes :

1 *Source is actuarial data based on preliminary financials and actual financial data. Any difference between this schedule and the final combined statement of changes in fiduciary net position is considered immaterial.*

2 *This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, OPEB plans should present information for those years for which data is available.*

3 *There are no benefit changes reflected in the current schedule.*

4 *For the FY 2020 measurement, the medical trend was updated to exclude the impact of the Cadillac Tax.*

5 *Bill 24-19 was effective on July 5, 2019. Under Bill the pre-age 65 subsidy is based on the plan selected instead of the lowest cost plan.*

6 *The discount rate was reduced from 6.75% to 6.30%.*

7 *The healthcare cost trend assumption was updated based on the 2022 SOA Getzen model.*

Anne Arundel County Maryland

Retiree Health Benefits Trust

Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios - College Plan

For Years Ended June 30

Amounts in thousands

Plan fiscal year end	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	$ 3,137	$ 5,506	$ 4,984	$ 3,257	$ 1,618	$ 3,083	$ 3,590
Interest	3,965	2,996	3,570	3,743	2,962	2,390	2,022
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(40,107)	(67)	(12,588)	191	1,082	204	-
Changes of assumptions	(756)	(33,682)	7,894	21,568	27,583	(21,741)	(6,971)
Benefit payments	(1,998)	(2,003)	(2,083)	(2,096)	(2,006)	(1,685)	(2,111)
Net change in total OPEB liability	(35,759)	(27,250)	1,777	26,663	31,239	(17,749)	(3,470)
Total OPEB liability - beginning	79,657	106,907	105,130	78,467	47,228	64,977	68,447
Total OPEB liability - ending (a)	$ 43,898	$ 79,657	$ 106,907	$ 105,130	$ 78,467	$ 47,228	$ 64,977
Plan fiduciary net position							
Contributions - employer	$ 4,968	$ 4,887	$ 4,769	$ 2,096	$ 4,006	$ 3,720	$ 1,946
Contributions - retiree	1,130	1,130	1,203	1,195	1,136	-	790
Other	-	-	-	-	-	-	-
Investment income	2,477	(2,891)	3,595	199	673	510	820
Benefit payments	(3,236)	(3,133)	(3,286)	(3,291)	(3,141)	(1,685)	(2,111)
Administrative expense	(8)	(5)	(7)	(9)	(8)	(5)	(7)
Net change in plan fiduciary net position	5,331	(12)	6,274	190	2,666	2,540	1,438
Plan fiduciary net position - beginning	18,368	18,380	12,106	11,916	9,250	6,710	5,272
Plan fiduciary net position - ending (b)	$ 23,699	$ 18,368	$ 18,380	$ 12,106	$ 11,916	$ 9,250	$ 6,710
College's net OPEB liability - ending (a)-(b)	$ 20,199	$ 61,289	$ 88,527	$ 93,024	$ 66,551	$ 37,978	$ 58,267
Fiduciary net position as a percentage of the							
Total OPEB liability	53.99%	23.06%	17.19%	11.53%	15.18%	19.59%	10.33%
Expected average remaining service years of all participants	8	9	9	9	9	9	8
Covered payroll	$ 70,059	$ 65,329	$ 65,554	$ 64,137	$ 61,817	$ 61,103	$ 61,257
College Plan's net OPEB liability as a percentage of							
covered payroll	28.83%	93.82%	135.04%	145.04%	107.66%	62.15%	95.12%
Discount Rate	6.30%	5.05%	2.83%	3.43%	4.83%	6.38%	3.72%

Notes:

1 *Source is actuarial data based on preliminary financials and actual financial data. Any difference between this schedule and the final combined statement of changes in fiduciary net position on page 24 is considered immaterial.*

2 *This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, OPEB plans should present information for those years for which data is available.*

3 *There are no benefit changes reflected in the current schedule.*

4 *For the FY 2020 measurement, the medical trend was updated to exclude the impact of the Cadillac Tax.*

5 *The mortality assumption was updated to the latest SOA experience study results for public sector teacher headcount-weighted employees, retirees and disabled retirees with a MP 2020 mortality improvement scale.*

6 *The discount rate was increased from 5.05% to 6.30%.*

7 *The healthcare cost trend assumption was updated based on the 2022 SOA Getzen model.*

Anne Arundel County Maryland

Retiree Health Benefits Trust

Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios - Library Plan

For Years Ended June 30

Amounts in thousands

Plan fiscal year end	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	$ 1,438	$ 2,241	$ 2,032	$ 1,595	$ 651	$ 1,233	$ 1,437
Interest	1,493	998	1,207	1,322	1,542	1,212	1,033
Changes of benefit terms	-	-	-	441	-	-	-
Differences between expected and actual experience	(15,702)	(263)	(3,590)	113	223	136	-
Changes of assumptions	(7,241)	(13,264)	4,423	5,048	16,515	(10,896)	(3,536)
Benefit payments	(1,183)	(1,168)	(1,384)	(1,402)	(902)	(1,286)	(1,462)
Net change in total OPEB liability	(21,195)	(11,456)	2,688	7,117	18,029	(9,601)	(2,528)
Total OPEB liability - beginning	41,216	52,672	49,984	42,867	24,838	34,439	36,967
Total OPEB liability - ending (a)	$ 20,021	$ 41,216	$ 52,672	$ 49,984	$ 42,867	$ 24,838	$ 34,439
Plan fiduciary net position							
Contributions - employer	$ 2,198	$ 2,587	$ 3,433	$ 1,512	$ 1,622	$ 1,699	$ 299
Contributions - retiree	292	319	350	-	348	-	292
Other	-	-	-	-	-	-	871
Investment income	630	(650)	561	20	41	34	47
Benefit payments	(1,497)	(1,487)	(1,734)	(1,402)	(1,730)	(1,286)	(1,462)
Administrative expense	(2)	(1)	(1)	(1)	(1)	(1)	-
Net change in plan fiduciary net position	1,621	768	2,609	129	280	446	47
Plan fiduciary net position - beginning	4,593	3,825	1,216	1,087	807	361	314
Plan fiduciary net position - ending (b)	$ 6,214	$ 4,593	$ 3,825	$ 1,216	$ 1,087	$ 807	$ 361
Library's net OPEB liability - ending (a)-(b)	$ 13,807	$ 36,623	$ 48,847	$ 48,768	$ 41,780	$ 24,031	$ 34,078
Library fiduciary net position as a percentage of the							
Total OPEB liability	31.04%	11.14%	7.26%	2.44%	2.54%	3.25%	1.05%
Expected average remaining service years of all participants	7	6	6	6	6	6	6
Covered payroll	$ 17,124	$ 15,696	$ 15,459	$ 14,421	$ 13,785	$ 13,203	$ 12,691
The Library Plan's net OPEB liability as a percentage of covered payroll	80.63%	233.33%	315.98%	338.17%	303.08%	182.01%	268.51%
Discount Rate	6.30%	3.69%	1.92%	2.45%	3.13%	6.37%	3.58%

Notes:

1 *Source is actuarial data based on preliminary financials and actual financial data. Any difference between this schedule and the final combined statement of changes in fiduciary net position is considered immaterial.*

2 *This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, OPEB plans should present information for those years for which data is available.*

3 *There are no benefit changes reflected in the current schedule.*

4 *For the FY 2020 measurement, the medical trend was updated to exclude the impact of the Cadillac Tax.*

5 *The discount rate increased from 3.69% to 6.30%.*

6 *The healthcare cost trend assumption was updated based on the 2022 SOA Getzen model.*

Anne Arundel County Maryland

Retiree Health Benefits Trust

Required Supplementary Information

Schedule of Contributions - County Plan

For Years Ended June 30

Amounts in thousands

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 64,872	$ 62,982	$ 54,509	$ 54,509	$ 53,264	$ 48,734	$ 77,516	$ 73,689	$ 75,695	$ 71,324
Contributions in relation to the actuarially determined contribution	64,939	88,060	82,787	91,811	63,586	57,334	44,908	44,097	40,795	34,683
Contribution deficiency (excess)	$ (67)	$ (25,078)	$ (28,278)	$ (37,302)	$ (10,322)	$ (8,600)	$ 32,608	$ 29,592	$ 34,900	$ 36,641
Covered payroll	$ 395,319	$ 318,044	$ 305,970	$ 294,514	$ 276,058	$ 263,129	$ 258,490	$ 255,191	$ 247,008	$ 239,173
Contributions as a percentage of covered payroll	16.43%	27.69%	27.06%	31.17%	23.03%	21.79%	17.37%	17.28%	16.52%	14.50%

Notes:

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Open group Projected Unit Credit: Prorated to assumed benefit commencement/retirement date.
ADC determination methodology	20-year target period to reach the goal level (90% Funding Target).
Asset valuation method	Market value of assets.
Inflation	2.40%
Healthcare cost trend rates	The health cost trend rate in 2023 is 7.50%, in 2024 is 7.50%, in 2025 is 5.20%. The rate in 2030 is 5.01%. The rate in 2050 is 4.64%. The rate in 2070 is 4.20%. The ultimate rate is 3.94%
Payroll increases	3.00%
Investment rate of return	6.30% The long-term expected return on assets is based on trust assets.
Decrement assumptions	The retirement decrement is assumed to commence once a participant reaches earliest retirement eligibility.
Mortality	(1) Healthy uses SOA RPH-2014 adjusted to 2006 Blue Collar Headcount-weighted Mortality: MP-2018 Base Year 2006 Fully Generational. (2) Disabled - General County employees uses SOA RP-2014 adjusted to 2006 Blue Collar Mortality with Scale MP-2018 (set forward 9 years). (3) Disabled - Uniformed services employees (Police, Firefighters, and Correctional facilities) uses SOA RP-2014 adjusted to 2006 Blue Collar Mortality with Scale MP-2018 (set forward 5 years).

Anne Arundel County Maryland

Retiree Health Benefits Trust

Required Supplementary Information

Schedule of Contributions - College Plan

For Years Ended June 30

Amounts in thousands

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 4,954	$ 4,810	$ 4,604	$ 4,604	$ 4,398	$ 3,881	$ 5,568	$ 5,542	$ 5,188	$ 4,870
Contributions in relation to the actuarially determined contribution	4,968	4,887	4,769	2,096	4,006	3,720	2,088	4,850	-	-
Contribution deficiency (excess)	$ (14)	$ (77)	$ (165)	$ 2,508	$ 392	$ 161	$ 3,480	$ 692	$ 5,188	$ 4,870
Covered payroll	$ 70,059	$ 65,329	$ 65,554	$ 64,137	$ 61,817	$ 61,103	$ 94,667	$ 95,101	$ 93,550	$ 90,338
Contributions as a percentage of covered payroll	7.09%	7.48%	7.27%	3.27%	6.48%	6.09%	2.21%	5.10%	0.00%	0.00%

Notes:

Valuation date

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Open group Projected Unit Credit: Prorated to assumed benefit commencement/retirement date.
ADC determination methodology	20-year target period to reach the goal level (90% Funding Target).
Asset valuation method	Market value of assets.
Inflation	2.40%
Healthcare cost trend rates	The health cost trend rate in 2023 is 7.50%, in 2024 is 7.50%, in 2025 is 5.20%. The rate in 2030 is 5.01%. The rate in 2050 is 4.64%. The rate in 2070 is 4.20%. The ultimate rate is 3.94%
Payroll increases	3.00%
Investment rate of return	6.30% The long-term expected return on assets is based on trust assets.
Decrement assumptions	Decrement assumptions for retirement, termination, and disability were based on those used for the State Retirement and Pension System of Maryland because Community College employees participate in the Maryland State Pension System.
Mortality	(1) Healthy uses SOA Public Sector – Teachers based on headcount – with Scale MP – 2020. (2) Disabled uses RP 2014 Disabled Mortality Table (set forward 1 year for Males).

Anne Arundel County Maryland

Retiree Health Benefits Trust

Required Supplementary Information

Schedule of Contributions - Library Plan

For Years Ended June 30

Amounts in thousands

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 2,403	$ 2,333	$ 2,299	$ 2,299	$ 2,168	$ 2,008	$ 2,548	$ 2,692	$ 2,712	$ 2,568
Contributions in relation to the actuarially determined contribution	2,198	2,587	3,433	1,512	1,142	1,699	1,170	291	-	-
Contribution deficiency (excess)	$ 205	$ (254)	$ (1,134)	$ 787	$ 1,026	$ 309	$ 1,378	$ 2,401	$ 2,712	$ 2,568
Covered payroll	$ 17,124	$ 15,696	$ 15,459	$ 14,421	$ 13,785	$ 13,203	$ 12,691	$ 12,494	$ 12,015	$ 11,109
Contributions as a percentage of covered payroll	12.84%	16.48%	22.21%	10.48%	8.28%	12.87%	9.22%	2.33%	0.00%	0.00%

Notes:

Valuation date

Actuarially determined contribution rates were calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit: Prorated to assumed benefit commencement/retirement date.
ADC determination methodology	20-year target period to reach the goal level (90% Funding Target)
Asset valuation method	Market value of assets.
Inflation	2.40%
Healthcare cost trend rates	The health cost trend rate in 2023 is 7.50%, in 2024 is 7.50%, in 2025 is 5.20%. The rate in 2030 is 5.01%. The rate in 2050 is 4.64%. The rate in 2070 is 4.20%. The ultimate rate is 3.94%.
Payroll increases	3.00%
Investment rate of return	6.30% The long-term expected return on assets is based on trust assets.
Decrement assumptions.	The retirement decrement is assumed to commence once a participant reaches earliest retirement eligibility and vary by employee type.
Mortality	(1) Healthy uses SOA RPH-2014 adjusted to 2006 Blue Collar Headcount- weighted Mortality: MP-2018 Base Year 2006 Fully Generational.
	(2) Disabled uses SOA RP-2014 adjusted to 2006 Blue Collar Mortality with Scale MP-2018 (set forward 9 years).

Anne Arundel County Retiree Health Benefits Trust
Required Supplementary Information
Schedule of Investment Returns
For Year Ended June 30

Composite Money-Weighted Rate of Return, Net of Fees

2023	10.44%
2022	(12.42%)
2021	17.56%
2020	1.65%
2019	5.70%
2018	6.62%*
2017	12.94%*

* Percentage has changed due to calculation method.

