

Anne Arundel County, Maryland

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

County Executive

Steuart Pittman

County Council

Peter Smith – Chairperson
Allison Pickard – Vice Chairperson
Amanda Fiedler
Julie Hummer
Shannon Leadbetter
Lisa Rodvien
Nathan Volke

Prepared by: Office of Finance – Billie Penley, Controller

Anne Arundel County, Maryland
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For the Fiscal Year Ended June 30, 2023

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Steuart Pittman
County Executive

OFFICE OF FINANCE
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Billie Penley
Controller

December 21, 2023

The Honorable County Executive,
The Members of the County Council,
Chief Administrative Officer, and
Citizens of Anne Arundel County, Maryland

I am pleased to submit to you the accompanying Annual Comprehensive Financial Report (ACFR) of Anne Arundel County, Maryland (the County) for the fiscal year ended June 30, 2023. This report is submitted to fulfill the legal requirement that the Controller annually submit a complete financial statement showing the assets, liabilities, and financial condition of the County for the prior year as mandated by Section 16-304 of Maryland's Local Government Article and Section 513 of the County Charter.

The County assumes full responsibility for the accuracy and fairness of the presentation, including all disclosures. We believe the data is accurate in all material respects and reflects the financial position and results of operations for the various funds. Management has established an internal control structure designed to ensure that government assets are protected from loss, theft, or misuse. Management also is responsible for ensuring that the accounting data compiled in preparing our financial statements conforms to the accounting principles generally accepted in the U.S. (GAAP).

This internal control structure is designed to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

SB & Company, LLC, the County's independent public accountants, audited the report's basic financial statements and provided an unmodified ("clean") opinion. SB & Company's opinion is included within this report.

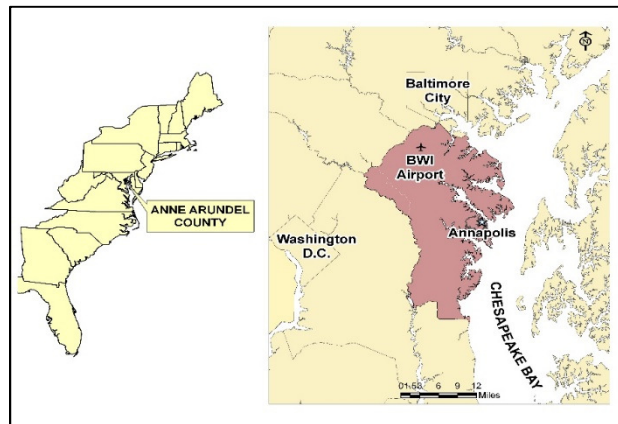
GAAP requires that management provide a narrative introduction, overview, and analysis of the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the auditor's reports.

PROFILE OF THE GOVERNMENT

Anne Arundel County, created in 1650, spans 415 square miles of urban, suburban, and rural terrain. It is situated 13 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's 596,000 residents live and work in an area known for its growing cybersecurity, defense, and hospitality industries; its well-educated workforce; its place as the State capital of Maryland and home to the U.S. Naval Academy; and, reflective of its extensive shoreline, its pioneering efforts on climate resiliency.

The County has operated under a home rule charter since 1964. Its executive functions are vested in a County Executive. The County Executive is elected at-large to serve a four-year term. Lawmaking power is vested in the County Council, which consists of seven members elected by district for a four-year term. The County Executive and County Council members are limited to two consecutive terms.

The County provides a comprehensive range of services, including police and fire protection; recreation and parks; planning and zoning; water, wastewater, solid waste, and stormwater services; street construction and maintenance; and general administrative services.



Budget Process

The annual budget serves as the foundation for the County's financial planning and controls. It ensures compliance with legal provisions embodied in the annual appropriation ordinance approved by the County Council. The County budget is comprised of the budget message, current expense budget, and the capital budget and capital program. Activities of the general fund and impact fee fund (annually appropriated major governmental funds) and certain special revenue funds, including the grants fund, and debt service funds (annually appropriated non-major governmental funds) are included in the current expense budget.

The County Executive must submit a budget proposal to the County Council by May 1 of each year. The County Council conducts public hearings and work sessions to review the proposed budget. The County Council cannot alter revenue estimates or increase expenditures, unless expressly provided in State law or to correct mathematical errors. After its review, the County Council finalizes the budget and sets the tax rates, fees, and charges needed to generate enough revenue to balance the budget. The budget must be adopted by the County Council on or before June 15.

The Office of Finance is responsible for budgetary control. Expenditure authority for the operating budget is at the department level within each fund in major categories including personnel costs, operating expenses, and capital costs. Appropriations in the capital budget are at the project level on an annual basis. All unencumbered appropriations of the operating budget lapse at fiscal year-end. Unencumbered capital appropriations continue until the specific capital project is closed.

FACTORS AFFECTING ECONOMIC CONDITION

Local Economy

Anne Arundel County has one of the strongest economies in Maryland, benefitting from its corridor location between Washington, D.C. and Baltimore. The County is part of the third largest combined statistical area in the U.S., as defined by the U.S. Census Bureau. This market contains a population of more than 9.9 million and its jurisdictions have household incomes at the highest levels in the country.

Major Industries

The County's major industries are in the sectors of Trade/Transportation and Utilities, Government, Professional and Business Services, Leisure and Hospitality, Education and Health Services, Construction, and Financial Activities. Driving these industries are the City of Annapolis, with its location as a federal, state, and county government center, a national historic tourist destination, and a maritime recreational center; Baltimore-Washington International Thurgood Marshall Airport, supporting 12,753 direct jobs and providing 634 passenger flights per day; Fort George G. Meade, a 5,067-acre federal facility employing over 60,000 military and civilians with tenants such as the National Security Agency, Defense Information Systems Agency, and U.S. Cyber Command; and Arundel Mills & Live! Casino & Hotel, a major regional retail, entertainment, office, and hospitality center with a 4,000-seat, 75,000 square foot multi-use concert and event venue. Additionally, the County supports two regional hospitals and related medical offices and service providers, resulting in a robust medical services industry.

Workforce

Anne Arundel County's civilian workforce measuring approximately 315,000 workers serves businesses, government agencies, and institutions throughout the Washington-Baltimore Region. Within the County are 258,896 "in-place" jobs (the County's largest employer, the National Security Agency, does not report its employee numbers to any of the State or County statistical reporting agencies and local government jobs in the education and health services sector were not included). The County's workforce is highly skilled with an educational attainment that reports 47.8% workers 25 years and older with a bachelor's or advanced graduate degree. The fiscal year 2023 average unemployment rate for Anne Arundel County is 2.4% as compared to the average of 3.4% for fiscal year 2022. This rate is favorable in contrast to the average State unemployment rate of 2.9% and the average national rate of 3.6%.

Housing Market

The number of housing units sold in Anne Arundel County is down 30.8% from 10,888 units in fiscal year 2022 to 7,538 units in fiscal year 2023. This drop is in large part due to rising interest rates and a drop in the inventory of homes on the market. In contrast, the median price for existing homes is up 5.3% from \$428,144 in fiscal year 2022 to \$450,935 in fiscal year 2023. Additionally, the total number of housing units in Anne Arundel County continues to rise and has grown by 20,495 over the past 10 years to keep pace with an increasing county population.

Commercial Real Estate

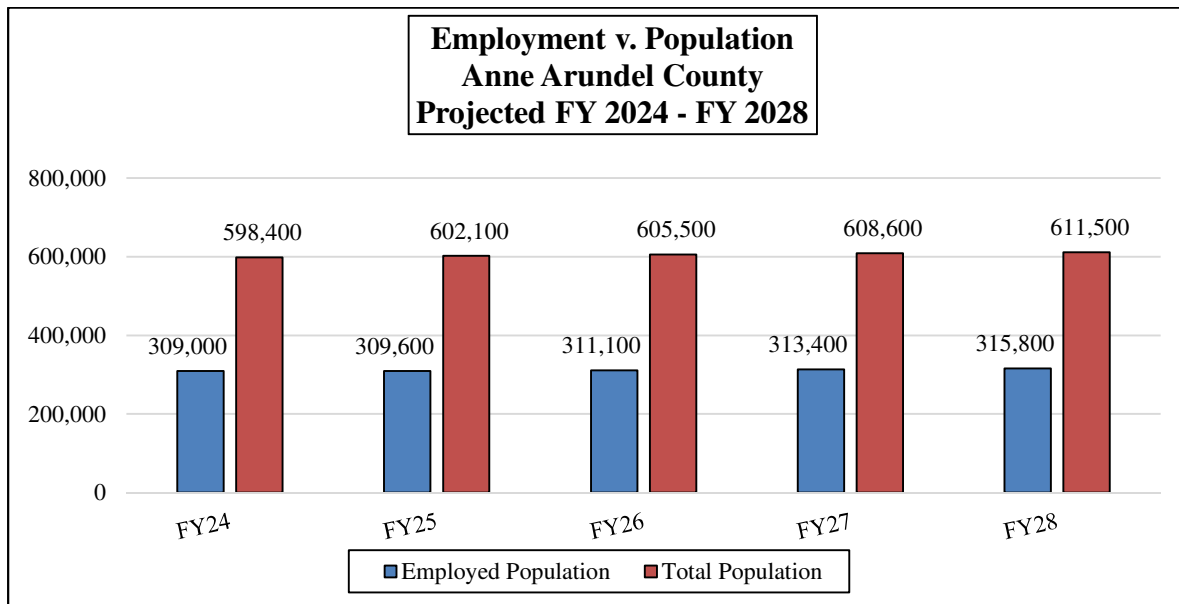
Currently there are 63.9 million square feet of office, flex, and industrial commercial real estate in Anne Arundel County representing 2,025 properties. The average vacancy rate for all commercial property (office, flex, industrial) in the County is 6.4%, down from the five-year average of 7.5%. Average rental rates are \$18.70 per square foot, up when compared to the five-year average cost of \$17.34 per square foot. Current average rental rates per square foot are \$27.50 for office, \$14.56 for flex and \$12.27 for industrial space.

Economic Outlook

The economic outlook for the County is very favorable and will continue to grow. In addition, years of conservative budgeting and prudent financial management have created a solid foundation for economic stability for the future. Anne Arundel County's low property and income tax rates make the County attractive for both businesses and families. At \$0.980 per \$100 assessed value, the property tax is the lowest among the State's seven largest metropolitan jurisdictions and its progressive local income tax rate is the 5th lowest in the State of Maryland. Revenues from property and income taxes for fiscal year 2024 supported 83% of the County's budgeted recurring expenditures, and growth in both sources should continue in the future.

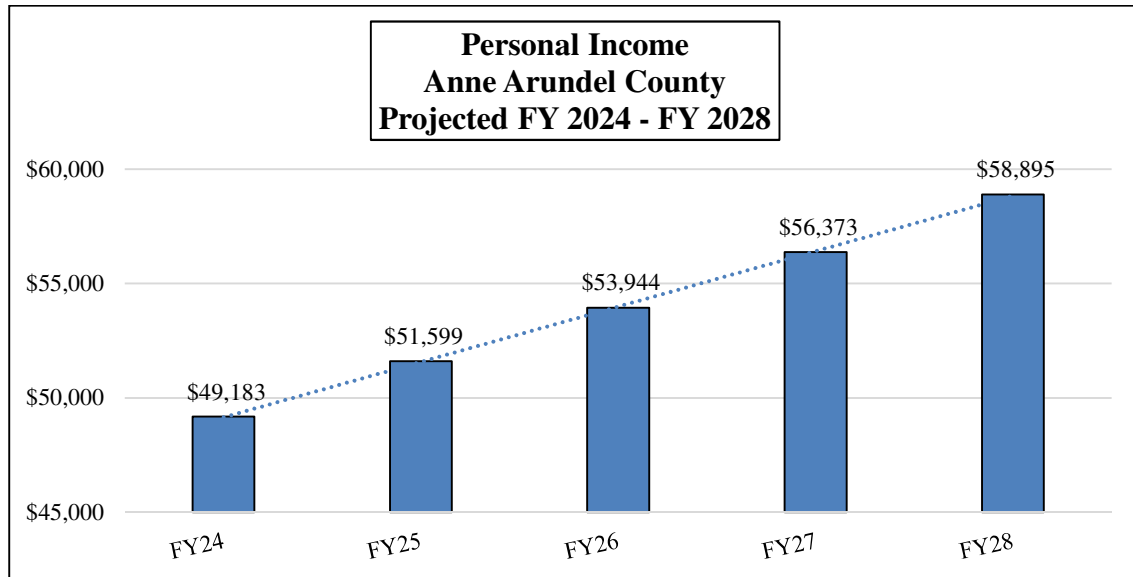
With a strong defense and technology industry base, a business community with global reach, a highly educated and skilled workforce, key transportation assets, a strategic location in the Baltimore/Washington D.C. corridor, and favorable property and income tax rates, Anne Arundel County will continue to be a formidable competitor in the State with many businesses making the County their first choice as a location to do business.

The future economic stability of the County is evident in projected employment levels. As the chart below shows, the total and the employed population of the County are both projected to grow 2.2% between fiscal years 2024 and 2028. These projections likely indicate that employment will continue to be a steady contributor to the County's economic future.



Source: Moody's Analytics.

Another contributor to the County's attractiveness to businesses and families is the projected growth in personal income. Personal income is projected to increase by 19.7% between fiscal years 2024 and 2028, as shown in the following chart. As with the stable employment levels noted above, strong projected personal income growth further highlights the County's favorable economic outlook.



Source: Moody's Analytics.

Long-Term Financial Planning

The following three structures exemplify the County's approach to long-term financial planning:

Permanent Public Infrastructure Fund: The County has restricted \$21 million in funds for permanent public infrastructure to be used as a funding source for permanent public improvements in the capital budget as a result of bill number 42-19 which passed at the end of fiscal year 2019.

Rainy Day Fund: The County maintains a Revenue Reserve Fund (Rainy Day Fund) and the Fund has increased from a low of about \$16.0 million at the end of fiscal year 2010 to approximately \$132.4 million at the end of fiscal year 2023. This increase is the result of revenues exceeding expenditures for fiscal years subsequent to 2010 and transfers to this Fund as part of the budget process. Another \$24.6 million will be transferred to the Fund during fiscal year 2024. Starting fiscal year 2024, the maximum budgetary fund balance may not exceed an amount equal to 8.0% of the estimated General Fund revenues for the upcoming fiscal year or \$159.2 million for fiscal year 2024.

Spending Affordability Committee: The Spending Affordability Committee was established by Resolution No. 31-90 to provide recommendations and projections for the upcoming budget year. Specifically, the Committee is charged with reviewing in detail the status and projections of revenues and expenditures for the County for the next budget year and subsequent five years; evaluating future County revenue levels and considering the impact of economic indicators such as changes in personal income and assessable base growth; and evaluating expenditure levels with consideration of the long-term obligations facing the County and the best way to pay for them.

The Committee recommends revenue projections and the amount of new County debt authorization for the upcoming fiscal year, along with the impact of its recommendations on future budgets. It also assesses the County's ability to repay bond debt and issues an annual report defining the debt capacity of the County.

Financial Policies

Debt Management Policy: The County has established a local debt policy to manage its debt as required by State law. The policy sets the parameters for issuing debt and managing the outstanding debt. It provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. The policy ensures that the County maintains a sound debt position and that credit quality is protected. As a result of the above, the County's

ANNE ARUNDEL COUNTY

financial strength has been attested to by Fitch Ratings, S&P Global Ratings, and Moody's Investors Service as these rating agencies have assigned AAA, AAA, and Aaa ratings, respectively, with a stable outlook for the County's general obligation (GO) bonds.

Use of One-Time Revenues: The County distinguishes between ongoing revenues and one-time revenues in preparing its annual budget. The County's policy is that one-time revenues should be used for one-time expenditures.

Investment Policy: The County's investment policy provides for the safety and liquidity of public funds by minimizing credit and market risk. All deposits of the Primary Government at June 30, 2023 were either insured by federal depository insurance or collateralized with the collateral held by an independent third party in the County's name. Investment activities are governed by State laws and, accordingly, the County invests in accordance with these laws.

Major Initiatives

The following County initiatives are anticipated to affect the County's future financial position:

Education

The County's fiscal year 2024 operating budget provided \$76.4 million in compensation for K-12 teachers and staff, including an 8% pay increase, a \$5 per day increase for substitute teachers, a 10% cost-of-living adjustment for bus drivers, and a \$2,000 bonus for special education teachers. The budget also included \$1 million in compensation for Anne Arundel Community College staff and \$485,000 in compensation for library staff.

Environment

The fiscal year 2024 capital budget included \$7.1 million to combat shoreline erosion, \$6 million to preserve and expand greenways and open space; and \$660,000 to grow the County's electric vehicle charging network.

Housing

The County's fiscal year 2024 operating budget includes revenues from a 0.5% increase in the transfer tax rate on property valued at \$1 million or more. The additional revenue generated will be used to support the Housing Trust Fund. The Fund will be used to provide affordable housing for moderate- and low-income individuals.

Revenue Reserve Fund

As mentioned above, in its fiscal year 2024 operating budget, the County increased the allowable balance in the Revenue Reserve Fund (also known as the Rainy Day Fund) from 7% to 8% of estimated General Fund revenue.

Transportation

The County's fiscal year 2024 capital budget includes \$11.5 million for expansion of the Odenton MARC station to encourage public transit.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to Anne Arundel County, Maryland for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the forty-second consecutive year that the County has received this prestigious award.

In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. This report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

ANNE ARUNDEL COUNTY

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I want to give a very special thank you to the entire accounting staff in the Office of Finance for their dedication and hard work in preparing and publishing the Anne Arundel County ACFR. The preparation of this report could not be accomplished without their dedicated and efficient service and I extend my sincere appreciation to each member of the department. Of special note is Edi Kalikawe, Assistant Controller, and Kevin McMahon, Financial Reporting and Accounting Senior Manager. I would also like to thank the County Executive, the Chief Administrative Officer, the Chief of Staff, and the County Council for their leadership and unwavering support in attaining the highest standards of professionalism in the management of Anne Arundel County's finances.

Sincerely,



Billie Penley
Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Anne Arundel County
Maryland**

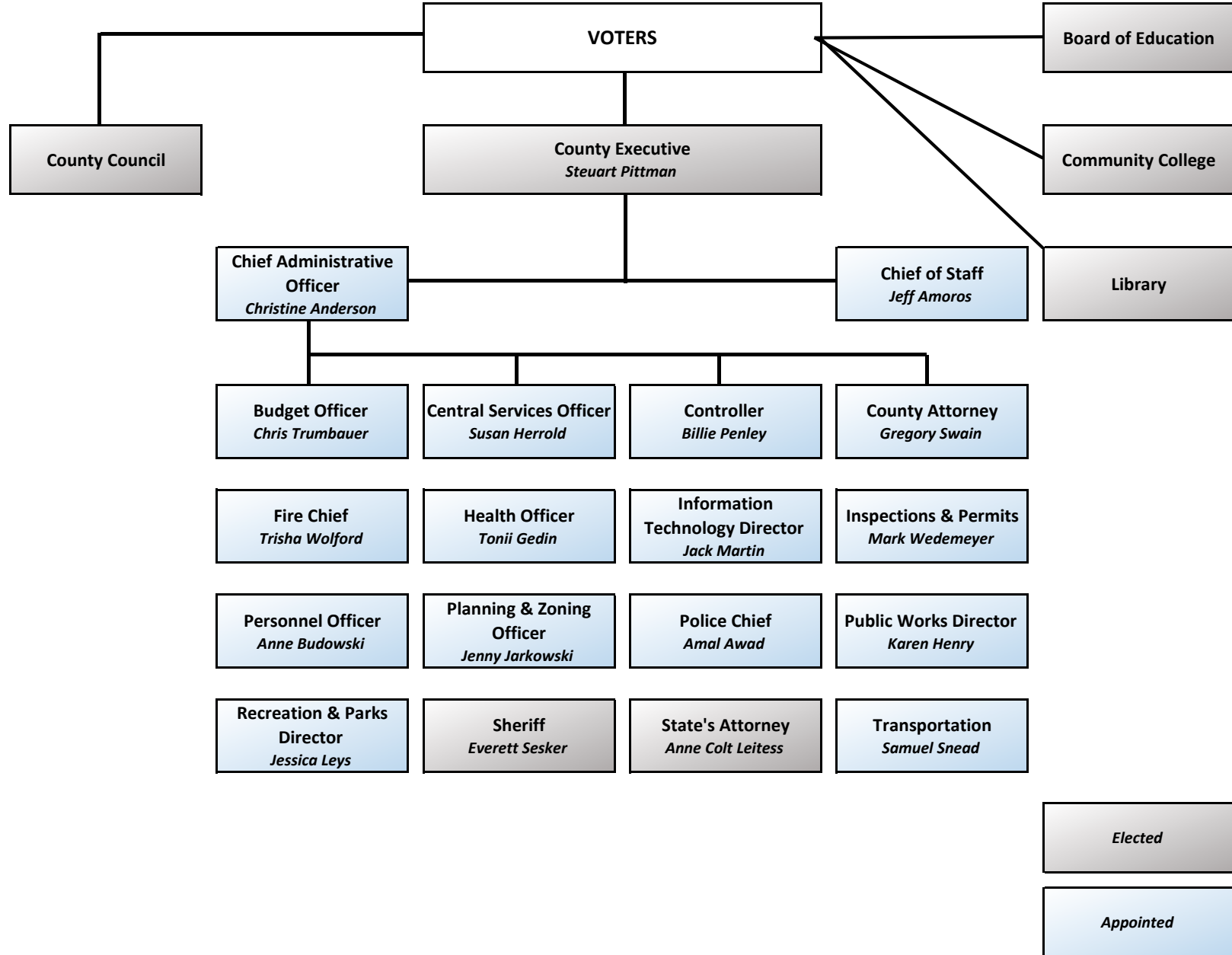
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Anne Arundel County, Maryland



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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.

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



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

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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
	<u>357,410,027</u>	<u>372,709,098</u>	<u>237,781,470</u>	<u>254,707,228</u>	<u>595,191,497</u>	<u>627,416,326</u>
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
	<u>1,908,859,751</u>	<u>1,824,563,894</u>	<u>28,122,865</u>	<u>25,048,250</u>	<u>1,936,982,616</u>	<u>1,849,612,144</u>
Total revenues	<u>2,266,269,778</u>	<u>2,197,272,992</u>	<u>265,904,335</u>	<u>279,755,478</u>	<u>2,532,174,113</u>	<u>2,477,028,470</u>
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	<u>2,183,618,128</u>	<u>1,968,339,630</u>	<u>284,113,517</u>	<u>257,655,439</u>	<u>2,467,731,645</u>	<u>2,225,995,069</u>
Increase(decrease) in net position	<u>82,651,650</u>	<u>228,933,362</u>	<u>(18,209,182)</u>	<u>22,100,039</u>	<u>64,442,468</u>	<u>251,033,401</u>
Non operating income and expense:						
County Transfer	1,398,958	1,836,177	(1,398,958)	(1,836,177)	-	-
Change in Net Position	<u>84,050,608</u>	<u>230,769,539</u>	<u>(19,608,140)</u>	<u>20,263,862</u>	<u>64,442,468</u>	<u>251,033,401</u>
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	<u>\$ (103,910,813)</u>	<u>\$ (187,961,421)</u>	<u>\$ 1,330,427,443</u>	<u>\$ 1,350,035,583</u>	<u>\$ 1,226,516,630</u>	<u>\$ 1,162,074,162</u>

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.

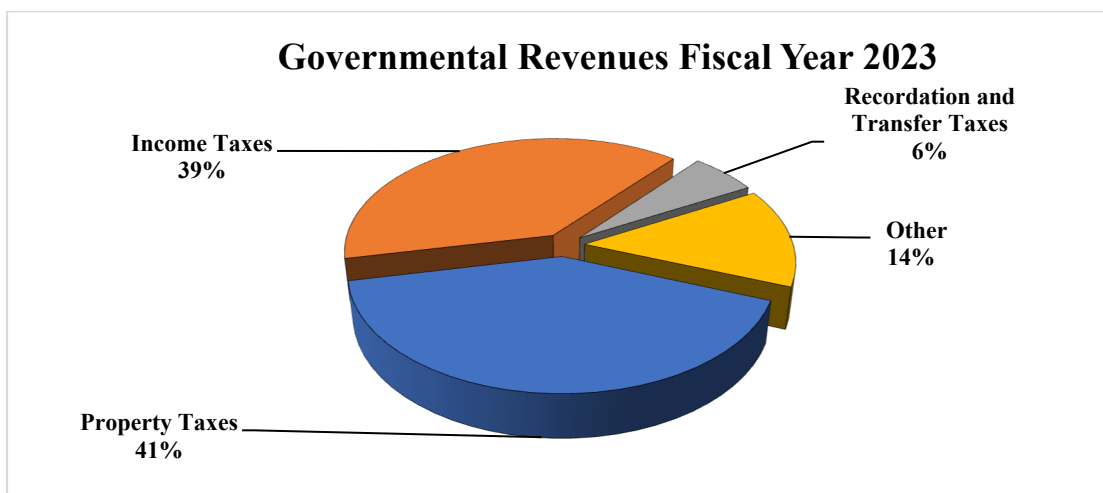
Revenues in Business-type Activities decreased by \$14 million or 5% from the prior fiscal year mainly due to decreased capital grant and contributions of \$22.5 million or 24.4%, offset by an increase of \$4.6 million or 1,102.5% in investment income compared to the prior year.

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.

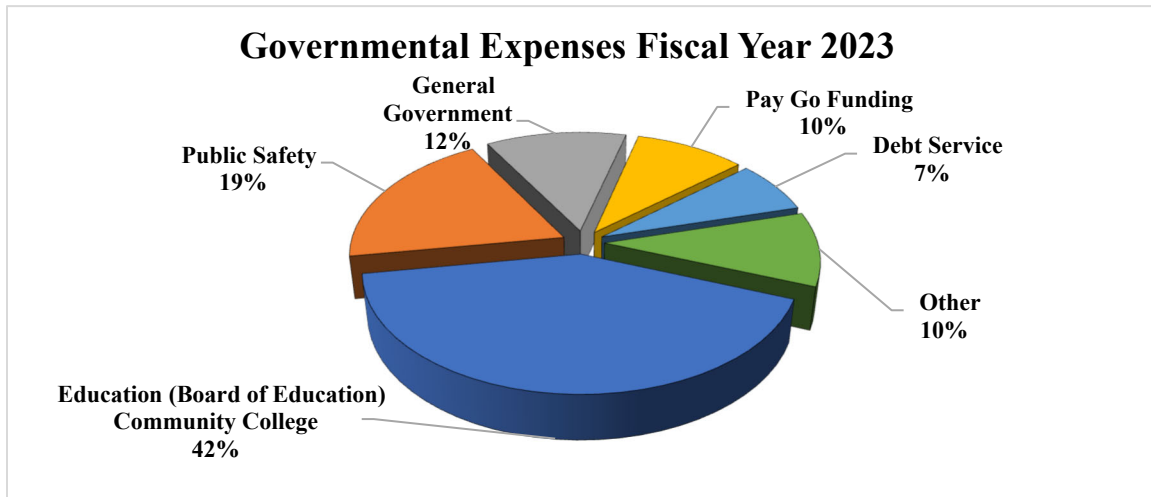
An analysis of the percentage distribution of revenues shows an increase in income tax revenue from 34.0% to 39.0% and a decrease in recordation and transfer tax revenue from 9.0% to 6.0%. Property tax revenue increased from 38.0% to 41.0% and investment income increased from -1.0% to 1.0%. Expenditure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

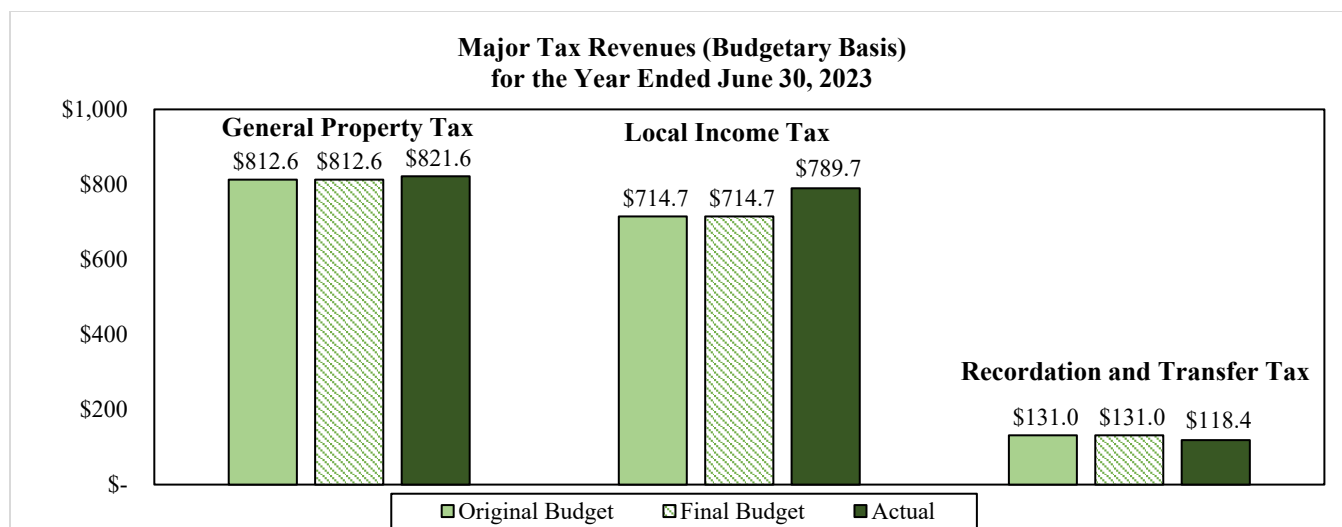
The Statement of Revenues, Expenses, and Changes in Fund Net Position for Solid Waste Operating expenses increased by \$22.4 million due to the prior year closeout of the Cell 8 landfill of \$15.3 million and removal from Landfill closing cost. In fiscal year 2023, operating expenses increased in personal 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.