Notes:

1. *This schedule is presented to illustrate the requirement to show information for 10 years. However, until the 10-year trend is compiled, OPEB plans should present information for those years.*
2. *Investments were initiated March 1, 2016.*
3. *Calculations are approximate.*

Anne Arundel County Length of Service Award Program
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For the Last Ten Years Ended December 31
(Dollars in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015 *(1)*
Total pension liability								
Service cost	$ 758	$ 771	$ 658	$ 494	$ 507	$ 689	$ 522	
Interest	399	436	529	619	631	699	559	
Changes of benefit terms	-	-	-	-	-	-	2,666	
Differences between expected and actual experience	(1,283)	(1,070)	(232)	(275)	(1,784)	(1,057)	-	
Change in assumptions	(5,267)	532	2,302	2,340	(924)	1,236	-	
Benefit payments, including refunds of member contributions	(791)	(783)	(798)	(803)	(790)	(808)	(707)	
Net Change in total pension liability	(6,184)	(114)	2,459	2,375	(2,360)	759	3,040	
Total pension liability - beginning	21,313	21,427	18,968	16,593	18,953	18,194	15,154	
Total pension liability - ending	15,129	21,313	21,427	18,968	16,593	18,953	18,194	
County's net pension liability	$ 15,129	$ 21,313	$ 21,427	$ 18,968	$ 16,593	$ 18,953	$ 18,194	
Plan fiduciary net position as a percentage of the total pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
County's net pension liability as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Expected average remaining service years of all participants	8	9	9	9	11	11	11	

Notes:

1) Information for fiscal year 2015 and earlier not available.

2) Theres are no assets accumulated in a trust to pay the related benefits. All benefits are paid on a pay-as -you-go basis.

3) Benefit changes:

Effective 1/1/2017, the benefit changed from $250/month to a tiered system based on service. The benefits for all future retirees (and some current retirees) will be $300/month - $400/month. This benefit change has been reflected as of the December 31, 2016 measurement date.

4) Changes of assumptions:

Discount rate changed from 1.84% to 4.05% in 2022, from 2.00% to 1.84% in 2021, from 2.75% to 2.00% in 2020, from 3.71% to 2.75% in 2019, from 3.31% to 3.71% in 2018 and from 3.78% to 3.31% in 2017. Mortality changed to SOA RP-2014 Mortality Table Adjusted to 2006 Blue Collar Mortality with Scale MP-2018 from SOA RP-2014 Blue Collar Mortality Table projected from 2006 using scale MP-2015 and 1 year set forward.

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Anne Arundel County, Maryland

Combining Schedule of Net Position

Water and Wastewater Fund

June 30, 2023

	Operating	Debt Service	Capital Projects	Total
ASSETS				
Current assets				
Cash and investments	$ 31,208,216	$ -	$ 86,211,635	$ 117,419,851
Service billings receivable	23,402,245	-	-	23,402,245
Receivables				
Due from other funds	145,805	-	-	145,805
Inventories	2,517,193	-	-	2,517,193
Lease receivable	3,454,745	-	-	3,454,745
Other	76,211	-	-	76,211
Restricted for debt service and capital projects				
Cash and temporary investments	-	15,604,968	-	15,604,968
Investments	-	247,663,626	-	247,663,626
Receivables				
Due from other governmental agencies	-	-	426,239	426,239
Other, net	-	23,408,983	-	23,408,983
Total current assets	60,804,415	286,677,577	86,637,874	434,119,866
Noncurrent assets				
Restricted assets				
Deferred connection and assessment charges	-	19,186,848	-	19,186,848
Capital assets				
Land and buildings	49,260,230	-	-	49,260,230
Water and sewer plants	1,275,461,083	-	-	1,275,461,083
Water and sewer lines	1,291,388,275	-	-	1,291,388,275
Machinery and equipment	20,575,375	-	-	20,575,375
	2,636,684,963	-	-	2,636,684,963
Less accumulated depreciation	(1,136,177,397)	-	-	(1,136,177,397)
	1,500,507,566	-	-	1,500,507,566
Construction work in progress	88,094	-	342,933,724	343,021,818
Total capital assets, net of depreciation	1,500,595,660	-	342,933,724	1,843,529,384
Total noncurrent assets	1,500,595,660	19,186,848	342,933,724	1,862,716,232
Total assets	1,561,400,075	305,864,425	429,571,598	2,296,836,098
DEFERRED OUTFLOW OF RESOURCES				
Pension benefits	20,814,377	-	-	20,814,377
OPEB benefits	12,518,764	-	-	12,518,764
Unamortized deferred refunding loss	-	818,560	-	818,560
Total deferred outflow of resources	33,333,141	818,560	-	34,151,701
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	7,759,981	-	22,956,520	30,716,501
Current portion of long-term debt and obligations	42,957,675	9,449,987	-	52,407,662
Due to other funds	928,880	-	-	928,880
Lease payable	41,925	-	-	41,925
Escrow deposits	284,842	-	455,420	740,262
Liabilities related to restricted assets				
Accounts payable and accrued liabilities	-	8,448,337	-	8,448,337
Unearned revenue	-	2,322,041	-	2,322,041
Total current liabilities	51,973,303	20,220,365	23,411,940	95,605,608
Noncurrent liabilities				
Accrued liability for compensated absences	5,123	-	-	5,123
Net pension liability	65,167,067	-	-	65,167,067
Net OPEB liability	53,615,580	-	-	53,615,580
Long-term leases payable	48,167	-	-	48,167
Long-term debt	388,931,938	97,084,756	340,639,694	826,656,388
Unearned revenue	637,137	-	-	637,137
Total noncurrent liabilities	508,405,012	97,084,756	340,639,694	946,129,462
Total liabilities	560,378,315	117,305,121	364,051,634	1,041,735,070
DEFERRED INFLOW OF RESOURCES				
Pension benefits	266,730	-	-	266,730
OPEB benefits	96,935	-	-	96,935
Lease related	3,318,405	-	-	3,318,405
Total deferred inflow of resources	3,682,070	-	-	3,682,070
NET POSITION				
Net investment in capital assets	1,070,939,310	(105,716,183)	32,127,952	997,351,079
Restricted for debt service	-	295,094,047	-	295,094,047
Restricted for capital improvements	-	-	426,239	426,239
Unrestricted	(40,266,479)	-	32,965,773	(7,300,706)
Total net position	$ 1,030,672,831	$ 189,377,864	$ 65,519,964	$ 1,285,570,659

Anne Arundel County, Maryland

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position

Water and Wastewater Fund

Year Ended June 30, 2023

	Operating	Debt Service	Capital Projects	Total
OPERATING REVENUES				
Charges for services	$ 93,256,278	$ -	$ -	$ 93,256,278
Other revenues	11,089,627	-	-	11,089,627
Total operating revenues	104,345,905	-	-	104,345,905
OPERATING EXPENSES				
Personnel services	44,540,516	-	-	44,540,516
Contractual services	34,905,028	-	-	34,905,028
Supplies and materials	12,882,871	-	-	12,882,871
Business and travel	248,530	-	-	248,530
Depreciation	69,266,812	-	-	69,266,812
Other	14,874,190	-	-	14,874,190
Total operating expenses	176,717,947	-	-	176,717,947
Operating loss	(72,372,042)	-	-	(72,372,042)
NONOPERATING REVENUES (EXPENSES)				
Investment income	278,364	3,260,155	-	3,538,519
Interest on long-term receivables	-	403,508	-	403,508
Other revenues	-	11,426,056	-	11,426,056
Other expenses	-	(1,354,532)	-	(1,354,532)
Interest expense	-	(33,330,274)	-	(33,330,274)
Gain on the disposal of assets	43,332	-	-	43,332
Loss before contributions and transfers	(72,050,346)	(19,595,087)	-	(91,645,433)
Capital contributions and grants	12,961,006	22,388,113	4,705,548	40,054,667
Environmental protection fees	-	29,688,041	-	29,688,041
Interfund transfers (General County Capital Projects)	(877,600)	-	-	(877,600)
Intrafund transfers	87,078,828	(52,375,238)	(34,703,590)	-
Change in net position	27,111,888	(19,894,171)	(29,998,042)	(22,780,325)
Net position, July 1	1,003,560,943	209,272,035	95,518,006	1,308,350,984
Net position, June 30	$ 1,030,672,831	$ 189,377,864	$ 65,519,964	$ 1,285,570,659

Anne Arundel County, Maryland

Combining Schedule of Cash Flows

Water and Wastewater Fund

Year Ended June 30, 2023

	Operating	Debt Service	Capital Projects	Total Water and Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	$ 101,436,392	$ -	$ -	$ 101,436,392
Cash payments to suppliers for goods and services	(63,812,445)	-	-	(63,812,445)
Cash payments to employees for services	(38,367,539)	-	-	(38,367,539)
Net cash provided by operating activities	(743,592)	-	-	(743,592)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash paid to General County Capital Projects	(877,600)	-	-	(877,600)
Cash received from other funds	403,990	-	-	403,990
Net cash used for noncapital financing activities	(473,610)	-	-	(473,610)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of County bonds	-	-	65,885,000	65,885,000
Proceeds from grant funds	-	-	4,798,646	4,798,646
Proceeds from loan	-	-	911,651	911,651
Proceeds from developers' contributions	-	-	230,484	230,484
Refunds to developers	-	-	(147,936)	(147,936)
Assessment and connection charges	-	26,225,227	-	26,225,227
Environmental protection fees for capital assets	-	28,632,418	-	28,632,418
Payments of long-term debt	-	(39,408,412)	-	(39,408,412)
Interest payments	-	(33,043,798)	-	(33,043,798)
Acquisition and construction of capital assets	(969,804)	(9,321,827)	(88,501,163)	(98,792,794)
Premium on sale of bonds	-	9,321,827	9,321,827	18,643,654
Payment of capital related fees	-	(1,293,173)	-	(1,293,173)
Net cash provided (used) by capital and related financing activities	(969,804)	(18,887,738)	(7,501,491)	(27,359,033)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investment securities	-	(324,190,770)	-	(324,190,770)
Sale of investment securities	-	335,419,177	-	335,419,177
Rebates, interest income and reimbursements	-	1,689,663	-	1,689,663
Investment income received	278,364	3,260,155	-	3,538,519
Net cash provided (used) by investing activities	278,364	16,178,225	-	16,456,589
Net decrease in cash and cash equivalents	(1,908,642)	(2,709,513)	(7,501,491)	(12,119,646)
Cash and temporary investments, July 1	33,116,858	18,314,481	93,713,126	145,144,465
Cash and temporary investments, June 30	$ 31,208,216	$ 15,604,968	$ 86,211,635	$ 133,024,819

Anne Arundel County, Maryland

Combining Schedule of Cash Flows

Water and Wastewater Fund

Year Ended June 30, 2023

	Operating	Debt Service	Capital Projects	Total Water and Wastewater
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating loss	$ (72,372,042)	$ -	$ -	$ (72,372,042)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	69,266,812	-	-	69,266,812
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows				
Accounts receivable	(1,903,870)	-	-	(1,903,870)
Inventories	56,937	-	-	56,937
Prepaid expenses	(65,623)	-	-	(65,623)
Deferred outflow of resources	(7,904,507)	-	-	(7,904,507)
Deferred inflow of resources	(11,227,157)	-	-	(11,227,157)
Accounts payable and accrued liabilities	(901,509)	-	-	(901,509)
Escrow deposits	8,369	-	-	8,369
Accrued liability for compensated absences	(87,507)	-	-	(87,507)
Accrued liability for pension	21,277,794	-	-	21,277,794
Accrued liability for OPEB benefits	3,108,711	-	-	3,108,711
Net cash provided by operating activities	$ (743,592)	$ -	$ -	$ (743,592)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributions of capital assets from developers	$ 12,961,006	$ -	$ -	$ 12,961,006
Trade in of capital assets	90,000	-	-	90,000
Change in capital contributions, fees and grants; accruals and deferrals	-	(2,781,491)	(159,453)	(2,940,944)
Decrease in fair value of investments	-	(2,167,783)	-	(2,167,783)
Amortization of refunding losses	-	(248,641)	-	(248,641)
Total Noncash investing, capital, and financing activities	$ 13,051,006	$ (5,197,915)	$ (159,453)	$ 7,693,638

Anne Arundel County, Maryland

Combining Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	Pension Trust Funds (December 31, 2022)	Other Post Employment Plan Trust Funds	Total Pension (December 31, 2022) and Other Post Employment Plan Trust Funds
ASSETS			
Investments, at fair value:			
Cash and temporary investments	$ 68,839,140	$ 14,663,320	$ 83,502,460
U. S. government obligations	26,288,609	-	26,288,609
Bank Loans	7,698,664	-	7,698,664
Corporate obligations	172,251,089	-	172,251,089
Domestic fixed income mutual funds	179,066,317	124,426,536	303,492,853
International fixed income mutual funds	93,535,864	-	93,535,864
Domestic equity	577,662,264	195,971,897	773,634,161
International equity pools	446,475,394	123,872,396	570,347,790
Private markets	360,414,445	-	360,414,445
Real estate investment pools	156,395,061	26,096,037	182,491,098
Aetna insurance pooled fixed income	20,071,222	-	20,071,222
Total investments	2,108,698,069	485,030,186	2,593,728,255
Collateral from securities lending transactions	91,028,941	-	91,028,941
Receivables:			
Accounts receivable	-	11,085,918	11,085,918
Employer contributions	9,199,234	-	9,199,234
Participant contributions	1,842,170	-	1,842,170
Accrued interest and dividends	3,046,726	-	3,046,726
Investment sales proceeds	8,785,785	-	8,785,785
Total receivables	22,873,915	11,085,918	33,959,833
Deposits on hand	172,928	-	172,928
Total assets	2,222,773,853	496,116,104	2,718,889,957
LIABILITIES			
Accounts payable and accrued liability	2,066,611	8,326,136	10,392,747
Investment commitments and unearned revenue	21,948,573	-	21,948,573
Obligation for collateral received under securities lending transactions	91,028,941	-	91,028,941
Total liabilities	115,044,125	8,326,136	123,370,261
NET POSITION			
Restricted for:			
Pension	2,107,729,728	-	2,107,729,728
OPEB	-	487,789,968	487,789,968
Total net position	$ 2,107,729,728	$ 487,789,968	$ 2,595,519,696

Anne Arundel County, Maryland

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended June 30, 2023

	Pension Trust Funds (December 31, 2022)	Other Post Employment Plan Trust Funds	Total Pension (December 31, 2022) and Other Post Employment Plan Trust Funds
ADDITIONS			
Contributions:			
Employer	$ 124,936,954	$ 72,105,370	$ 197,042,324
Participant	16,170,084	8,866,107	25,036,191
Insurance subsidies and rebates	-	14,846,656	14,846,656
Total contributions	141,107,038	95,818,133	236,925,171
Investment income:			
Net appreciation in fair value of investments	(302,562,430)	30,824,978	(271,737,452)
Interest income	31,655,317	1,060,160	32,715,477
Dividend income	21,429,622	13,730,718	35,160,340
Total investment income	(249,477,491)	45,615,856	(203,861,635)
Less investment expense	9,388,825	316,828	9,705,653
Net income from investing activities	(258,866,316)	45,299,028	(213,567,288)
Securities lending activities:			
Securities lending income	1,869,738	-	1,869,738
Securities lending expenses:			
Borrower rebates	1,552,112	-	1,552,112
Management fees	127,050	-	127,050
Securities lending expense	1,679,162	-	1,679,162
Securities lending net income	190,576	-	190,576
Total net investment income	(258,675,740)	45,299,028	(213,376,712)
Total additions	(117,568,702)	141,117,161	23,548,459
DEDUCTIONS			
Participant benefit payments and refunds	156,929,997	-	156,929,997
Insurance claims and premiums	-	53,655,259	53,655,259
Administrative expenses	1,731,452	978,334	2,709,786
Total deductions	158,661,449	54,633,593	213,295,042
Net increase	(276,230,151)	86,483,568	(189,746,583)
Fiduciary net position, beginning of year	2,383,959,879	401,306,400	2,785,266,279
Fiduciary net position, end of year	$ 2,107,729,728	$ 487,789,968	$ 2,595,519,696

Anne Arundel County, Maryland

Combining Statement of Plan Net Position

Pension Trust Funds

June 30, 2023

	Defined Benefit Pension Plans (December 31, 2022)				
	Employees' Retirement	Police Service Retirement	Fire Service Retirement	Detention Officers' & Deputy Sheriffs' Retirement	Totals
ASSETS					
Investments, at fair value:					
Cash and temporary investments	$ 22,867,307	$ 20,220,139	$ 20,167,688	$ 5,584,006	$ 68,839,140
U. S. Government obligations	8,743,428	7,706,556	7,703,024	2,135,601	26,288,609
Bank Loans	2,560,528	2,256,878	2,255,844	625,414	7,698,664
Corporate obligations	57,289,644	50,495,736	50,472,594	13,993,115	172,251,089
Domestic fixed income mutual funds	59,556,346	52,493,633	52,469,576	14,546,762	179,066,317
International fixed income mutual funds	31,109,448	27,420,217	27,407,651	7,598,548	93,535,864
Domestic equity	192,126,885	169,342,797	169,265,189	46,927,393	577,662,264
International equity pools	148,494,946	130,885,115	130,825,132	36,270,201	446,475,394
Private markets	119,871,608	105,656,184	105,607,762	29,278,891	360,414,445
Real estate investment pools	52,016,027	45,847,511	45,826,500	12,705,023	156,395,061
Aetna insurance pooled fixed income	6,675,564	5,883,917	5,881,221	1,630,520	20,071,222
Total investments	701,311,731	618,208,683	617,882,181	171,295,474	2,108,698,069
Collateral from securities lending transactions	30,275,661	26,685,308	26,673,079	7,394,893	91,028,941
Receivables:					
Employer contributions	3,216,161	2,748,611	2,381,220	853,242	9,199,234
Participant contributions	655,261	507,537	518,397	160,975	1,842,170
Accrued interest and dividends	1,013,267	893,166	892,772	247,521	3,046,726
Investment sales proceeds	2,922,098	2,575,570	2,574,389	713,728	8,785,785
Total receivables	7,806,787	6,724,884	6,366,778	1,975,466	22,873,915
Deposits on hand	13,578	107,850	51,500	-	172,928
Total assets	739,407,757	651,726,725	650,973,538	180,665,833	2,222,773,853
LIABILITIES					
Accounts payable	687,342	605,831	605,553	167,885	2,066,611
Investment commitments payable	7,299,959	6,434,266	6,431,318	1,783,030	21,948,573
Obligation for collateral received under securities lending transactions	30,275,661	26,685,308	26,673,079	7,394,893	91,028,941
Total liabilities	38,262,962	33,725,405	33,709,950	9,345,808	115,044,125
NET POSITION					
Net position restricted for pension	$ 701,144,795	$ 618,001,320	$ 617,263,588	$ 171,320,025	$ 2,107,729,728

	Defined Benefit Pension Trust (December 31, 2022)				
	Employees' Retirement	Police Service Retirement	Fire Service Retirement	Detention Officers' & Deputy Sheriffs' Retirement	Totals
ADDITIONS					
Contributions:					
Employer	$ 43,712,093	$ 37,521,975	$ 32,340,864	$ 11,362,022	$ 124,936,954
Participant	6,042,685	4,283,963	4,411,744	1,431,692	16,170,084
Total contributions	49,754,778	41,805,938	36,752,608	12,793,714	141,107,038
Investment income:					
Net appreciation/(depreciation) in fair value of investments	(101,657,888)	(88,352,786)	(88,173,020)	(24,378,736)	(302,562,430)
Interest income	10,293,279	9,247,892	9,661,166	2,452,980	31,655,317
Dividend income	7,166,912	6,269,602	6,262,063	1,731,045	21,429,622
Total investment income/(loss)	(84,197,697)	(72,835,292)	(72,249,791)	(20,194,711)	(249,477,491)
Less investment expense	3,111,676	2,764,666	2,765,929	746,554	9,388,825
Net income/(loss) from investing activities	(87,309,373)	(75,599,958)	(75,015,720)	(20,941,265)	(258,866,316)
Securities lending activities:					
Securities lending income	624,842	547,119	546,633	151,144	1,869,738
Securities lending expenses:					
Borrower rebates	518,696	454,176	453,772	125,468	1,552,112
Management fees	42,459	37,177	37,144	10,270	127,050
Securities lending expense	561,155	491,353	490,916	135,738	1,679,162
Securities lending net income	63,687	55,766	55,717	15,406	190,576
Total net investment income/(loss)	(87,245,686)	(75,544,192)	(74,960,003)	(20,925,859)	(258,675,740)
Total additions	(37,490,908)	(33,738,254)	(38,207,395)	(8,132,145)	(117,568,702)
DEDUCTIONS					
Participant benefit payments and refunds	63,886,645	44,515,410	36,938,857	11,589,085	156,929,997
Administrative expenses	553,637	518,197	522,291	137,327	1,731,452
Total deductions	64,440,282	45,033,607	37,461,148	11,726,412	158,661,449
Net increases	(101,931,190)	(78,771,861)	(75,668,543)	(19,858,557)	(276,230,151)
Net position, beginning of year	803,075,985	696,773,181	692,932,131	191,178,582	2,383,959,879
Net position, end of year	$ 701,144,795	$ 618,001,320	$ 617,263,588	$ 171,320,025	$ 2,107,729,728

Anne Arundel Retiree Health Benefits Trust

Combining Statement of Fiduciary Net Position

June 30, 2023

	Anne Arundel County Government Plan	Anne Arundel Community College Plan	Anne Arundel County Public Library Plan	Total
ASSETS				
Investments:				
Short-term investments	$ 14,622,105	$ 19,327	$ 21,888	$ 14,663,320
Mutual Funds	416,233,896	22,225,555	5,811,378	444,270,829
Real estate investment pool	24,449,175	1,305,507	341,355	26,096,037
Total investments	455,305,176	23,550,389	6,174,621	485,030,186
Accounts receivable	11,082,503	3,381	34	11,085,918
Total assets	$ 466,387,679	$ 23,553,770	$ 6,174,655	$ 496,116,104
LIABILITIES				
Accrued liabilities and accounts payables	$ 8,322,719	$ 2,649	$ 768	$ 8,326,136
Total liabilities	8,322,719	2,649	768	8,326,136
NET POSITION				
Net position restricted for OPEB	$ 458,064,960	$ 23,551,121	$ 6,173,887	$ 487,789,968

Anne Arundel Retiree Health Benefits Trust
Combining Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023

	Anne Arundel County Government Plan	Anne Arundel Community College Plan	Anne Arundel County Public Library Plan	Total
Additions:				
Contributions:				
Employer	$ 64,938,983	$ 4,968,365	$ 2,198,022	$ 72,105,370
Member	7,507,100	1,067,335	291,672	8,866,107
Insurance subsidies and rebates	14,846,656	-	-	14,846,656
Total contributions	87,292,739	6,035,700	2,489,694	95,818,133
Investment income:				
Net appreciation in fair value of investments	28,893,604	1,542,399	388,975	30,824,978
Dividends	12,866,051	686,586	178,081	13,730,718
Interest	1,048,451	7,310	4,399	1,060,160
Total investment income	42,808,106	2,236,295	571,455	45,615,856
Less investment expense	297,170	15,605	4,053	316,828
Net investment income	42,510,936	2,220,690	567,402	45,299,028
Total additions	129,803,675	8,256,390	3,057,096	141,117,161
Deductions:				
Insurance claims	43,658,834	-	-	43,658,834
Insurance premiums	5,457,131	3,065,100	1,474,194	9,996,425
General and administrative expense	968,068	8,271	1,995	978,334
Total deductions	50,084,033	3,073,371	1,476,189	54,633,593
Net increase in plan net position	79,719,642	5,183,019	1,580,907	86,483,568
Net position held in trust for other postemployment benefits, beginning of year	378,345,318	18,368,102	4,592,980	401,306,400
Net position held in trust for other postemployment benefits, end of year	$ 458,064,960	$ 23,551,121	$ 6,173,887	$ 487,789,968

Anne Arundel County, Maryland

Details of Long-term Debt and Interest

(Long-term Debt Applicable to 5.6% and 14% Debt Limitations)

June 30, 2023

	Issued Date	*Maturing Serially*	*Rate of Interest*	*Amount Issued*	*Redeemed F/Y 23*	*06/30/23 Outstanding*	*Total Due to Maturity*
Water and Wastewater Bonds							
MDWQE Rosehaven	03/28/01	2003-31	1.50 to 1.50	$ 3,033,715	$ 113,504	$ 971,514	$ 1,038,228
MDWQE Annapolis WRF Expn	06/27/03	2005-24	1.00 to 1.00	19,362,500	1,051,837	1,062,356	1,072,980
MDWQE Marley Jumpers	04/07/07	2008-27	1.00 to 1.00	5,854,341	377,457	233,641	235,978
MDWQE Woodholme Circle	06/17/08	2009-28	1.10 to 1.10	1,200,475	68,953	299,520	308,241
MDWQE Deale Rd Sewer	12/01/09	2011-30	0.00 to 0.00	1,749,147	98,324	470,939	470,939
MDWQE Annap/Bneck/Cox	06/16/11	2013-32	2.20 to 2.20	15,975,016	901,178	8,713,027	9,671,063
MDWQE Bwater/MDCity/Patxnt	05/31/12	2014-33	1.80 to 1.80	12,430,208	657,874	7,222,615	7,953,340
MDWQE Sylvan Shores Water	12/21/12	2014-42	0.80 to 0.80	3,783,000	131,542	2,540,426	2,738,039
MDWQE Sylvan Shores Sewer	12/21/12	2014-33	0.80 to 0.80	1,944,000	98,989	1,034,507	1,080,569
Series 13	06/20/13	2014-43	4.00 to 5.00	38,080,000	1,270,000	-	-
MDWQE Cox Creek Ph II	10/31/13	2014-34	2.10 to 2.10	17,475,907	1,258,754	12,520,756	13,866,437
Series 14	04/03/14	2015-44	3.00 to 5.00	79,200,000	2,640,000	55,440,000	80,784,000
Series 15	04/08/15	2016-45	2.00 to 5.00	77,600,000	2,590,000	56,880,000	89,581,000
Series 15 Refunding	04/08/15	2016-36	5.00 to 5.00	34,875,000	1,885,000	23,935,000	32,106,250
Series 16	04/13/16	2017-46	3.00 to 5.00	43,585,000	1,455,000	33,410,000	52,604,250
Series 16 Refunding	04/13/16	2017-36	3.00 to 5.00	75,300,000	4,690,000	38,695,000	45,303,025
Series 17	04/12/17	2018-47	5.00 to 5.00	63,175,000	2,125,000	51,000,000	81,600,000
Series 17 Refunding	04/12/17	2018-29	3.00 to 5.00	20,515,000	975,000	15,450,000	19,522,300
Series 18	03/29/18	2019-48	5.00 to 5.00	67,805,000	2,260,000	56,500,000	91,812,500
Series 19	04/12/19	2020-49	5.00 to 5.00	71,090,000	2,370,000	61,615,000	101,661,625
Series 19 Refunding	04/12/19	2020-25	5.00 to 5.00	6,020,000	660,000	1,275,000	1,370,250
Series 20	05/06/20	2021-50	3.00 to 5.00	74,095,000	2,470,000	66,685,000	111,694,125
Series 21	03/23/21	2022-51	3.00 to 5.00	69,045,000	2,305,000	64,435,000	95,376,125
Series 21 Refunding	03/23/21	2022-31	5.00 to 5.00	50,175,000	3,155,000	43,915,000	61,771,650
Series 22	04/05/22	2023-52	4.00 to 5.00	58,115,000	1,940,000	56,175,000	91,216,501
Series 22 Refunding	04/05/22	2023-31	4.00 to 5.00	23,035,000	1,860,000	21,175,000	28,981,300
Series 23	04/27/23	2024-53	4.00 to 5.00	65,885,000	-	65,885,000	112,032,258
Series 23 Refunding	04/27/23	2024-43	5.00 to 5.00	21,755,000	-	21,755,000	33,104,940
MDE Heritage Harbor		2023-53	1.60 to 1.60	911,651	-	911,651	1,287,430
Total applicable to 5.6% and 14.0% debt limitations				1,023,069,960	39,408,412	770,205,952	1,170,245,343

(continued)

DETAILS OF GENERAL LONG-TERM DEBT AND INTEREST (continued)