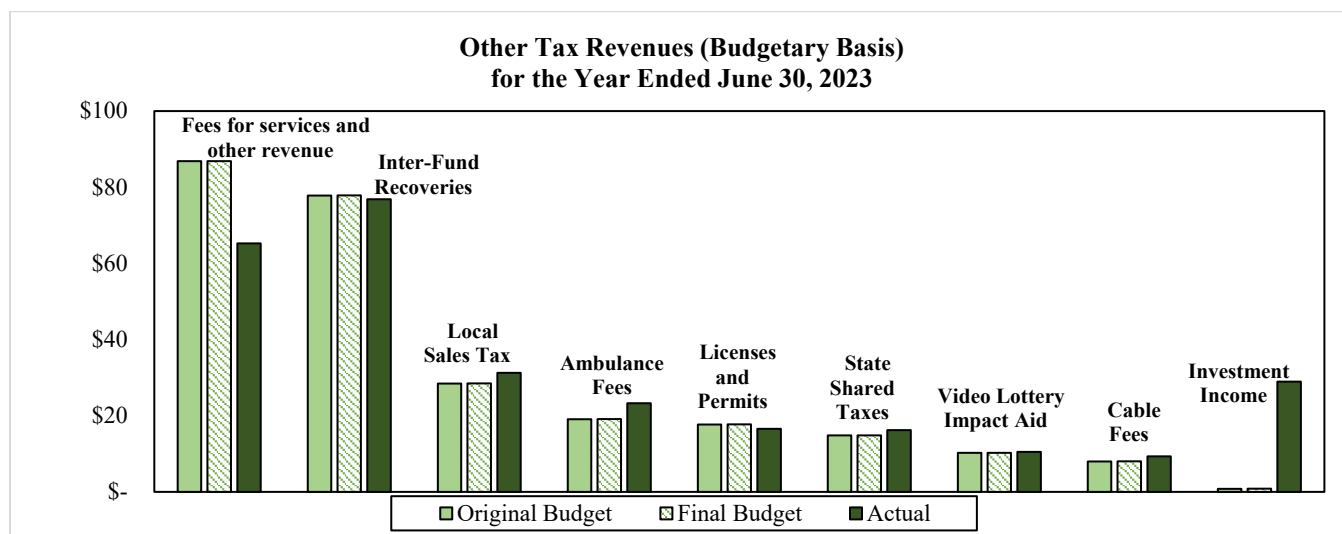
Budgetary Variations

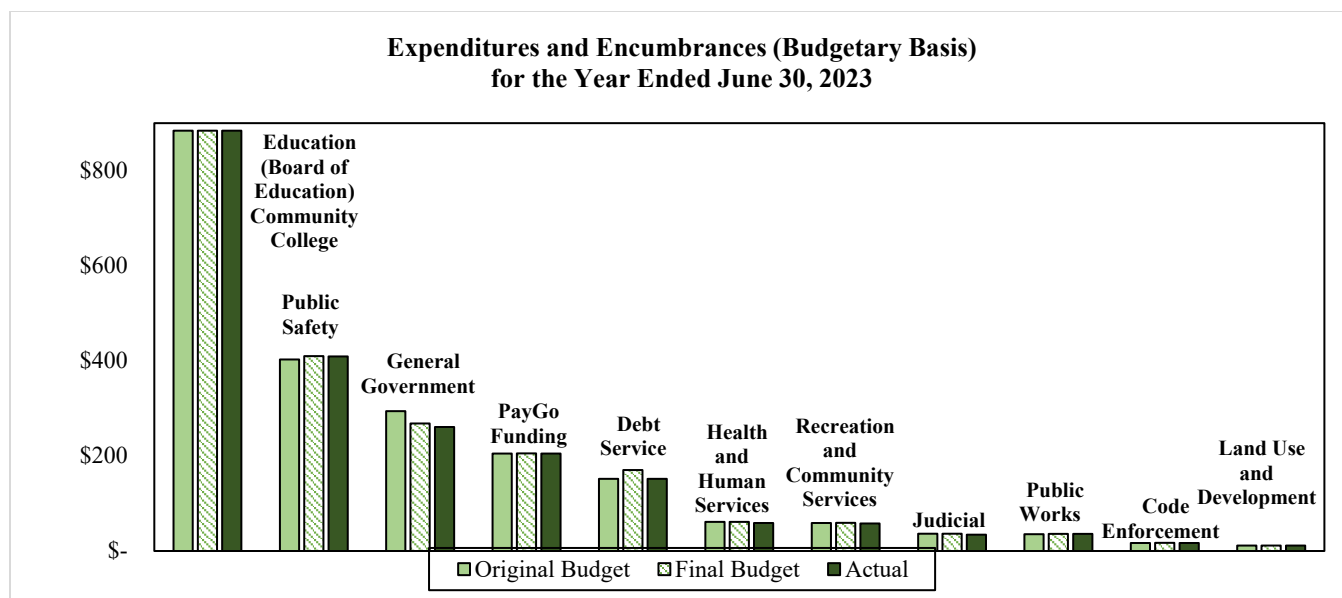
The budgetary statements of the General Fund show actual revenues of \$2 billion compared to budgeted amounts of \$1.9 billion, resulting in \$112.7 million more revenue than anticipated from local income and property taxes.



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**

		<u>Total Depreciable Capital Assets</u>	<u>Less Accumulated Depreciation</u>	<u>Net Depreciable Capital Assets</u>	<u>Accumulated Depreciation as a Percent of Total</u>
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.

Basic Financial Statements

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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.

Functions / Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Discretely Presented Component Units		
					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)	-	-	-
	<u>2,183,618,128</u>	<u>199,390,887</u>	<u>111,667,527</u>	<u>46,351,613</u>	<u>(1,826,208,101)</u>	<u>-</u>	<u>(1,826,208,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>
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)	-	-	-
	<u>284,113,517</u>	<u>168,038,762</u>	<u>-</u>	<u>69,742,708</u>	<u>-</u>	<u>(46,332,047)</u>	<u>(46,332,047)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	\$ <u>2,467,731,645</u>	\$ <u>367,429,649</u>	\$ <u>111,667,527</u>	\$ <u>116,094,321</u>	<u>(1,826,208,101)</u>	<u>(46,332,047)</u>	<u>(1,872,540,148)</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	\$ <u>1,722,307,242</u>	\$ <u>45,170,035</u>	\$ <u>324,577,563</u>	\$ <u>227,347,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(996,317,003)</u>	<u>(99,277,636)</u>	<u>(29,617,487)</u>
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					<u>1,910,258,709</u>	<u>26,723,907</u>	<u>1,936,982,616</u>	<u>1,290,668,785</u>	<u>98,757,480</u>	<u>29,708,194</u>
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)					<u>(187,961,421)</u>	<u>1,350,035,583</u>	<u>1,162,074,162</u>	<u>(935,857,602)</u>	<u>152,456,808</u>	<u>(10,502,509)</u>
Net position, June 30	\$ <u>(103,910,813)</u>	\$ <u>1,330,427,443</u>	\$ <u>1,226,516,630</u>	\$ <u>(641,505,820)</u>	<u>(103,910,813)</u>	<u>1,330,427,443</u>	<u>1,226,516,630</u>	<u>(641,505,820)</u>	<u>151,936,652</u>	<u>(10,411,802)</u>

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	Totals
	General	Grants Special Revenue	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	
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	<u>\$ 696,877,706</u>	<u>\$ 68,352,347</u>	<u>\$ 120,786,884</u>	<u>\$ 292,044,484</u>	<u>\$ 157,030,591</u>	<u>\$ 1,335,092,012</u>
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	<u>66,506,626</u>	<u>67,511,463</u>	<u>89,108</u>	<u>72,915,692</u>	<u>14,369,772</u>	<u>221,392,661</u>
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	<u>162,734,431</u>	<u>19,670,223</u>	<u>-</u>	<u>5,563,607</u>	<u>26,172,337</u>	<u>214,140,598</u>
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	<u>467,636,649</u>	<u>(18,829,339)</u>	<u>120,697,776</u>	<u>213,565,185</u>	<u>116,488,482</u>	<u>899,558,753</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 696,877,706</u>	<u>\$ 68,352,347</u>	<u>\$ 120,786,884</u>	<u>\$ 292,044,484</u>	<u>\$ 157,030,591</u>	<u>\$ 1,335,092,012</u>

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 governmental 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	<u>5,071,242</u>
Total net position (deficit) for governmental activities as shown on Statement of Net Position	\$ <u>(103,910,813)</u>

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	Impact Fees	General County	Governmental	
		Special Revenue	Capital Projects	Capital Projects	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	\$ <u>84,050,608</u>

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

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	<u>1,895,078,500</u>	<u>1,895,078,500</u>	<u>2,007,787,515</u>	<u>112,709,015</u>
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	<u>2,157,450,500</u>	<u>2,157,450,500</u>	<u>2,124,712,626</u>	<u>32,737,874</u>
Revenues over (under) expenditures	\$ <u>(262,372,000)</u>	\$ <u>(262,372,000)</u>	(116,925,111)	\$ <u>145,446,889</u>
Fund balances, budgetary, July 1			<u>371,796,246</u>	
Fund balances, budgetary, June 30			<u>\$ 254,871,135</u>	
Fund balance - GAAP Basis				
Non-spendable			\$ 467,636,649	
Restricted			(4,795,981)	
Assigned			(21,547,484)	
Unassigned - Revenue reserve allocation			(168,906,742)	
			(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			<u>7,564,116</u>	
Unassigned - Non-GAAP basis			<u>106,730,010</u>	
Assigned for subsequent years			<u>148,141,125</u>	
Fund balance - budgetary basis			<u>\$ 254,871,135</u>	

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)
	<u>103,779,800</u>	<u>125,771,132</u>	<u>83,346,677</u>	<u>(42,424,455)</u>
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
	<u>103,779,800</u>	<u>125,771,132</u>	<u>85,499,354</u>	<u>40,271,778</u>
Revenues over (under) expenditures	\$ <u>-</u>	\$ <u>-</u>	(2,152,677)	\$ <u>(2,152,677)</u>
Partnership Fund balance, budgetary, July 1			191,978	
Fund balance, budgetary, July 1			<u>(9,572,605)</u>	
Fund balance, budgetary, June 30			\$ <u>(11,533,304)</u>	

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	<u>(1,344,957)</u>
Revenues over (under) expenditures Budgetary Basis	\$ <u>(2,152,677)</u>

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

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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	\$ 55,660,922

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.

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Non-major Fund		Internal Service Funds
	Water and Wastewater	Solid Waste	Child Care	Totals	
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)

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Non-major Fund	Totals	Internal Service Funds
	Water and Wastewater	Solid Waste	Child Care		
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	<u>2,593,728,255</u>	<u>31,515,165</u>
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	<u>33,959,833</u>	<u>5,399,137</u>
Deposits on hand	<u>172,928</u>	<u>-</u>
Total assets	<u>2,718,889,957</u>	<u>36,914,302</u>
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	<u>91,028,941</u>	<u>-</u>
Total liabilities	<u>123,370,261</u>	<u>9,810,155</u>
NET POSITION		
Restricted for:		
Pension	2,107,729,728	-
OPEB	487,789,968	-
Custodial Funds	-	27,104,147
Total net position	<u>\$ 2,595,519,696</u>	<u>\$ 27,104,147</u>

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.

Anne Arundel County, Maryland
Notes to Basic Financial Statements
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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 \(aacounty.org\)](http://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.

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:

<u>Category</u>	<u>Years</u>	<u>Category</u>	<u>Years</u>
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	
Roads and bridges	17 – 30	systems	5 – 7
Landfills	15 – 20	Automobiles and small rolling stock	5

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.

<u>GASB Effective</u> <u>Statement No.</u>	<u>GASB Accounting Standard Fiscal</u>	<u>Effective</u> <u>Fiscal Year</u>
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:

	<u>General Fund</u>
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	\$ <u>(83,900,843)</u>

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	-	-	
	<u>\$ 1,502,274,909</u>	<u>\$ 1,173,633,339</u>	<u>\$ 314,152,569</u>	<u>\$ 12,912,103</u>	<u>\$ 1,576,898</u>	
Component units						
Board of Education						
Investment Type						
Money market pools	\$ 169,128,493	\$ 169,128,493	\$ -	\$ -	\$ -	
	<u>\$ 169,128,493</u>	<u>\$ 169,128,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Community College						
Investment Type						
Money market pools	\$ 27,653,478	\$ 27,653,478	\$ -	\$ -	\$ -	
	<u>\$ 27,653,478</u>	<u>\$ 27,653,478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Other non-major component units						
Investment Type						
Money market pools	\$ 338	\$ 338	\$ -	\$ -	\$ -	
	<u>\$ 338</u>	<u>\$ 338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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 Type	Fair Value	Investment Maturities (in Years)			
		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.

Anne Arundel County, Maryland
Notes to the Financial Statements

		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						
	Total	Standard & Poor's Credit Ratings			NR	
		AAA-A	BBB-B	CCC-C		
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

		Quoted Prices in Active Markets for Identical Assets		Significant Other Observable Inputs	Significant Unobservable Inputs
Primary Government Investment Type	Fair Value	Level 1	Level 2	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	-	-	-
	<u>\$ 1,246,474,228</u>	<u>\$ 965,926,206</u>	<u>\$ 280,548,022</u>	<u>\$ -</u>	<u>-</u>

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.

Anne Arundel County, Maryland
Notes to the Financial Statements

Pension System Assets at Fair Value December 31, 2022

Assets at Fair Value December 31, 2022		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investment Type	Fair Value	(Level 1)	(Level 2)	(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	-	-
	<u>\$ 15,853,486</u>	<u>\$ 15,853,486</u>	<u>\$ -</u>	<u>\$ -</u>
Bond funds	3,670,802	3,670,802	-	-
Equity securities	37,566	37,566	-	-
	<u>\$ 19,561,854</u>	<u>\$ 19,561,854</u>	<u>\$ -</u>	<u>\$ -</u>

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		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Type	Total Fair Value			
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	<u>\$ 444,270,829</u>	<u>\$ 444,270,829</u>	<u>\$ -</u>	<u>\$ -</u>
Assets at Net Asset Value June 30, 2023				
Investment Type	Net Asset Value			
Real estate (REIT) fund	<u>\$ 26,096,037</u>			
Total at net asset value	26,096,037			
Investments measured at amortized cost				
Money Market pool	14,663,320			
Total Investments	<u>\$ 485,030,186</u>			

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:

Anne Arundel County, Maryland
Notes to the Financial Statements

Category	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
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
<i>Capital assets being depreciated (as restated):</i>				
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
<i>Less accumulated depreciation/amortization for:</i>				
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:				
<i>Capital assets not being depreciated:</i>				
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
<i>Capital assets being depreciated:</i>				
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
<i>Less accumulated depreciation/amortization for:</i>				
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

Anne Arundel County, Maryland
Notes to the Financial Statements

Category	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Board of Education:				
<i>Capital assets not being depreciated:</i>				
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
<i>Capital assets being depreciated:</i>				
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
<i>Less accumulated depreciation for:</i>				
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:				
<i>Capital assets not being depreciated (as restated):</i>				
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
<i>Capital assets being depreciated (as restated):</i>				
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
<i>Less accumulated depreciation for (as restated):</i>				
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.

Anne Arundel County, Maryland
Notes to the Financial Statements

Category	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Other non-major:				
<i>Capital assets being depreciated:</i>				
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	<u>48,349,535</u>	<u>8,771,245</u>	<u>(5,385,018)</u>	<u>51,735,762</u>
<i>Less accumulated depreciated for:</i>				
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	<u>(17,812,234)</u>	<u>(3,930,852)</u>	<u>2,469,419</u>	<u>(19,273,667)</u>
Total capital assets, being depreciated, n	<u>30,537,301</u>	<u>4,840,393</u>	<u>(2,915,599)</u>	<u>32,462,095</u>
Total other non-major, net	<u>\$ 30,537,301</u>	<u>\$ 4,840,393</u>	<u>\$ (2,915,599)</u>	<u>\$ 32,462,095</u>

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.

<i>Governmental activities:</i>		<i>Business-type activities:</i>	
Public safety	\$ 13,667,849	Water and wastewater	\$ 69,266,812
General government	23,546,940	Solid Waste	<u>3,596,747</u>
Health and human services	2,765,613		<u>\$ 72,863,559</u>
Public works	25,867,371	<i>Component units:</i>	
Recreation and community services	12,840,332	Board of Education	\$ 69,256,633
Judicial	1,461,562	Community College	11,707,987
Code enforcement	37,921	Library System	2,364,235
Land use and development	89,864	Economic Development Corp	49,103
	<u>\$ 80,277,452</u>	Tipton Airport Authority	911,308
		Workforce Development	606,206
			<u>\$ 84,895,472</u>

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
		<u>\$ 46,131,264</u>	

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
		<u>\$ 413,289,695</u>	

Transfer Out	Transfers In				
	<u>General Fund</u>	<u>Grants Special Revenue</u>	<u>General County Capital Projects</u>	<u>Non-Major Governmental</u>	<u>Total</u>
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.

<u>Originating Fund</u>	<u>Recipient Fund</u>	<u>Amount</u>
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
		<u>\$ 1,398,958</u>

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

<u>Entity with Receivable</u>	<u>Entity with Payable</u>	<u>Amount</u>
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
		<u>\$ 58,342,489</u>

Primary Government Expenditures

<u>Originating Entity</u>	<u>Recipient Entity</u>	<u>Amount</u>
Primary Government	Board of Education	\$ 954,355,035
Primary Government	Community College	55,233,228
Primary Government	Other Non-major	31,390,864
		<u>\$ 1,040,979,127</u>

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 Title 10, Subtitle 1, 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 June 30,	Governmental		Business-type	
	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
	<u>\$ 1,501,117,041</u>	<u>\$ 741,152,968</u>	<u>\$ 813,198,910</u>	<u>\$ 415,886,652</u>

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,			Year Ending June 30,		
	Principal	Interest		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		<u>\$ 56,780,000</u>	<u>\$ 12,967,847</u>

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		Year Ending	
June 30,	Principal	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		<u>\$ 1,681,761</u>

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			Year Ending		
June 30,	Principal	Interest	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	<u>1,487,000</u>	<u>202,976</u>
2027	20,000	713,799			
2028	8,880,000	712,683		<u>\$ 13,425,000</u>	<u>\$ 5,228,461</u>

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%	<u>4,813,912</u>	<u>1,681,761</u>
Total governmental activities			<u>2,168,124,865</u>	<u>1,573,003,802</u>
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%	<u>57,308,963</u>	<u>42,992,958</u>
Total business-type activities			<u>1,080,378,923</u>	<u>813,198,910</u>
			<u>\$ 3,248,503,788</u>	<u>\$ 2,386,202,712</u>

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	-
	<u>1,614,314,999</u>	<u>770,205,952</u>
Legal debt margin	<u>\$ 3,936,479,604</u>	<u>\$ 4,750,173,195</u>

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
				<u>\$ 5,800,000</u>	

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	<u>1,754,442,402</u>	<u>195,017,965</u>	<u>178,726,241</u>	<u>1,770,734,126</u>	<u>126,161,276</u>
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	<u>1,917,902,245</u>	<u>371,340,280</u>	<u>342,934,276</u>	<u>1,946,308,249</u>	<u>187,900,964</u>
Total governmental activities	<u>\$ 1,917,902,245</u>	<u>\$ 371,340,280</u>	<u>\$ 342,934,276</u>	<u>\$ 1,946,308,249</u>	<u>\$ 187,900,964</u>
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	<u>894,303,204</u>	<u>104,687,218</u>	<u>78,436,543</u>	<u>920,553,879</u>	<u>53,663,701</u>
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	<u>899,232,136</u>	<u>107,585,987</u>	<u>83,223,702</u>	<u>923,594,421</u>	<u>56,595,529</u>
Total business-type activities	<u>\$ 899,232,136</u>	<u>\$ 107,585,987</u>	<u>\$ 83,223,702</u>	<u>\$ 923,594,421</u>	<u>\$ 56,595,529</u>

* 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:

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Component Unit Library</u>
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	<u>3,662,630</u>	<u>-</u>	<u>3,662,630</u>	<u>-</u>
	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	<u>(469,103)</u>	<u>-</u>	<u>(469,103)</u>	<u>-</u>
	(9,545,036)	(86,922)	(9,631,958)	(436,625)
	<u>\$ 43,177,819</u>	<u>\$ 93,513</u>	<u>\$ 43,271,332</u>	<u>\$ 1,137,245</u>

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		Total
	Governmental	Business-Type	
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:

Fiscal Year	Governmental Activities		
	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
	<u>\$ 3,957,609</u>	<u>\$ 521,364</u>	<u>\$ 4,478,973</u>

Fiscal Year	Business-Type Activities		
	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
	<u>\$ 3,454,746</u>	<u>\$ 32,722</u>	<u>\$ 3,487,468</u>

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:		Total
	Principal	Interest	
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	<u>\$18,131,782</u>	<u>\$1,451,742</u>	<u>\$19,583,524</u>

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	Totals
	General	Grants Special Revenue	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	
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	\$ <u>174,754,174</u>

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:

	Business-Type Activities - Enterprise Funds					
	Governmental Activities	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 *			Component Units			
	Self Insurance	Central Garage & Transportation	Totals	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

Employees Plan - 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 retiree’s benefits allowance will be computed. Some of these options require actuarial reductions based on the retiree’s 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
Financial 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	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
	<u>\$ 79,527,729</u>	<u>\$ 83,450,576</u>

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:

Anne Arundel County, Maryland
Notes to the Financial Statements

	Employees'	Police Service	Fire Service	Detention Officers'	
	Retirement Plan	Retirement Plan	Retirement Plan	and Deputy Sheriffs'	Total
	Retirement Plan	Retirement Plan	Retirement Plan	Retirement Plan	
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	<u>\$ 421,365,702</u>	<u>\$ 331,291,350</u>	<u>\$ 250,695,622</u>	<u>\$ 84,830,087</u>	<u>\$ 1,088,182,761</u>
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**

Asset Class	30-Year Geometric Forecast	
	(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 Current)	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 (Treasury, 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:

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Employees' Plan			
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 position are considered immaterial.

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Police Service Plan			
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 position are considered immaterial.

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Fire Service Plan			
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	<u>49,104,912</u>	<u>(75,668,543)</u>	<u>124,773,455</u>
Balances at 12/31/22	<u>\$ 867,959,209</u>	<u>\$ 617,263,587</u>	<u>\$ 250,695,622</u>

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 position are considered immaterial.

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Detention Officers and Deputy Sheriffs' Plan			
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	<u>8,620,418</u>	<u>(19,858,560)</u>	<u>28,478,978</u>
Balances at 12/31/22	<u>\$ 256,150,110</u>	<u>\$ 171,320,023</u>	<u>\$ 84,830,087</u>

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 position 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'	Police Service	Fire Service	Detention Officers'	Total Pension
	Retirement Plan	Retirement Plan	Retirement Plan	and Deputy Sheriffs'	System
	Retirement Plan	Retirement Plan	Retirement Plan	Retirement Plan	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:

Anne Arundel County, Maryland
Notes to the Financial Statements

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:

<u>Fiscal Year</u>	<u>Appropriation</u>
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:	\$ <u>(508,513)</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Changes of assumptions	\$ 3,810,561
Contributions subsequent to measurement date	<u>392,325</u>
Subtotal of deferred outflows	<u>4,202,886</u>
DEFERRED INFLOWS OF RESOURCES:	
Differences between expected and actual experience	(3,715,370)
Changes of assumptions	<u>(5,112,829)</u>
Subtotal of deferred inflows	<u>(8,828,199)</u>
Total Deferred Activity	\$ <u>(4,625,313)</u>
LOSAP liability	\$ <u>15,129,475</u>

* 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

	<u>County Plan</u>	<u>College Plan</u>	<u>Library Plan</u>
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%	6.30%	6.30%
	Long-term expected return based on trust assets	Long-term expected return based on trust assets	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	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(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	<u>\$ 593,090</u>	<u>\$ 61,398</u>	<u>\$ 36,647</u>	<u>\$ 691,135</u>

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	<u>\$ 593,090</u>	<u>\$ 61,398</u>	<u>\$ 36,647</u>	<u>\$ 691,135</u>

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

<u>Asset Class</u>	<u>30-Year Geometric Forecast (Nominal Returns)</u>	<u>30-Year Geometric Forecast (Real Returns)</u>
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 (Treasury, 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	<u>\$ 64,753,680</u>	<u>\$ 60,360,274</u>

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 completed 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
	<u>93,056,897</u>	<u>19,864,663</u>	<u>112,921,560</u>
Less:			
Amount recognized thru June 30, 2022	<u>58,088,622</u>	<u>19,864,663</u>	<u>77,953,285</u>
Costs remaining to be recognized	<u>\$ 34,968,275</u>	<u>\$ -</u>	<u>\$ 34,968,275</u>
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	<u>18,338,089</u>	<u>1,429,334</u>	<u>19,767,423</u>
Total Liability	<u>\$ 19,435,213</u>	<u>\$ 1,700,944</u>	<u>\$ 21,136,157</u>

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.