LONG-TERM DEBT APPLICABLE TO 5.2% AND 13% DEBT LIMITATIONS

June 30, 2023

	Issued	*Maturing Serially*	*Rate of Interest*	*Issued*	*Redeemed F/Y 23*	*06/30/23 Outstanding*	*Total Due to Maturity*
Consolidated General Improvements Bonds							
Series 13	06/20/13	2014-33	4.00 to 5.00	116,000,000	6,960,000	-	-
Series 14	04/03/14	2015-34	3.00 to 5.00	115,000,000	6,968,020	52,003,812	64,105,780
Series 15	04/08/15	2016-35	2.00 to 5.00	154,920,000	10,804,842	79,331,906	102,588,120
Series 15 Refunding	04/08/15	2016-27	5.00 to 5.00	58,504,968	6,117,667	21,448,020	23,895,257
Golf Course Refunding	04/08/15	2016-28	5.00 to 5.00	15,735,000	1,250,000	7,240,000	8,361,000
Series 16	04/13/16	2017-46	5.00 to 5.00	80,027,783	2,668,926	61,350,301	96,612,727
Series 16 Refunding	04/13/16	2017-27	3.00 to 5.00	69,384,271	2,511,041	11,407,983	12,516,535
Series 17	04/12/17	2018-47	5.00 to 5.00	104,008,000	3,484,008	82,832,047	132,679,035
Series 17 Refunding	04/12/17	2018-29	3.00 to 5.00	44,423,549	4,172,053	25,468,130	28,446,373
Series 18	03/29/18	2019-48	5.00 to 5.00	177,642,000	5,867,817	148,317,915	241,597,750
Series 19	04/12/19	2020-49	5.00 to 5.00	191,621,000	6,326,858	166,318,568	275,134,947
Series 19 Refunding	04/12/19	2020-25	5.00 to 5.00	4,445,000	735,000	1,425,000	1,531,500
Series 20	05/06/20	2021-50	3.00 to 5.00	188,363,000	6,152,039	169,906,883	247,200,191
Series 21	03/23/21	2022-51	3.00 to 5.00	152,937,000	5,010,342	142,916,316	212,118,943
Series 21 Refunding	03/23/21	2022-31	5.00 to 5.00	110,511,100	14,217,500	82,207,700	99,655,510
Series 22	04/05/22	2023-52	4.00 to 5.00	112,198,000	3,743,433	108,454,567	176,128,215
Series 22 Refunding	04/05/22	2023-52	5.00 to 5.00	43,909,149	7,281,490	36,627,659	44,811,286
Series 23	04/27/23	2024-53	4.00 to 5.00	117,204,000	-	117,204,000	199,600,342
Series 23 Refunding	04/27/23	2024-33	5.00 to 5.00	40,730,000	-	40,730,000	51,654,169
				1,897,563,820	94,271,036	1,355,190,807	2,018,637,680
WPRF Bonds							
Series 14	04/03/14	2015-34	2.00 to 5.00	7,300,000	390,427	3,928,157	4,858,167
Series 15	04/08/15	2016-35	5.00 to 5.00	26,880,000	1,443,684	16,759,212	22,188,082
Series 16	04/13/16	2017-45	5.00 to 5.00	13,232,217	441,074	10,144,699	15,977,900
Series 18	03/29/18	2019-48	5.00 to 5.00	13,008,000	433,600	10,840,000	17,615,000
Series 19	04/12/19	2020-49	5.00 to 5.00	20,359,000	678,633	17,644,468	29,113,382
Series 20	05/06/20	2021-50	3.00 to 5.00	26,132,000	871,067	23,518,799	34,106,612
Series 21	03/23/21	2022-51	3.00 to 5.00	27,128,000	904,267	25,319,466	37,481,851
Series 22	04/05/22	2023-52	4.00 to 5.00	26,297,000	876,567	25,420,433	41,286,287
Series 23	04/27/23	2024-53	4.00 to 5.00	12,351,000	-	12,351,000	21,005,048
				172,687,217	6,039,319	145,926,234	223,632,329
Solid Waste Bonds							
Series 14	04/03/14	2015-34	2.00 to 5.00	4,600,000	256,554	2,433,030	3,002,174
Series 15	04/08/15	2016-35	2.00 to 5.00	9,600,000	501,474	5,958,882	7,892,547
Series 15 Refunding	04/08/15	2016-27	5.00 to 5.50	2,700,032	282,333	971,980	1,082,243
Series 16 Refunding	04/13/16	2017-27	3.00 to 5.00	200,729	8,959	42,017	46,140
Series 17	04/12/17	2018-47	5.00 to 5.00	4,377,000	130,992	3,862,953	6,015,092
Series 17 Refunding	04/12/17	2018-29	3.00 to 5.00	936,451	87,947	536,870	599,652
Series 18	03/29/18	2019-48	5.00 to 5.00	5,200,000	228,583	4,057,085	5,995,875
Series 19	04/12/19	2020-49	5.00 to 5.00	4,100,000	199,509	3,301,964	4,717,803
Series 20	05/06/20	2021-50	3.00 to 5.00	8,000,000	396,894	6,809,318	9,062,023
Series 21	03/23/21	2022-51	3.00 to 5.00	6,600,000	310,391	5,979,218	8,288,332
Series 21 Refunding	03/23/21	2022-31	5.00 to 5.00	7,053,900	907,500	5,247,300	6,360,990
Series 22 Refunding	04/05/22	2023-32	4.00 to 5.00	940,851	148,510	792,341	963,213
Series 23	04/27/23	2024-53	4.00 to 5.00	3,000,000	-	3,000,000	4,814,135
Total Waste Collection Enterprise Fund				57,308,963	3,459,646	42,992,958	58,840,219
Total applicable to 5.2% and 13.0% debt limitations				2,127,560,000	103,770,001	1,544,109,999	2,301,110,228

(continued)

DETAILS OF GENERAL LONG-TERM DEBT AND INTEREST (continued)

NOT APPLICABLE TO DEBT LIMITATIONS

June 30, 2023

	Issued	*Maturing Serially*	*Rate of Interest*	*Issued*	*Redeemed F/Y 23*	*06/30/23 Outstanding*	*Total Due to Maturity*
Installment Purchase Agreements - Agricultural Easement Program							
Adelaide F. Colhoun Trust	09/19/00	2002-30	5.85 to 5.85	401,000	1,000	379,000	532,972
Ellen H. Shepard Trust	09/22/00	2002-30	5.85 to 5.85	161,000	1,000	139,000	194,691
Jean Touchette	09/19/00	2002-30	5.85 to 5.85	378,000	1,000	356,000	500,553
Farm of the Four Winds, LLC	11/13/00	2002-30	6.00 to 6.00	587,000	1,000	565,000	801,040
Kenneth P. Franklin, Trustee	12/28/00	2002-30	5.60 to 5.60	142,055	1,000	120,000	165,864
Richard F. Moreland	07/18/01	2003-28	5.90 to 5.90	274,000	1,000	253,000	327,045
Mary M. Smith	07/18/01	2003-28	5.90 to 5.90	831,000	1,000	810,000	1,048,361
Charlotte Windsor	07/26/01	2003-28	5.90 to 5.90	411,174	1,000	390,000	504,462
Anita Froe/Rian LLC	03/06/02	2003-28	5.90 to 5.90	657,000	1,000	636,000	823,030
Lauer & Company	09/20/02	2004-28	5.25 to 5.25	197,000	1,000	177,000	222,937
Weems Dodd Ltd	10/17/02	2004-28	5.45 to 5.45	1,521,000	1,000	1,501,000	1,909,477
Alice Hall	12/19/02	2004-28	5.55 to 5.55	180,000	1,000	160,000	203,844
Bristol Farms LLC	01/28/03	2004-28	5.50 to 5.50	700,000	1,000	680,000	864,755
Shearman Talbott	05/22/03	2005-28	4.95 to 4.95	263,948	1,000	245,000	305,142
Sally Brice O'Hara	06/23/04	2006-28	5.80 to 5.80	316,000	1,000	298,000	383,840
Thackray Seznec	06/30/04	2006-28	5.80 to 5.80	1,405,000	1,000	1,387,000	1,788,650
James Parks	07/07/04	2006-28	5.60 to 5.60	295,000	1,000	277,000	354,000
Dorothy Horky	12/05/05	2006-28	4.90 to 4.90	368,814	1,000	352,000	437,751
Virginia Tucker	10/05/06	2007-28	4.90 to 4.90	926,000	1,000	910,000	1,132,460
Jennifer Wade	07/26/07	2008-28	5.30 to 5.30	873,925	1,000	859,000	1,079,676
Ford/Addis	12/20/07	2008-37	4.60 to 4.60	604,000	-	604,000	992,976
Francis Talbott III	07/16/08	2009-37	4.55 to 4.55	840,000	-	840,000	1,375,080
Thompson Lumber	06/21/11	2012-41	4.55 to 4.55	1,487,000	-	1,487,000	2,704,855
				13,819,916	20,000	13,425,000	18,653,461
Tax Increment Bonds							
Arundel Mills Refunding	05/14/14	2015-29	2.00 to 5.00	24,940,000	1,805,000	13,870,000	15,277,600
National Business Park Ref	05/14/14	2015-28	1.50 to 5.00	12,155,000	980,000	6,085,000	6,611,626
Nursery Road Refunding	05/14/14	2015-29	2.00 to 5.00	1,765,000	115,000	950,000	1,058,749
National Business Park N Ref	06/07/18	2020-37	3.00 to 5.00	25,855,000	840,000	23,215,000	29,862,818
Village South Waugh Chapel Ref	06/07/18	2020-41	3.00 to 4.00	14,525,000	495,000	12,660,000	16,937,054
				79,240,000	4,235,000	56,780,000	69,747,847

LONG TERM DEBT NOT APPLICABLE TO DEBT LIMITATIONS

	Issued	*Maturing Serially*	*Rate of Interest*	*Issued*	*Redeemed F/Y 23*	*06/30/23 Outstanding*	*Total Due to Maturity*
State Loans							
Department of Natural Resources							
Amberly	11/01/08	2008-33	0.00	135,000	5,400	54,000	54,000
Annapolis Cove	05/27/14	2015-30	0.00	173,425	11,793	70,756	70,756
Arundel on the Bay SECD	11/17/18	2020-40	0.00	279,400	14,550	247,350	247,350
Bay Ridge #2	07/01/08	2009-28	0.00	500,000	25,771	154,626	154,626
Buckingham Cove	04/07/97	1997-21	0.00	217,570	-	-	-
Camp Wabanna SECD	04/26/05	2011-31	0.00	174,857	9,203	64,422	64,422
Cape Anne SECD	11/30/06	2009-34	0.00	190,308	8,101	80,987	80,987
Cattail Creek	04/03/98	1998-22	0.00	127,628	5,105	-	-
Columbia Beach	06/12/08	2013-38	0.00	1,042,027	53,664	482,976	482,976
Elizabeth's Landing III	01/22/10	2012-37	0.00	153,262	6,130	73,549	73,549
Holland Point SECD	10/11/04	2011-31	0.00	1,050,054	55,266	386,862	386,862
Lake Hillsmere II	04/03/98	1998-22	0.00	188,660	7,546	-	-
Romar Estates	03/27/97	1997-21	0.00	304,987	-	-	-
Snug Harbor SECD	10/11/04	2012-31	0.00	112,600	5,817	46,536	46,536
Whitehall Cove	12/19/01	2001-25	0.00	164,134	6,565	19,697	19,697
Total not applicable to debt limitations				4,813,912	214,911	1,681,761	1,681,761
Total long-term debt				$ 3,248,503,788	$ 147,648,324	$ 2,386,202,712	$ 3,561,438,640

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APPENDIX B

ANNE ARUNDEL COUNTY, MARYLAND

OFFICIAL NOTICE OF SALE OF
$239,640,000*

GENERAL OBLIGATION BONDS

Consisting of

$163,270,000* Consolidated General Improvements Series, 2024
$76,370,000* Consolidated Water and Sewer Series, 2024

Dated Date of Delivery

ELECTRONIC BIDS, via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) only, will be received until **10:45 A.M., LOCAL BALTIMORE, MARYLAND, TIME ON TUESDAY, APRIL 2, 2024,** by the Chief Administrative Officer of Anne Arundel County, Maryland (the "County"), or other officer of the County designated by the County Executive of the County (the "County Executive") (either such officer being the "Designated Officer"), for the purchase of the $239,640,000* general obligation bonds of the County, consisting of $163,270,000* Consolidated General Improvements Series, 2024 (the "CGI Bonds") and $76,370,000* Consolidated Water and Sewer Series, 2024 (the "Water and Sewer Bonds" and together with the CGI Bonds, the "Bonds"), all dated the date of delivery, and bearing interest payable October 1, 2024, and semiannually thereafter on each April 1 and October 1 until maturity or prior redemption as hereinafter set forth.

The Bonds will mature, subject to prior redemption as hereinafter set forth, on October 1 in the following years and in the following aggregate amounts, subject to aggregation of two or more consecutive serial maturities of the Bonds as term bonds, as provided below in "Bid Specifications."

Years of Maturity	CGI Bonds*	Water and Sewer Bonds*	Total
2024	$5,440,000	$2,550,000	$7,990,000
2025	5,445,000	2,550,000	7,995,000
2026	5,445,000	2,550,000	7,995,000
2027	5,445,000	2,550,000	7,995,000
2028	5,445,000	2,545,000	7,990,000
2029	5,445,000	2,545,000	7,990,000
2030	5,445,000	2,545,000	7,990,000
2031	5,445,000	2,545,000	7,990,000
2032	5,445,000	2,545,000	7,990,000
2033	5,445,000	2,545,000	7,990,000
2034	5,445,000	2,545,000	7,990,000
2035	5,445,000	2,545,000	7,990,000
2036	5,445,000	2,545,000	7,990,000
2037	5,445,000	2,545,000	7,990,000
2038	5,445,000	2,545,000	7,990,000

* Preliminary, subject to change.

Years of Maturity	CGI Bonds*	Water and Sewer Bonds*	Total
2039	5,440,000	2,545,000	7,985,000
2040	5,440,000	2,545,000	7,985,000
2041	5,440,000	2,545,000	7,985,000
2042	5,440,000	2,545,000	7,985,000
2043	5,440,000	2,545,000	7,985,000
2044	5,440,000	2,545,000	7,985,000
2045	5,440,000	2,545,000	7,985,000
2046	5,440,000	2,545,000	7,985,000
2047	5,440,000	2,545,000	7,985,000
2048	5,440,000	2,545,000	7,985,000
2049	5,440,000	2,545,000	7,985,000
2050	5,440,000	2,545,000	7,985,000
2051	5,440,000	2,545,000	7,985,000
2052	5,440,000	2,545,000	7,985,000
2053	5,440,000	2,545,000	7,985,000

The Bonds shall be issued only in fully registered form without coupons. One bond representing each maturity of each series will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidders of the Bonds, as a condition to delivery of the Bonds, will be required to deposit the bond certificates representing each maturity of each series with DTC.

General Information

The Bonds are authorized by Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2023 Supplement), the Charter of Anne Arundel County, Maryland (the "County Charter") and the Authorizing Ordinance.