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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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)									
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)	<u>\$ 1,122,511</u>	<u>\$ 1,077,191</u>	<u>\$ 998,524</u>	<u>\$ 973,356</u>	<u>\$ 901,748</u>	<u>\$ 868,564</u>	<u>\$ 830,383</u>	<u>\$ 812,570</u>	<u>\$ 798,349</u>
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)	<u>\$ 701,145</u>	<u>\$ 803,076</u>	<u>\$ 718,990</u>	<u>\$ 690,383</u>	<u>\$ 620,587</u>	<u>\$ 670,226</u>	<u>\$ 592,099</u>	<u>\$ 564,283</u>	<u>\$ 583,936</u>
County's net pension liability - ending (a)-(b)	<u>\$ 421,366</u>	<u>\$ 274,115</u>	<u>\$ 279,535</u>	<u>\$ 282,973</u>	<u>\$ 281,161</u>	<u>\$ 198,337</u>	<u>\$ 238,284</u>	<u>\$ 248,287</u>	<u>\$ 214,413</u>
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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)									
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)	<u>\$ 949,293</u>	<u>\$ 898,695</u>	<u>\$ 810,929</u>	<u>\$ 759,569</u>	<u>\$ 722,742</u>	<u>\$ 697,482</u>	<u>\$ 664,978</u>	<u>\$ 643,773</u>	<u>\$ 621,870</u>
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)	<u>\$ 618,001</u>	<u>\$ 696,773</u>	<u>\$ 613,859</u>	<u>\$ 581,734</u>	<u>\$ 516,505</u>	<u>\$ 553,461</u>	<u>\$ 486,520</u>	<u>\$ 463,225</u>	<u>\$ 479,988</u>
County's net pension liability - ending (a)-(b)	<u>\$ 331,292</u>	<u>\$ 201,921</u>	<u>\$ 197,071</u>	<u>\$ 177,835</u>	<u>\$ 206,237</u>	<u>\$ 144,020</u>	<u>\$ 178,458</u>	<u>\$ 180,547</u>	<u>\$ 141,882</u>
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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)									
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)	<u>\$ 867,959</u>	<u>\$ 818,854</u>	<u>\$ 728,904</u>	<u>\$ 691,562</u>	<u>\$ 652,014</u>	<u>\$ 623,144</u>	<u>\$ 598,836</u>	<u>\$ 580,860</u>	<u>\$ 574,748</u>
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)	<u>\$ 617,263</u>	<u>\$ 692,932</u>	<u>\$ 609,696</u>	<u>\$ 575,887</u>	<u>\$ 509,828</u>	<u>\$ 548,211</u>	<u>\$ 485,690</u>	<u>\$ 468,239</u>	<u>\$ 489,767</u>
County's net pension liability - ending (a)-(b)	<u>\$ 250,695</u>	<u>\$ 125,922</u>	<u>\$ 119,208</u>	<u>\$ 115,675</u>	<u>\$ 142,185</u>	<u>\$ 74,933</u>	<u>\$ 113,146</u>	<u>\$ 112,621</u>	<u>\$ 84,981</u>
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)	<u>\$ 256,150</u>	<u>\$ 247,530</u>	<u>\$ 223,881</u>	<u>\$ 213,234</u>	<u>\$ 200,706</u>	<u>\$ 188,562</u>	<u>\$ 175,569</u>	<u>\$ 166,990</u>	<u>\$ 155,156</u>
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)	<u>\$ 171,320</u>	<u>\$ 191,179</u>	<u>\$ 167,431</u>	<u>\$ 155,083</u>	<u>\$ 134,908</u>	<u>\$ 141,369</u>	<u>\$ 120,339</u>	<u>\$ 110,760</u>	<u>\$ 111,368</u>
County's net pension liability - ending (a)-(b)	<u>\$ 84,830</u>	<u>\$ 56,351</u>	<u>\$ 56,450</u>	<u>\$ 58,151</u>	<u>\$ 65,798</u>	<u>\$ 47,193</u>	<u>\$ 55,230</u>	<u>\$ 56,230</u>	<u>\$ 43,788</u>
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
Actuarially determined contribution	\$ 32,983	\$ 33,071	\$ 26,126	\$ 23,675	\$ 22,513	\$ 21,355	\$ 20,507	\$ 20,315	\$ 18,805	\$ 18,934
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
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
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%
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 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 of Actuarially Determined Contributions:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years for State system
Asset Valuation 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-dimensional) 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
Amortizatoin 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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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% 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:	6.8%
Retirement age	Experience-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 MSRP experience with generational projections using MP-2018 (2-dimensional) 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% 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	6.8%
Retirement age	Experience-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 MSRP 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)	<u>\$ 43,898</u>	<u>\$ 79,657</u>	<u>\$ 106,907</u>	<u>\$ 105,130</u>	<u>\$ 78,467</u>	<u>\$ 47,228</u>	<u>\$ 64,977</u>
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)	<u>\$ 23,699</u>	<u>\$ 18,368</u>	<u>\$ 18,380</u>	<u>\$ 12,106</u>	<u>\$ 11,916</u>	<u>\$ 9,250</u>	<u>\$ 6,710</u>
College's net OPEB liability - ending (a)-(b)	<u>\$ 20,199</u>	<u>\$ 61,289</u>	<u>\$ 88,527</u>	<u>\$ 93,024</u>	<u>\$ 66,551</u>	<u>\$ 37,978</u>	<u>\$ 58,267</u>
Fiduciary net position as a percentage of							
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)	<u>\$ 20,021</u>	<u>\$ 41,216</u>	<u>\$ 52,672</u>	<u>\$ 49,984</u>	<u>\$ 42,867</u>	<u>\$ 24,838</u>	<u>\$ 34,439</u>
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)	<u>\$ 6,214</u>	<u>\$ 4,593</u>	<u>\$ 3,825</u>	<u>\$ 1,216</u>	<u>\$ 1,087</u>	<u>\$ 807</u>	<u>\$ 361</u>
Library's net OPEB liability - ending (a)-(b)	<u>\$ 13,807</u>	<u>\$ 36,623</u>	<u>\$ 48,847</u>	<u>\$ 48,768</u>	<u>\$ 41,780</u>	<u>\$ 24,031</u>	<u>\$ 34,078</u>
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	<u>\$ 15,129</u>	<u>\$ 21,313</u>	<u>\$ 21,427</u>	<u>\$ 18,968</u>	<u>\$ 16,593</u>	<u>\$ 18,953</u>	<u>\$ 18,194</u>	
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) There 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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**Combining Fund Statements,
Budgetary Schedules, and
Other Supporting Schedules**

General Fund Budget Detail

The General Fund includes the budgets to pay for police and fire protection, maintain roads and plow the snow, operate the detention centers, provide grants to community social service agencies and a host of other activities, including the County's contribution toward the operation of the County schools, community college and library system. The revenue to support the general fund comes primarily from local property and income taxes.

General Fund - Detail Schedule of Revenues

General Fund - Detail Schedule of Appropriations, Expenditures, and Encumbrances

Separately budgeted General Fund component funds

County Parking Garage – This fund accounts for the operation of the County's Whitmore Parking Garage located near the Arundel Center. It was established based on an agreement with the State of Maryland. The County owns the garage and the County and State pay for their respective spaces and share proportionately in any profit available at the end of each fiscal year.

Permanent Public Improvements – This revenue reserve fund is used solely as a funding source for permanent public improvements in the Capital Budget, including the payment/reimbursement of debt service on bonds and notes.

Inmate Benefit and Morale – This fund accumulates revenues designated for the benefit and morale of inmates at the County's two detention centers.

Impact Fees Capital Projects Fund Budget Detail

The Impact Fees Capital Projects Fund accounts for impact fees collected from developers to pay a share of the cost of schools, road capacity improvements and public safety necessitated by development. Appropriations are budgeted in the Impact Fees Capital Projects Fund to allow for transfer of funds to General County Capital Projects as eligible expenditures are incurred and to reimburse the General Fund for debt service related to impact fee projects.

Anne Arundel County, Maryland

Detail Schedule of Revenues - Estimated and Actual (Non-GAAP Basis)

General Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
GENERAL PROPERTY TAXES				
Real and personal taxes	\$ 811,205,700	\$ 811,205,700	\$ 820,575,501	\$ 9,369,801
Interest and penalties	1,427,200	1,427,200	1,074,098	(353,102)
	<u>812,632,900</u>	<u>812,632,900</u>	<u>821,649,599</u>	<u>9,016,699</u>
LOCAL INCOME TAXES	<u>714,700,000</u>	<u>714,700,000</u>	<u>789,717,002</u>	<u>75,017,002</u>
STATE SHARED TAXES				
Highway user	7,037,900	7,037,900	6,707,233	(330,667)
Admissions	7,800,000	7,800,000	9,505,060	1,705,060
Auto-boat	5,000	5,000	3,130	(1,870)
	<u>14,842,900</u>	<u>14,842,900</u>	<u>16,215,423</u>	<u>1,372,523</u>
RECORDATION AND TRANSFER TAXES				
Recordation	64,000,000	64,000,000	55,047,230	(8,952,770)
Transfer	67,000,000	67,000,000	63,305,487	(3,694,513)
	<u>131,000,000</u>	<u>131,000,000</u>	<u>118,352,717</u>	<u>(12,647,283)</u>
LOCAL SALES TAXES				
Electricity	4,680,000	4,680,000	4,643,556	(36,444)
Gas	790,000	790,000	812,737	22,737
Telephone	4,300,000	4,300,000	3,789,105	(510,895)
Fuel	48,000	48,000	44,871	(3,129)
Hotel-motel	13,000,000	13,000,000	16,003,859	3,003,859
Parking	5,200,000	5,200,000	5,311,173	111,173
Gross receipt tax - heavy equipment	450,000	450,000	622,203	172,203
	<u>28,468,000</u>	<u>28,468,000</u>	<u>31,227,504</u>	<u>2,759,504</u>

Anne Arundel County, Maryland

Detail Schedule of Revenues - Estimated and Actual (Non-GAAP Basis)

General Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
LICENSES AND PERMITS				
Amusements	\$ 142,000	\$ 142,000	\$ 160,870	\$ 18,870
Special events	5,000	5,000	8,000	3,000
Beer, wine, liquor	1,100,000	1,100,000	817,426	(282,574)
Trade licenses	261,500	261,500	261,995	495
Traders	780,000	780,000	835,561	55,561
Permits	10,511,500	10,511,500	10,079,465	(432,035)
Fines	45,400	45,400	100,787	55,387
Mobile home parks	31,600	31,600	26,605	(4,995)
Taxicabs	53,500	53,500	28,100	(25,400)
Animal control	206,000	206,000	162,096	(43,904)
Other	2,556,800	2,556,800	2,263,185	(293,615)
Health department	1,036,000	1,036,000	895,815	(140,185)
Public space	978,700	978,700	910,047	(68,653)
	<u>17,708,000</u>	<u>17,708,000</u>	<u>16,549,952</u>	<u>(1,158,048)</u>
AMBULANCE FEES	<u>19,100,000</u>	<u>19,100,000</u>	<u>23,263,395</u>	<u>4,163,395</u>
CABLE FEES	<u>8,000,000</u>	<u>8,000,000</u>	<u>9,318,677</u>	<u>1,318,677</u>
VIDEO LOTTERY IMPACT AID	<u>10,250,000</u>	<u>10,250,000</u>	<u>10,507,575</u>	<u>257,575</u>
INVESTMENT INCOME	<u>830,000</u>	<u>830,000</u>	<u>28,940,153</u>	<u>28,110,153</u>
INTER-FUND RECOVERIES	<u>77,812,500</u>	<u>77,812,500</u>	<u>76,822,894</u>	<u>(989,606)</u>
OTHER REVENUES				
Health department fees	3,866,800	3,866,800	4,391,492	524,692
Certification of liens	115,000	115,000	83,760	(31,240)
Recreation and parks	12,886,400	12,886,400	13,048,877	162,477
Developers fees - street lighting	35,000	35,000	13,117	(21,883)
Sheriff	65,000	65,000	87,627	22,627
Subdivision	900,000	900,000	819,418	(80,582)
Administrative fees	376,000	376,000	326,246	(49,754)
Rental income	1,774,100	1,774,100	1,847,810	73,710
Reimbursements	31,071,600	31,071,600	29,954,525	(1,117,075)
Fines and fees	579,500	579,500	870,350	290,850
Miscellaneous	8,064,800	8,064,800	13,779,402	5,714,602
	<u>59,734,200</u>	<u>59,734,200</u>	<u>65,222,624</u>	<u>5,488,424</u>
Total revenues	<u>\$ 1,895,078,500</u>	<u>\$ 1,895,078,500</u>	<u>\$ 2,007,787,515</u>	<u>\$ 112,709,015</u>

Anne Arundel County, Maryland

Detail Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Basis)

General Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EDUCATION				
Board of Education	\$ 834,741,000	\$ 834,741,000	\$ 834,741,000	\$ -
Community College	49,427,800	49,427,800	49,349,100	78,700
	<u>884,168,800</u>	<u>884,168,800</u>	<u>884,090,100</u>	<u>78,700</u>
PUBLIC SAFETY				
Police	182,346,400	188,350,400	188,269,746	80,654
Fire	162,460,800	163,171,300	163,030,781	140,519
Office of Emergency Management	1,294,600	1,420,500	1,134,207	286,293
Detention Facilities	56,874,500	56,874,500	56,541,719	332,781
	<u>402,976,300</u>	<u>409,816,700</u>	<u>408,976,453</u>	<u>840,247</u>
GENERAL GOVERNMENT				
County Executive	5,991,300	5,991,300	5,790,095	201,205
Chief Administrative Officer	21,649,400	11,324,200	9,026,026	2,298,174
Office of Budget	1,804,400	1,804,400	1,772,499	31,901
Office of Finance	11,302,000	11,302,000	10,464,613	837,387
Office of Finance (non-departmental)	157,361,700	138,771,800	137,974,975	796,825 *
Mandated Transfers	3,110,900	3,160,900	3,221,173	(60,273) *
Office of Central Services	29,663,800	31,713,800	30,187,681	1,526,119
Office of Personnel	8,183,300	8,258,300	8,047,707	210,593
Information Technology	30,786,300	30,786,300	30,719,337	66,963
Office of Law	5,119,000	5,150,000	5,095,963	54,037
Legislative Branch	5,349,200	5,349,200	4,613,240	735,960
Ethics Commission	269,700	269,700	263,422	6,278
Board of Election Supervisors	7,509,200	7,744,200	7,566,681	177,519
Transportation	6,049,300	6,301,700	5,819,524	482,176
	<u>294,149,500</u>	<u>267,927,800</u>	<u>260,562,936</u>	<u>7,364,864</u>
HEALTH AND HUMAN SERVICES				
Health	44,902,800	44,902,800	43,205,662	1,697,138
Social Services	6,480,100	6,480,100	6,051,238	428,862
Partnership for Children Youth and Family	370,200	370,200	370,200	-
Services for Aging and Disability	9,372,500	9,372,500	9,082,925	289,575
	<u>61,125,600</u>	<u>61,125,600</u>	<u>58,710,025</u>	<u>2,415,575</u>
PUBLIC WORKS				
	<u>35,158,400</u>	<u>35,860,300</u>	<u>35,808,149</u>	<u>52,151</u>
RECREATION AND COMMUNITY SERVICES				
Recreation and Parks	31,735,800	31,735,800	30,615,564	1,120,236
Public Library System	27,207,500	27,207,500	27,207,500	-
	<u>58,943,300</u>	<u>58,943,300</u>	<u>57,823,064</u>	<u>1,120,236</u>

Anne Arundel County, Maryland

Detail Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Basis)

General Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
JUDICIAL				
States Attorney	\$ 15,104,100	15,104,100	14,786,444	\$ 317,656
Sheriffs Office	14,008,800	14,008,800	12,650,139	1,358,661
Circuit Court	7,035,300	7,035,300	6,832,652	202,648
Orphans Court	134,300	156,300	154,879	1,421
	<u>36,282,500</u>	<u>36,304,500</u>	<u>34,424,114</u>	<u>1,880,386</u>
LAND USE AND DEVELOPMENT				
Planning and Zoning	10,537,300	10,537,300	10,530,254	7,046
Office of Administrative Hearings	460,900	460,900	442,759	18,141
Cooperative Extension Service	256,100	373,600	371,675	1,925
	<u>11,254,300</u>	<u>11,371,800</u>	<u>11,344,688</u>	<u>27,112</u>
CODE ENFORCEMENT				
Inspections and Permits	15,737,500	15,737,500	15,596,266	141,234
Board of License Commissioners	1,070,200	1,070,200	936,696	133,504
	<u>16,807,700</u>	<u>16,807,700</u>	<u>16,532,962</u>	<u>274,738</u>
DEBT SERVICE	<u>151,604,100</u>	<u>170,144,000</u>	<u>151,645,135</u>	<u>18,498,865</u> *
PAY GO FUNDING - CAPITAL PROJECTS	<u>204,980,000</u>	<u>204,980,000</u>	<u>204,795,000</u>	<u>185,000</u>
Total expenditures and encumbrances	\$ <u>2,157,450,500</u>	\$ <u>2,157,450,500</u>	\$ <u>2,124,712,626</u>	\$ <u>32,737,874</u>

**Office of Finance (Non-departmental), Mandated Transfers and Debt Service are broken out on this statement but combined on the legally adopted budget.*

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

General Fund - Separately Budgeted Components

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
COUNTY PARKING GARAGE				
Revenues				
Parking fees	\$ 425,600	\$ 425,600	\$ 706,399	\$ 280,799
Other	-	-	38,185	38,185
	<u>425,600</u>	<u>425,600</u>	<u>744,584</u>	<u>318,984</u>
Expenditures				
General government	425,600	425,600	293,809	131,791
Interfund reimbursement	-	-	131,791	(131,791)
	<u>425,600</u>	<u>425,600</u>	<u>425,600</u>	<u>-</u>
Revenues over (under) expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>318,984</u>	\$ <u>318,984</u>
PERMANENT PUBLIC IMPROVEMENTS				
Revenues				
Investment income	\$ 100,000	\$ 100,000	\$ 547,484	\$ 447,484
Other	21,000,000	21,000,000	21,000,000	-
	<u>21,100,000</u>	<u>21,100,000</u>	<u>21,547,484</u>	<u>447,484</u>
Expenditures				
Education	2,436,419	2,436,419	2,436,408	11
Public safety	118,665	118,665	118,665	-
Transportation	84,816	84,816	84,816	-
	<u>2,639,900</u>	<u>2,639,900</u>	<u>2,639,889</u>	<u>11</u>
Revenues over (under) expenditures	\$ <u>18,460,100</u>	\$ <u>18,460,100</u>	\$ <u>18,907,595</u>	\$ <u>447,495</u>
INMATE BENEFIT AND MORALE				
Revenues				
Commissary sales	\$ 650,000	\$ 650,000	\$ 632,253	\$ (17,747)
Commissions and fees	760,000	760,000	923,996	163,996
Investment income	20,000	20,000	11,646	(8,354)
Other	-	-	-	-
	<u>1,430,000</u>	<u>1,430,000</u>	<u>1,567,895</u>	<u>137,895</u>
Expenditures				
Commissary purchases	650,000	650,000	653,361	(3,361)
Inmate benefits/morale	897,700	897,700	792,416	105,284
	<u>1,547,700</u>	<u>1,547,700</u>	<u>1,445,777</u>	<u>101,923</u>
Revenues over (under) expenditures	\$ <u>(117,700)</u>	\$ <u>(117,700)</u>	\$ <u>122,118</u>	\$ <u>239,818</u>

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

Anne Arundel County, Maryland

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

Impact Fees Capital Projects Fund

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
IMPACT FEES				
Revenues				
Impact fees	\$ 21,500,000	\$ 21,500,000	\$ 21,695,583	\$ 195,583
Investment income	<u>310,000</u>	<u>310,000</u>	<u>1,101,780</u>	<u>791,780</u>
	<u>21,810,000</u>	<u>21,810,000</u>	<u>22,797,363</u>	<u>987,363</u>
Expenditures				
Education	-	-	2,873,451	(2,873,451)
Public works	-	-	692,344	(692,344)
Other inter-fund reimbursements	1,454,200	1,454,200	842,484	611,716
Pay-as-you-go	<u>64,496,900</u>	<u>64,496,900</u>	<u>9,841,339</u>	<u>54,655,561</u>
	<u>65,951,100</u>	<u>65,951,100</u>	<u>14,249,618</u>	<u>51,701,482</u>
Revenues over (under) expenditures	\$ <u>(44,141,100)</u>	\$ <u>(44,141,100)</u>	8,547,745	\$ <u>52,688,845</u>
Fund balance, budgetary, July 1			<u>112,150,031</u>	
Fund balance, budgetary, June 30			<u>120,697,776</u>	
Change in fund balance on a budgetary basis			\$ <u>8,547,745</u>	

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

Non-major Governmental Funds

The Primary Government has three major governmental funds, the General Fund, the Impact Fee Fund, and the General County Capital Projects Fund. All of these funds have been fully described in the footnotes to the basic financial statements. The combining statements in this section include several non-major funds. Descriptions for these non-major governmental funds are provided below.

Special Revenue Funds

Forfeiture and Asset Seizure Team – This fund accounts for assets seized in narcotics investigations. The funds are used for County police and the State’s Attorney’s activities related to narcotics investigation and enforcement.

Road and Special Benefits Districts – This fund accounts for special community benefit taxes collected on behalf of special districts via County property tax collection. The County disburses the money to the community agency or acts as disbursing agent for the community for the purposes established by the district.

Anne Arundel County Partnership for Children, Youth, and Families (CY&F) – This fund accounts for the grant funds received from the State to be used for various youth and family programs as established by the Anne Arundel County Partnership for Children, Youth and Families.

Reforestation – This fund segregates the funds collected from developers for reforestation of properties in the County. The fund collects fees in lieu of replanting and holds deposits until developer replanting is completed. Disbursements pay the costs of the program, including costs to replant, identification of properties for purchase and preservation, and administration of the program.

Laurel Racetrack Community Benefit - This fund accounts for special racing revenues received from the Maryland Racing Commission. The funds are used to help services and facilities within three miles of the Laurel Race Track.

Workforce Development – This fund accounts for grant monies collected by the County and passed through to the Workforce Development Corporation.

Arundel Community Development Services – This fund accounts for grant monies collected by the County and passed through to Arundel Community Development Services, Inc.

Circuit Court – This fund accounts for the proceeds of forfeitures and attorney appearance fees. State law dedicated these proceeds, funding a variety of court house operations.

Conference and Visitors Bureau – The County dedicates 17% of its hotel / motel tax revenue to the promotion of tourism within the County. This fund accumulates the dedicated revenue and disburses the funds directly to the Annapolis and Anne Arundel County Conference and Visitors Center.

Arts Council of Anne Arundel County – The County dedicates 3% of its hotel / motel tax revenue to the promotion of the arts within the County. This fund accumulates the dedicated revenue and disburses the funds directly to the Arts Council of Anne Arundel County.

Park Place Tax Increment – This fund accumulates the incremental property taxes related to the Park Place Tax Increment District, created in 2004. The funds are used to reimburse the City of Annapolis for its debt service related to capital improvements within the district.

Odenton Town Center Tax Increment – This fund accumulates the incremental property taxes related to the Odenton Town Center Tax Increment District. Any unused funds revert to the General Fund at the end of the fiscal year.

Erosion Districts - This fund accounts for collections of assessments on certain communities for ongoing erosion control. The taxes are levied at the request of the community, and disbursements are made based on invoices approved by the community’s representative.

Non-major Governmental Funds (continued)

Video Lottery Local Impact Aid – This fund is used to account for revenues from the local impact grant distributed to the County from the State. The funds can only be used for purposes as defined in State law which include infrastructure improvements, facilities, public safety, sanitation, economic and community development, including housing; and other public services and improvements, primarily in the communities in immediate proximity to the video lottery facility.

Watershed Protection and Restoration – This fund is used to account for revenues collected from property owners to fund stormwater management projects and any debt service related to such projects in accordance with State law.

Opioid Abatement Trust – This fund accounts for the County's portion of settlement funds from state and national litigation against the opioid industry. Funds are used to mitigate the impact of opioid addiction.

Housing Trust – This fund dedicates revenue collected from a 0.5% transfer tax rate increase on properties valued at \$1 million or more. The revenue is used to provide affordable housing to moderate- and low-income individuals.

Capital Projects Funds

Recreation Land Fees – This fund accounts for certain fees paid by developers in lieu of establishing recreation land in smaller subdivisions.

Bond Premium – This fund accounts for the bond premium restricted for Capital Projects.

Street Light Capital Projects – This fund accounts for revenues from developers to purchase, construct, and install street lighting associated with the development for which the fee was paid.

Energy Revolving Loan – This fund accounts for certain revenues from the Millersville Landfill Gas to Energy Project to be used for improving energy efficiency within the County.

Bike, Pedestrian, Transportation & Infrastructure Fee In Lieu – This fund accounts for certain fees paid by developers in lieu of construction of bike, pedestrian, and transportation infrastructure.

Debt Service Funds

Nursery Road Tax Increment – This fund accumulates the incremental property tax revenues related the Nursery Road Tax Increment District. The funds are being used to pay the debt service costs on debt issued to provide improvements within the district. Any unused funds revert to the General Fund at the end of the fiscal year.

West County Tax Increment (NBP) – This fund accumulates the incremental property tax revenues related to the West County Development District. The funds are being used to pay the debt service costs on debt issued to provide improvements within the district. Any unused funds revert to the General Fund at the end of the fiscal year.

Arundel Mills Tax Increment – This fund accumulates the incremental property taxes related to the Arundel Mills Tax District, created in 1999. The funds are being used to pay the debt service on debt issued to provide capital improvements within the district. Any unused funds revert to the General Fund at the end of the fiscal year.

Parole Tax Increment – This fund accumulates the incremental property taxes related to the Parole Tax Increment District. Any unused funds revert to the General Fund at the end of the fiscal year.

National Business Park North Tax Increment (NBP North) – This fund accumulates the incremental property tax revenues related to the National Business Park North Development District. The funds are being used to pay the debt service costs on debt issued to provide improvements within the district.

Village South at Waugh Chapel Tax Increment – This fund accumulates the incremental property tax revenues related to the Village South at Waugh Chapel Development District. The funds are being used to pay the debt service costs on debt issued to provide improvements within the district.

Non-major Governmental Funds (continued)

Special Taxing Districts – This fund accounts for the accumulation of resources and the payment of principal on non-interest bearing loans from the State Department of Natural Resources. These loan proceeds are used for district improvements to waterways.

Installment Purchase Agreements – This fund accumulates County funds dedicated to the purchase of easements for the Agricultural and Woodland Preservation Programs.