The proceeds of the CGI Bonds will be used to provide funding for general improvements. The proceeds of the Water and Sewer Bonds will be used to provide funding for water and sewer improvements.

The full faith and credit and taxing power of the County are pledged to the payment of the Bonds and of the interest to accrue thereon. Such taxing power is subject, however, to the limitation set forth in Section 710(d) of the County Charter which provides, in part that "[f]rom and after July 1, 1993, revenues derived from taxes on properties existing on the County property tax rolls at the commencement of the County fiscal year shall not increase, compared with the previous year, more than the Consumer Price Index percentage of change, or 4.5 percent, whichever is the lesser."

The sources of revenue for the payment of the principal of and interest on the Bonds are as described herein. The CGI Bonds are payable from annual appropriations of the proceeds of ad valorem taxes which the County is empowered to levy on real and personal property and certain intangible personal property subject to assessment for County taxation subject to the limitations set forth in Section 710(d) of the County Charter. The primary sources of payment for the Water and Sewer Bonds are the net revenues of the

*Preliminary, subject to change.

projects for which such bonds are to be issued, or the utilities of which they are a part, for the use and benefit of which the County has covenanted to fix and collect rates, charges and assessments sufficient to pay the costs of operation, maintenance and debt service, but if not so paid, the Water and Sewer Bonds are payable from annual appropriations of the proceeds of ad valorem taxes which the County is empowered to levy on real and personal property and certain intangible personal property subject to assessment for County taxation subject to the limitations set forth in Section 710(d) of the County Charter.

Optional Redemption

The Bonds maturing on or after October 1, 2034, are subject to redemption, at the option of the County, on or after April 1, 2034, as a whole or in part at any time, in any order of maturities, after at least 20 days' notice, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption

If two or more consecutive serial maturities of the Bonds are designated as a term bond, as provided below in "Bid Specifications," such term bond shall be subject to mandatory redemption in each year on the principal payment date and in the entire amount of each serial maturity designated for inclusion in such term bond.

Electronic Bids

Notice is hereby given that proposals will be received via BiDCOMP/Parity Competitive Bidding System, in the manner described below, until 10:45 a.m., local Baltimore, Maryland time, on Tuesday, April 2, 2024, but no bid will be received after the time for receiving bids specified above.

All prospective bidders must be contracted customers of BiDCOMP/Parity Competitive Bidding System. If you do not have a contract with BiDCOMP, call (212) 849-5021 to become a customer. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the County that (i) it has an established industry reputation for underwriting new issuances of municipal bonds; and (ii) such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

If any provisions of this Official Notice of Sale shall conflict with information provided by BiDCOMP/Parity as approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 849-5021.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the County nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the County nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by BiDCOMP/Parity. The County is using BiDCOMP/Parity as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. The County is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone BiDCOMP/Parity and notify the County's Financial Advisor, Public Resources Advisory Group, Inc., by email message to Monika Conley, mconley@pragadvisors.com.

Bidding Procedures

Bids must be submitted for the purchase of the Bonds (all or none) via BiDCOMP/Parity. Bids will be communicated electronically to the County at 10:45 a.m., local Baltimore, Maryland time, on Tuesday, April 2, 2024. Prior to that time, a prospective bidder may input and save proposed terms of its bid in BiDCOMP. Once the final bid has been saved in BiDCOMP, the bidder may select the final bid button in BiDCOMP to submit the bid to BiDCOMP/Parity. Once the bids are communicated electronically via BiDCOMP/Parity to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the bidding process, the time as maintained on BiDCOMP shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the County, as described under "Award of Bonds" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by via BiDCOMP. No bid will be received after the time for receiving such bids specified above.

Good Faith Deposit

A good faith deposit in the amount of $2,396,400 (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit shall be provided for by a federal funds wire transfer to be submitted to the County by the successful bidder not later than 4:00 p.m. (local Baltimore, Maryland time) on the date of sale (the "Wire Transfer Deadline") as set forth below.

The Deposit of the successful bidder will be collected and the proceeds thereof retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the respective bid, the proceeds thereof will be retained as and for full liquidated damages.

The County will distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidder and prior to the Wire Transfer Deadline. If the Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the County in its discretion without any financial liability of the County to the successful bidder or any limitation whatsoever on the County's right to sell the Bonds to a different purchaser upon such terms and conditions as the County shall deem appropriate.

Bid Specifications

Bidders shall state in their proposals a price for the Bonds that is not less than 100% of the aggregate par value of the Bonds. Bidders shall also state in their proposals the rate or rates of interest to be paid on the Bonds, on which rates their proposals are based and submitted. The rates so named must be in multiples of 1/8 or 1/20 of 1% and may not exceed 5% for any single maturity. Each bidder must specify in its bid a single interest rate for each maturity of the Bonds. A zero rate cannot be named for any maturity. Interest rate for Bonds maturing in years 2034 through 2050, inclusive, shall be 5%. Interest rate for Bonds maturing in years 2051 through 2053, inclusive, shall be no less than 4%. Bidders may designate in their proposal two or more consecutive annual principal payments of the Bonds as a term bond, which matures on the maturity date of the last annual principal payment of the sequence. Any term bond so designated shall be subject to mandatory sinking fund redemption for each series of the Bonds in each year on the principal payment date and in the entire principal amount for each annual principal payment designated for inclusion in such term bond. There is no limitation on the number of term bonds for the Bonds.

Procedures for Principal Amount Changes and Other Changes to Official Notice of Sale

The preliminary aggregate principal amount of the Bonds and the preliminary principal amount of each annual payment on the Bonds as set forth in this Official Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Annual Principal Amount," respectively; collectively the "Preliminary Amounts") may be revised before the receipt and opening of the bids for their purchase. **ANY SUCH REVISIONS** (the "Revised Aggregate Principal Amount" and the "Revised Annual Principal Amount," respectively; collectively, the "Revised Amounts") **WILL BE PUBLISHED ON** www.MuniOS.com **NOT LATER THAN 9:45 A.M. (LOCAL BALTIMORE, MARYLAND TIME) ON THE ANNOUNCED DATE FOR RECEIPT OF BIDS.** In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a winning bidder.

Award of Bonds

As promptly as reasonably possible after the bids are received, the Designated Officer will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the Designated Officer of the initial offering prices to the public of each maturity of the Bonds (the "Initial Offering Prices"). Such Initial Offering Prices, among other things, will be used by the County to calculate the final aggregate principal amount of the Bonds and the final principal amount of each annual payment on the Bonds of each series (the "Final Aggregate Principal Amount" and the "Final Annual Principal Amount," respectively; collectively, the "Final Amounts"). In determining the Final Amounts, the County expects that the Revised Amounts will be changed as necessary to effect the greatest economic advantage, or to accommodate other objectives of the County, but the County will not reduce or increase the Revised Aggregate Principal Amount of the Bonds by more than 10% from the amount bid upon for each series. **THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS.** The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the underwriter's discount per $1,000 of par amount of bonds from the underwriter's discount that would have been received based on the purchase price in the winning bid and the initial public offering prices for the Bonds. The interest rates specified by the successful bidder for each maturity of each series in its bid for the Bonds will not change. **ALL BIDS SHALL REMAIN FIRM FOR FIVE (5) HOURS AFTER THE TIME SPECIFIED FOR THE OPENING OF THE BIDS.** An award of the Bonds, if made, will be made by the Designated Officer within such five (5) hour period of time. The Final Amounts will be communicated to the successful bidder as soon as possible, but not later than 3:00 p.m. the day after awarding the Bonds.

The award, if made, will be made as promptly as possible after the bids are opened to the bidder naming the lowest true interest cost for all the Bonds in any legally acceptable proposal. The lowest true interest cost will be determined with respect to each proposal by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to the date of the Bonds and to the price bid. Each bidder shall include in its bid a statement of the true interest cost offered in its bid, but this statement shall not be deemed to be part of the bid. Where the proposals of two or more bidders result in the same lowest true interest cost, the Bonds shall be awarded to one of such bidders based upon which bid was received first.

THE RIGHT IS RESERVED TO THE DESIGNATED OFFICER TO REJECT ANY OR ALL PROPOSALS AND TO WAIVE ANY IRREGULARITIES IN ANY OF THE PROPOSALS. The judgment of the Designated Officer shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Official Notice of Sale.

Issue Price Determination

The County expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a "Qualified Competitive Bid"). The Designated Officer will advise the successful bidder as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a "Nonqualified Competitive Bid").

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the Designated Officer, will notify the successful bidder, and such bidder, upon such notice, shall advise the Designated Officer, of the reasonably expected Initial Offering Price, as applicable, of each maturity of each series of the Bonds. In addition, the winning bidder shall be required to provide to the County information to establish the initial expected offering prices for each maturity of each series of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel to the County, on or before the date of issuance of the Bonds, substantially in the form set forth in Appendix E to the Preliminary Official Statement, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the Designated Officer, will notify the successful bidder, and such bidder, upon such notice, shall advise the Designated Officer, of the initial sale price or Initial Offering Price, as applicable, of each maturity of each series of the Bonds. In addition, the winning bidder shall be required to provide to the County information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of each series of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel in substantially the form set forth in Appendix F to the Preliminary Official Statement, with appropriate completions, omissions and attachments. **It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices for certain maturities of a series of the Bonds for up to five business days after the sale date, as further specified in the form of such certification.**

Legal Opinions

The Bonds of each series described above will be issued and sold subject to approval as to legality by McKennon Shelton & Henn LLP of Baltimore, Maryland, Bond Counsel. Copies of the approving opinions of McKennon Shelton & Henn LLP will be delivered, upon request, to the purchaser or purchasers of the Bonds, without charge. Such opinions shall be substantially in the form included in Appendix C to the Preliminary Official Statement referred to below.

Continuing Disclosure

In order to assist bidder in complying with SEC Rule 15c2-12(b)(5), the County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which it will undertake to provide or cause to be provided certain information annually and notices of certain events. A form of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Delivery of the Bonds

When delivered, one bond representing each maturity of each series of Bonds shall be duly executed and authenticated and registered in the name of Cede & Co., as nominee of DTC, as registered owner of bonds.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print any such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale. Public Resources Advisory Group (the "Financial Advisor") will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the County. However, the CUSIP Global Services charge for the assignment of such numbers shall be the responsibility of and shall be paid by the successful bidder.

THE CGI BONDS AND THE WATER AND SEWER BONDS WILL EACH REQUIRE A SEPARATE SERIES OF CUSIP NUMBERS.

Not later than seven business days after the date of sale, the County will deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. If so requested by the purchaser at or before the close of business on the date of the sale, the County will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder ("Reoffering Information"), if any, as may be specified and furnished in writing by such bidder. If no Reoffering Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. The successful bidder shall be responsible to the County and its officials for the Reoffering Information, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with copies of the Official Statement (and any amendments or supplements thereto) in such quantities as shall reasonably be requested by the successful bidder to allow the successful bidder to comply with the application rules of the Municipal Securities Rulemaking Board.

Delivery of the Bonds, without expense, will be made by the Designated Officer to DTC on or about April 16, 2024, or as soon as practicable thereafter, and, thereupon, the purchaser or purchasers will be required to accept delivery of the Bonds purchased and pay, in Federal funds, the balance of the purchase price due. Such bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of the bonds in this issue. It shall be a condition to the obligation of such purchaser or purchasers to accept delivery of and pay for the bonds that, simultaneously with or before delivery and payment for the bonds, such purchaser or purchasers shall be furnished a certificate or certificates of authorized officers of the

County to the effect that, to the best of their knowledge and belief, the Official Statement and any amendment or supplement thereto (except for the Reoffering Information provided by the purchaser and information regarding DTC and DTC's book-entry system provided by DTC, as to which no view will be expressed), as of the date of sale and as of the date of delivery of the bonds, does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that between the date of sale and the date of delivery of the bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement.

Postponement of Sale

The County reserves the right to postpone the date established for the receipt of bids at any time before the bids are open. In the event of a postponement, the new date and time of sale will be announced on www.MuniOS.com. Prospective bidders may request notification by email transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their email addresses to Public Resources Advisory Group, Inc., attention Monika Conley at (917) 749-2426, mconley@pragadvisors.com, by 12 Noon, Baltimore, Maryland time, on the day prior to the announced date for receipt of bids. Any new date and time of sale will be announced at least 24 hours prior to the time proposals are to be submitted. On any such alternative sale date, bidders may submit bids for the purchase of the Bonds in conformity with the provisions of this Official Notice of Sale, except for any changes to this Official Notice of Sale, the change of the date of sale and the changes described in the next sentence. If the date fixed for receipt of bids is postponed, the expected date of delivery of Bonds also may be postponed; if the sale is postponed to a later date, then the date of the Bonds, the dates of the semiannual interest payments and annual principal payments, and the optional redemption dates also may be changed. Such changes, if any, will be announced via www.MuniOS.com at the time any alternative sale date is announced.

The Preliminary Official Statement, together with this Official Notice of Sale, may be accessed via the internet at www.MuniOS.com. It may also be obtained from the Office of Finance, Anne Arundel County, Arundel Center, 44 Calvert Street, Annapolis, Maryland 21404 (410-222-1781) or from the County's financial advisor, Public Resources Advisory Group, Inc., 39 Broadway, 12th Floor, New York, New York 10006 (212-566-7800 or 917-749-2426). Such Preliminary Official Statement is deemed final by the County as of its date for purposes of SEC Rule 15c2-12, but is subject to revision, amendment and completion in the Official Statement referred to above.

ANNE ARUNDEL COUNTY, MARYLAND
By: Steuart Pittman
County Executive

ANNE ARUNDEL COUNTY, MARYLAND

OFFICIAL NOTICE OF SALE OF

$92,140,000*
GENERAL OBLIGATION BONDS

Consisting of

$45,545,000* Consolidated General Improvements Series, 2024 Refunding Series
$46,595,000* Consolidated Water and Sewer Series, 2024 Refunding Series

Dated Date of Delivery

ELECTRONIC BIDS, via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) only, will be received until **11:15 A.M., LOCAL BALTIMORE, MARYLAND, TIME ON TUESDAY, APRIL 2, 2024,** by the Chief Administrative Officer of Anne Arundel County, Maryland (the "County"), or other officer of the County designated by the County Executive of the County (the "County Executive") (either such officer being the "Designated Officer"), for the purchase of the general obligation bonds of the County, aggregating $92,140,000* and consisting of $45,545,000* Consolidated General Improvements Series, 2024 Refunding Series (the "CGI Bonds") and $46,595,000* Consolidated Water and Sewer Series, 2024 Refunding Series (the "Water and Sewer Bonds" with the CGI Bonds, the "Bonds"), all dated the date of delivery, and bearing interest payable October 1, 2024, and semiannually thereafter on each April 1 and October 1 until maturity or prior redemption as hereinafter set forth.