Anne Arundel County, Maryland

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2023

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF (Grants)	Reforestation	Laurel Racetrack Community Benefit
ASSETS					
Cash and investments	\$ 627,582	\$ 1,000,725	\$ -	\$ 10,961,348	\$ 15,493
Receivables					
Due from other governmental agencies (net of allowances)	-	-	-	-	-
Other, net	100,000	20,716	-	1,566	357,143
Other assets	-	-	-	-	-
Total assets	<u>\$ 727,582</u>	<u>\$ 1,021,441</u>	<u>\$ -</u>	<u>\$ 10,962,914</u>	<u>\$ 372,636</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ 20,487	\$ -	\$ 4,679	\$ 199,000
Due to General Fund	-	-	-	-	-
Escrow and other deposits	-	-	-	5,540,079	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>20,487</u>	<u>-</u>	<u>5,544,758</u>	<u>199,000</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	727,582	1,000,954	-	5,418,156	173,636
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>727,582</u>	<u>1,000,954</u>	<u>-</u>	<u>5,418,156</u>	<u>173,636</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 727,582</u>	<u>\$ 1,021,441</u>	<u>\$ -</u>	<u>\$ 10,962,914</u>	<u>\$ 372,636</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2023

	Special Revenue Funds				
	Workforce Development (Grants)	Arundel Community Development Services (Grants)	Circuit Court	Conference & Visitor's Center	Arts Council
ASSETS					
Cash and investments	\$ -	\$ 215,852	\$ 479,488	\$ 1,078,391	\$ 190,304
Receivables					
Due from other governmental agencies (net of allowances)	368,968	3,088,551	-	-	-
Other, net	-	-	10,264	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 368,968</u>	<u>\$ 3,304,403</u>	<u>\$ 489,752</u>	<u>\$ 1,078,391</u>	<u>\$ 190,304</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 368,968	\$ 3,304,403	\$ -	\$ 1,078,391	\$ 190,304
Due to General Fund	-	-	-	-	-
Escrow and other deposits	-	-	70,147	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>368,968</u>	<u>3,304,403</u>	<u>70,147</u>	<u>1,078,391</u>	<u>190,304</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	14,510,459	419,605	-	-
Committed	-	-	-	-	-
Unassigned	-	(14,510,459)	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>419,605</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 368,968</u>	<u>\$ 3,304,403</u>	<u>\$ 489,752</u>	<u>\$ 1,078,391</u>	<u>\$ 190,304</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2023

	Special Revenue Funds				
	Park Place Tax Increment	Odenton Town Center Tax Increment	Erosion Districts	Video Lottery Local Impact Aid	Opioid Abatement
ASSETS					
Cash and investments	\$ 22,272	\$ 30,507,138	\$ 1,755,189	\$ -	\$ 4,735,610
Receivables					
Due from other governmental agencies (net of allowances)	446,880	-	-	-	-
Other, net	-	-	2,618	4,466,960	26,524,754
Other assets	-	-	-	-	-
Total assets	<u>\$ 469,152</u>	<u>\$ 30,507,138</u>	<u>\$ 1,757,807</u>	<u>\$ 4,466,960</u>	<u>\$ 31,260,364</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 2,007,259	\$ 8,386
Due to General Fund	-	-	-	468,774	-
Escrow and other deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,476,033</u>	<u>8,386</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue	-	-	-	-	26,172,337
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,172,337</u>
FUND BALANCES					
Restricted	469,152	30,507,138	1,757,807	1,990,927	5,079,641
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>469,152</u>	<u>30,507,138</u>	<u>1,757,807</u>	<u>1,990,927</u>	<u>5,079,641</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 469,152</u>	<u>\$ 30,507,138</u>	<u>\$ 1,757,807</u>	<u>\$ 4,466,960</u>	<u>\$ 31,260,364</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2023

	Special Revenue Funds		Capital Projects Funds		
	Housing Trust	Watershed Protection and Restoration	Recreational Land Fees	Bond Premium	Street Light Capital Project
ASSETS					
Cash and investments	\$ 8,000,000	\$ 45,942,065	\$ 346,178	\$ -	\$ 4,760,155
Receivables					-
Due from other governmental agencies (net of allowances)	-	-	-	-	-
Other, net	-	637,716	-	-	-
Other assets	-	194	-	-	-
Total assets	<u>\$ 8,000,000</u>	<u>\$ 46,579,975</u>	<u>\$ 346,178</u>	<u>\$ -</u>	<u>\$ 4,760,155</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ 1,062,326	\$ -	\$ -	\$ -
Due to General Fund	-	-	-	-	-
Escrow and other deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,062,326</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	8,000,000	45,517,649	-	-	-
Committed	-	-	346,178	-	4,760,155
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>8,000,000</u>	<u>45,517,649</u>	<u>346,178</u>	<u>-</u>	<u>4,760,155</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,000,000</u>	<u>\$ 46,579,975</u>	<u>\$ 346,178</u>	<u>\$ -</u>	<u>\$ 4,760,155</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2023

	Capital Projects Funds		Debt Service Funds		
	Energy Revolving Loan	Bike, Pedestrian, Transportation & Infrastructure Fee In Lieu	Nursery Road Tax Increment	West County (NBP) Tax Increment	Arundel Mills Tax Increment
ASSETS					
Cash and investments	\$ 692,568	\$ 388,494	\$ -	\$ 938	\$ 353,587
Receivables					
Due from other governmental agencies (net of allowances)	-	-	-	-	-
Other, net	-	-	-	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 692,568</u>	<u>\$ 388,494</u>	<u>\$ -</u>	<u>\$ 938</u>	<u>\$ 353,587</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 938	\$ 688
Due to General Fund	-	-	-	-	-
Escrow and other deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>938</u>	<u>688</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	-	-	-	352,899
Committed	692,568	388,494	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>692,568</u>	<u>388,494</u>	<u>-</u>	<u>-</u>	<u>352,899</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 692,568</u>	<u>\$ 388,494</u>	<u>\$ -</u>	<u>\$ 938</u>	<u>\$ 353,587</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2023

	Debt Service Funds					
	Parole Tax Increment	National Business Park North Tax Increment	Village South at Waugh Chapel Tax Increment	Special Taxing Districts	Installment Purchase Agreements	Totals
ASSETS						
Cash and investments	\$ -	\$ 308,322	\$ 11,057	\$ 1,274,010	\$ 10,247,081	\$ 123,913,847
Receivables						
Due from other governmental agencies (net of allowances)	-	-	-	-	-	3,904,399
Other, net	-	-	-	1,058	(2,910,644)	29,212,151
Other assets	-	-	-	-	-	194
Total assets	<u>\$ -</u>	<u>\$ 308,322</u>	<u>\$ 11,057</u>	<u>\$ 1,275,068</u>	<u>\$ 7,336,437</u>	<u>\$ 157,030,591</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 44,943	\$ -	\$ 8,290,772
Due to General Fund	-	-	-	-	-	468,774
Escrow and other deposits	-	-	-	-	-	5,610,226
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,943</u>	<u>-</u>	<u>14,369,772</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue	-	-	-	-	-	26,172,337
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,172,337</u>
FUND BALANCES						
Restricted	-	308,322	11,057	1,230,125	-	117,475,109
Committed	-	-	-	-	7,336,437	13,523,832
Unassigned	-	-	-	-	-	(14,510,459)
Total fund balances (deficit)	<u>-</u>	<u>308,322</u>	<u>11,057</u>	<u>1,230,125</u>	<u>7,336,437</u>	<u>116,488,482</u>
Total liabilities, deferred inflows and fund balances	<u>\$ -</u>	<u>\$ 308,322</u>	<u>\$ 11,057</u>	<u>\$ 1,275,068</u>	<u>\$ 7,336,437</u>	<u>\$ 157,030,591</u>

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Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

Year Ended June 30, 2023

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF (Grants)	Reforestation	Laurel Racetrack Community Benefit
REVENUES					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	-	-	-	-	-
Seized / forfeited funds	565,494	-	-	-	-
Special community benefit taxes	-	9,200,179	-	-	-
Video lottery local impact aid	-	-	-	-	-
Watershed protection and restoration	-	-	-	-	-
Hotel/Motel sales	-	-	-	-	-
Fees and commissions	-	-	-	650,125	357,143
Investment income	3,927	-	-	99,033	570
Other	50	-	-	-	120,000
Total revenues	569,471	9,200,179	-	749,158	477,713
EXPENDITURES					
Current					
Education	-	-	-	-	-
Public safety	-	-	-	-	-
General government	-	-	-	-	-
Health and human services	-	-	-	-	-
Public works	-	-	-	-	-
Recreation and community services	-	9,137,536	-	-	419,500
Judicial	-	-	-	-	-
Code enforcement	-	-	-	-	-
Land use and development	-	-	-	538,438	-
Debt service					
Interest payments on debt	-	-	-	-	-
Principal payments on debt	-	-	-	-	-
Interest payments on leases	-	-	-	-	-
Principal payments on leases	-	-	-	-	-
Total expenditures	-	9,137,536	-	538,438	419,500
Revenues over (under) expenditures	569,471	62,643	-	210,720	58,213
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	-	-	-	-
Impact Fees Capital Projects Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
Energy Revolving Loan Fund	-	-	-	-	-
Video Lottery Impact Aid Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
Transfers out					
General Fund	-	-	-	-	-
Grants Fund	-	-	(270,833)	-	-
General County Capital Projects Fund	-	-	-	-	(28,272)
Erosion Districts Fund	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Premiums from sale of bonds	-	-	-	-	-
Transfers from Solid Waste Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	(270,833)	-	(28,272)
Net change in fund balances	569,471	62,643	(270,833)	210,720	29,941
Fund balances, July 1	158,111	938,311	270,833	5,207,436	143,695
Fund balances, June 30	\$ 727,582	\$ 1,000,954	\$ -	\$ 5,418,156	\$ 173,636

(continued)

Anne Arundel County, Maryland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

Year Ended June 30, 2023

	Special Revenue Funds				
	Workforce Development (Grants)	Arundel Community Development Services (Grants)	Circuit Court	Conference & Visitor's Center	Arts Council
REVENUES					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	1,840,907	10,092,375	-	-	-
Seized / forfeited funds	-	-	-	-	-
Special community benefit taxes	-	-	-	-	-
Video lottery local impact aid	-	-	-	-	-
Watershed protection and restoration	-	-	-	-	-
Hotel/Motel sales	-	-	-	3,336,702	588,830
Fees and commissions	-	-	-	-	-
Investment income	-	-	-	-	-
Other	-	-	129,958	-	-
Total revenues	<u>1,840,907</u>	<u>10,092,375</u>	<u>129,958</u>	<u>3,336,702</u>	<u>588,830</u>
EXPENDITURES					
Current					
Education	-	-	-	-	-
Public safety	-	-	-	-	-
General government	-	-	-	-	-
Health and human services	1,840,907	-	-	-	-
Public works	-	-	-	-	-
Recreation and community services	-	8,296,495	-	3,336,702	588,830
Judicial	-	-	112,261	-	-
Code enforcement	-	-	-	-	-
Land use and development	-	-	-	-	-
Debt service					
Interest payments on debt	-	-	-	-	-
Principal payments on debt	-	-	-	-	-
Interest payments on leases	-	-	-	-	-
Principal payments on leases	-	-	-	-	-
Total expenditures	<u>1,840,907</u>	<u>8,296,495</u>	<u>112,261</u>	<u>3,336,702</u>	<u>588,830</u>
Revenues over (under) expenditures	<u>-</u>	<u>1,795,880</u>	<u>17,697</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	270,000	-	-	-
Impact Fees Capital Projects Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
Energy Revolving Loan Fund	-	-	-	-	-
Video Lottery Impact Aid Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
Transfers out					
General Fund	-	-	-	-	-
Grants Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Premiums from sale of bonds	-	-	-	-	-
Transfers from Solid Waste Fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>270,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>2,065,880</u>	<u>17,697</u>	<u>-</u>	<u>-</u>
Fund balances, July 1	<u>-</u>	<u>(2,065,880)</u>	<u>401,908</u>	<u>-</u>	<u>-</u>
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419,605</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

Year Ended June 30, 2023

Special Revenue Funds					
	Park Place Tax Increment	Odenton Town Center Tax Increment	Erosion Districts	Video Lottery Local Impact Aid	Opioid Abatement
REVENUES					
General property taxes	\$ 1,099,113	\$ 4,925,826	\$ -	\$ -	\$ -
Grants and aid	-	-	-	-	-
Seized / forfeited funds	-	-	-	-	-
Special community benefit taxes	-	-	462,101	-	-
Video lottery local impact aid	-	-	-	18,436,608	-
Watershed protection and restoration	-	-	-	-	-
Hotel/Motel sales	-	-	-	-	-
Fees and commissions	-	-	-	-	-
Investment income	2,141	261,661	-	-	-
Other	-	-	-	-	5,175,471
Total revenues	<u>1,101,254</u>	<u>5,187,487</u>	<u>462,101</u>	<u>18,436,608</u>	<u>5,175,471</u>
EXPENDITURES					
Current					
Education	-	-	-	1,700,000	-
Public safety	-	-	-	7,349,700	71,830
General government	632,102	-	-	4,549,518	-
Health and human services	-	-	-	-	24,000
Public works	-	-	748,337	-	-
Recreation and community services	-	-	-	550,000	-
Judicial	-	-	-	-	-
Code enforcement	-	-	-	-	-
Land use and development	-	-	-	-	-
Debt service					
Interest payments on debt	-	-	-	-	-
Principal payments on debt	-	-	-	-	-
Interest payments on leases	-	-	-	-	-
Principal payments on leases	-	-	-	-	-
Total expenditures	<u>632,102</u>	<u>-</u>	<u>748,337</u>	<u>14,149,218</u>	<u>95,830</u>
Revenues over (under) expenditures	<u>469,152</u>	<u>5,187,487</u>	<u>(286,236)</u>	<u>4,287,390</u>	<u>5,079,641</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	-	-	-	-
Impact Fees Capital Projects Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
Energy Revolving Loan Fund	-	-	-	-	-
Video Lottery Impact Aid Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	224	-	-
Erosion Districts Fund	-	-	-	-	-
Transfers out					
General Fund	-	-	-	-	-
Grants Fund	-	-	-	-	-
General County Capital Projects Fund	-	(690,242)	-	(4,430,750)	-
Erosion Districts Fund	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Premiums from sale of bonds	-	-	-	-	-
Transfers from Solid Waste Fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(690,242)</u>	<u>224</u>	<u>(4,430,750)</u>	<u>-</u>
Net change in fund balances	<u>469,152</u>	<u>4,497,245</u>	<u>(286,012)</u>	<u>(143,360)</u>	<u>5,079,641</u>
Fund balances, July 1	<u>-</u>	<u>26,009,893</u>	<u>2,043,819</u>	<u>2,134,287</u>	<u>-</u>
Fund balances, June 30	<u>\$ 469,152</u>	<u>\$ 30,507,138</u>	<u>\$ 1,757,807</u>	<u>\$ 1,990,927</u>	<u>\$ 5,079,641</u>

(continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

Year Ended June 30, 2023

	Special Revenue Funds		Capital Projects Funds		
	Housing Trust	Watershed Protection and Restoration	Recreation Land Fees	Bond Premium	Street Light Capital Projects
REVENUES					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	-	-	-	-	-
Seized / forfeited funds	-	-	-	-	-
Special community benefit taxes	-	-	-	-	-
Video lottery local impact aid	-	-	-	-	-
Watershed protection and restoration	-	24,198,415	-	-	-
Hotel/Motel sales	-	-	-	-	-
Fees and commissions	-	-	20,000	-	290,749
Investment income	-	830,144	3,086	-	-
Other	10,000,000	-	-	-	-
Total revenues	10,000,000	25,028,559	23,086	-	290,749
EXPENDITURES					
Current					
Education	-	-	-	-	-
Public safety	-	-	-	-	-
General government	2,000,000	-	-	-	-
Health and human services	-	-	-	-	-
Public works	-	12,433,198	-	-	-
Recreation and community services	-	-	-	-	-
Judicial	-	-	-	-	-
Code enforcement	-	1,249,270	-	-	-
Land use and development	-	-	-	-	-
Debt service					
Interest payments on debt	-	6,165,607	-	-	-
Principal payments on debt	-	6,039,319	-	-	-
Interest payments on leases	-	33	-	-	-
Principal payments on leases	-	6,008	-	-	-
Total expenditures	2,000,000	25,893,435	-	-	-
Revenues over (under) expenditures	8,000,000	(864,876)	23,086	-	290,749
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	-	-	-	-
Impact Fees Capital Projects Fund	-	-	-	-	-
General County Capital Projects Fund	-	136,499	-	-	-
Energy Revolving Loan Fund	-	-	-	-	-
Video Lottery Impact Aid Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
Transfers out					
General Fund	-	-	-	-	-
Grants Fund	-	-	-	-	-
General County Capital Projects Fund	-	(14,100,000)	-	(18,759,800)	(429,538)
Erosion Districts Fund	-	-	-	-	-
General obligation bonds issued	-	14,100,000	-	-	-
Premiums from sale of bonds	-	-	-	18,759,800	-
Transfers from Solid Waste Fund	-	-	-	-	-
Total other financing sources (uses)	-	136,499	-	-	(429,538)
Net change in fund balances	8,000,000	(728,377)	23,086	-	(138,789)
Fund balances, July 1	-	46,246,026	323,092	-	4,898,944
Fund balances, June 30	\$ 8,000,000	\$ 45,517,649	\$ 346,178	\$ -	\$ 4,760,155

(continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

Year Ended June 30, 2023

	Capital Projects Funds		Debt Service Funds		
	Energy Revolving Loan	Bike, Pedestrian, Transportation & Infrastructure Fee In Lieu	Nursery Road Tax Increment	West County (NBP) Tax Increment	Arundel Mills Tax Increment
REVENUES					
General property taxes	\$ -	\$ -	\$ 6,932,011	\$ 8,979,517	\$ 10,508,032
Grants and aid	-	-	-	-	-
Seized / forfeited funds	-	-	-	-	-
Special community benefit taxes	-	-	-	-	-
Video lottery local impact aid	-	-	-	-	-
Watershed protection and restoration	-	-	-	-	-
Hotel/Motel sales	-	-	-	-	-
Fees and commissions	-	-	-	-	-
Investment income	3,361	-	31,563	54,983	58,486
Other	-	83,023	-	-	-
Total revenues	3,361	83,023	6,963,574	9,034,500	10,566,518
EXPENDITURES					
Current					
Education	-	-	-	-	-
Public safety	-	-	-	-	-
General government	-	-	7,000	17,556	16,694
Health and human services	-	-	-	-	-
Public works	-	-	-	-	-
Recreation and community services	-	-	-	-	-
Judicial	-	-	-	-	-
Code enforcement	-	-	-	-	-
Land use and development	-	-	-	-	-
Debt service					
Interest payments on debt	-	-	36,275	250,950	542,425
Principal payments on debt	-	-	115,000	980,000	1,805,000
Interest payments on leases	-	-	-	-	-
Principal payments on leases	-	-	-	-	-
Total expenditures	-	-	158,275	1,248,506	2,364,119
Revenues over (under) expenditures	3,361	83,023	6,805,299	7,785,994	8,202,399
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	-	-	-	-
Impact Fees Capital Projects Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
Energy Revolving Loan Fund	-	-	-	-	-
Video Lottery Impact Aid Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
Transfers out					
General Fund	-	-	(6,805,299)	(7,785,994)	(7,849,500)
Grants Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Premiums from sale of bonds	-	-	-	-	-
Transfers from Solid Waste Fund	329,458	-	-	-	-
Total other financing sources (uses)	329,458	-	(6,805,299)	(7,785,994)	(7,849,500)
Net change in fund balances	332,819	83,023	-	-	352,899
Fund balances, July 1	359,749	305,471	-	-	-
Fund balances, June 30	\$ 692,568	\$ 388,494	\$ -	\$ -	\$ 352,899

(continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

Year Ended June 30, 2023

Debt Service Funds						
	Parole Tax Increment	National Business Park North Tax Increment	Village South at Waugh Chapel Tax Increment	Special Taxing Districts	Installment Purchase Agreements	Totals
REVENUES						
General property taxes	\$ 14,930,917	\$ 2,322,534	\$ 2,501,568	\$ -	\$ -	\$ 52,199,518
Grants and aid	-	-	-	-	-	11,933,282
Seized / forfeited funds	-	-	-	-	-	565,494
Special community benefit taxes	-	-	-	323,681	-	9,985,961
Video lottery local impact aid	-	-	-	-	-	18,436,608
Watershed protection and restoration	-	-	-	-	-	24,198,415
Hotel/Motel sales	-	-	-	-	-	3,925,532
Fees and commissions	-	-	-	-	-	1,318,017
Investment income	71,420	5,376	11,621	-	(273,125)	1,164,247
Other	-	-	-	-	-	15,508,502
Total revenues	15,002,337	2,327,910	2,513,189	323,681	(273,125)	139,235,576
EXPENDITURES						
Current						
Education	-	-	-	-	-	1,700,000
Public safety	-	-	-	-	-	7,421,530
General government	-	23,432	29,120	-	-	7,275,422
Health and human services	-	-	-	-	-	1,864,907
Public works	-	-	-	-	-	13,181,535
Recreation and community services	-	-	-	81,300	-	22,410,363
Judicial	-	-	-	-	-	112,261
Code enforcement	-	-	-	-	-	1,249,270
Land use and development	-	-	-	-	-	538,438
Debt service						
Interest payments on debt	-	922,563	456,131	-	718,262	9,092,213
Principal payments on debt	-	840,000	495,000	214,911	20,000	10,509,230
Interest payments on leases	-	-	-	-	-	33
Principal payments on leases	-	-	-	-	-	6,008
Total expenditures	-	1,785,995	980,251	296,211	738,262	75,361,210
Revenues over (under) expenditures	15,002,337	541,915	1,532,938	27,470	(1,011,387)	63,874,366
OTHER FINANCING SOURCES (USES)						
Transfers in						
General Fund	-	-	-	-	738,300	1,008,300
Impact Fees Capital Projects Fund	-	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-	136,499
Energy Revolving Loan Fund	-	-	-	-	-	-
Video Lottery Impact Aid Fund	-	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-	224
Erosion Districts Fund	-	-	-	-	-	-
Transfers out						
General Fund	(15,002,337)	(261,905)	(1,536,736)	-	-	(39,241,771)
Grants Fund	-	-	-	-	-	(270,833)
General County Capital Projects Fund	-	-	-	-	-	(38,438,602)
Erosion Districts Fund	-	-	-	(224)	-	(224)
General obligation bonds issued	-	-	-	-	-	14,100,000
Premiums from sale of bonds	-	-	-	-	-	18,759,800
Transfers from Solid Waste Fund	-	-	-	-	-	329,458
Total other financing sources (uses)	(15,002,337)	(261,905)	(1,536,736)	(224)	738,300	(43,617,149)
Net change in fund balances	-	280,010	(3,798)	27,246	(273,087)	20,257,217
Fund balances, July 1	-	28,312	14,855	1,202,879	7,609,524	96,231,265
Fund balances, June 30	\$ -	\$ 308,322	\$ 11,057	\$ 1,230,125	\$ 7,336,437	\$ 116,488,482

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

Special Revenue Funds

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
FORFEITURE AND ASSET SEIZURE TEAM				
Revenues				
Seized and forfeited funds	\$ 63,800	\$ 63,800	\$ 565,494	\$ 501,694
Investment income	-	-	3,927	3,927
Other	-	-	50	50
	<u>63,800</u>	<u>63,800</u>	<u>569,471</u>	<u>505,671</u>
Expenditures				
Public safety	<u>9,400</u>	<u>9,400</u>	-	<u>9,400</u>
Revenues over (under) expenditures	\$ <u>54,400</u>	\$ <u>54,400</u>	569,471	\$ <u>515,071</u>
Fund balance, budgetary, July 1			<u>158,111</u>	
Fund balance, budgetary, June 30			\$ <u>727,582</u>	
ROADS AND SPECIAL BENEFITS				
Revenues				
Special community benefit taxes	\$ <u>9,067,230</u>	\$ <u>9,067,230</u>	\$ <u>9,200,179</u>	\$ <u>132,949</u>
Expenditures				
Recreation and community services	<u>15,584,748</u>	<u>15,584,748</u>	<u>9,137,536</u>	<u>6,447,212</u>
Revenues over (under) expenditures	\$ <u>(6,517,518)</u>	\$ <u>(6,517,518)</u>	62,643	\$ <u>6,580,161</u>
Fund balance, budgetary, July 1			<u>938,311</u>	
Fund balance, budgetary, June 30			\$ <u>1,000,954</u>	

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

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

Special Revenue Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REFORESTATION				
Revenues				
Commissions and fees	\$ 275,000	\$ 275,000	\$ 650,125	\$ 375,125
Investment income	-	-	99,033	99,033
	<u>275,000</u>	<u>275,000</u>	<u>749,158</u>	<u>474,158</u>
Expenditures				
Land use and development	583,300	583,300	549,360	33,940
Revenues over (under) expenditures	<u>\$ (308,300)</u>	<u>\$ (308,300)</u>	<u>199,798</u>	<u>\$ 508,098</u>
Fund balance, budgetary, July 1			5,207,436	
Fund balance, budgetary, June 30			<u>\$ 5,407,234</u>	
LAUREL RACETRACK COMMUNITY BENEFIT				
Revenues				
Fees and commissions	\$ 357,200	\$ 417,200	\$ 357,143	\$ (60,057)
Other	-	-	120,570	120,570
	<u>357,200</u>	<u>417,200</u>	<u>477,713</u>	<u>60,513</u>
Expenditures				
Recreation and community services	398,000	458,000	447,772	10,228
Revenues over (under) expenditures	<u>\$ (40,800)</u>	<u>\$ (40,800)</u>	<u>29,941</u>	<u>\$ 70,741</u>
Fund balance, budgetary, July 1			143,695	
Fund balance, budgetary, June 30			<u>\$ 173,636</u>	
WORKFORCE DEVELOPMENT				
Revenues				
Grants and aid	\$ 2,400,000	\$ 2,400,000	\$ 1,840,907	\$ (559,093)
Expenditures				
Health and human services	2,400,000	2,400,000	1,840,907	559,093
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, budgetary, July 1			-	
Fund balance, budgetary, June 30			<u>\$ -</u>	

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

Anne Arundel County, Maryland

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

Special Revenue Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
ARUNDEL COMMUNITY DEVELOPMENT SERVICES				
Revenues				
Grants and aid	\$ 8,872,700	\$ 8,872,700	\$ 7,985,361	\$ (887,339)
Other	<u>-</u>	<u>-</u>	<u>(323)</u>	<u>(323)</u>
	<u>8,872,700</u>	<u>8,872,700</u>	<u>7,985,038</u>	<u>(887,662)</u>
Expenditures				
Recreation and community services	<u>8,872,700</u>	<u>8,872,700</u>	<u>7,985,038</u>	<u>887,662</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, budgetary, July 1			<u>-</u>	
Fund balance, budgetary, June 30			<u>\$ -</u>	
CIRCUIT COURT				
Revenues				
Bond Forfeited Funds	\$ <u>165,000</u>	\$ <u>165,000</u>	\$ <u>129,958</u>	\$ <u>(35,042)</u>
Expenditures				
Circuit Court	<u>165,000</u>	<u>165,000</u>	<u>112,261</u>	<u>52,739</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>17,697</u>	<u>\$ 17,697</u>
Fund balance, budgetary, July 1			<u>401,908</u>	
Fund balance, budgetary, June 30			<u>\$ 419,605</u>	
CONFERENCE & VISITOR'S CENTER				
Revenues				
Fees and commissions	\$ <u>3,038,800</u>	\$ <u>3,306,000</u>	\$ <u>3,336,702</u>	\$ <u>30,702</u>
Expenditures				
Recreation and community services	<u>3,030,800</u>	<u>3,298,000</u>	<u>3,336,702</u>	<u>(38,702)</u>
Revenues over (under) expenditures	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>-</u>	<u>\$ (8,000)</u>
Fund balance, budgetary, July 1			<u>-</u>	
Fund balance, budgetary, June 30			<u>\$ -</u>	

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

Anne Arundel County, Maryland

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

Special Revenue Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
ARTS COUNCIL				
Revenues				
Fees and commissions	\$ 536,300	\$ 582,000	\$ 588,830	\$ 6,830
Expenditures				
Recreation and community services	536,300	582,000	588,830	(6,830)
Revenues over (under) expenditures	\$ -	\$ -	-	\$ -
Fund balance, budgetary, July 1			-	
Fund balance, budgetary, June 30			\$ -	
PARK PLACE TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 1,141,000	\$ 1,141,000	\$ 1,099,113	\$ (41,887)
Investment income	5,000	5,000	2,141	(2,859)
	1,146,000	1,146,000	1,101,254	(44,746)
Expenditures				
General government	1,146,000	1,146,000	632,102	513,898
Revenues over (under) expenditures	\$ -	\$ -	469,152	\$ 469,152
Fund balance, budgetary, July 1			-	
Fund balance, budgetary, June 30			\$ 469,152	
ODENTON TOWN CENTER				
Revenues				
General property taxes	\$ 4,716,000	\$ 4,716,000	\$ 4,925,826	\$ 209,826
Investment income	60,000	60,000	261,661	201,661
	4,776,000	4,776,000	5,187,487	411,487
Expenditures				
Other	19,882,000	19,882,000	19,132,000	750,000
Revenues over (under) expenditures	\$ (15,106,000)	\$ (15,106,000)	(13,944,513)	\$ 1,161,487
Fund balance, budgetary, July 1			21,150,034	
Fund balance, budgetary, June 30			\$ 7,205,521	

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

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

Special Revenue Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EROSION DISTRICTS				
Revenues				
Special community benefit taxes	\$ 451,663	\$ 451,663	\$ 462,101	\$ 10,438
Expenditures				
Public works	2,396,346	2,396,346	748,337	1,648,009
Revenues over (under) expenditures	\$ (1,944,683)	\$ (1,944,683)	(286,236)	\$ 1,658,447
Fund balance, budgetary, July 1 (as restated)			2,044,043	
Fund balance, budgetary, June 30			\$ 1,757,807	
VIDEO LOTTERY LOCAL IMPACT AID				
Revenues				
Video lottery impact aid	\$ 18,436,600	\$ 18,436,600	\$ 18,436,608	\$ 8
	18,436,600	18,436,600	18,436,608	8
Expenditures				
Education	1,700,000	1,700,000	1,700,000	-
Public safety	7,349,700	7,349,700	7,349,700	-
General government	4,549,600	4,549,600	4,549,518	82
Recreation and community service	550,000	550,000	550,000	-
Pay-go funding - capital projects	4,430,800	4,430,800	4,430,750	50
	18,580,100	18,580,100	18,579,968	132
Revenues over (under) expenditures	\$ (143,500)	\$ (143,500)	(143,360)	\$ 140
Fund balance, budgetary, July 1			2,134,287	
Fund balance, budgetary, June 30			\$ 1,990,927	