The Bonds will mature, subject to prior redemption as hereinafter set forth, on April 1 in the following years and in the following aggregate amounts, subject to aggregation of two or more consecutive serial maturities of the Bonds as term bonds, as provided below in "Bid Specifications."

Years of Maturity	CGI Bonds*	Water and Sewer Bonds*	Total
2025	$4,570,000	$2,310,000	$6,880,000
2026	4,450,000	2,200,000	6,650,000
2027	4,420,000	2,200,000	6,620,000
2028	4,485,000	2,235,000	6,720,000
2029	4,545,000	2,260,000	6,805,000
2030	4,600,000	2,280,000	6,880,000
2031	4,580,000	2,295,000	6,875,000
2032	4,605,000	2,310,000	6,915,000
2033	4,630,000	2,320,000	6,950,000
2034	4,660,000	2,330,000	6,990,000
2035		2,340,000	2,340,000
2036		2,350,000	2,350,000
2037		2,365,000	2,365,000
2038		2,375,000	2,375,000
2039		2,390,000	2,390,000

*Preliminary, subject to change.

Years of Maturity	CGI Bonds*	Water and Sewer Bonds*	Total
2040		$2,405,000	$2,405,000
2041		2,405,000	2,405,000
2042		2,405,000	2,405,000
2043		2,410,000	2,410,000
2044		2,410,000	2,410,000

The Bonds shall be issued only in fully registered form without coupons. One bond representing each maturity of each series will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidders of the Bonds, as a condition to delivery of the Bonds, will be required to deposit the bond certificates representing each maturity of each series with DTC.

General Information

The Bonds are authorized by Sections 10-203 and 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2023 Supplement), the Charter of Anne Arundel County, Maryland (the "County Charter") and Bill No. 51-23, passed by the County Council of the County on July 17, 2023, approved by the County Executive of the County on July 28, 2023 and effective on September 11, 2023, as amended (the "Authorizing Ordinance").

The proceeds of the CGI Bonds will be used to refund certain bonds of Anne Arundel County Consolidated General Improvements Series and the proceeds of the Water and Sewer Bonds will be used to refund certain bonds of the Anne Arundel County Consolidated Water and Sewer Series.

The full faith and credit and taxing power of the County are pledged to the payment of the Bonds and of the interest to accrue thereon. Such taxing power is subject, however, to the limitation set forth in Section 710(d) of the County Charter which provides, in part that "[f]rom and after July 1, 1993, revenues derived from taxes on properties existing on the County property tax rolls at the commencement of the County fiscal year shall not increase, compared with the previous year, more than the Consumer Price Index percentage of change, or 4.5 percent, whichever is the lesser."

The sources of revenue for the payment of the principal of and interest on the Bonds are as described herein. The CGI Bonds are payable from annual appropriations of the proceeds of ad valorem taxes which the County is empowered to levy on real and personal property and certain intangible personal property subject to assessment for County taxation subject to the limitations set forth in Section 710(d) of the County Charter. The primary sources of payment for the Water and Sewer Bonds are the net revenues of the projects for which such bonds are to be issued, or the utilities of which they are a part, for the use and benefit of which the County has covenanted to fix and collect rates, charges and assessments sufficient to pay the costs of operation, maintenance and debt service, but if not so paid, the Water and Sewer Bonds are payable from annual appropriations of the proceeds of ad valorem taxes which the County is empowered to levy on real and personal property and certain intangible personal property subject to assessment for County taxation subject to the limitations set forth in Section 710(d) of the County Charter.

*Preliminary, subject to change.

Optional Redemption

The CGI Bonds are not subject to optional redemption prior to their respective maturities.

The Water and Sewer Bonds maturing on or after April 1, 2035, are subject to redemption, at the option of the County, on or after April 1, 2034, as a whole or in part at any time, in any order of maturities, after at least 20 days' notice, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption

If two or more consecutive serial maturities of the Bonds are designated as a term bond, as provided below in "Bid Specifications," such term bond shall be subject to mandatory redemption in each year on the principal payment date and in the entire amount of each serial maturity designated for inclusion in such term bond.

Electronic Bids

Notice is hereby given that proposals will be received via BiDCOMP/Parity Competitive Bidding System, in the manner described below, until 11:15 a.m., local Baltimore, Maryland time, on Tuesday, April 2, 2024, but no bid will be received after the time for receiving bids specified above.

All prospective bidders must be contracted customers of BiDCOMP/Parity Competitive Bidding System. If you do not have a contract with BiDCOMP, call (212) 849-5021 to become a customer. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the County that (i) it has an established industry reputation for underwriting new issuances of municipal bonds; and (ii) such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

If any provisions of this Official Notice of Sale shall conflict with information provided by BiDCOMP/Parity as approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 849-5021.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the County nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the County nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by BiDCOMP/Parity. The County is using BiDCOMP/Parity as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. The County is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone BiDCOMP/Parity and notify the County's Financial Advisor, Public Resources Advisory Group, Inc., by email message to Monika Conley, mconley@pragadvisors.com.

Bidding Procedures

Bids must be submitted for the purchase of the Bonds (all or none) via BiDCOMP/Parity. Bids will be communicated electronically to the County at 11:15 a.m., local Baltimore, Maryland time, on Tuesday, April 2, 2024. Prior to that time, a prospective bidder may input and save proposed terms of its bid in BiDCOMP. Once the final bid has been saved in BiDCOMP, the bidder may select the final bid button in BiDCOMP to submit the bid to BiDCOMP/Parity. Once the bids are communicated electronically via BiDCOMP/Parity to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the bidding process, the time as maintained on BiDCOMP shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the County, as described under "Award of Bonds" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by via BiDCOMP. No bid will be received after the time for receiving such bids specified above.

Good Faith Deposit

A good faith deposit in the amount of $921,400 (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit shall be provided for by a federal funds wire transfer to be submitted to the County by the successful bidder not later than 4:00 p.m. (local Baltimore, Maryland time) on the date of sale (the "Wire Transfer Deadline") as set forth below.

The Deposit of the successful bidder will be collected and the proceeds thereof retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the respective bid, the proceeds thereof will be retained as and for full liquidated damages.

The County will distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidder and prior to the Wire Transfer Deadline. If the Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the County in its discretion without any financial liability of the County to the successful bidder or any limitation whatsoever on the County's right to sell the Bonds to a different purchaser upon such terms and conditions as the County shall deem appropriate.

Bid Specifications

Bidders shall state in their proposals a price for the Bonds that is not less than 100% of the aggregate par value of the Bonds. Bidders shall also state in their proposals the rate or rates of interest to be paid on the Bonds, on which rate or rates their proposals are based and submitted. The rates so named must be in multiples of 1/8 or 1/20 of 1% and may not exceed 5% for any single maturity provided, however, that the rate of interest on each maturity of the Bonds maturing in years 2035 through 2044, inclusive, shall be 5% per annum. A zero rate cannot be named for any maturity. Bidders may designate in their proposal two or more consecutive annual principal payments as a term bond for the Bonds. Any term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire principal amount for each annual principal payment designated for inclusion in such term bond. There is no limitation on the number of term bonds for the Bonds.

Procedures for Principal Amount Changes and Other Changes to Official Notice of Sale

The preliminary aggregate principal amount of the Bonds as set forth in this Official Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Annual Principal Amount," respectively; collectively the "Preliminary Amounts") may be revised before the receipt and opening of the bids for their purchase. **ANY SUCH REVISIONS** (the "Revised Aggregate Principal Amount" and the "Revised Annual Principal Amount," respectively; collectively, the "Revised Amounts") **WILL BE PUBLISHED ON** www.MuniOS.com **NOT LATER THAN 10:15 A.M. (LOCAL BALTIMORE, MARYLAND TIME) ON THE ANNOUNCED DATE FOR RECEIPT OF BIDS.** In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a winning bidder.

Award of Bonds

As promptly as reasonably possible after the bids are received, the Designated Officer will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the Designated Officer of the initial offering prices to the public of each maturity of each series of the Bonds (the "Initial Offering Prices"). Such Initial Offering Prices, among other things, will be used by the County to calculate the final aggregate principal amount of the Bonds and the final principal amount of each annual payment on the Bonds (the "Final Aggregate Principal Amount" and the "Final Annual Principal Amount," respectively; collectively, the "Final Amounts"). In determining the Final Amounts, the County expects that the Revised Amounts will be changed as necessary to effect the greatest economic advantage, or to accommodate other objectives of the County, but the County will not reduce or increase the Revised Aggregate Principal Amount of the Bonds by more than 10% from the amount bid upon for each such series. **THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS.** The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the underwriter's discount per $1,000 of par amount of bonds from the underwriter's discount that would have been received based on the purchase price in the winning bid and the initial public offering prices. The interest rates specified by the successful bidder for each maturity of each series in its bid for the Bonds will not change. **ALL BIDS SHALL REMAIN FIRM FOR FIVE (5) HOURS AFTER THE TIME SPECIFIED FOR THE OPENING OF THE BIDS.** An award of the Bonds, if made, will be made by the Designated Officer within such five (5) hour period of time. The Final Amounts will be communicated to the successful bidder as soon as possible, but not later than 3:00 p.m. the day after awarding the Bonds.

The award, if made, will be made as promptly as possible after the bids are opened to the bidder naming the lowest true interest cost for all the Bonds in any legally acceptable proposal. The lowest true interest cost will be determined with respect to each proposal by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to the date of the Bonds and to the price bid. Each bidder shall include in its bid a statement of the true interest cost offered in its bid, but this statement shall not be deemed to be part of the bid. Where the proposals of two or more bidders result in the same lowest true interest cost, the Bonds shall be awarded to one of such bidders based upon which bid was received first. **THE RIGHT IS RESERVED TO THE DESIGNATED OFFICER TO REJECT ANY OR ALL PROPOSALS AND TO WAIVE ANY IRREGULARITIES IN ANY OF**

THE PROPOSALS. The judgment of the Designated Officer shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Official Notice of Sale.

Issue Price Determination

The County expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a "Qualified Competitive Bid"). The Designated Officer will advise the successful bidder as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a "Nonqualified Competitive Bid").

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the Designated Officer, will notify the successful bidder, and such bidder, upon such notice, shall advise the Designated Officer, of the reasonably expected Initial Offering Price, as applicable, of each maturity of each series of the Bonds. In addition, the winning bidder shall be required to provide to the County information to establish the initial expected offering prices for each maturity of each series of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel to the County, on or before the date of issuance of the Bonds, substantially in the form set forth in Appendix E to the Preliminary Official Statement, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the Designated Officer, will notify the successful bidder, and such bidder, upon such notice, shall advise the Designated Officer, of the initial sale price or Initial Offering Price, as applicable, of each maturity of each series of the Bonds. In addition, the winning bidder shall be required to provide to the County information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of each series of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel in substantially the form set forth in Appendix F to the Preliminary Official Statement, with appropriate completions, omissions and attachments. **It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices for certain maturities of a series of the Bonds for up to five business days after the sale date, as further specified in the form of such certification.**

Legal Opinions

The Bonds of each series described above will be issued and sold subject to approval as to legality by McKennon Shelton & Henn LLP of Baltimore, Maryland, Bond Counsel. Copies of the approving opinions of McKennon Shelton & Henn LLP will be delivered, upon request, to the purchaser or purchasers of the Bonds, without charge. Such opinions shall be substantially in the form included in Appendix C to the Preliminary Official Statement referred to below.

Continuing Disclosure

In order to assist bidder in complying with SEC Rule 15c2-12(b)(5), the County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which it will undertake to provide or cause to be provided certain information annually and notices of certain events. A form of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Delivery of the Bonds

When delivered, one bond representing each maturity of each series of Bonds shall be duly executed and authenticated and registered in the name of Cede & Co., as nominee of DTC, as registered owner of bonds.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print any such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale. Public Resources Advisory Group (the "Financial Advisor") will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the County. However, the CUSIP Global Services charge for the assignment of such numbers shall be the responsibility of and shall be paid by the successful bidder.

THE CGI BONDS AND THE WATER AND SEWER BONDS WILL EACH REQUIRE A SEPARATE SERIES OF CUSIP NUMBERS.

Not later than seven business days after the date of sale, the County will deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. If so requested by the purchaser or purchasers at or before the close of business on the date of the sale, the County will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder ("Reoffering Information"), if any, as may be specified and furnished in writing by such bidder. If no Reoffering Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. The successful bidder shall be responsible to the County and its officials for the Reoffering Information, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with copies of the Official Statement (and any amendments or supplements thereto) in such quantities as shall reasonably be requested by the successful bidder to allow the successful bidder to comply with the application rules of the Municipal Securities Rulemaking Board.

Delivery of the Bonds, without expense, will be made by the Designated Officer to DTC on or about April 16, 2024, or as soon as practicable thereafter, and, thereupon, the purchaser or purchasers will be required to accept delivery of the Bonds purchased and pay, in Federal funds, the balance of the purchase price due. Such bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of the bonds in this issue. It shall be a condition to the obligation of such purchaser or purchasers to accept delivery of and pay for the bonds that, simultaneously with or before delivery and payment for the bonds, such purchaser or purchasers shall be furnished a certificate or certificates of authorized officers of the County to the effect that, to the best of their knowledge and belief, the Official Statement and any amendment or supplement thereto (except for the Reoffering Information provided by the purchaser and information regarding DTC and DTC's book-entry system provided by DTC, as to which no view will be expressed), as of the date of sale and as of the date of delivery of the bonds, does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that between the date of sale and the date of delivery of the bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement.

Postponement of Sale

The County reserves the right to postpone the date established for the receipt of bids at any time before the bids are open. In the event of a postponement, the new date and time of sale will be announced on www.MuniOS.com. Prospective bidders may request notification by email transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their email addresses to Public Resources Advisory Group, Inc., attention Monika Conley at (917) 749-2426, mconley@pragadvisors.com, by 12 Noon, Baltimore, Maryland time, on the day prior to the announced date for receipt of bids. Any new date and time of sale will be announced at least 24 hours prior to the time proposals are to be submitted. On any such alternative sale date, bidders may submit bids for the purchase of the Bonds in conformity with the provisions of this Official Notice of Sale, except for any changes to this Official Notice of Sale, the change of the date of sale and the changes described in the next sentence. If the date fixed for receipt of bids is postponed, the expected date of delivery of Bonds also may be postponed; if the sale is postponed to a later date, then the date of the Bonds, the dates of the semiannual interest payments and annual principal payments, and the optional redemption dates also may be changed. Such changes, if any, will be announced via www.MuniOS.com at the time any alternative sale date is announced.