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

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

Special Revenue Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
OPIOID ABATEMENT				
Revenues				
Other	\$ 530,000	\$ 530,000	\$ 5,175,471	\$ 4,645,471
Expenditures				
Public safety	480,000	480,000	71,830	408,170
Health and human services	50,000	50,000	24,000	26,000
	<u>530,000</u>	<u>530,000</u>	<u>95,830</u>	<u>434,170</u>
Revenues over (under) expenditures	\$ <u>-</u>	\$ <u>-</u>	5,079,641	\$ <u>5,079,641</u>
Fund balance, budgetary, July 1			-	
Fund balance, budgetary, June 30			\$ <u>5,079,641</u>	
HOUSING TRUST				
Revenues				
Other	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -
Expenditures				
General government	10,000,000	10,000,000	10,000,000	-
	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>
Revenues over (under) expenditures	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance, budgetary, July 1			-	
Fund balance, budgetary, June 30			\$ <u>-</u>	
WATERSHED PROTECTION AND RESTORATION				
Revenues				
Stormwater fees	\$ 24,033,400	\$ 24,033,400	\$ 24,198,416	\$ 165,016
Interfund reimbursements	1,080,000	1,080,000	1,008,300	(71,700)
Investment Income	443,600	443,600	966,643	523,043
Other	-	-	37,278	37,278
	<u>25,557,000</u>	<u>25,557,000</u>	<u>26,210,637</u>	<u>653,637</u>
Expenditures				
Public works	14,214,400	14,214,200	13,355,685	858,515
Code enforcement	1,311,800	1,311,800	1,249,270	62,530
Debt service	12,204,900	12,205,100	12,204,926	174
	<u>27,731,100</u>	<u>27,731,100</u>	<u>26,809,881</u>	<u>921,219</u>
Revenues over (under) expenditures	\$ <u>(2,174,100)</u>	\$ <u>(2,174,100)</u>	(599,244)	\$ <u>1,574,856</u>
Fund balance, budgetary, July 1			44,920,253	
Fund balance, budgetary, June 30			\$ <u>44,321,009</u>	

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

Anne Arundel County, Maryland

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)

Erosion Districts Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Browns Pond	\$ 11,316	\$ 11,316	\$ 11,053	\$ (263)
Buckingham Cove	9,161	9,161	9,161	-
Cedarhurst	134,055	134,055	136,773	2,718
Franklin Manor	18,690	18,690	19,040	350
Idlewilde	2,105	2,105	2,369	264
Masons Beach	40,460	40,460	43,560	3,100
Riviera Beach	155,840	155,840	160,109	4,269
Snug Harbor - Waterway	73,436	73,436	73,436	-
Spriggs Pond	6,600	6,600	6,600	-
Total revenues	\$ <u>451,663</u>	\$ <u>451,663</u>	\$ <u>462,101</u>	\$ <u>10,438</u>
EXPENDITURES				
Browns Pond	\$ 20,805	\$ 20,805	\$ 553	\$ 20,252
Buckingham Cove	9,161	9,161	458	8,703
Cedarhurst	268,155	268,155	196,478	71,677
Franklin Manor	438,734	438,734	13,567	425,167
Idlewilde	107,743	107,743	3,618	104,125
Masons Beach	273,872	273,872	22,173	251,699
Riviera Beach	1,050,840	1,050,840	460,034	590,806
Snug Harbor - Waterway	220,436	220,436	51,126	169,310
Spriggs Pond	6,600	6,600	330	6,270
Total expenditures	\$ <u>2,396,346</u>	\$ <u>2,396,346</u>	\$ <u>748,337</u>	\$ <u>1,648,009</u>

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

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Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)

Roads and Special Benefit Districts Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Amberly	\$ 27,000	\$ 27,000	\$ 27,000	\$ -
Annapolis Roads	330,995	330,995	340,684	9,689
Arundel on the Bay	249,000	249,000	261,638	12,638
Avalon Shores	78,840	78,840	78,705	(135)
Bay Highlands	52,912	52,912	56,421	3,509
Bay Ridge	340,970	340,970	340,970	-
Bayside Beach	34,979	34,979	36,262	1,283
Beverly Beach	18,500	18,500	18,450	(50)
Birchwood	9,512	9,512	9,512	-
Bittersweet	1,650	1,650	1,650	-
Broadwater Creek	8,400	8,400	8,400	-
Cape Anne	34,145	34,145	34,145	-
Cape St. Claire	460,200	460,200	459,600	(600)
Capetown	-	-	-	-
Carrollton Manor	82,200	82,200	82,200	-
Cedarhurst	88,377	88,377	90,169	1,792
Chartwell	30,105	30,105	30,015	(90)
Columbia Beach	191,700	191,700	195,998	4,298
Crofton	1,262,200	1,262,200	1,259,439	(2,761)
Deale Beach	13,810	13,810	13,734	(76)
Eden Woods	9,000	9,000	9,000	-
Epping Forest	391,003	391,003	415,518	24,515
Fairhaven Cliffs	14,004	14,004	14,004	-
Felicity Cove	7,294	7,294	7,294	-
Franklin Manor	73,022	73,022	76,162	3,140
Gibson Island	1,046,892	1,046,892	1,102,698	55,806
Greenbriar Gardens	19,872	19,872	19,872	-
Greenbriar II	25,200	25,200	25,200	-
Heritage Pool	50,500	50,500	50,000	(500)
Hillsmere Shores	297,306	297,306	308,760	11,454
Holland Point	26,510	26,510	27,878	1,368
Hollywood on the Severn	14,636	14,636	14,516	(120)
Homewood	9,564	9,564	9,564	-
Hunters Harbor	24,300	24,300	23,850	(450)
Idlewilde	9,690	9,690	9,690	-
Indian Hills (Winchester)	156,489	156,489	159,664	3,175
Kensington	9,858	9,858	9,858	-
Little Magothy River	40,800	40,800	40,400	(400)
Loch Haven	41,040	41,040	40,850	(190)
Long Point on the Severn	44,000	44,000	44,000	-
Magothy Beach	6,520	6,520	6,520	-
Magothy Forge	14,492	14,492	14,591	99
Manhattan Beach	77,375	77,375	77,375	-
Mason's Beach	10,500	10,500	10,345	(155)
Mil-Bur	77,548	77,548	77,548	-
Owings Beach	20,000	20,000	20,422	422
Owings Cliffs	2,775	2,775	2,775	-
Oyster Harbor	411,210	411,210	413,372	2,162
Parke West	43,472	43,472	43,368	(104)
Pine Grove Village	22,080	22,080	22,080	-
Pines on the Severn	101,850	101,850	101,416	(434)
Provinces	15,534	15,534	15,426	(108)
Queen's Park	52,495	52,495	52,379	(116)
Rockview Beach/Riviera Isles	26,564	26,564	26,564	-
Scheides Cove	9,000	9,000	9,000	-
Selby on the Bay	119,420	119,420	119,280	(140)
Severn Grove	28,889	28,889	27,207	(1,682)
Severna Forest	16,200	16,200	16,295	95
Severndale	16,375	16,375	16,375	-
Sherwood Forest	1,455,047	1,455,047	1,455,047	-
Shoreham Beach	72,975	72,975	72,975	-
Snug Harbor	34,632	34,632	34,632	-
South River Manor	10,590	10,590	10,590	-
South River Park	34,200	34,200	34,200	-
Steedman Point	4,000	4,000	4,000	-
Sylvan Shores	131,165	131,165	131,166	1
Sylvan View on the Magothy	24,850	24,850	24,850	-
Timbers	4,710	4,710	4,710	-
Upper Magothy Beach	14,400	14,400	14,400	-
Venice Beach	31,372	31,372	32,370	998
Venice on the Bay	7,175	7,175	7,175	-
Warthen Knolls	-	-	-	-
Wilelnor	33,600	33,600	33,600	-
Woodland Beach/Londontowne	503,440	503,440	508,056	4,616
Woodland Beach/Pasadena	6,300	6,300	6,300	-
Total revenues	\$ 9,067,230	\$ 9,067,230	\$ 9,200,179	\$ 132,949

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)

Roads and Special Benefit Districts Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
Amberly	\$ 44,201	\$ 44,201	\$ 26,901	\$ 17,300
Annapolis Roads	400,289	400,289	277,670	122,619
Arundel on the Bay	460,671	460,671	261,268	199,403
Avalon Shores	205,182	205,182	85,611	119,571
Bay Highlands	313,684	313,684	57,920	255,764
Bay Ridge	375,771	375,771	325,135	50,636
Bayside Beach	36,349	36,349	36,350	(1)
Beverly Beach	35,753	35,753	35,755	(2)
Birchwood	15,725	15,725	9,612	6,113
Bittersweet	4,494	4,494	1,560	2,934
Broadwater Creek	50,100	50,100	420	49,680
Cape Anne	69,263	69,263	33,990	35,273
Cape St. Claire	505,728	505,728	459,670	46,058
Capetown	69,524	69,524	19,885	49,639
Carrollton Manor	261,645	261,645	2,000	259,645
Cedarhurst	374,924	374,924	159,787	215,137
Chartwell	58,700	58,700	30,007	28,693
Columbia Beach	455,472	455,472	123,248	332,224
Crofton	1,888,712	1,888,712	1,300,416	588,296
Deale Beach	22,678	22,678	13,477	9,201
Eden Woods	87,888	87,888	9,010	78,878
Epping Forest	790,086	790,086	413,916	376,170
Fairhaven Cliffs	44,756	44,756	36,561	8,195
Felicity Cove	54,165	54,165	9,943	44,222
Franklin Manor	184,430	184,430	117,255	67,175
Gibson Island	1,879,096	1,879,096	1,102,965	776,131
Greenbriar Gardens	32,695	32,695	19,882	12,813
Greenbriar II	37,068	37,068	25,055	12,013
Heritage Pool	114,561	114,561	49,520	65,041
Hillsmere Shores	836,362	836,362	248,735	587,627
Holland Point	26,900	26,900	26,917	(17)
Hollywood on the Severn	14,636	14,636	14,507	129
Homewood	11,038	11,038	9,564	1,474
Hunters Harbor	24,300	24,300	23,800	500
Idlewilde	36,245	36,245	19,035	17,210
Indian Hills (Winchester)	176,203	176,203	161,257	14,946
Kensington	15,239	15,239	9,956	5,283
Little Magothy River	111,096	111,096	40,035	71,061
Loch Haven	53,222	53,222	41,082	12,140
Long Point on the Severn	176,418	176,418	23,852	152,566
Magothy Beach	14,952	14,952	6,507	8,445
Magothy Forge	43,338	43,338	14,400	28,938
Manhattan Beach	166,863	166,863	77,416	89,447
Mason's Beach	10,500	10,500	10,492	8
Mil-Bur	77,548	77,548	77,548	-
Owings Beach	93,650	93,650	20,478	73,172
Owings Cliffs	11,429	11,429	2,729	8,700
Oyster Harbor	908,249	908,249	429,273	478,976
Parke West	111,221	111,221	43,342	67,879
Pine Grove Village	30,946	30,946	22,170	8,776
Pines on the Severn	190,201	190,201	101,766	88,435
Provinces	56,854	56,854	19,695	37,159
Queen's Park	64,495	64,495	64,495	-
Rockview Beach/ Riviera Isles	38,202	38,202	21,283	16,919
Scheides Cove	32,200	32,200	450	31,750
Selby on the Bay	176,060	176,060	118,807	57,253
Severn Grove	58,609	58,609	7,675	50,934
Severna Forest	24,029	24,029	24,027	2
Severndale	53,879	53,879	16,385	37,494
Sherwood Forest	1,455,047	1,455,047	1,455,047	-
Shoreham Beach	187,204	187,204	72,737	114,467
Snug Harbor	73,563	73,563	35,092	38,471
South River Manor	18,660	18,660	10,459	8,201
South River Park	66,122	66,122	34,469	31,653
Steedman Point	46,792	46,792	200	46,592
Stone Haven	9,707	9,707	5,741	3,966
Sylvan Shores	200,195	200,195	133,403	66,792
Sylvan View on the Magothy	74,958	74,958	48,443	26,515
Timbers	4,711	4,711	4,711	-
Upper Magothy Beach	26,755	26,755	13,181	13,574
Venice Beach	103,075	103,075	31,880	71,195
Venice on the Bay	11,361	11,361	7,332	4,029
Warthen Knolls	10,680	10,680	-	10,680
Wilenor	84,277	84,277	33,800	50,477
Woodland Beach/Londontowne	663,006	663,006	508,264	154,742
Woodland Beach/Pasadena	30,141	30,141	310	29,831
Total expenditures	\$ 15,584,748	\$ 15,584,748	\$ 9,137,536	\$ 6,447,212

Anne Arundel County, Maryland

Schedule of Funding Sources Authorized and Realized (Non-GAAP Basis)

General County Capital Projects Fund

Year Ended June 30, 2023

	Total	School Construction	Higher Education	Storm Drains	Recreation
AUTHORIZED PER ORIGINAL BUDGET					
County bonds	\$ 1,713,134,024	\$ 781,489,508	86,120,000	-	130,709,613
Contributions from other funds	436,070,323	133,909,761	23,724,000	8,599	49,249,563
Impact fees	194,512,419	109,768,000	-	-	-
Grants and aid	910,362,159	683,850,131	57,903,000	-	106,274,221
Special fees	36,903,232	-	-	-	440,000
Other sources	261,184,511	113,920,836	7,335,000	-	17,735,605
Total	<u>\$ 3,552,166,668</u>	<u>\$ 1,822,938,236</u>	<u>\$ 175,082,000</u>	<u>\$ 8,599</u>	<u>\$ 304,409,002</u>
AUTHORIZED PER FINAL BUDGET					
County bonds	\$ 1,529,669,811	\$ 689,739,698	\$ 84,374,000	\$ -	\$ 125,632,540
Contributions from other funds	405,073,877	132,053,761	23,724,000	8,599	48,744,541
Impact fees	178,506,419	101,971,000	-	-	-
Grants and aid	862,266,894	652,251,131	58,840,500	-	98,835,714
Special fees	29,703,232	-	-	-	440,000
Other sources	245,036,101	107,630,836	7,335,000	-	12,403,604
Total	3,250,256,334	1,683,646,426	174,273,500	8,599	286,056,399
Less: Completed projects	259,291,876	90,247,182	-	8,599	41,730,450
	<u>2,990,964,458</u>	<u>1,593,399,244</u>	<u>174,273,500</u>	<u>-</u>	<u>244,325,949</u>
REALIZED					
Current year:					
Bonds and bond anticipation notes	129,555,000	64,300,000	4,200,000	-	12,900,000
Contributions from other funds	205,864,500	27,518,500	1,200,000	-	30,723,700
Impact fees	9,841,339	4,374,338	-	-	-
Grants and aid	20,641,101	-	1,858,190	-	9,045,562
Special fees	2,795,119	-	-	-	-
Other sources	23,291,967	28,230	-	-	7,035,750
Total	391,989,026	96,221,068	7,258,190	-	59,705,012
Prior years:	1,566,618,689	862,600,223	148,860,448	8,599	96,417,095
Total realized funding sources	1,958,607,715	958,821,291	156,118,638	8,599	156,122,107
Less: Completed projects and adjustments	225,839,217	57,900,182	-	8,599	41,660,256
	<u>1,732,768,498</u>	<u>900,921,109</u>	<u>156,118,638</u>	<u>-</u>	<u>114,461,851</u>
Funding sources authorized - June 30, 2023	<u>\$ 1,258,195,960</u>	<u>\$ 692,478,135</u>	<u>\$ 18,154,862</u>	<u>\$ -</u>	<u>\$ 129,864,098</u>

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

<u>Libraries</u>	<u>Roads and Bridges</u>	<u>Police and Fire</u>	<u>Waterway Improvements</u>	<u>Other</u>	<u>Watershed Protection and Restoration</u>
31,772,990	155,185,463	138,077,559	18,682,885	127,140,889	243,955,117
5,037,564	89,151,808	33,958,617	443,620	100,586,791	-
-	78,822,619	5,921,800	-	-	-
5,059,364	9,629,151	5,550,000	5,827,821	24,650,771	11,617,700
-	5,536,728	-	-	30,926,504	-
925,000	65,567,167	8,695,000	855,700	34,469,203	11,681,000
<u>\$ 42,794,918</u>	<u>\$ 403,892,936</u>	<u>\$ 192,202,976</u>	<u>\$ 25,810,026</u>	<u>\$ 317,774,158</u>	<u>\$ 267,253,817</u>
\$ 30,840,642	\$ 128,788,957	\$ 128,203,816	\$ 15,804,785	\$ 111,240,482	\$ 215,044,891
5,037,564	67,774,379	33,824,078	419,902	93,487,053	-
-	71,113,619	5,421,800	-	-	-
5,059,364	8,819,193	5,550,000	4,488,921	18,227,371	10,194,700
-	5,536,728	-	-	23,726,504	-
130,000	64,936,026	5,595,000	855,700	34,468,935	11,681,000
41,067,570	346,968,902	178,594,694	21,569,308	281,150,345	236,920,591
21,265,296	24,583,580	13,059,901	2,928,276	49,407,665	16,060,927
19,802,274	322,385,322	165,534,793	18,641,032	231,742,680	220,859,664
2,800,000	7,600,000	5,100,000	-	18,555,000	14,100,000
1,650,000	43,831,000	32,833,601	61,000	68,046,699	-
-	4,581,631	885,370	-	-	-
1,073,452	1,217,131	-	903,146	4,009,022	2,534,598
-	841,494	-	-	1,953,625	-
-	10,385,023	395,000	-	5,446,959	1,005
5,523,452	68,456,279	39,213,971	964,146	98,011,305	16,635,603
32,632,005	115,966,978	74,251,403	14,605,906	111,297,399	109,978,633
38,155,457	184,423,257	113,465,374	15,570,052	209,308,704	126,614,236
20,941,595	24,212,185	12,969,316	2,777,017	49,372,679	15,997,388
17,213,862	160,211,072	100,496,058	12,793,035	159,936,025	110,616,848
<u>\$ 2,588,412</u>	<u>\$ 162,174,250</u>	<u>\$ 65,038,735</u>	<u>\$ 5,847,997</u>	<u>\$ 71,806,655</u>	<u>\$ 110,242,816</u>

Anne Arundel County, Maryland

Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Basis)

General County Capital Projects Fund

Year Ended June 30, 2023

APPROPRIATIONS	Total	School Construction	Higher Education	Storm Drains
Original Budget	\$ 3,552,166,668	\$ 1,822,938,236	\$ 175,082,000	\$ 8,599
Final Budget				
Prior years	\$ 2,658,755,723	\$ 1,488,627,520	\$ 159,302,000	\$ 8,599
Current year	591,500,611	195,018,906	14,971,500	-
	3,250,256,334	1,683,646,426	174,273,500	8,599
Less: Completed projects	259,291,876	90,247,182	-	8,599
Total appropriations	2,990,964,458	1,593,399,244	174,273,500	-
EXPENDITURES AND ENCUMBRANCES				
Prior years expenditures and transfers	1,436,577,709	813,460,179	149,363,334	7,144
Current year expenditures	182,355,965	-	-	-
Operating transfers	120,924,712	116,740,584	4,184,128	-
	1,739,858,386	930,200,763	153,547,462	7,144
Less: Completed projects	225,837,761	57,900,182	-	7,144
Total	1,514,020,625	872,300,581	153,547,462	-
Encumbrances outstanding	124,821,156	-	-	-
Total expenditures and encumbrances	1,638,841,781	872,300,581	153,547,462	-
Unencumbered appropriations - June 30, 2023	\$ 1,352,122,677	\$ 721,098,663	\$ 20,726,038	\$ -

	Recreation	Libraries	Roads and Bridges	Police and Fire	Waterway Improvements	Other	Watershed Protection and Restoration
\$	<u>304,409,002</u>	<u>\$ 42,794,918</u>	<u>\$ 403,892,936</u>	<u>\$ 192,202,976</u>	<u>\$ 25,810,026</u>	<u>\$ 317,774,158</u>	<u>\$ 267,253,817</u>
\$	185,911,948	\$ 38,917,570	\$ 234,581,902	\$ 131,389,394	\$ 21,964,308	\$ 175,906,345	\$ 222,146,137
	<u>100,144,451</u>	<u>2,150,000</u>	<u>112,387,000</u>	<u>47,205,300</u>	<u>(395,000)</u>	<u>105,244,000</u>	<u>14,774,454</u>
	286,056,399	41,067,570	346,968,902	178,594,694	21,569,308	281,150,345	236,920,591
	<u>41,730,450</u>	<u>21,265,296</u>	<u>24,583,580</u>	<u>13,059,901</u>	<u>2,928,276</u>	<u>49,407,665</u>	<u>16,060,927</u>
	<u>244,325,949</u>	<u>19,802,274</u>	<u>322,385,322</u>	<u>165,534,793</u>	<u>18,641,032</u>	<u>231,742,680</u>	<u>220,859,664</u>
	85,237,572	29,983,500	100,506,979	63,125,477	12,825,603	91,150,995	90,916,926
	<u>39,839,170</u>	<u>4,761,572</u>	<u>37,067,573</u>	<u>18,965,121</u>	<u>2,626,270</u>	<u>55,583,284</u>	<u>23,512,975</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	125,076,742	34,745,072	137,574,552	82,090,598	15,451,873	146,734,279	114,429,901
	<u>41,660,256</u>	<u>20,941,595</u>	<u>24,212,185</u>	<u>12,969,315</u>	<u>2,777,016</u>	<u>49,372,680</u>	<u>15,997,388</u>
	83,416,486	13,803,477	113,362,367	69,121,283	12,674,857	97,361,599	98,432,513
	<u>33,927,839</u>	<u>1,748,676</u>	<u>36,989,024</u>	<u>16,701,334</u>	<u>975,646</u>	<u>16,082,548</u>	<u>18,396,089</u>
	<u>117,344,325</u>	<u>15,552,153</u>	<u>150,351,391</u>	<u>85,822,617</u>	<u>13,650,503</u>	<u>113,444,147</u>	<u>116,828,602</u>
\$	<u>126,981,624</u>	<u>\$ 4,250,121</u>	<u>\$ 172,033,931</u>	<u>\$ 79,712,176</u>	<u>\$ 4,990,529</u>	<u>\$ 118,298,533</u>	<u>\$ 104,031,062</u>

Anne Arundel County, Maryland

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

Non Major Capital Project Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
ENERGY REVOLVING LOAN				
Revenues				
Investment income	\$ -	\$ -	\$ 3,361	\$ 3,361
Other	-	-	329,458	329,458
	-	-	332,819	332,819
Expenditures				
Other	-	-	-	-
	-	-	-	-
Revenues over (under) expenditures	\$ -	\$ -	332,819	332,819
Fund balance, budgetary, July 1			359,749	
Fund balance, budgetary, June 30			\$ 692,568	

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

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

Debt Service Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
NURSERY ROAD TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 7,100,000	\$ 7,100,000	\$ 6,932,011	\$ (167,989)
Investment income	6,000	6,000	31,563	25,563
	<u>7,106,000</u>	<u>7,106,000</u>	<u>6,963,574</u>	<u>(142,426)</u>
Expenditures				
General government	4,000	4,000	7,000	(3,000)
Interest payments on debt	36,300	36,300	36,275	25
Principal payments on debt	115,000	115,000	115,000	-
Other	6,950,700	6,950,700	6,805,299	145,401
	<u>7,106,000</u>	<u>7,106,000</u>	<u>6,963,574</u>	<u>142,426</u>
Revenues over (under) expenditures	\$ -	\$ -	-	\$ -
Fund balance, budgetary, July 1			-	
Fund balance, budgetary, June 30			<u>-</u>	
WEST COUNTY TAX INCREMENT DISTRICT (NBP)				
Revenues				
General property taxes	\$ 9,239,000	\$ 9,239,000	\$ 8,979,517	\$ (259,483)
Investment income	6,500	6,500	54,983	48,483
Other	-	-	9,941	9,941
	<u>9,245,500</u>	<u>9,245,500</u>	<u>9,044,441</u>	<u>(201,059)</u>
Expenditures				
General government	28,500	28,500	13,068	15,432
Interest payments on debt	251,000	251,000	250,950	50
Principal payments on debt	980,000	980,000	980,000	-
Other	7,986,000	7,986,000	7,785,994	200,006
	<u>9,245,500</u>	<u>9,245,500</u>	<u>9,030,012</u>	<u>215,488</u>
Revenues over (under) expenditures	\$ -	\$ -	14,429	\$ 14,429
Fund balance, budgetary, July 1			(14,429)	
Fund balance, budgetary, June 30			<u>-</u>	
ARUNDEL MILLS TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 10,185,000	\$ 10,185,000	\$ 10,508,032	\$ 323,032
Investment income	25,000	25,000	58,486	33,486
Other	-	-	9,125	9,125
	<u>10,210,000</u>	<u>10,210,000</u>	<u>10,575,643</u>	<u>365,643</u>
Expenditures				
General government	70,200	70,200	13,075	57,125
Interest payments on debt	542,400	542,400	542,425	(25)
Principal payments on debt	1,805,000	1,805,000	1,805,000	-
Other	7,792,400	7,792,400	7,849,500	(57,100)
	<u>10,210,000</u>	<u>10,210,000</u>	<u>10,210,000</u>	<u>-</u>
Revenues (under) expenditures	\$ -	\$ -	365,643	\$ 365,643
Fund balance, budgetary, July 1			(12,744)	
Fund balance, budgetary, June 30			<u>352,899</u>	

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

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

Debt Service Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
PAROLE TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 17,484,000	\$ 17,484,000	\$ 14,930,917	\$ (2,553,083)
Investment income	50,000	50,000	71,420	21,420
	<u>17,534,000</u>	<u>17,534,000</u>	<u>15,002,337</u>	<u>(2,531,663)</u>
Expenditures				
General government	-	-	-	-
Other	17,534,000	17,534,000	15,002,337	2,531,663
	<u>17,534,000</u>	<u>17,534,000</u>	<u>15,002,337</u>	<u>2,531,663</u>
Revenues over (under) expenditures	\$ -	\$ -	-	\$ -
Fund balance, budgetary, July 1			-	
Fund balance, budgetary, June 30			<u>\$ -</u>	
NATIONAL BUSINESS PARK NORTH TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 2,037,000	\$ 2,037,000	\$ 2,322,534	\$ 285,534
Investment income	7,500	7,500	5,376	(2,124)
	<u>2,044,500</u>	<u>2,044,500</u>	<u>2,327,910</u>	<u>283,410</u>
Expenditures				
General government	32,000	32,000	23,432	8,568
Interest payments on debt	922,600	922,600	922,563	37
Principal payments on debt	840,000	840,000	840,000	-
Other	253,300	253,300	261,905	(8,605)
	<u>2,047,900</u>	<u>2,047,900</u>	<u>2,047,900</u>	<u>-</u>
Revenues over (under) expenditures	\$ (3,400)	\$ (3,400)	280,010	\$ 283,410
Fund balance, budgetary, July 1			28,312	
Fund balance, budgetary, June 30			<u>\$ 308,322</u>	
VILLAGE SOUTH AT WAUGH CHAPEL TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 2,536,000	\$ 2,536,000	\$ 2,501,568	\$ (34,432)
Investment income	5,000	5,000	11,621	6,621
	<u>2,541,000</u>	<u>2,541,000</u>	<u>2,513,189</u>	<u>(27,811)</u>
Expenditures				
General government	40,000	40,000	29,120	10,880
Interest payments on debt	456,100	456,100	456,131	(31)
Principal payments on debt	495,000	495,000	495,000	-
Other	1,549,900	1,549,900	1,536,736	13,164
	<u>2,541,000</u>	<u>2,541,000</u>	<u>2,516,987</u>	<u>24,013</u>
Revenues (under) expenditures	\$ -	\$ -	(3,798)	\$ (3,798)
Fund balance, budgetary, July 1			14,855	
Fund balance, budgetary, June 30			<u>\$ 11,057</u>	

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

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

Debt Service Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
SPECIAL TAXING DISTRICTS				
Revenues				
Special assessments	\$ 304,334	\$ 304,334	\$ 323,681	\$ 19,347
Expenditures				
Principal payments on debt	214,911	214,911	214,911	-
Other	1,175,934	1,181,434	81,300	1,100,134
	<u>1,390,845</u>	<u>1,396,345</u>	<u>296,211</u>	<u>1,100,134</u>
Revenues over (under) expenditures	\$ <u>(1,086,511)</u>	\$ <u>(1,092,011)</u>	27,470	\$ <u>1,119,481</u>
Fund balance, budgetary, July 1 (as restated)			<u>1,202,655</u>	
Fund balance, budgetary, June 30			\$ <u>1,230,125</u>	
INSTALLMENT PURCHASE AGREEMENTS				
Revenues				
Investment income	\$ -	\$ -	\$ 183,499	\$ 183,499
Other	<u>738,300</u>	<u>738,300</u>	<u>738,300</u>	<u>-</u>
	<u>738,300</u>	<u>738,300</u>	<u>921,799</u>	<u>183,499</u>
Expenditures				
Interest payments on debt	718,300	718,300	718,262	38
Principal payments on debt	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
	<u>738,300</u>	<u>738,300</u>	<u>738,262</u>	<u>38</u>
Revenues over (under) expenditures	\$ <u>-</u>	\$ <u>-</u>	183,537	\$ <u>183,537</u>
Fund balance, budgetary, July 1			<u>11,662,372</u>	
Fund balance, budgetary, June 30			\$ <u>11,845,909</u>	

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

Anne Arundel County, Maryland

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)

Special Taxing Districts Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Amberly- Waterway	\$ 6,015	\$ 6,015	\$ 6,002	\$ (13)
Annapolis Cove - Erosion	12,835	12,835	12,409	(426)
Arundel on the Bay - Erosion	39,840	39,840	41,862	2,022
Bay Ridge - Erosion	84,554	84,554	95,687	11,133
Camp Wabanna - Erosion	9,687	9,687	9,687	-
Cape Anne - Erosion	8,527	8,527	9,768	1,241
Cattail Creek - Waterway	-	5,500	-	(5,500)
Columbia Beach - Erosion	60,664	60,664	63,428	2,764
Elizabeths Landing - Erosion	5,295	5,295	4,886	(409)
Holland Point - Erosion	54,466	54,466	57,239	2,773
Lake Hillsmere II - Waterway	7,943	7,943	7,943	-
Snug Harbor - Erosion	8,229	8,229	8,229	-
Whitehall - Waterway	6,279	6,279	6,541	262
Total revenues	\$ <u>304,334</u>	\$ <u>309,834</u>	\$ <u>323,681</u>	\$ <u>13,847</u>
EXPENDITURES				
Amberly- Waterway	\$ 6,016	\$ 6,016	\$ 5,700	\$ 316
Annapolis Cove - Erosion	12,435	12,435	12,416	19
Arundel on the Bay - Erosion	397,882	397,882	16,550	381,332
Bay Ridge - Erosion	610,225	610,225	97,548	512,677
Camp Wabanna - Erosion	9,687	9,687	9,687	-
Cape Anne - Erosion	39,527	39,527	8,589	30,938
Cattail Creek - Waterway	-	5,500	5,361	139
Columbia Beach - Erosion	226,761	226,761	55,664	171,097
Elizabeths Landing - Erosion	6,395	6,395	6,374	21
Holland Point - Erosion	57,266	57,266	57,266	-
Lake Hillsmere II - Waterway	7,943	7,943	7,943	-
Snug Harbor - Erosion	9,829	9,829	6,220	3,609
Whitehall - Waterway	6,879	6,879	6,893	(14)
Total expenditures	\$ <u>1,390,845</u>	\$ <u>1,396,345</u>	\$ <u>296,211</u>	\$ <u>1,100,134</u>

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

Proprietary Funds

The primary government has two major proprietary funds, the Water and Wastewater Fund and the Solid Waste Fund. Both of these funds have been fully described in the footnotes to the basic financial statements. The statements in this section include columns for components of the Water and Wastewater Fund, the Internal Service Funds, which are considered to be non-major, and the budgetary statements for all proprietary funds. Descriptions for all proprietary funds and related components are provided below.