The Preliminary Official Statement, together with this Official Notice of Sale, may be accessed via the internet at www.MuniOS.com. It may also be obtained from the Office of Finance, Anne Arundel County, Arundel Center, 44 Calvert Street, Annapolis, Maryland 21404 (410-222-1781) or from the County's financial advisor, Public Resources Advisory Group, Inc., 39 Broadway, 12th Floor, New York, New York 10006 (212-566-7800 or 917-749-2426). Such Preliminary Official Statement is deemed final by the County as of its date for purposes of SEC Rule 15c2-12, but is subject to revision, amendment and completion in the Official Statement referred to above.

ANNE ARUNDEL COUNTY, MARYLAND
By: Steuart Pittman
County Executive

APPENDIX C

FORMS OF OPINIONS OF BOND COUNSEL

Consolidated General Improvements Series, 2024

[Closing Date]

County Executive and County Council
of Anne Arundel County, Maryland
Annapolis, Maryland

Dear County Executive and Council Members:

We have examined a record of proceedings relating to the issuance by Anne Arundel County, Maryland (the "County"), of $164,230,000 general obligation bonds designated "Consolidated General Improvements Series, 2024" (the "Bonds"), which are described below.

The Bonds are dated the date of delivery, with interest payable on October 1 and April 1, commencing October 1, 2024; are fully registered in form in the denomination of $5,000 each or any integral multiple thereof; are issued under the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2023 Supplement) (the "Enabling Law"), the Anne Arundel County Charter (the "Charter") and Bill No. 51-23, passed by the County Council of the County on July 17, 2023, approved by the County Executive of the County on July 28, 2023 and effective on September 11, 2023, as amended (the "Ordinance"); and mature, on October 1 in each of the years 2024 to 2050, inclusive, and in the year 2053, and bear interest as follows:

Years of Maturity	Principal Amount	Interest Rate	Years of Maturity	Principal Amount	Interest Rate
2024	$5,470,000	5.00%	2038	$5,475,000	5.00%
2025	5,475,000	5.00	2039	5,475,000	5.00
2026	5,475,000	5.00	2040	5,475,000	5.00
2027	5,475,000	5.00	2041	5,475,000	5.00
2028	5,475,000	5.00	2042	5,475,000	5.00
2029	5,475,000	5.00	2043	5,475,000	5.00
2030	5,475,000	5.00	2044	5,475,000	5.00
2031	5,475,000	5.00	2045	5,475,000	5.00
2032	5,475,000	5.00	2046	5,475,000	5.00
2033	5,475,000	5.00	2047	5,475,000	5.00
2034	5,475,000	5.00	2048	5,475,000	5.00
2035	5,475,000	5.00	2049	5,475,000	5.00
2036	5,475,000	5.00	2050	5,475,000	5.00
2037	5,475,000	5.00			

$16,410,000 4.00% Term Bonds due October 1, 2053

The Bonds are subject to redemption in the manner and upon the terms and conditions set forth in the Bonds. The Term Bonds maturing on October 1, 2053 are subject to mandatory sinking fund redemption as set forth in the Bonds.

In rendering this opinion, we have relied without investigation on the County's Tax and Section 148 Certificate dated this date made on behalf of the County by officers thereof with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Bonds.

With respect to the executed and authenticated bond of the issue of Bonds that we have examined, and Bonds similarly executed and authenticated and identical thereto in form except for numbers, interest rates, denominations, maturities, and under existing statutes, regulations and decisions, we are of the opinion that:

(a) The County is a validly created and existing body politic and corporate of the State of Maryland, possessing authority under the Enabling Law, the Charter and the Ordinance to issue the Bonds.

(b) The Bonds are valid and legally binding general obligations of the County to which its full faith and credit and taxing power are pledged, and for the payment of which the County is empowered and directed to levy ad valorem taxes upon all real and tangible personal property and intangible property as may be subject to assessment for County taxation; such tax levy is subject, however, to the limitation set forth in Section 710(d) of the Charter which provides, in part, that "[f]rom and after July 1, 1993, revenues derived from taxes on properties existing on the County property tax rolls at the commencement of the County fiscal year shall not increase, compared with the previous year, more than the Consumer Price Index percentage of change, or by 4.5 percent, whichever is the lesser."

(c) To provide for the payment of the principal of and interest on the Bonds, the County, by the adoption of the Ordinance, has covenanted, subject to said Section 710(d) limitation, to levy such ad valorem taxes in rate and amount sufficient for that purpose in each fiscal year in which provision must be made for the payment of such principal and interest.

(d) The Bonds, their transfer, the interest payable on them and any income derived from them, including any profit realized from their sale and exchange, shall be exempt from taxation of any kind by the State of Maryland, any of its political subdivisions, or any other public entity; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

(e) Assuming compliance with certain covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the bonds of the issue of bonds of which the Bonds are a part, in order that the interest thereon be excludable from gross income. These include (i) a requirement that certain investment earnings received from the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part be rebated (or that certain payments in lieu of rebate be made) to the United States of America under certain circumstances; (ii) other requirements applicable to the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part; and (iii) requirements applicable to the use of the proceeds of the bonds of the issue of bonds of which the Bonds are part and the use of the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part and to take such other actions as may be required to maintain the excludability of interest on the Bonds from gross income for federal income tax purposes. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(f) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, interest on the Bonds will be part of the adjusted financial statement income in computing the alternative minimum tax on applicable corporations. Interest income on the Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

Consolidated Water and Sewer Series, 2024

[Closing Date]

County Executive and County Council
of Anne Arundel County, Maryland
Annapolis, Maryland

Dear County Executive and Council Members:

We have examined a record of proceedings relating to the issuance by Anne Arundel County, Maryland (the "County"), of $76,820,000 general obligation bonds designated "Consolidated Water and Sewer Series, 2024" (the "Bonds"), which are described below.

The Bonds are dated the date of delivery, with interest payable October 1 and April 1, commencing October 1, 2024; are fully registered in form in the denomination of $5,000 each or any integral multiple thereof; are issued under the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2023 Supplement) (the "Enabling Law"), the Anne Arundel County Charter (the "Charter") and Bill No. 51-23, passed by the County Council of the County on July 17, 2023, approved by the County Executive of the County on July 28, 2023 and effective on September 11, 2023, as amended (the "Ordinance"); and mature, on October 1 in each of the years 2024 to 2050, inclusive, and in the year 2053, and bear interest as follows:

Years of Maturity	Principal Amount	Interest Rate	Years of Maturity	Principal Amount	Interest Rate
2024	$2,565,000	5.00%	2038	$2,560,000	5.00%
2025	2,565,000	5.00	2039	2,560,000	5.00
2026	2,565,000	5.00	2040	2,560,000	5.00
2027	2,565,000	5.00	2041	2,560,000	5.00
2028	2,560,000	5.00	2042	2,560,000	5.00
2029	2,560,000	5.00	2043	2,560,000	5.00
2030	2,560,000	5.00	2044	2,560,000	5.00
2031	2,560,000	5.00	2045	2,560,000	5.00
2032	2,560,000	5.00	2046	2,560,000	5.00
2033	2,560,000	5.00	2047	2,560,000	5.00
2034	2,560,000	5.00	2048	2,560,000	5.00
2035	2,560,000	5.00	2049	2,560,000	5.00
2036	2,560,000	5.00	2050	2,560,000	5.00
2037	2,560,000	5.00			

$7,680,000 4.00% Term Bonds due October 1, 2053

The Bonds are subject to redemption in the manner and upon the terms and conditions set forth in the Bonds. The Term Bonds Maturing on October 1, 2053 are subject to mandatory sinking fund redemption as set forth in the Bonds.

In rendering this opinion, we have relied without investigation on the County's Tax and Section 148 Certificate dated this date made on behalf of the County by officers thereof with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Bonds. With respect to the executed and authenticated bond of the issue of Bonds that we have examined, and Bonds similarly executed and authenticated and identical thereto in form except for numbers, interest rates, denominations, maturities, and under existing statutes, regulations and decisions, we are of the opinion that:

(a) The County is a validly created and existing body politic and corporate of the State of Maryland, possessing authority under the Enabling Law, the Charter and the Ordinance to issue the Bonds.

(b) The Bonds are valid and legally binding general obligations of the County to which its full faith and credit and taxing power are pledged, payable primarily from the net revenues and receipts of certain of its water and wastewater projects, or utilities of which they form a part, but if not so paid, are payable as to both principal and interest ultimately from ad valorem taxes, which the County is empowered to levy upon all real and tangible personal property and intangible property as may be subject to assessment for County taxation; such tax levy is subject, however, to the limitation set forth in Section 710(d) of the Charter which provides, in part, that "[f]rom and after July 1, 1993, revenues derived from taxes on properties existing on the County property tax rolls at the commencement of the County fiscal year shall not increase, compared with the previous year, more than the Consumer Price Index percentage of change, or by 4.5 percent, whichever is the lesser."

(c) To provide for the payment of the principal of and interest on the Bonds, the County, by the adoption of the Ordinance, has covenanted, subject to the above-described Section 710(d) limitation, to levy such ad valorem taxes in rate and amount sufficient for that purpose in each fiscal year in which provision must be made for the payment of such principal and interest.

(d) The Bonds, their transfer, the interest payable on them and any income derived from them, including any profit realized from their sale and exchange, shall be exempt from taxation of any kind by the State of Maryland any of its political subdivisions, or any other public entity; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

(e) Assuming compliance with certain covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the bonds of the issue of bonds of which the Bonds are a part, in order that the interest thereon be excludable from gross income. These include (i) a requirement that certain investment earnings received from the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part be rebated (or that certain payments in lieu of rebate be made) to the United States of America under certain circumstances; (ii) other requirements applicable to the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part; and (iii) requirements applicable to the use of the proceeds of the bonds of the issue of bonds of which the Bonds are part and the use of the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part and to take such other actions as may be required to maintain the excludability of interest on the Bonds from gross income for federal income tax purposes. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(f) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, interest on the Bonds will be part of the adjusted financial statement income in computing the alternative minimum tax on applicable corporations. Interest income on the Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

Consolidated General Improvements Series, 2024 Refunding Series

[Closing Date]

County Executive and County Council
of Anne Arundel County, Maryland
Annapolis, Maryland

Dear County Executive and Council Members:

We have examined a record of proceedings relating to the issuance by Anne Arundel County, Maryland (the "County"), of $45,875,000 general obligation bonds designated "Consolidated General Improvements Series, 2024 Refunding Series" (the "Bonds"), which are described below.

The Bonds are dated the date of delivery, with interest payable on October 1 and April 1, commencing October 1, 2024; are fully registered in form in the denomination of $5,000 each or any integral multiple thereof; are issued under the authority of Sections 10-203 and 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2023 Supplement) (the "Enabling Law"), the Anne Arundel County Charter (the "Charter") and Bill No. 51-23, passed by the County Council of the County on July 17, 2023, approved by the County Executive of the County on July 28, 2023 and effective on September 11, 2023 as amended and supplemented (the "Ordinance"); and mature, on April 1 in each of the years 2025 to 2034, inclusive, and bear interest as follows:

Years of Maturity	Principal Amount	Interest Rate	Years of Maturity	Principal Amount	Interest Rate
2025	$4,595,000	5.00%	2030	$4,635,000	5.00%
2026	4,475,000	5.00	2031	4,615,000	5.00
2027	4,450,000	5.00	2032	4,640,000	5.00
2028	4,515,000	5.00	2033	4,670,000	5.00
2029	4,580,000	5.00	2034	4,700,000	5.00

The Bonds are not subject to optional redemption prior to their respective maturities.

In rendering this opinion, we have relied without investigation on the County's Tax and Section 148 Certificate dated this date made on behalf of the County by officers thereof with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Bonds.

With respect to the executed and authenticated bond of the issue of Bonds that we have examined, and Bonds similarly executed and authenticated and identical thereto in form except for numbers, interest rates, denominations, maturities, and under existing statutes, regulations and decisions, we are of the opinion that:

(a) The County is a validly created and existing body politic and corporate of the State of Maryland, possessing authority under the Enabling Law, the Charter and the Ordinance to issue the Bonds.

(b) The Bonds are valid and legally binding general obligations of the County to which its full faith and credit and taxing power are pledged, and for the payment of which the County is empowered and directed to levy ad valorem taxes upon all real and tangible personal property and intangible property as may be subject to assessment for County taxation; such tax levy is subject, however, to the limitation set forth in Section 710(d) of the Charter which provides, in part, that "[f]rom and after July 1, 1993, revenues derived from taxes on properties existing on the County property tax rolls at the commencement of the County fiscal year shall not increase, compared with the previous year, more than the Consumer Price Index percentage of change, or by 4.5 percent, whichever is the lesser."

(c) To provide for the payment of the principal of and interest on the Bonds, the County, by the adoption of the Ordinance, has covenanted, subject to said Section 710(d) limitation, to levy such ad valorem taxes in rate and amount sufficient for that purpose in each fiscal year in which provision must be made for the payment of such principal and interest.

(d) The interest payable on the Bonds and any profit realized from their sale and exchange, will be exempt from State of Maryland income taxation; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

(e) Assuming compliance with certain covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the bonds of the issue of bonds of which the Bonds are a part, in order that the interest thereon be excludable from gross income. These include (i) a requirement that certain investment earnings received from the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part be rebated (or that certain payments in lieu of rebate be made) to the United States of America under certain circumstances; (ii) other requirements applicable to the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part; and (iii) requirements applicable to the use of the proceeds of the bonds of the issue of bonds of which the Bonds are part and the use of the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part and to take such other actions as may be required to maintain the excludability of interest on the Bonds from gross income for federal income tax purposes. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(f) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, interest on the Bonds will be part of the adjusted financial statement income in computing the alternative minimum tax on applicable corporations. Interest income on the Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

Consolidated Water and Sewer Series, 2024 Refunding Series

[Closing Date]

County Executive and County Council
of Anne Arundel County, Maryland
Annapolis, Maryland

Dear County Executive and Council Members:

We have examined a record of proceedings relating to the issuance by Anne Arundel County, Maryland (the "County"), of $46,955,000 general obligation bonds designated "Consolidated Water and Sewer Series, 2023 Refunding Series" (the "Bonds"), which are described below.