Enterprise Funds

Water and Wastewater – This fund consists of three component funds: operating, debt service, and capital projects.

Operating – This fund accounts for the operation of public water supply systems and sewage collection and treatment systems in the County. Revenues consist mainly of user fees, and developer and grant contributions.

Debt Service – This fund accounts for the collection of front foot, user connections, and capital connection fees and the use of these funds to pay the principal and interest on water and wastewater debt.

Capital Projects – This fund accounts for the construction of water and wastewater plants and lines used to provide services to County residents. Funding sources and costs are accumulated by individual project and, when completed, the assets are capitalized in the Operating Fund.

Solid Waste – This fund accounts for the costs associated with the collection and disposal of refuse at the County landfills. Revenues originate primarily from annual service charges to customers and tipping fees from commercial trash haulers, that are intended to cover all operating expenses including interest on long-term debt. The Solid Waste Fund also includes capital project accounts for landfill construction and closure costs. Funding sources are primarily from the sale of general obligation bonds, federal and state grants, and pay-as-you-go.

Child Care – This fund accounts for the school age child care program provided by the County's Recreation and Parks Department. Revenues consist of child care fees collected from those participating in the program. Costs of the fund include operations at several child care sites as well as administrative expenses.

Internal Service Funds

Self Insurance – This fund accounts for insurance activity of the County, including self-insured workmen's compensation, auto liability, and general liability. The revenues are premiums paid by other County funds, the Library, Community College, and the Board of Education. The disbursements relate to payments of claims and the purchase of insurance policies for property insurance and bonding.

Health Insurance – This fund accounts for the health insurance activity of the County, which is primarily self-insured for medical benefits. Premiums are received from County funds and some component units and disbursements are made to claims administrators or insurers.

Central Garage and Transportation – This fund accounts for the operation of the County's garages and motor pool. Revenues consist of charges to County funds for lease charges, vehicle repair, and gasoline usage.

Garage Vehicle Replacement – This fund accounts for a replacement reserve for the County's motor pool. Revenues consist of charges to County funds for replacement of vehicles.

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	<u>60,804,415</u>	<u>286,677,577</u>	<u>86,637,874</u>	<u>434,119,866</u>
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
	<u>2,636,684,963</u>	<u>-</u>	<u>-</u>	<u>2,636,684,963</u>
Less accumulated depreciation	<u>(1,136,177,397)</u>	<u>-</u>	<u>-</u>	<u>(1,136,177,397)</u>
	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	<u>1,500,595,660</u>	<u>-</u>	<u>342,933,724</u>	<u>1,843,529,384</u>
Total noncurrent assets	<u>1,500,595,660</u>	<u>19,186,848</u>	<u>342,933,724</u>	<u>1,862,716,232</u>
Total assets	<u>1,561,400,075</u>	<u>305,864,425</u>	<u>429,571,598</u>	<u>2,296,836,098</u>
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	<u>33,333,141</u>	<u>818,560</u>	<u>-</u>	<u>34,151,701</u>
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	<u>51,973,303</u>	<u>20,220,365</u>	<u>23,411,940</u>	<u>95,605,608</u>
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	<u>508,405,012</u>	<u>97,084,756</u>	<u>340,639,694</u>	<u>946,129,462</u>
Total liabilities	<u>560,378,315</u>	<u>117,305,121</u>	<u>364,051,634</u>	<u>1,041,735,070</u>
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	<u>3,682,070</u>	<u>-</u>	<u>-</u>	<u>3,682,070</u>
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	<u>(40,266,479)</u>	<u>-</u>	<u>32,965,773</u>	<u>(7,300,706)</u>
Total net position	<u>\$ 1,030,672,831</u>	<u>\$ 189,377,864</u>	<u>\$ 65,519,964</u>	<u>\$ 1,285,570,659</u>

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

	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	\$ <u>(743,592)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(743,592)</u>
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	\$ <u>13,051,006</u>	\$ <u>(5,197,915)</u>	\$ <u>(159,453)</u>	\$ <u>7,693,638</u>

Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual (Non-GAAP Basis)

Enterprise Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
WATER AND WASTEWATER OPERATIONS				
Revenues				
Charges for services	\$ 91,336,000	\$ 91,336,000	\$ 93,666,269	\$ 2,330,269
Grants and aid	14,086,500	14,086,500	5,329,133	(8,757,367)
Expense recoveries	2,568,000	2,568,000	3,157,589	589,589
Investment income	100,000	100,000	278,364	178,364
Rental income, penalty charges and other	4,501,500	4,501,500	5,851,732	1,350,232
	<u>112,592,000</u>	<u>112,592,000</u>	<u>108,283,087</u>	<u>(4,308,913)</u>
Expenses				
Personal services	42,592,900	42,592,900	41,369,622	1,223,278
Contractual services	37,391,600	36,008,900	36,387,275	(378,375)
Supplies and materials	10,676,900	13,210,400	12,878,120	332,280
Business and travel	260,400	275,900	271,093	4,807
Capital outlay	1,541,200	1,541,200	1,394,471	146,729
Administrative costs	15,636,300	14,470,000	14,470,000	-
Pay-as-you-go	10,454,600	10,454,600	877,600	9,577,000
	<u>118,553,900</u>	<u>118,553,900</u>	<u>107,648,181</u>	<u>10,905,719</u>
Revenues over (under) expenditures	\$ <u>(5,961,900)</u>	\$ <u>(5,961,900)</u>	\$ <u>634,906</u>	\$ <u>6,596,806</u>
WATER AND WASTEWATER DEBT SERVICE				
Revenues				
Water and sewer assessments	\$ 2,189,800	\$ 2,189,800	\$ 2,053,861	\$ (135,939)
Capital connection charges	27,574,400	27,574,400	25,821,445	(1,752,955)
Environmental protection fees	26,535,100	26,535,100	29,688,041	3,152,941
Investment income	2,470,000	2,470,000	5,890,599	3,420,599
Other	2,524,000	2,524,000	2,467,867	(56,133)
	<u>61,293,300</u>	<u>61,293,300</u>	<u>65,921,813</u>	<u>4,628,513</u>
Expenses				
Principal payments on debt	39,908,400	39,908,400	39,408,412	499,988
Interest expense	33,121,000	33,121,000	33,043,806	77,194
Other	1,333,000	1,333,000	1,296,437	36,563
	<u>74,362,400</u>	<u>74,362,400</u>	<u>73,748,655</u>	<u>613,745</u>
Revenues over (under) expenditures	\$ <u>(13,069,100)</u>	\$ <u>(13,069,100)</u>	\$ <u>(7,826,842)</u>	\$ <u>5,242,258</u>

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

Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual (Non-GAAP Basis)

Enterprise Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
SOLID WASTE				
Revenues				
Charges for services	\$ 58,034,100	\$ 58,034,100	\$ 58,043,276	\$ 9,176
Landfill charges	8,761,900	8,761,900	9,623,130	861,230
Other	241,900	241,900	1,507,809	1,265,909
	<u>67,037,900</u>	<u>67,037,900</u>	<u>69,174,215</u>	<u>2,136,315</u>
Expenses				
Personal services	9,334,400	9,334,400	8,583,952	750,448
Contractual services	46,249,500	46,370,000	45,536,516	833,484
Supplies and materials	880,100	880,100	671,499	208,601
Business and travel	21,900	21,900	10,918	10,982
Capital outlay	1,818,800	1,838,800	1,834,606	4,194
Principal payments on debt	3,459,600	3,459,700	3,459,645	55
Interest expense	2,026,000	2,026,100	2,026,009	91
Administrative costs	4,641,800	4,641,800	4,641,800	-
Contributions to other funds	1,234,200	1,113,700	1,113,700	-
Other	497,800	477,600	203,096	274,504
Capital improvements	1,541,000	1,541,000	1,540,900	100
	<u>71,705,100</u>	<u>71,705,100</u>	<u>69,622,641</u>	<u>2,082,459</u>
Revenues over (under) expenditures	\$ <u>(4,667,200)</u>	\$ <u>(4,667,200)</u>	\$ <u>(448,426)</u>	\$ <u>4,218,774</u>
CHILD CARE				
Revenues				
Child care fees	\$ 7,476,500	\$ 7,476,500	\$ 6,605,057	\$ (871,443)
Other	-	-	12,485	12,485
	<u>7,476,500</u>	<u>7,476,500</u>	<u>6,617,542</u>	<u>(858,958)</u>
Expenses				
Personal services	5,538,900	5,538,900	5,514,028	24,872
Contractual services	258,100	258,100	179,928	78,172
Supplies and materials	451,400	451,400	385,021	66,379
Business and travel	41,000	41,000	22,457	18,543
Capital outlay	6,000	6,000	1,276	4,724
Other	1,166,100	1,166,100	1,166,100	-
	<u>7,461,500</u>	<u>7,461,500</u>	<u>7,268,810</u>	<u>192,690</u>
Revenues over (under) expenditures	\$ <u>15,000</u>	\$ <u>15,000</u>	\$ <u>(651,268)</u>	\$ <u>(666,268)</u>

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

Anne Arundel County, Maryland

Schedule of Funding Sources Authorized and Realized (Non-GAAP Basis)

Enterprise Capital Projects Funds

Year Ended June 30, 2023

	Water and			
	Total Water and Wastewater	Capital Projects	Water Normal Extensions	Total
AUTHORIZED PER ORIGINAL BUDGET				
County bonds	\$ 894,992,573	\$ 265,924,753	\$ 1,335,770	\$ 267,260,523
Maryland Water Quality Loan	1,784,155	1,784,155	-	1,784,155
Grants and aid	138,582,721	4,365,000	-	4,365,000
Pay-as-you-go	67,621,828	8,651,923	-	8,651,923
Contributions by developers	3,146,551	430,000	-	430,000
Other sources	82,402,997	10,604,000	-	10,604,000
Total	<u>\$ 1,188,530,825</u>	<u>\$ 291,759,831</u>	<u>\$ 1,335,770</u>	<u>\$ 293,095,601</u>
AUTHORIZED PER FINAL BUDGET				
County bonds	\$ 800,797,230	\$ 261,542,216	\$ 1,333,612	\$ 262,875,828
Maryland Water Quality Loan	1,784,155	1,784,155	-	1,784,155
Grants and aid	42,069,485	4,365,000	-	4,365,000
Pay-as-you-go	67,153,624	8,521,038	-	8,521,038
Contributions by developers	3,056,981	430,000	-	430,000
Other sources	78,402,997	6,604,000	-	6,604,000
Total	993,264,472	283,246,409	1,333,612	284,580,021
Less: Completed projects	147,544,949	4,817,934	16,580	4,834,514
	<u>845,719,523</u>	<u>278,428,475</u>	<u>1,317,032</u>	<u>279,745,507</u>
REALIZED				
Current year:				
Bonds and bond anticipation notes	65,885,000	14,356,682	42,447	14,399,129
Proceeds from State loan	1,514,088	1,514,088	-	1,514,088
Grants and aid	4,639,192	1,408,688	-	1,408,688
Pay-as-you-go	-	(179,682)	-	(179,682)
Developer contributions	66,355	-	-	-
Other source	9,321,827	1,305,000	-	1,305,000
Total	81,426,462	18,404,776	42,447	18,447,223
Prior years	530,420,038	89,116,816	295,588	89,412,404
Total realized funding sources	611,846,500	107,521,592	338,035	107,859,627
Less: Completed projects	144,806,443	4,165,633	16,580	4,182,213
	<u>467,040,057</u>	<u>103,355,959</u>	<u>321,455</u>	<u>103,677,414</u>
Funding sources authorized - June 30, 2023	<u>\$ 378,679,466</u>	<u>\$ 175,072,516</u>	<u>\$ 995,577</u>	<u>\$ 176,068,093</u>

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

Wastewater					
Wastewater					
Capital Projects	Normal Extension	Total	Oversize Connections	Solid Waste	
\$ 495,605,797	\$ 1,231,910	\$ 496,837,707	\$ 130,894,343	\$ 27,981,297	
-	-	-	-	-	
122,983,721	-	122,983,721	11,234,000	-	
15,607,717	-	15,607,717	43,362,188	22,658,586	
-	-	-	2,716,551	-	
59,426,000	-	59,426,000	12,372,997	750,000	
<u>\$ 693,623,235</u>	<u>\$ 1,231,910</u>	<u>\$ 694,855,145</u>	<u>\$ 200,580,079</u>	<u>\$ 51,389,883</u>	
\$ 423,216,982	\$ 1,222,757	\$ 424,439,739	\$ 113,481,663	\$ 26,565,430	
-	-	-	-	-	
26,470,485	-	26,470,485	11,234,000	-	
15,270,398	-	15,270,398	43,362,188	3,972,586	
-	-	-	2,626,981	-	
59,426,000	-	59,426,000	12,372,997	750,000	
524,383,865	1,222,757	525,606,622	183,077,829	31,288,016	
131,763,550	51,767	131,815,317	10,895,118	990,204	
392,620,315	1,170,990	393,791,305	172,182,711	30,297,812	
20,972,317	7,544	20,979,861	30,506,010	3,000,000	
-	-	-	-	-	
2,016,723	-	2,016,723	1,213,781	-	
(1,006,384)	-	(1,006,384)	1,186,066	1,343,000	
20,000	-	20,000	46,355	-	
2,216,827	-	2,216,827	5,800,000	-	
24,219,483	7,544	24,227,027	38,752,212	4,343,000	
364,543,625	110,068	364,653,693	76,353,941	18,324,274	
388,763,108	117,612	388,880,720	115,106,153	22,667,274	
129,677,345	51,767	129,729,112	10,895,118	990,223	
259,085,763	65,845	259,151,608	104,211,035	21,677,051	
<u>\$ 133,534,552</u>	<u>\$ 1,105,145</u>	<u>\$ 134,639,697</u>	<u>\$ 67,971,676</u>	<u>\$ 8,620,761</u>	

Anne Arundel County, Maryland

Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Basis)

Enterprise Capital Projects Funds

Year Ended June 30, 2023

	Water and			
	Total	Water		Total
	Water and Wastewater	Capital Projects	Normal Extensions	
APPROPRIATIONS				
Original Budget	\$ <u>1,188,530,825</u>	\$ <u>291,759,831</u>	\$ <u>1,335,770</u>	\$ <u>293,095,601</u>
Final Budget:				
Prior years	\$ 866,123,912	\$ 260,625,909	\$ 1,083,612	\$ 261,709,521
Current year	<u>127,140,560</u>	<u>22,620,500</u>	<u>250,000</u>	<u>22,870,500</u>
	993,264,472	283,246,409	1,333,612	284,580,021
Less: Completed projects	<u>147,544,949</u>	<u>4,817,934</u>	<u>16,580</u>	<u>4,834,514</u>
Total appropriations	<u>845,719,523</u>	<u>278,428,475</u>	<u>1,317,032</u>	<u>279,745,507</u>
EXPENDITURES AND ENCUMBRANCES				
Prior years expenditures	455,676,136	62,823,152	295,588	63,118,740
Current year expenditures	<u>95,158,390</u>	<u>20,334,856</u>	<u>44,370</u>	<u>20,379,226</u>
	550,834,526	83,158,008	339,958	83,497,966
Less: Completed projects	<u>144,806,443</u>	<u>4,165,633</u>	<u>16,580</u>	<u>4,182,213</u>
Total	406,028,083	78,992,375	323,378	79,315,753
Encumbrances outstanding	<u>101,346,500</u>	<u>25,309,083</u>	<u>175,724</u>	<u>25,484,807</u>
Total expenditures and encumbrances	<u>507,374,583</u>	<u>104,301,458</u>	<u>499,102</u>	<u>104,800,560</u>
Unencumbered appropriations - June 30, 2023	\$ <u>338,344,940</u>	\$ <u>174,127,017</u>	\$ <u>817,930</u>	\$ <u>174,944,947</u>

Wastewater				
Wastewater				
Capital Projects	Normal Extension	Total	Oversize Connections	Solid Waste
\$ 693,623,235	\$ 1,231,910	\$ 694,855,145	\$ 200,580,079	\$ 51,389,883
\$ 456,229,805	\$ 1,222,757	\$ 457,452,562	\$ 146,961,829	\$ 26,129,016
68,154,060	-	68,154,060	36,116,000	5,159,000
524,383,865	1,222,757	525,606,622	183,077,829	31,288,016
131,763,550	51,767	131,815,317	10,895,118	990,204
392,620,315	1,170,990	393,791,305	172,182,711	30,297,812
316,701,469	110,081	316,811,550	75,745,846	15,589,859
34,377,807	7,555	34,385,362	40,393,802	3,516,357
351,079,276	117,636	351,196,912	116,139,648	19,106,216
129,677,345	51,767	129,729,112	10,895,118	990,204
221,401,931	65,869	221,467,800	105,244,530	18,116,012
41,161,730	557	41,162,287	34,699,406	3,254,624
262,563,661	66,426	262,630,087	139,943,936	21,370,636
\$ 130,056,654	\$ 1,104,564	\$ 131,161,218	\$ 32,238,775	\$ 8,927,176

Anne Arundel County, Maryland

Combining Statement of Net Position

Internal Service Funds

June 30, 2023

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
ASSETS					
Current assets					
Cash and temporary investments	\$ -	\$ 14,031,044	\$ 3,246,256	\$ 9,405,319	\$ 26,682,619
Investments	86,415,153	-	-	-	86,415,153
Service billings receivable	182,536	12,703,661	79,827	-	12,966,024
Due from other funds	-	-	9,033,363	-	9,033,363
Inventories	-	-	1,268,456	-	1,268,456
Other assets	57,944	-	3,173	-	61,117
Total current assets	86,655,633	26,734,705	13,631,075	9,405,319	136,426,732
Noncurrent assets					
Due from other funds	-	-	-	-	-
Capital assets					
Land and buildings	-	-	2,073,990	-	2,073,990
Machinery and equipment	6,181	-	638,187	94,396,868	95,041,236
	6,181	-	2,712,177	94,396,868	97,115,226
Less accumulated depreciation	(3,960)	-	(2,212,240)	(66,687,798)	(68,903,998)
Total capital assets, net of depreciation	2,221	-	499,937	27,709,070	28,211,228
Total noncurrent assets	2,221	-	499,937	27,709,070	28,211,228
Total assets	86,657,854	26,734,705	14,131,012	37,114,389	164,637,960
DEFERRED OUTFLOW OF RESOURCES					
Pension benefits	986,852	-	2,942,952	-	3,929,804
OPEB benefits	574,362	-	1,804,791	-	2,379,153
Total deferred outflows	1,561,214	-	4,747,743	-	6,308,957
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	158,369	1,315,879	414,104	205,058	2,093,410
Current portion of long-term obligations	13,945,129	6,667,234	331,822	-	20,944,185
Due to other funds	25,052,668	-	-	-	25,052,668
Lease payable	1,014	-	663	-	1,677
Total current liabilities	39,157,180	7,983,113	746,589	205,058	48,091,940
Noncurrent liabilities					
Unpaid claims	44,214,143	-	-	-	44,214,143
Accrued liability for compensated absences	-	-	-	-	-
Accrued liability for pension benefits	2,661,519	-	10,149,200	-	12,810,719
Accrued liability for OPEB	2,171,538	-	7,922,673	-	10,094,211
Lease payable	1,164	-	7,155	-	8,319
Total noncurrent liabilities	49,048,364	-	18,079,028	-	67,127,392
Total liabilities	88,205,544	7,983,113	18,825,617	205,058	115,219,332
DEFERRED INFLOW OF RESOURCES					
Pension benefits	9,711	-	39,238	-	48,949
OPEB benefits	3,813	-	13,900	-	17,713
Total deferred inflows	13,524	-	53,138	-	66,662
NET POSITION					
Net investment in capital assets	43	-	492,119	27,709,070	28,201,232
Unrestricted	(43)	18,751,592	(492,119)	9,200,261	27,459,691
Total net position	\$ -	\$ 18,751,592	\$ -	\$ 36,909,331	\$ 55,660,923

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

Internal Service Funds

Year Ended June 30, 2023

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
OPERATING REVENUES					
Charges for services	\$ 21,620,817	\$ -	\$ 16,681,996	\$ 10,657,863	\$ 48,960,676
Medical premiums	-	98,682,184	-	-	98,682,184
Other	-	14,132,793	3,000,000	-	17,132,793
Total operating revenues	<u>21,620,817</u>	<u>112,814,977</u>	<u>19,681,996</u>	<u>10,657,863</u>	<u>164,775,653</u>
OPERATING EXPENSES					
Personnel services	1,939,002	7,500,000	6,814,740	-	16,253,742
Contractual services	310,199	824,284	1,431,441	27,090	2,593,014
Supplies and materials	87,842	11,209	171,249	2,126,698	2,396,998
Business and travel	15,636	425	3,806	-	19,867
Cost of goods issued	-	-	10,684,808	-	10,684,808
Depreciation	1,980	-	120,152	9,922,826	10,044,958
Provision for claims and estimated losses	23,428,223	101,018,483	-	-	124,446,706
Other	<u>278,000</u>	<u>930,000</u>	<u>455,800</u>	<u>42,300</u>	<u>1,706,100</u>
Total operating expenses	<u>26,060,882</u>	<u>110,284,401</u>	<u>19,681,996</u>	<u>12,118,914</u>	<u>168,146,193</u>
Operating income (loss)	<u>(4,440,065)</u>	<u>2,530,576</u>	<u>-</u>	<u>(1,461,051)</u>	<u>(3,370,540)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	4,430,857	116,177	-	-	4,547,034
Gain on disposal of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,154,982</u>	<u>1,154,982</u>
Loss before transfers	<u>(9,208)</u>	<u>2,646,753</u>	<u>-</u>	<u>(306,069)</u>	<u>2,331,476</u>
Change in net position	<u>(9,208)</u>	<u>2,646,753</u>	<u>-</u>	<u>(306,069)</u>	<u>2,331,476</u>
Net position, July 1	<u>9,208</u>	<u>16,104,839</u>	<u>-</u>	<u>37,215,400</u>	<u>53,329,447</u>
Net position, June 30	<u>\$ -</u>	<u>\$ 18,751,592</u>	<u>\$ -</u>	<u>\$ 36,909,331</u>	<u>\$ 55,660,923</u>

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2023

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 21,620,817	\$ 100,602,064	\$ 15,826,858	\$ 10,657,863	\$ 148,707,602
Cash received for expense reimbursement	129,345	-	-	-	129,345
Cash payments to suppliers for goods and services	(704,875)	(746,047)	(12,502,582)	(2,153,788)	(16,107,292)
Cash payments for insurance claims	(18,911,413)	(102,730,227)	-	-	(121,641,640)
Cash payments from vendor for deposit	-	2,742,255	-	-	2,742,255
Cash payments to employees for services	(1,725,565)	-	(5,819,141)	-	(7,544,706)
Other operating receipts	-	49,401	3,000,000	-	3,049,401
Other operating payments	(278,000)	(930,000)	(455,800)	(42,300)	(1,706,100)
Net cash provided (used) by operating activities	130,309	(1,012,554)	49,335	8,461,775	7,628,865
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash transfers between funds	2,542,339	-	-	-	2,542,339
Net cash provided (used) by non-capital financing activities	2,542,339	-	-	-	2,542,339
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	-	(114,605)	(9,648,452)	(9,763,057)
Proceeds from sale of equipment	-	-	-	1,154,982	1,154,982
Net cash used for capital and related financing activities	-	-	(114,605)	(8,493,470)	(8,608,075)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(236,933,375)	-	-	-	(236,933,375)
Sale of investment securities	231,726,892	-	-	-	231,726,892
Investment income received	100,462	116,177	-	-	216,639
Net cash provided (used) by investing activities	(5,106,021)	116,177	-	-	(4,989,844)
Net increase (decrease) in cash and cash equivalents	(2,433,373)	(896,377)	(65,270)	(31,695)	(3,426,715)
Cash and temporary investments, July 1	2,433,373	14,927,421	3,311,526	9,437,014	30,109,334
Cash and temporary investments, June 30	\$ -	\$ 14,031,044	\$ 3,246,256	\$ 9,405,319	\$ 26,682,619
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (4,440,065)	\$ 2,530,576	\$ -	\$ (1,461,051)	\$ (3,370,540)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,980	-	120,152	9,922,826	10,044,958
Other	(2,004)	-	(3,648)	-	(5,652)
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows					
Accounts receivable	-	(3,578,793)	(855,138)	-	(4,433,931)
Prepaid expenses	7,464	-	10,855	-	18,319
Deposit with provider	-	2,742,255	-	-	2,742,255
Inventories	-	-	230,879	-	230,879
Accounts payable and accrued expenses	(311,294)	(2,453,843)	(449,364)	-	(3,214,501)
Deferred outflow of resources	(447,073)	-	(1,035,068)	-	(1,482,141)
Deferred inflow of resources	(446,037)	-	(1,484,945)	-	(1,930,982)
Unpaid claims	4,646,155	(252,749)	-	-	4,393,406
Accrued liability for compensated absences	(7,615)	-	51,175	-	43,560
Accrued liability for OPEB benefits	142,215	-	445,788	-	588,003
Accrued liability for pension benefits	986,583	-	3,018,649	-	4,005,232
Net cash provided (used) by operating activities	\$ 130,309	\$ (1,012,554)	\$ 49,335	\$ 8,461,775	\$ 7,628,865
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Increase (decrease) in fair value of investments	\$ 4,166,496	\$ -	\$ -	\$ -	\$ 4,166,496
Total Noncash investing, capital, and financing activities	\$ 4,166,496	\$ -	\$ -	\$ -	\$ 4,166,496

Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual (Non-GAAP Basis)

Internal Service Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
SELF INSURANCE				
Revenues				
Charges for services	\$ 26,346,100	\$ 5,305,500	\$ 5,305,500	\$ -
Investment income	372,200	372,200	264,361	(107,839)
Reimbursements	200,000	200,000	129,345	(70,655)
Other	-	-	58,159	58,159
	<u>26,918,300</u>	<u>5,877,700</u>	<u>5,757,365</u>	<u>(120,335)</u>
Expenses				
Personal services	1,839,900	1,839,900	1,703,314	136,586
Contractual services	25,027,600	25,023,600	21,631,141	3,392,459
Supplies and materials	116,800	116,800	87,842	28,958
Business and travel	16,700	20,700	15,085	5,615
Capital outlay	2,000	2,000	-	2,000
Administrative costs	278,000	278,000	278,000	-
	<u>27,281,000</u>	<u>27,281,000</u>	<u>23,715,382</u>	<u>3,565,618</u>
Revenues over (under) expenditures	\$ <u>(362,700)</u>	\$ <u>(21,403,300)</u>	\$ <u>(17,958,017)</u>	\$ <u>3,445,283</u>
HEALTH INSURANCE				
Revenues				
Charges for services	\$ 106,894,500	\$ 106,894,500	\$ 98,682,184	\$ (8,212,316)
Investment income	-	-	116,177	116,177
Reimbursements	-	-	128,386	128,386
Other	3,000,000	3,000,000	14,041,718	11,041,718
	<u>109,894,500</u>	<u>109,894,500</u>	<u>112,968,465</u>	<u>3,073,965</u>
Expenses				
Medical claim costs	101,864,600	101,864,600	101,271,232	593,368
Contractual services	866,900	866,900	891,032	(24,132)
Supplies and materials	19,600	19,600	11,209	8,391
Business and travel	3,800	3,800	425	3,375
Other	8,430,000	8,430,000	8,430,000	-
	<u>111,184,900</u>	<u>111,184,900</u>	<u>110,603,898</u>	<u>581,002</u>
Revenues over expenditures	\$ <u>(1,290,400)</u>	\$ <u>(1,290,400)</u>	\$ <u>2,364,567</u>	\$ <u>3,654,967</u>

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

Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual (Non-GAAP Basis)

Internal Service Funds

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
CENTRAL GARAGE AND TRANSPORTATION				
Revenues				
Charges for services	\$ 13,997,700	\$ 14,397,700	\$ 15,848,087	\$ 1,450,387
Other	3,000,000	3,000,000	3,000,000	-
	<u>16,997,700</u>	<u>17,397,700</u>	<u>18,848,087</u>	<u>1,450,387</u>
Expenses				
Personal services	5,900,000	5,900,000	5,870,316	29,684
Contractual services	1,789,700	1,707,700	1,424,234	283,466
Supplies and materials	10,512,200	10,962,200	10,624,689	337,511
Business and travel	16,700	16,700	3,806	12,894
Capital outlay	89,600	121,600	115,094	6,506
Other	455,800	455,800	455,800	-
	<u>18,764,000</u>	<u>19,164,000</u>	<u>18,493,939</u>	<u>670,061</u>
Revenues over (under) expenditures	\$ <u>(1,766,300)</u>	\$ <u>(1,766,300)</u>	\$ <u>354,148</u>	\$ <u>2,120,448</u>
GARAGE VEHICLE REPLACEMENT				
Revenues				
Charges for services	\$ 10,928,300	\$ 10,928,300	\$ 10,657,863	\$ (270,437)
Other	200,000	200,000	1,610,869	1,410,869
	<u>11,128,300</u>	<u>11,128,300</u>	<u>12,268,732</u>	<u>1,140,432</u>
Expenses				
Contractual services	37,000	37,000	27,090	9,910
Capital outlay	13,780,100	13,780,100	13,426,384	353,716
Other	42,300	42,300	42,300	-
	<u>13,859,400</u>	<u>13,859,400</u>	<u>13,495,774</u>	<u>363,626</u>
Revenues (under) expenditures	\$ <u>(2,731,100)</u>	\$ <u>(2,731,100)</u>	\$ <u>(1,227,042)</u>	\$ <u>1,504,058</u>

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

Fiduciary Funds

Post-employment Trust Funds

Defined Benefit Retirement and Pension System Plans – This fund accounts for pension investments for the four single employer plans for the County. The four plans are the Employees' Retirement Plan, Police Service Retirement Plan, Fire Service Retirement Plan, and Detention Officers' and Deputy Sheriffs' Retirement Plan. The nature and the respective terms are described in detail in the footnotes to the basic financial statements.

Anne Arundel Retiree Health Benefits Trust (the OPEB Trust) – The OPEB Trust has fiduciary responsibility to administer single employer defined benefit plans for the purpose of providing retiree health benefits for three entities. The entity plans are The Anne Arundel County Plan, the Anne Arundel Community College Plan, and the Public Library Association of Annapolis and Anne Arundel County, Inc. The nature and the respective terms are described in detail in the footnotes to the basic financial statements.

Custodial Funds

Subdivision Deposits – This fund accounts for amounts placed on deposit from contractors and developers pertaining primarily to road maintenance.

Sediment Control – This fund accounts for amounts received from developers as deposits in lieu of performance bonds for construction site sediment control.

City and State Tax Collection – This fund accounts for taxes collected for the City of Annapolis and the State of Maryland. Taxes are collected by the County and are then remitted to the proper jurisdiction.

Tax Sale Escrow Deposits – This fund accounts for payments made during the annual tax sale process. High bid premium payments are collected and held by the County until returned to the tax sale lien holder upon tax sale void, redemption, or foreclosure.

National Business Park North – This fund accounts for the transactions of a special taxing district. Taxes are collected and used to pay the debt for the infrastructure improvements within the district.

Two Rivers – This fund accounts for the transactions of a special taxing district. Taxes are collected and used to pay the debt for the infrastructure improvements within the district.

Arundel Gateway – This fund accounts for the transactions of a special taxing district. Taxes are collected and used to pay the debt for the infrastructure improvements within the district.

Farmington Special Assessment – This fund accounts for the transactions of a special taxing district. Taxes are collected and used to pay the debt for the infrastructure improvements within the district.

Dorchester Special Tax District – This fund accounts for the transactions of a special taxing district. Taxes are collected and used to pay the debt for the infrastructure improvements within the district.

Fiduciary Funds (continued)

PACE - There is a Clean Energy Loan Program to finance energy efficiency projects and renewable energy projects. A property owner participating in the Clean Energy Loan Program shall repay the loan through a surcharge on their real property tax bill. Clean Energy Loans may be provided by any private lender and a Clean Energy Financing Agreement may contain any terms agreed to by the Clean Energy Lender and the property owner, as permitted by law, for the financing of Clean Energy Loans. The County may not finance or fund any loan under the program, shall serve only as a program sponsor to facilitate loan repayment by including the surcharge on the annual County real property tax bill for the property, and shall incur no liability for the loan.

Bids & Contracts – Bids and Contracts Fund is a holding place for Bid Deposits submitted by potential bidders as a guarantee that if awarded a contract, they will follow through on contract execution or forfeit the bid deposit.

Home Builders Guarantee - The State of Maryland has established a Home Builder Guaranty Fund that is overseen by the Consumer Protection Division. This fund allows consumers to seek compensation for losses resulting from an act or omission by a registered builder who constructs a new home for a consumer. When a home builder applies for a building permit, \$50 of the cost of that permit is used to fund the Home Builder Guaranty Fund. The Department of Inspections and Permits collects and transfers this fee to the State of Maryland's Attorney General's office on a monthly basis.

Victim Restitution Fund - The Victim's Fund is money raised by the State's Attorney's Office and the Anne Arundel County Bar Association Foundation to reimburse crime victims who have no other means of replacing what has been damaged or stolen.

Miscellaneous Escrow Deposits – This fund accounts for any other escrow deposits collected by County departments or agencies that are not in one of the other custodial funds. The deposits are held until the depositor meets certain requirements at which time the funds are returned.

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

Combining Statement of Changes in Net Position

Pension Trust Funds

Year Ended June 30, 2023

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	<u>455,305,176</u>	<u>23,550,389</u>	<u>6,174,621</u>	<u>485,030,186</u>
Accounts receivable	<u>11,082,503</u>	<u>3,381</u>	<u>34</u>	<u>11,085,918</u>
Total assets	<u>\$ 466,387,679</u>	<u>\$ 23,553,770</u>	<u>\$ 6,174,655</u>	<u>\$ 496,116,104</u>
LIABILITIES				
Accrued liabilities and accounts payables	\$ <u>8,322,719</u>	\$ <u>2,649</u>	\$ <u>768</u>	\$ <u>8,326,136</u>
Total liabilities	<u>8,322,719</u>	<u>2,649</u>	<u>768</u>	<u>8,326,136</u>
NET POSITION				
Net position restricted for OPEB	<u>\$ 458,064,960</u>	<u>\$ 23,551,121</u>	<u>\$ 6,173,887</u>	<u>\$ 487,789,968</u>

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

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Anne Arundel County, Maryland

Combining Statement of Fiduciary Net Position - Custodial Funds

Custodial Funds

June 30, 2023

	Subdivision Deposits	Sediment Control	City and State Tax Collections	Tax Sale Escrow Deposits	National Business Park STD	Two Rivers STD	Arundel Gateway STD	Farmington STD	Dorchester STD
ASSETS									
Cash and investments	\$ 1,666,797	\$ 6,088,896	\$ 4,193,404	\$ 10,491,631	\$ 1,515	\$ 4,034,919	\$ 813,118	\$ 1,025,758	\$ 2,717,529
Receivables									
Due from other governmental agencies (net of allowances)	-	-	5,398,206	-	-	-	-	-	-
Other (net)	-	-	-	-	-	475	-	-	6
Total assets	<u>\$ 1,666,797</u>	<u>\$ 6,088,896</u>	<u>\$ 9,591,610</u>	<u>\$ 10,491,631</u>	<u>\$ 1,515</u>	<u>\$ 4,035,394</u>	<u>\$ 813,118</u>	<u>\$ 1,025,758</u>	<u>\$ 2,717,535</u>
LIABILITIES									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 14,753	\$ 16,748	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governmental agencies	-	-	-	-	-	-	-	-	-
Escrow and other deposits	-	-	9,576,857	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>9,591,610</u>	<u>16,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION									
Restricted for:									
Individuals, organizations and other governments	\$ 1,666,797	\$ 6,088,896	-	\$ 10,474,883	\$ 1,515	\$ 4,035,394	\$ 813,118	\$ 1,025,758	\$ 2,717,535
Total net position (deficit)	<u>1,666,797</u>	<u>6,088,896</u>	<u>-</u>	<u>10,474,883</u>	<u>1,515</u>	<u>4,035,394</u>	<u>813,118</u>	<u>1,025,758</u>	<u>2,717,535</u>
Total liabilities, deferred inflows and net position	<u>\$ 1,666,797</u>	<u>\$ 6,088,896</u>	<u>\$ 9,591,610</u>	<u>\$ 10,491,631</u>	<u>\$ 1,515</u>	<u>\$ 4,035,394</u>	<u>\$ 813,118</u>	<u>\$ 1,025,758</u>	<u>\$ 2,717,535</u>

(continued)

Anne Arundel County, Maryland

Combining Statement of Fiduciary Net Position - Custodial Funds

Custodial Funds

June 30, 2023

	PACE Property Assessed Clean Energy	Bid's & Contracts	Home Builders Guarantee	Victim Restitution Fund	Miscellaneous Escrow	Totals
ASSETS						
Cash and investments	\$ 1,689	\$ 177,154	\$ 29,619	\$ 1,843	\$ 271,293	\$ 31,515,165
Receivables						
Due from other governmental agencies (net of allowances)	-	-	-	-	-	5,398,206
Other, net	-	-	450	-	-	931
Total assets	<u>\$ 1,689</u>	<u>\$ 177,154</u>	<u>\$ 30,069</u>	<u>\$ 1,843</u>	<u>\$ 271,293</u>	<u>\$ 36,914,302</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 6,250	\$ -	\$ 152,688	\$ 190,439
Due to other funds	-	-	-	-	1,075	1,075
Escrow and other deposits	-	-	-	-	41,784	9,618,641
Total liabilities	<u>-</u>	<u>-</u>	<u>6,250</u>	<u>-</u>	<u>195,547</u>	<u>9,810,155</u>
NET POSITION						
Restricted for:						
Individuals, organizations and other governments	<u>1,689</u>	<u>\$ 177,154</u>	<u>\$ 23,819</u>	<u>\$ 1,843</u>	<u>\$ 75,746</u>	<u>\$ 27,104,147</u>
Total net position (deficit)	<u>1,689</u>	<u>177,154</u>	<u>23,819</u>	<u>1,843</u>	<u>75,746</u>	<u>27,104,147</u>
Total liabilities, deferred inflows and net position	<u>\$ 1,689</u>	<u>\$ 177,154</u>	<u>\$ 30,069</u>	<u>\$ 1,843</u>	<u>\$ 271,293</u>	<u>\$ 36,914,302</u>

Anne Arundel County, Maryland

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

Custodial Funds

Year Ended June 30, 2023

	Subdivision Deposits	Sediment Control	City and State Tax Collections	Tax Sale Escrow Deposits	National Business Park STD	Two Rivers STD	Arundel Gateway STD	Farmington STD	Dorchester STD
ADDITIONS									
Subdivision deposits	\$ 390,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sediment control collections	-	2,408,884	-	-	-	-	-	-	-
Tax sale collections	-	-	-	9,468,929	-	-	-	-	-
Special taxing district tax collections	-	-	-	-	-	1,939,084	714,986	541,171	1,178,000
Home builder guarantee collections	-	-	-	-	-	-	-	-	-
Victim restitution collections	-	-	-	-	-	-	-	-	-
Misc. revenue	-	-	-	-	13	103,508	21,857	22,927	65,398
Investment income	-	-	-	-	-	442	-	-	-
Misc. escrow collections	-	-	-	-	-	-	-	-	-
Total revenues	<u>390,176</u>	<u>2,408,884</u>	<u>-</u>	<u>9,468,929</u>	<u>13</u>	<u>2,043,034</u>	<u>736,843</u>	<u>564,098</u>	<u>1,243,398</u>
DEDUCTIONS									
Subdivision deposits	667,386	-	-	-	-	-	-	-	-
Sediment control	-	1,900,492	-	-	-	-	-	-	-
Tax sale escrow deposits	-	-	-	23,182,238	-	-	-	-	-
Special tax districts	-	-	-	-	-	1,834,045	748,100	507,625	1,137,375
Escrow deposits	-	-	-	-	-	-	-	-	-
Consultants	-	-	-	-	-	58,859	51,113	40,300	44,520
Total expenditures	<u>667,386</u>	<u>1,900,492</u>	<u>-</u>	<u>23,182,238</u>	<u>-</u>	<u>1,892,904</u>	<u>799,213</u>	<u>547,925</u>	<u>1,181,895</u>
Revenues over (under) expenditures	<u>(277,210)</u>	<u>508,392</u>	<u>-</u>	<u>(13,713,309)</u>	<u>13</u>	<u>150,130</u>	<u>(62,370)</u>	<u>16,173</u>	<u>61,503</u>
Net Position, July 1	<u>1,944,007</u>	<u>5,580,504</u>	<u>-</u>	<u>24,188,192</u>	<u>1,502</u>	<u>3,885,264</u>	<u>875,488</u>	<u>1,009,585</u>	<u>2,656,032</u>
Net Position, June 30	<u>\$ 1,666,797</u>	<u>\$ 6,088,896</u>	<u>\$ -</u>	<u>\$ 10,474,883</u>	<u>\$ 1,515</u>	<u>\$ 4,035,394</u>	<u>\$ 813,118</u>	<u>\$ 1,025,758</u>	<u>\$ 2,717,535</u>

(continued)

Anne Arundel County, Maryland

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

Custodial Funds

Year Ended June 30, 2023

	PACE Property Assessed Clean Energy	Bid's & Contracts	Home Builders Guarantee	Victim Restitution Fund	Miscellaneous Escrow	Totals
ADDITIONS						
Subdivision deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 390,176
Sediment control collections	-	-	-	-	-	2,408,884
Tax sale collections	-	-	-	-	-	9,468,929
Special taxing district tax collections	-	-	-	-	-	4,373,241
Home builder guarantee collections	-	-	47,150	-	-	47,150
Victim restitution collections	-	-	-	-	-	-
Misc. revenue	1,328	-	-	-	-	215,031
Investment income	-	-	-	-	-	442
Other	-	-	-	-	241,255	241,255
Total revenues	<u>1,328</u>	<u>-</u>	<u>47,150</u>	<u>-</u>	<u>241,255</u>	<u>17,145,108</u>
DEDUCTIONS						
Subdivision deposits	-	-	-	-	-	667,386
Sediment control	-	-	-	-	-	1,900,492
Tax sale escrow deposits	-	-	-	-	-	23,182,238
Special tax districts	-	-	-	-	-	4,227,145
Escrow deposits	-	-	43,787	-	160,197	203,984
Consultants	-	-	-	-	-	194,792
Total expenditures	<u>-</u>	<u>-</u>	<u>43,787</u>	<u>-</u>	<u>160,197</u>	<u>30,376,037</u>
Revenues over (under) expenditures	<u>1,328</u>	<u>-</u>	<u>3,363</u>	<u>-</u>	<u>81,058</u>	<u>(13,230,929)</u>
Net Position, July 1	361	177,154	20,456	1,843	(5,312)	40,335,076
Net Position, June 30	<u>\$ 1,689</u>	<u>\$ 177,154</u>	<u>\$ 23,819</u>	<u>\$ 1,843</u>	<u>\$ 75,746</u>	<u>\$ 27,104,147</u>

Anne Arundel County, Maryland

Combining Statement of Net Position

Non-major Component Units

June 30, 2023

	AA County Public Library	Economic Development	Tipton Airport	Workforce Development	Totals
ASSETS					
Current Assets					
Cash and investments	\$ 11,853	\$ 5,570,065	\$ 1,187,241	\$ 1,826,581	\$ 8,595,740
Prepays and other assets	3,415	865,827	60,504	1,254,223	2,183,969
Inventories	-	-	39,910	-	39,910
Receivables	-	-	1,061,392	-	1,061,392
Due from primary government	1,928,641	-	-	-	1,928,641
Restricted assets					
Cash and temporary investments	-	912,571	-	-	912,571
Total current assets	<u>1,943,909</u>	<u>7,348,463</u>	<u>2,349,047</u>	<u>3,080,804</u>	<u>14,722,223</u>
Non-current Assets					
Restricted assets					
Loans receivable and other assets	-	984,019	-	125,001	1,109,020
Capital assets being depreciated	24,449,801	665,140	22,866,887	3,753,934	51,735,762
Less accumulated depreciation	<u>(6,766,748)</u>	<u>(465,899)</u>	<u>(10,630,610)</u>	<u>(1,410,410)</u>	<u>(19,273,667)</u>
	<u>17,683,053</u>	<u>199,241</u>	<u>12,236,277</u>	<u>2,343,524</u>	<u>32,462,095</u>
Total capital assets	<u>17,683,053</u>	<u>199,241</u>	<u>12,236,277</u>	<u>2,343,524</u>	<u>32,462,095</u>
Total assets	<u>19,626,962</u>	<u>8,531,723</u>	<u>14,585,324</u>	<u>5,549,329</u>	<u>48,293,338</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension benefits	2,426,267	1,726,416	-	-	4,152,683
OPEB benefits	<u>13,873,313</u>	<u>364,034</u>	<u>-</u>	<u>-</u>	<u>14,237,347</u>
Total deferred outflows	<u>16,299,580</u>	<u>2,090,450</u>	<u>-</u>	<u>-</u>	<u>18,390,030</u>
LIABILITIES					
Current Liabilities					
Accrued liabilities	1,002,445	448,758	1,155,978	578,806	3,185,987
Current portion on non-current liabilities	1,364,530	-	59,285	183,055	1,606,870
Unearned revenue	-	1,494,591	56,121	1,371,714	2,922,426
Lease liability	547,933	1,759	-	-	549,692
Rent Abatement	-	-	-	2,355,639	2,355,639
Total current liabilities	<u>2,914,908</u>	<u>1,945,108</u>	<u>1,271,384</u>	<u>4,489,214</u>	<u>10,620,614</u>
Non-current liabilities					
Accrued liability for pension benefits	6,126,936	3,889,217	-	-	10,016,153
Accrued liability for OPEB benefits	36,646,760	2,763,997	-	-	39,410,757
Long-term debt, net of deferred refunding gain/loss	-	-	892,734	-	892,734
Lease liability	<u>629,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>629,518</u>
Total non-current liabilities	<u>43,403,214</u>	<u>6,653,214</u>	<u>892,734</u>	<u>-</u>	<u>50,949,162</u>
Total liabilities	<u>46,318,122</u>	<u>8,598,322</u>	<u>2,164,118</u>	<u>4,489,214</u>	<u>61,569,776</u>
DEFERRED INFLOW OF RESOURCES					
Pension benefits	18,501	19,410	-	-	37,911
OPEB benefits	<u>15,482,018</u>	<u>5,465</u>	<u>-</u>	<u>-</u>	<u>15,487,483</u>
Total deferred outflows	<u>15,500,519</u>	<u>24,875</u>	<u>-</u>	<u>-</u>	<u>15,525,394</u>
NET POSITION					
Capital assets, net of related debt	16,545,808	197,482	11,284,258	-	28,027,548
Restricted for:					
Other purposes	-	411,732	1,204,814	-	1,616,546
Unrestricted	<u>(42,437,907)</u>	<u>1,389,762</u>	<u>(67,866)</u>	<u>1,060,115</u>	<u>(40,055,896)</u>
Total net position (deficit)	<u>\$ (25,892,099)</u>	<u>\$ 1,998,976</u>	<u>\$ 12,421,206</u>	<u>\$ 1,060,115</u>	<u>\$ (10,411,802)</u>

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Anne Arundel County, Maryland

Combining Statement of Activities

Non-major Component Units

Year Ended June 30, 2023

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<i>AA County Public Library</i>				
Community services	\$ 34,828,134	\$ 189,922	\$ 5,327,236	\$ -
<i>Economic Development</i>				
Arundel Business Loan Program	597,910	3,068	-	-
Chesapeake Innovation Center	-	-	-	-
Administrative	2,532,085	-	1,447,500	-
Anne Arundel Agricultural Marketing, LLC	217,406	-	51,778	-
Anne Arundel Community Development, LLC	7,268	-	-	-
Inclusive Ventures Program	563,281	32,500	-	-
Unallocated depreciation	49,104	-	-	-
	<u>3,967,054</u>	<u>35,568</u>	<u>1,499,278</u>	<u>-</u>
<i>Tipton Airport Authority</i>				
Airport operations	<u>2,773,766</u>	<u>2,184,821</u>	<u>-</u>	<u>2,753,576</u>
<i>Workforce Development</i>				
Workforce development programs				
Other WIOA & WIA programs	8,205,452	-	8,307,830	-
Administration	606,206	-	-	-
Other grants, projects, initiatives	1,403,410	201,878	1,666,426	-
	<u>\$ 10,215,068</u>	<u>\$ 201,878</u>	<u>\$ 9,974,256</u>	<u>\$ -</u>

General revenues:

Hotel tax
Unrestricted contributions
Interest earnings
Miscellaneous
Total general revenues

Changes in net position

Net position, July 1 (as restated)

Net position, June 30

Net (Expense) Revenues and Changes in Net Position				
AA County Public Library	Economic Development	Tipton Airport	Workforce Development	Total
\$ (29,310,976)	\$ -	\$ -	\$ -	\$ (29,310,976)
-	(594,842)	-	-	(594,842)
-	-	-	-	-
-	(1,084,585)	-	-	(1,084,585)
-	(165,628)	-	-	(165,628)
-	(7,268)	-	-	(7,268)
-	(530,781)	-	-	(530,781)
-	(49,104)	-	-	(49,104)
-	(2,432,208)	-	-	(2,432,208)
-	-	2,164,631	-	2,164,631
-	-	-	102,378	102,378
-	-	-	(606,206)	(606,206)
-	-	-	464,894	464,894
-	-	-	(38,934)	(38,934)
-	1,000,000	-	-	1,000,000
27,207,500	929,541	-	71,843	28,208,884
-	6,445	3,003	13,048	22,496
13,261	463,553	-	-	476,814
27,220,761	2,399,539	3,003	84,891	29,708,194
(2,090,215)	(32,669)	2,167,634	45,957	90,707
(23,801,884)	2,031,645	10,253,572	1,014,158	(10,502,509)
\$ (25,892,099)	\$ 1,998,976	\$ 12,421,206	\$ 1,060,115	\$ (10,411,802)

Anne Arundel County, Maryland

Balance Sheet

AA County Public Library Component Unit

June 30, 2023

	Governmental Funds		
	Operating Fund	Dedicated Revenue Fund	Total
ASSETS			
Cash and investments	\$ 11,515	\$ 338	\$ 11,853
Due from primary government	1,919,094	9,547	1,928,641
Receivables			
Other, net	3,415	-	3,415
Total assets	<u>\$ 1,934,024</u>	<u>\$ 9,885</u>	<u>\$ 1,943,909</u>
LIABILITIES			
Accrued liabilities	\$ 1,002,445	\$ -	\$ 1,002,445
Total liabilities	<u>1,002,445</u>	<u>-</u>	<u>1,002,445</u>
FUND BALANCES			
Assigned	181,068	13,353	194,421
Unassigned	750,511	(3,468)	747,043
Total fund balances (deficit)	<u>931,579</u>	<u>9,885</u>	<u>941,464</u>
Total liabilities and fund balances	<u>\$ 1,934,024</u>	<u>\$ 9,885</u>	<u>\$ 1,943,909</u>

Anne Arundel County, Maryland

Statement of Revenues, Expenditures, and Changes in Fund Balances

AA County Public Library Component Unit

Year Ended June 30, 2023

	Governmental Funds		
	Operating Fund	Dedicated Revenue Fund	Total
REVENUES			
Grants and aid	\$ 32,274,794	\$ -	\$ 32,274,794
Fines and fees	189,922	-	189,922
Other	887	12,374	13,261
Total revenues	<u>32,465,603</u>	<u>12,374</u>	<u>32,477,977</u>
EXPENDITURES			
Recreation and community services	<u>32,311,554</u>	<u>8,555</u>	<u>32,320,109</u>
Total expenditures	<u>32,311,554</u>	<u>8,555</u>	<u>32,320,109</u>
Revenues over (under) expenditures	<u>154,049</u>	<u>3,819</u>	<u>157,868</u>
Net change in fund balances	<u>154,049</u>	<u>3,819</u>	<u>157,868</u>
Fund balances, July 1	<u>777,530</u>	<u>6,066</u>	<u>783,596</u>
Fund balances, June 30	\$ <u><u>931,579</u></u>	\$ <u><u>9,885</u></u>	\$ <u><u>941,464</u></u>

Anne Arundel County, Maryland

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

AA County Public Library Component Unit - Operating Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Grants and aid	\$ 2,730,000	\$ 2,730,000	\$ 2,744,470	\$ 14,470
Primary government contribution	27,207,500	27,207,500	27,207,500	-
Fines and fees	224,000	224,000	231,943	7,943
Other	573,500	573,500	572,387	(1,113)
Total revenues	<u>30,735,000</u>	<u>30,735,000</u>	<u>30,756,300</u>	<u>21,300</u>
EXPENDITURES				
Current				
Recreation and community services	30,568,500	30,553,500	30,062,229	491,271
Other	433,000	433,000	-	433,000
Capital outlay	390,700	405,700	398,430	7,270
Total expenditures	<u>31,392,200</u>	<u>31,392,200</u>	<u>30,460,659</u>	<u>931,541</u>
Revenues over expenditures	\$ <u>(657,200)</u>	\$ <u>(657,200)</u>	295,641	\$ <u>952,841</u>
Fund balances, budgetary, July 1			454,870	
Fund balances, budgetary, June 30			<u>\$ 750,511</u>	

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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

	<i>Issued Date</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Amount Issued</i>	<i>Redeemed F/Y 23</i>	<i>06/30/23 Outstanding</i>	<i>Total Due to Maturity</i>
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				<u>1,023,069,960</u>	<u>39,408,412</u>	<u>770,205,952</u>	<u>1,170,245,343</u>

(continued)