The Bonds are dated the date of delivery, with interest payable October 1 and April 1, commencing October 1, 2024; are fully registered in form in the denomination of $5,000 each or any integral multiple thereof; are issued under the authority of Sections 10-203 and 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and the 2021 Supplement) (the "Enabling Law"), the Anne Arundel County Charter (the "Charter") and Bill No. 51-23, passed by the County Council of the County on July 17, 2023, approved by the County Executive of the County on July 28, 2023 and effective on September 11, 2023 as amended and supplemented (the "Ordinance"); and mature, on April 1 in each of the years 2024 to 2044, inclusive, and bear interest as follows:

Years of Maturity	Principal Amount	Interest Rate	Years of Maturity	Principal Amount	Interest Rate
2025	$2,325,000	5.00%	2035	$2,360,000	5.00%
2026	2,210,000	5.00	2036	2,370,000	5.00
2027	2,215,000	5.00	2037	2,385,000	5.00
2028	2,245,000	5.00	2038	2,400,000	5.00
2029	2,270,000	5.00	2039	2,410,000	5.00
2030	2,295,000	5.00	2040	2,425,000	5.00
2031	2,310,000	5.00	2041	2,430,000	5.00
2032	2,325,000	5.00	2042	2,430,000	5.00
2033	2,335,000	5.00	2043	2,435,000	5.00
2034	2,345,000	5.00	2044	2,435,000	5.00

The Bonds are subject to redemption in the manner and upon the terms and conditions set forth in the Bonds.

In rendering this opinion, we have relied without investigation on the County's Tax and Section 148 Certificate dated this date made on behalf of the County by officers thereof with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Bonds.

With respect to the executed and authenticated bond of the issue of Bonds that we have examined, and Bonds similarly executed and authenticated and identical thereto in form except for numbers, interest rates, denominations, maturities, and under existing statutes, regulations and decisions, we are of the opinion that:

(a) The County is a validly created and existing body politic and corporate of the State of Maryland, possessing authority under the Enabling Law, the Charter and the Ordinance to issue the Bonds.

(b) The Bonds are valid and legally binding general obligations of the County to which its full faith and credit and taxing power are pledged, payable primarily from the net revenues and receipts of certain of its water and wastewater projects, or utilities of which they form a part, but if not so paid, are payable as to both principal and interest ultimately from ad valorem taxes, which the County is empowered to levy upon all real and tangible personal property and intangible property as may be subject to assessment for County taxation; such tax levy is subject, however, to the limitation set forth in Section 710(d) of the Charter which provides, in part, that "[f]rom and after July 1, 1993, revenues derived from taxes on properties existing on the County property tax rolls at the commencement of the County fiscal year shall not increase, compared with the previous year, more than the Consumer Price Index percentage of change, or by 4.5 percent, whichever is the lesser."

(c) To provide for the payment of the principal of and interest on the Bonds, the County, by the adoption of the Ordinance, has covenanted, subject to the above-described Section 710(d) limitation, to levy such ad valorem taxes in rate and amount sufficient for that purpose in each fiscal year in which provision must be made for the payment of such principal and interest.

(d) The interest payable on the Bonds and any profit realized from their sale and exchange, will be exempt from State of Maryland income taxation; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

(e) Assuming compliance with certain covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the bonds of the issue of bonds of which the Bonds are a part, in order that the interest thereon be excludable from gross income. These include (i) a requirement that certain investment earnings received from the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part be rebated (or that certain payments in lieu of rebate be made) to the United States of America under certain circumstances; (ii) other requirements applicable to the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part; and (iii) requirements applicable to the use of the proceeds of the bonds of the issue of bonds of which the Bonds are part and the use of the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part and to take such other actions as may be required to maintain the excludability of interest on the Bonds from gross income for federal income tax purposes. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(f) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, interest on the Bonds will be part of the adjusted financial statement income in computing the alternative minimum tax on applicable corporations. Interest income on the Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement") is executed and delivered by Anne Arundel County, Maryland, a body corporate and politic of the State of Maryland (the "County") in connection with the issuance of its $164,230,000 Consolidated General Improvements Series, 2024, its $76,820,000 Consolidated Water and Sewer Series, 2024, its $45,875,000 Consolidated General Improvements Series, 2024 Refunding Series and its $46,955,000 Consolidated Water and Sewer Series, 2024 Refunding Series (collectively, the "Bonds"). The Bonds are being issued pursuant to Bill No. 51-23, passed by the County Council of the County on July 17, 2023, approved by the County Executive of the County on July 28, 2023 and effective on September 11, 2023, as amended. The County, intending to be legally bound hereby and in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement.

This Disclosure Agreement is being executed and delivered by the County for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions.

In addition to the definitions set forth above, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"EMMA" shall mean the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the rule.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"**Listed Events**" shall mean any of the events listed in Section 4(a) herein.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)1 of the Securities Exchange Act of 1934, as amended.

"**Participating Underwriter**" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"**Rule**" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Financial Information, Operating Data and Audited Information.

(a) The County shall provide to the MSRB in an electronic format prescribed by the MSRB annual financial information and operating data regarding (i) revenues, expenditures and changes in fund balance for the County's General Fund; (ii) revenues, expenses and changes in fund balances for the County's Watershed Protection and Restoration Fund; (iii) revenues, expenses and changes in fund net assets for the County's Water and Wastewater Operations Fund; (iv) revenues, expenses and net assets for the County's Water and Wastewater Debt Service Fund; (v) revenues, expenses and changes in net assets for the County's Solid Waste Fund; (vi) assessed values of taxable property in the County and County property tax rates and property tax levies; (vii) County Water and Wastewater utility system rates; and (viii) the County solid waste system rate schedule, such information to be made available within 275 days after the end of the County's fiscal year (commencing with the fiscal year ended June 30, 2024).

(b) The County shall provide to the MSRB in an electronic format prescribed by the MSRB annual audited financial statements for the County, such information to be made available within 275 days after the end of the County's fiscal year, unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 275 days after the end of the County's fiscal year, the County will provide unaudited financial statements within said time period (commencing with the fiscal year ended June 30, 2024).

(c) The presentation of the financial information referred to in clauses (i), (ii), (iii) and (iv) of paragraph (a) and in paragraph (b) shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the final official statement for the Bonds, provided that the County may modify the accounting principles utilized in the presentation of financial information by amending this Disclosure Agreement pursuant to the provisions of Section 6 hereof. Changes in Generally Accepted Accounting Principles, where applicable to financial information to be provided by the County, shall not require the County to amend this Disclosure Agreement.

(d) If the County is unable to provide the annual financial information and operating data within the applicable time periods specified in (a) and (b) above, the County shall send in a timely manner a notice of such failure to the MSRB.

Section 4. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 4, the County shall provide notice of the occurrence of any of the following events with respect to the Bonds:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of Bondholders, if material;
(8) bond calls, if material, and tender offers;

(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the County;
(13) consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
(15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and
(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

(b) In a timely manner, not in excess of 10 business days after the occurrence of an event listed in Section 4(a), the County shall file a notice of such occurrence of such event with EMMA.

Section 5. Termination of Reporting Obligation.

The County's obligations under this Disclosure Agreement shall terminate upon the payment in full of all of the Bonds either at their maturity or by early redemption. In addition, the County may terminate its obligations under this Disclosure Agreement if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

Section 6. Amendment.

The County may provide further or additional assurances that will become part of the County's obligations under this Disclosure Agreement. In addition, this Disclosure Agreement may be amended by the County in its discretion provided that (i) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County as the obligated person with respect to the Bonds, or type of business conducted; (ii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, as determined by counsel selected by the County that is expert in federal securities law matters; and (iii) the amendment does not materially impair the interests of holders of the Bonds, as determined either by counsel selected by the County that is expert in federal securities law matters, or by an approving vote of the holders of 25% of the outstanding aggregate principal amount of Bonds. The reasons for the County agreeing to provide any further or additional assurances or for any amendment and the impact of the change in the type of operating data or financial information being provided will be explained in information provided with the annual financial information containing the additional or amended operating data or financial information.

Section 7. Additional Information.

Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any disclosure made pursuant to Section 4(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any disclosure made pursuant to Section 4(a) or (b) hereof or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 4(a) or (b) hereof or notice of occurrence of a Listed Event.

Section 8. Law of Maryland.

This Disclosure Agreement, and any claim made with respect to the performance by the County of its obligations hereunder, shall be governed by, subject to, and construed according to the laws of the State of Maryland.

Section 9. Limitation of Forum.

Any suit or other proceeding seeking redress with regard to any claimed failure by the County to perform its obligations under this Disclosure Agreement must be filed in the Circuit Court for Anne Arundel County, Maryland.

Section 10. Limitation on Remedies.

The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under this Disclosure Agreement, and the County shall be given 15 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to the Office of Finance, Arundel Center, P.O. Box 2700, Annapolis, Maryland 21404, or at such alternate address as shall be specified by the County with disclosures made pursuant to Section 4(a) or (b) hereof or a notice of occurrence of a Listed Event.

Section 11. Relationship to Bonds.

This Disclosure Agreement constitutes an undertaking by the County that is independent of the County's obligations with respect to the Bonds; any breach or default by the County under this Disclosure Agreement shall not constitute or give rise to a breach or default under the Bonds.

Section 12. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

(*Remainder of page intentionally left blank*)

IN WITNESS WHEREOF this Continuing Disclosure Agreement is being executed on behalf of Anne Arundel County, Maryland and the seal of the County is being impressed hereon attested to by the Administrative Officer to the County Council, as of this ___ day of _____, 2024.

(SEAL) ANNE ARUNDEL COUNTY, MARYLAND

ATTEST:

By______________________________________
STEUART PITTMAN
County Executive

____
Administrative Officer to the County Council

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APPENDIX E

FORM OF ISSUE PRICE CERTIFICATE
FOR QUALIFIED COMPETITIVE BID

$____________
GENERAL OBLIGATION BONDS

Consisting of

[$___________ Consolidated General Improvements Series, 2024
$__________ Consolidated Water and Sewer Series, 2024]
[$___________ Consolidated General Improvements Series, 2024 Refunding Series
$__________ Consolidated Water and Sewer Series, 2024 Refunding Series]

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF WINNING BIDDER] ("[SHORT FORM NAME OF WINNING BIDDER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of each series of the Bonds to the Public by [SHORT FORM NAME OF WINNING BIDDER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of each series of the Bonds used by [SHORT FORM NAME OF WINNING BIDDER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT FORM NAME OF WINNING BIDDER] to purchase the Bonds.

(b) [SHORT FORM NAME OF WINNING BIDDER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT FORM NAME OF WINNING BIDDER] constituted a firm bid to purchase the Bonds.

2. ***Defined Terms***.

(a) *Issuer* means Anne Arundel County, Maryland.

(b) *Maturity* means Bonds of a series with the same credit and payment terms. Bonds of a series with different maturity dates, or Bonds of a series with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is Tuesday, April 2, 2024.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McKennon Shelton & Henn LLP, as Bond Counsel to the Issuer in connection with rendering its opinions that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that they may give to the Issuer from time to time relating to the Bonds.

[NAME OF WINNING BIDDER],
By: ___________________________________
Title: _________________________________

Dated: ___________, 2024

SCHEDULE A

Expected Initial Offering Prices of the Bonds

[$____________ Consolidated General Improvements Series, 2024
[Insert]

$____________ Consolidated Water and Sewer Series, 2024
[Insert]]

[$____________Consolidated General Improvements Series, 2024 Refunding Series
[Insert]

$____________ Consolidated Water and Sewer Series, 2024 Refunding Series
[Insert]]

SCHEDULE B

Copy of Bid

[See Attached]

APPENDIX F

FORM OF ISSUE PRICE CERTIFICATE FOR
NONQUALIFIED COMPETITIVE BID

$____________
GENERAL OBLIGATION BONDS

Consisting of

[$__________ Consolidated General Improvements Series, 2024
$__________ Consolidated Water and Sewer Series, 2024]
[$__________ Consolidated General Improvements Series, 2024 Refunding Series
$__________ Consolidated Water and Sewer Series, 2024 Refunding Series]

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF WINNING BIDDER] ("[SHORT FORM NAME OF WINNING BIDDER]"), [on behalf of itself and [NAMES OF MEMBERS OF THE UNDERWRITING SYNDICATE] (together, the "Underwriting Syndicate"),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities***. As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by [SHORT FORM NAME OF WINNING BIDDER] [THE UNDERWRITING SYNDICATE] to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT FORM NAME OF WINNING BIDDER] [THE MEMBERS OF THE UNDERWRITING SYNDICATE] offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices of each series of the Bonds listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, the [SHORT FORM NAME OF WINNING BIDDER] [MEMBERS OF THE UNDERWRITING SYNDICATE] [has] [have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it] [they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to the foregoing, no Underwriter has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds of a series during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of each series of the Bonds shown in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of each series of the Bonds listed in Schedule A hereto as the "*Hold-the-Offering-Price Maturities*."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT FORM NAME OF WINNING BIDDER] [the UNDERWRITING SYNDICATE] [has] [have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Anne Arundel County, Maryland.

(e) *Maturity* means Bonds of a series with the same credit and payment terms. Bonds of a series with different maturity dates, or Bonds of a series with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is Tuesday, April 2, 2024.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McKennon Shelton & Henn LLP, as Bond Counsel to the Issuer, in connection with rendering its opinions that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that they may give to the Issuer from time to time relating to the Bonds.

[NAME OF WINNING BIDDER], as
[_______________]

By: _________________________
Title: ______________________

Dated: ___________, 2024

<u>**SCHEDULE A**</u>

Sale Prices of the General Rule Maturities

[$___________ Consolidated General Improvements Series, 2024
[Insert]

$___________ Consolidated Water and Sewer Series, 2024
[Insert]]

[$___________Consolidated General Improvements Series, 2024 Refunding Series
[Insert]

$___________ Consolidated Water and Sewer Series, 2024 Refunding Series
[Insert]]

Initial Offering Prices of the Hold-The-Offering-Price Maturities

[$___________ Consolidated General Improvements Series, 2024
[Insert]

$___________ Consolidated Water and Sewer Series, 2024
[Insert]]

[$___________Consolidated General Improvements Series, 2024 Refunding Series
[Insert]

$___________ Consolidated Water and Sewer Series, 2024 Refunding Series
[Insert]]

SCHEDULE B

Pricing Wire or Equivalent Communication

[See Attached]