DETAILS OF GENERAL LONG-TERM DEBT AND INTEREST (continued)

LONG-TERM DEBT APPLICABLE TO 5.2% AND 13% DEBT LIMITATIONS

June 30, 2023

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 23</i>	<i>06/30/23 Outstanding</i>	<i>Total Due to Maturity</i>
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

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 23</i>	<i>06/30/23 Outstanding</i>	<i>Total Due to Maturity</i>
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
				<u>13,819,916</u>	<u>20,000</u>	<u>13,425,000</u>	<u>18,653,461</u>
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
				<u>79,240,000</u>	<u>4,235,000</u>	<u>56,780,000</u>	<u>69,747,847</u>

LONG TERM DEBT NOT APPLICABLE TO DEBT LIMITATIONS

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 23</i>	<i>06/30/23 Outstanding</i>	<i>Total Due to Maturity</i>
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

Schedule of Debt Service Requirements for Long-term Debt and Interest

June 30, 2023

FISCAL YEAR ENDING	General County Bonds (a)							
	General Government		Solid Waste		WPRF		Tax Increment	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 92,137,152	\$ 61,171,272	\$ 3,429,148	\$ 1,987,097	\$ 6,503,699	\$ 6,420,543	\$ 4,600,000	\$ 1,992,519
2025	87,689,783	57,120,485	3,331,120	1,826,262	6,359,097	6,138,472	4,965,000	1,758,644
2026	80,243,050	52,736,384	3,237,853	1,659,693	6,359,097	5,820,518	5,310,000	1,543,219
2027	77,016,091	48,739,421	3,114,812	1,497,836	6,359,097	5,502,563	5,620,000	1,349,519
2028	73,661,483	45,061,064	3,059,420	1,345,303	6,359,097	5,191,578	5,955,000	1,143,819
2029	70,129,681	41,610,424	3,046,222	1,198,261	6,359,097	4,879,722	4,930,000	945,969
2030	65,994,888	38,324,691	2,956,015	1,052,630	6,359,097	4,567,430	2,455,000	797,969
2031	59,701,154	35,024,869	2,549,749	904,906	6,359,097	4,249,475	2,390,000	705,994
2032	54,877,348	32,085,006	2,238,555	779,614	6,359,097	3,935,006	2,505,000	632,569
2033	51,273,108	29,386,278	2,167,795	669,812	6,359,097	3,620,536	2,640,000	553,744
2034	47,340,453	26,898,454	2,165,450	565,576	6,359,097	3,310,421	2,765,000	467,562
2035	42,837,781	24,638,315	1,946,623	463,373	5,995,596	3,004,662	2,910,000	375,344
2036	37,052,137	22,588,678	1,455,955	371,950	4,616,908	2,717,948	3,050,000	278,493
2037	37,047,138	20,909,279	1,455,954	310,104	4,616,908	2,513,567	3,210,000	174,762
2038	37,141,942	19,277,717	1,361,150	253,705	4,616,908	2,318,228	825,000	106,672
2039	37,297,823	17,639,887	1,205,269	203,573	4,616,908	2,122,889	855,000	77,787
2040	37,471,882	16,012,502	1,026,210	161,815	4,616,908	1,931,933	885,000	47,337
2041	37,856,433	14,393,689	641,660	130,301	4,616,907	1,745,360	910,000	15,925
2042	38,117,019	12,765,249	376,075	108,539	4,616,906	1,558,787	-	-
2043	38,117,020	11,132,949	376,075	90,761	4,616,905	1,372,214	-	-
2044	38,184,877	9,498,954	308,218	74,680	4,616,905	1,185,641	-	-
2045	38,184,877	7,863,262	308,218	60,295	4,616,905	999,069	-	-
2046	38,179,880	6,227,695	308,218	45,910	4,616,902	812,496	-	-
2047	35,515,947	4,658,851	308,222	31,525	4,175,831	636,950	-	-
2048	32,025,415	3,243,869	188,754	20,126	4,175,831	472,430	-	-
2049	26,001,773	2,086,488	120,986	13,678	3,742,241	320,809	-	-
2050	19,496,132	1,262,085	105,270	9,588	3,063,598	199,053	-	-
2051	12,961,476	698,343	95,992	6,029	2,192,532	107,328	-	-
2052	7,687,754	311,727	53,980	3,239	1,288,266	42,233	-	-
2053	3,949,310	78,986	53,990	1,080	411,700	8,234	-	-
	<u>\$ 1,355,190,807</u>	<u>\$ 663,446,873</u>	<u>\$ 42,992,958</u>	<u>\$ 15,847,261</u>	<u>\$ 145,926,234</u>	<u>\$ 77,706,095</u>	<u>\$ 56,780,000</u>	<u>\$ 12,967,847</u>

Notes: (a) Bonded Debt subject to (1) 5.2% of the assessable basis of real property; (2) 13.0% of the County's assessable basis of personal property; and (3) 13% of the operating real property described in Section 8-109© of the Tax-Property Article of the Annotated Code of Maryland (1994 Replacement Volume and 2000 Supplement.)

(b) Bonded debt subject to (1) 5.6% of the assessable basis of real property in the Sanitary District of Anne Arundel County; (2) 14.0% of the assessable basis of personal property in the Sanitary District of Anne Arundel County; and (3) 14% of the operating real property described in section 8-109(c) of the Tax-Property Article of the Annotated Code of Maryland (1994 replacement Volume and 2000 Supplement).

(continued)

						<i>Total</i>		
<i>Installment Purchase Agreements</i>		<i>State Advances</i>		<i>Water and Sewer Bonds (b)</i>				<i>Debt Service</i>
<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Charge</i>
\$ 20,000	\$ 717,146	\$ 202,260	\$ -	\$ 40,634,320	\$ 34,150,455	\$ 147,526,579	\$ 106,439,032	\$ 253,965,611
20,000	716,030	202,260	-	39,307,734	32,600,109	141,874,994	100,160,002	242,034,996
20,000	714,915	202,260	-	38,858,433	30,725,035	134,230,693	93,199,764	227,430,457
20,000	713,799	195,695	-	38,505,452	28,930,793	130,831,147	86,733,931	217,565,078
8,880,000	712,683	195,695	-	37,921,340	27,214,708	136,032,035	80,669,155	216,701,190
5,000	223,954	195,695	-	36,791,589	25,592,150	121,457,284	74,450,480	195,907,764
1,529,000	223,662	158,132	-	36,806,911	23,978,653	116,259,043	68,945,035	185,204,078
-	133,663	93,662	-	36,798,655	22,364,012	107,892,317	63,382,919	171,275,236
-	133,662	87,844	-	35,751,230	20,763,972	101,819,074	58,329,829	160,148,903
-	133,663	34,159	-	32,466,116	19,184,647	94,940,275	53,548,680	148,488,955
-	133,662	20,680	-	31,573,445	17,680,571	90,224,125	49,056,246	139,280,371
-	133,663	20,669	-	30,760,471	16,202,907	84,471,140	44,818,264	129,289,404
-	133,662	14,550	-	29,922,521	14,745,189	76,112,071	40,835,920	116,947,991
1,444,000	133,663	14,550	-	27,784,594	13,365,278	75,573,144	37,406,653	112,979,797
-	67,658	14,550	-	27,731,690	12,105,163	71,691,240	34,129,143	105,820,383
-	67,659	14,550	-	27,628,812	10,848,004	71,618,362	30,959,799	102,578,161
-	67,658	14,550	-	26,665,958	9,616,358	70,680,508	27,837,603	98,518,111
1,487,000	67,659	-	-	25,416,681	8,400,338	70,928,681	24,753,272	95,681,953
-	-	-	-	24,245,000	7,219,774	67,355,000	21,652,349	89,007,349
-	-	-	-	23,410,000	6,093,150	66,520,000	18,689,074	85,209,074
-	-	-	-	22,330,000	5,001,200	65,440,000	15,760,475	81,200,475
-	-	-	-	19,690,000	3,963,250	62,800,000	12,885,876	75,685,876
-	-	-	-	17,105,000	3,044,100	60,210,000	10,130,201	70,340,201
-	-	-	-	15,655,000	2,290,450	55,655,000	7,617,776	63,272,776
-	-	-	-	13,530,000	1,626,175	49,920,000	5,362,600	55,282,600
-	-	-	-	11,265,000	1,082,625	41,130,000	3,503,600	44,633,600
-	-	-	-	8,895,000	665,925	31,560,000	2,136,651	33,696,651
-	-	-	-	6,430,000	370,100	21,680,000	1,181,800	22,861,800
-	-	-	-	4,130,000	170,400	13,160,000	527,599	13,687,599
-	-	-	-	2,195,000	43,900	6,610,000	132,200	6,742,200
<u>\$ 13,425,000</u>	<u>\$ 5,228,461</u>	<u>\$ 1,681,761</u>	<u>\$ -</u>	<u>\$ 770,205,952</u>	<u>\$ 400,039,391</u>	<u>\$ 2,386,202,712</u>	<u>\$ 1,175,235,928</u>	<u>\$ 3,561,438,640</u>

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Statistical Section

Statistical Section

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends – The following schedules contain trend information that presents how the County's financial performance and strength have changed over time:

- Net Position by Category
- Changes in Net Position
- Fund Balances, Governmental Funds
- Changes in Fund Balances, Governmental Funds

Revenue Capacity – The following schedules contain information to assess the County's most significant local revenue source, property taxes:

- Taxable Assessed Value and Estimated Actual Value of Property
- Direct and Overlapping Property Tax Rates
- Principal Property Tax Payers
- Property Tax Levies and Collections

Debt Capacity – The following schedules present information to assess the affordability of the County's current levels of outstanding debt and its ability to issue additional debt:

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin
- Pledged-Revenue Bond Coverage

Demographic and Economic Information – The following schedules offer demographic and economic indicators that present the environment within which the County's financial activities take place:

- Demographic and Economic Statistics
- Principal Employers

Operating Information – The following schedules contain service and infrastructure data that shows how the information in the County's financial report relates to the services the County provides and the activities it performs:

- County Government Employees by Function
- Operating Indicators by Function/Program
- Capital Asset Statistics by Function

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Anne Arundel County, Maryland
Net Position by Category
Last Ten Fiscal Years
(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 676,150,623	\$ 634,757,425	\$ 626,801,385	\$ 635,565,747	\$ 604,084,265	\$ 596,510,465	\$ 606,338,970	\$ 556,191,931	\$ 578,852,173	\$ 622,405,918
Restricted for:										
Debt service	32,409,541	27,255,939	7,140,126	6,819,795	8,009,868	7,168,724	6,641,452	6,684,460	8,962,428	6,541,144
Capital improvements	93,892,585	121,938,252	167,718,556	151,354,034	140,771,194	115,345,559	120,779,559	152,617,318	129,907,443	83,524,600
Permanent Public Infrastructure	21,547,484	21,114,377	19,542,703	9,371,621	-	-	-	-	-	-
Reforestation	5,418,156	5,207,436	3,648,847	3,828,285	3,740,710	6,878,019	7,296,496	7,653,451	8,139,821	7,746,804
Community Development	14,510,459	24,472,949	-	-	-	-	-	-	-	-
Other purposes	82,466,684	11,352,859	54,953,643	44,650,497	30,357,753	30,038,789	16,043,607	18,740,570	7,335,836	4,724,488
Unrestricted	(1,030,306,345)	(1,034,060,658)	(1,298,536,220)	(1,371,274,244)	(1,344,807,847)	(1,256,694,440)	(1,254,102,054)	(1,235,534,374)	(1,150,954,681)	(754,546,361)
Subtotal governmental activities net position	(103,910,813)	(187,961,421)	(418,730,960)	(519,684,265)	(557,844,057)	(500,752,884)	(497,001,970)	(493,646,644)	(417,756,980)	(29,603,407)
Business-type activities										
Net investment in capital assets	1,038,973,087	1,037,504,264	1,028,572,432	1,008,501,766	1,019,533,158	1,013,711,148	988,443,984	939,311,650	934,898,545	937,308,613
Restricted for:										
Debt service	295,094,047	310,845,460	311,605,604	316,010,654	306,535,034	303,151,272	300,551,883	317,747,290	331,288,133	279,611,526
Capital improvements	426,239	585,692	3,175,170	4,029,579	4,019,610	13,458,769	9,081,443	17,381,921	12,771,873	-
Other purposes	391,053	456,486	6,019	38,880	162,314	1,907,059	11,255,564	16,384,208	3,087,221	19,549,090
Unrestricted	(4,456,983)	643,681	(13,587,504)	8,895,005	(596,026)	(434,806)	10,038,368	5,484,501	(8,709,841)	12,846,117
Subtotal business-type activities net position	1,330,427,443	1,350,035,583	1,329,771,721	1,337,475,884	1,329,654,090	1,331,793,442	1,319,371,242	1,296,309,570	1,273,335,931	1,249,315,346
Primary government										
Net investment in capital assets	1,715,123,710	1,672,261,689	1,655,373,817	1,644,067,513	1,623,617,423	1,610,221,613	1,594,782,954	1,495,503,581	1,513,750,718	1,559,714,531
Restricted for:										
Debt service	327,503,588	338,101,399	318,745,730	322,830,449	314,544,902	310,319,996	307,193,335	324,431,750	340,250,561	286,152,670
Capital improvements	94,318,824	122,523,944	170,893,726	155,383,613	144,790,804	128,804,328	129,861,002	169,999,239	142,679,316	83,524,600
Permanent Public Infrastructure	21,547,484	21,114,377	19,542,703	9,371,621	-	-	-	-	-	-
Reforestation	5,418,156	5,207,436	3,648,847	3,828,285	3,740,710	6,878,019	7,296,496	7,653,451	8,139,821	7,746,804
Community Development	14,510,459	24,472,949	-	-	-	-	-	-	-	-
Other purposes	82,857,737	11,809,345	54,959,662	44,689,377	30,520,067	31,945,848	27,299,171	35,124,778	10,423,057	24,273,578
Unrestricted	(1,034,763,328)	(1,033,416,977)	(1,312,123,724)	(1,362,379,239)	(1,345,403,873)	(1,257,129,246)	(1,244,063,686)	(1,230,049,873)	(1,159,664,522)	(741,700,244)
Total primary governmental net position	\$ 1,226,516,630	\$ 1,162,074,162	\$ 911,040,761	\$ 817,791,619	\$ 771,810,033	\$ 831,040,558	\$ 822,369,272	\$ 802,662,926	\$ 855,578,951	\$ 1,219,711,939

Note: Accounting standards require the net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted when (1) an external party, such as the State or Federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.

Anne Arundel County, Maryland
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
Education	\$ 1,009,588	\$ 942,941	\$ 919,228	\$ 939,582	\$ 946,223	\$ 874,498	\$ 756,618	\$ 770,324	\$ 764,352	\$ 708,507
Public safety	523,493	383,476	394,347	344,882	342,374	307,333	352,253	313,525	325,971	294,436
General government	261,757	274,812	250,468	232,233	210,851	185,021	162,786	186,840	153,913	123,010
Health and human services	118,153	108,192	116,319	105,099	85,069	78,173	83,000	79,787	77,175	72,520
Public works	55,721	53,351	112,956	83,066	81,239	100,961	93,287	157,103	89,763	106,372
Recreation and community services	97,686	95,365	97,920	78,698	74,090	70,717	67,698	58,131	56,358	59,095
Judicial	45,481	33,447	34,244	30,781	31,366	30,734	31,648	28,588	30,582	28,950
Code enforcement	21,966	15,863	16,818	14,873	14,626	13,832	16,292	13,819	14,815	13,379
Land use and development	14,815	10,424	1,859	19,195	22,299	25,246	12,707	14,135	14,897	10,273
Interest on debt and leases	34,959	50,469	64,954	64,360	58,859	55,898	54,132	53,157	48,149	45,104
Subtotal governmental activities expenses	2,183,619	1,968,340	2,009,113	1,912,769	1,866,996	1,742,413	1,630,421	1,675,409	1,575,975	1,461,646
Business-type activities:										
Water and wastewater	211,403	208,736	189,989	182,683	175,379	166,442	146,011	153,026	129,450	124,341
Waste collection	65,279	42,688	61,870	56,777	56,607	48,257	54,943	46,297	51,226	50,732
Child care	7,432	6,231	2,960	5,490	5,650	5,532	5,363	4,767	4,835	4,589
Subtotal business-type activities expenses	284,114	257,655	254,819	244,950	237,636	220,231	206,317	204,090	185,511	179,662
Total primary government expenses	2,467,733	2,225,995	2,263,932	2,157,719	2,104,632	1,962,644	1,836,738	1,879,499	1,761,486	1,641,308
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	61,591	50,655	27,518	33,821	34,155	31,084	27,897	27,150	25,108	19,477
General government	34,477	17,785	68,814	66,824	68,950	61,345	57,073	51,850	53,146	47,741
Health and human services	9,906	18,623	8,851	12,198	12,413	9,955	12,487	8,938	10,535	9,648
Public works	25,193	23,231	24,491	24,569	24,678	24,548	24,939	23,805	19,187	15,737
Recreation and community services	51,999	20,474	17,474	15,799	19,011	19,545	19,560	18,664	17,275	16,962
Judicial	2,878	2,009	1,969	2,459	3,134	3,024	3,061	3,209	3,207	3,166
Code enforcement	12,241	14,951	11,462	11,601	13,675	14,361	13,316	14,380	13,587	12,181
Land use and development	1,106	682	1,522	1,900	2,981	2,297	2,298	2,461	1,881	2,216
Operating grants and contributions	111,667	134,968	150,802	123,052	82,054	77,267	67,906	66,729	63,651	61,177
Capital grants and contributions	46,351	89,331	93,752	77,415	58,854	63,963	59,231	63,915	96,381	45,969
Subtotal governmental activities revenues	357,409	372,709	406,655	369,638	319,905	307,389	287,768	281,101	303,958	234,274
Business-type activities:										
Charges for services:										
Water and wastewater	93,300	88,330	84,967	89,318	84,180	85,275	85,467	85,178	85,367	86,023
Waste collection	68,134	67,266	57,471	55,137	54,584	53,162	51,441	50,975	49,970	50,133
Child care	6,605	6,831	1,370	4,786	6,080	5,807	5,742	5,112	4,739	4,661
Capital grants and contributions	69,743	92,280	81,182	79,721	69,671	81,381	69,022	82,131	127,526	87,887
Subtotal business-type activities revenues	237,782	254,707	224,990	228,962	214,515	225,625	211,672	223,396	267,602	228,704
Total primary government program revenues	595,191	627,416	631,645	598,600	534,420	533,014	499,440	504,497	571,560	462,978
Net (Expense)/Revenue										
Governmental activities	(1,826,210)	(1,595,631)	(1,602,458)	(1,543,131)	(1,547,091)	(1,435,024)	(1,342,653)	(1,394,308)	(1,272,017)	(1,227,372)
Business-type activities	(46,332)	(2,948)	(29,829)	(15,988)	(23,121)	5,394	5,355	19,306	82,091	49,042
Total primary government net (expense)/revenue	(1,872,542)	(1,598,579)	(1,632,287)	(1,559,119)	(1,570,212)	(1,429,630)	(1,337,298)	(1,375,002)	(1,189,926)	(1,178,330)

Anne Arundel County, Maryland
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
General property taxes	\$ 873,849	\$ 854,192	\$ 828,845	\$ 798,538	\$ 739,776	\$ 718,910	\$ 697,495	\$ 666,491	\$ 657,850	\$ 637,623
Local income taxes	836,419	745,469	668,002	606,312	560,494	506,513	485,822	485,232	420,382	436,906
State shared taxes	16,215	8,466	4,677	5,448	6,154	7,339	8,361	8,703	8,405	8,683
Recordation and transfer taxes	118,353	198,087	156,928	114,908	115,520	110,643	109,396	105,669	89,698	77,535
Local sales taxes	31,228	29,121	24,016	26,700	32,111	32,744	32,938	33,070	32,831	31,517
Investment income	32,796	(10,771)	1,450	8,931	14,550	2,854	1,797	4,586	1,967	2,446
Other revenue	-	-	18,830	19,667	19,015	18,855	18,194	15,766	11,012	9,477
County transfer	1,399	1,836	663	787	2,380	946	448	(1,099)	28	275
Forgiveness of debt State of Maryland	-	-	-	-	-	-	-	-	-	-
Subtotal governmental activities	1,910,259	1,826,400	1,703,411	1,581,291	1,490,000	1,398,804	1,354,451	1,318,418	1,222,173	1,204,462
Business-type activities:										
Investment income	4,206	(420)	3,092	7,193	6,939	6,439	2,777	1,671	1,173	1,161
Other revenue	23,917	25,468	19,696	17,404	16,422	14,086	15,378	11,398	11,656	14,417
County transfer	(1,399)	(1,836)	(663)	(787)	(2,380)	(946)	(448)	1,099	(28)	(275)
Subtotal business-type activities	26,724	23,212	22,125	23,810	20,981	19,579	17,707	14,168	12,801	15,303
Total primary government	1,936,983	1,849,612	1,725,536	1,605,101	1,510,981	1,418,383	1,372,158	1,332,586	1,234,974	1,219,765
Change in Net Position										
Governmental activities	84,049	230,769	100,953	38,160	(57,091)	(36,220)	11,798	(75,890)	(49,844)	(22,910)
Business-type activities	(19,608)	20,264	(7,704)	7,822	(2,140)	24,973	23,062	33,474	94,892	64,345
Total primary government	\$ 64,441	\$ 251,033	\$ 93,249	\$ 45,982	\$ (59,231)	\$ (11,247)	\$ 34,860	\$ (42,416)	\$ 45,048	\$ 41,435

Note: Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore, general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

Anne Arundel County, Maryland
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Non-spendable	\$ 4,795,981	\$ 4,297,591	\$ 3,834,411	\$ 3,487,261	\$ 2,525,276	\$ 2,738,022	\$ 3,082,745	\$ 2,678,031	\$ 2,493,448	\$ 2,116,996
Restricted	21,547,484	21,114,377	-	-	-	-	1,372,139	1,372,139	38,177,889	16,974,138
Committed	-	-	19,542,703	9,371,621	-	-	-	-	-	-
Assigned	168,906,742	278,740,469	123,051,188	53,147,669	81,811,048	89,215,268	82,546,189	65,989,087	42,862,522	42,657,510
Unassigned	272,386,442	247,385,055	243,692,883	161,996,256	90,361,685	82,924,322	88,023,466	76,778,332	78,436,997	57,724,388
Total general fund	\$ <u>467,636,649</u>	\$ <u>551,537,492</u>	\$ <u>390,121,185</u>	\$ <u>228,002,807</u>	\$ <u>174,698,009</u>	\$ <u>174,877,612</u>	\$ <u>175,024,539</u>	\$ <u>146,817,589</u>	\$ <u>161,970,856</u>	\$ <u>119,473,032</u>
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	266,020,054	257,944,067	246,647,183	207,356,738	184,873,975	153,223,193	159,426,040	188,477,300	174,183,847	109,341,127
Committed	13,523,832	13,496,780	17,088,441	17,747,932	16,111,319	15,228,305	15,353,968	16,822,454	15,237,161	13,512,623
Assigned	191,167,589	89,583,080	94,187,758	76,805,478	85,148,709	134,902,781	124,078,614	79,535,242	121,015,146	82,922,005
Unassigned	(38,789,371)	(43,836,895)	(32,206,014)	(23,097,809)	(12,856,757)	(9,414,394)	(8,264,460)	(11,898,316)	(6,108,739)	(3,530,106)
Total all other governmental funds	\$ <u>431,922,104</u>	\$ <u>317,187,032</u>	\$ <u>325,717,368</u>	\$ <u>278,812,339</u>	\$ <u>273,277,246</u>	\$ <u>293,939,885</u>	\$ <u>290,594,162</u>	\$ <u>272,936,680</u>	\$ <u>304,327,415</u>	\$ <u>202,245,649</u>

Note: In fiscal year 2011 the primary government implemented GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. This statement redefined how the fund balances of the governmental funds are presented in the financial statements.

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Anne Arundel County, Maryland
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
REVENUES					
General property taxes	\$ 873,849,117	\$ 854,191,742	\$ 831,122,864	\$ 800,684,208	\$ 741,670,235
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
Grants and aid	110,494,487	159,018,376	160,478,932	101,396,165	61,249,684
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
Impact fees	21,695,583	28,933,429	31,468,598	36,710,846	32,733,711
Special community benefit taxes	9,985,961	9,367,759	9,003,030	8,793,500	8,517,569
Video lottery local impact grants	28,944,183	29,215,850	30,620,703	22,431,343	27,316,533
Watershed protection and restoration	24,198,415	23,904,363	23,619,255	23,326,588	22,017,074
Contributed capital	-	-	-	-	-
Investment income	32,795,673	(10,770,518)	(1,105,079)	11,932,051	16,449,014
Fees for services and other revenue	87,162,504	72,676,926	52,757,169	55,258,347	64,437,432
Total revenues	<u>2,193,770,593</u>	<u>2,196,324,383</u>	<u>2,060,618,490</u>	<u>1,858,812,032</u>	<u>1,700,462,052</u>
EXPENDITURES					
Current					
Education	1,009,588,263	961,276,084	919,228,528	939,581,972	946,223,055
Public safety	420,426,537	390,883,909	366,176,442	335,794,412	314,231,025
General government	230,000,120	201,357,349	188,358,268	161,691,255	148,598,076
Health and human services	102,750,539	109,660,157	111,286,780	101,850,680	81,174,496
Public works	46,783,616	54,375,243	45,415,532	48,976,660	53,686,960
Recreation and community services	82,853,143	97,207,550	72,655,970	65,485,317	60,854,736
Judicial	36,353,456	34,092,936	31,906,744	31,210,499	30,215,792
Code enforcement	17,782,232	16,169,885	15,332,805	15,181,035	13,918,760
Land use and development	11,962,582	10,330,805	9,133,848	9,398,676	10,129,513
Capital outlay	182,355,965	153,660,451	139,447,415	173,058,009	168,807,350
Debt service					
Interest payments on debt	70,155,570	69,259,664	63,854,988	64,033,273	57,901,384
Principal payments on debt	151,368,899	155,653,784	237,481,103	96,920,048	98,981,692
Interest payments on leases	519,964	376,896	8,712	373	373
Principal payments on leases	4,100,282	4,542,724	30,272	10,122	34,138
Debt issuance costs	114,533	289,037	-	-	-
Total expenditures	<u>2,367,115,701</u>	<u>2,259,136,474</u>	<u>2,200,317,407</u>	<u>2,043,192,331</u>	<u>1,984,757,350</u>
Revenues over (under) expenditures	<u>(173,345,108)</u>	<u>(62,812,091)</u>	<u>(139,698,917)</u>	<u>(184,380,299)</u>	<u>(284,295,298)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	413,289,695	285,543,112	286,539,448	346,249,000	364,875,286
Transfers out	(413,289,695)	(285,543,112)	(286,539,448)	(346,249,000)	(364,875,286)
General obligation bonds issued	129,555,000	138,495,000	180,065,000	214,495,000	211,980,000
Bond anticipation notes issued	-	-	-	-	-
Payment of bond anticipation notes	-	-	-	-	-
Proceeds from Federal and State Loans	-	-	-	-	285,100
Proceeds from leases	190,617	5,210,477	-	-	41,980
Proceeds from refunding issue	40,730,000	43,909,150	110,511,100	-	4,445,000
Premiums from sale of bonds	18,759,800	20,181,094	32,725,974	27,938,190	43,830,943
Premiums from the refunding of bonds	5,973,165	6,066,164	24,757,250	-	490,033
Transfers from (to) proprietary funds	1,398,958	1,836,177	663,000	787,000	2,380,000
Transfers from (to) OPEB Trust	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>196,607,540</u>	<u>215,698,062</u>	<u>348,722,324</u>	<u>243,220,190</u>	<u>263,453,056</u>
Net change in fund balances	<u>\$ 23,262,432</u>	<u>\$ 152,885,971</u>	<u>\$ 209,023,407</u>	<u>\$ 58,839,891</u>	<u>\$ (20,842,242)</u>
Debt service as a percentage of noncapital expenditures	<u>10.3%</u>	<u>10.8%</u>	<u>8.3%</u>	<u>8.5%</u>	<u>8.5%</u>

	2018	2017	2016	2015	2014
\$	720,718,221	\$ 698,622,818	\$ 668,195,251	\$ 659,894,834	\$ 637,345,360
	508,267,424	491,528,416	456,192,055	444,302,777	435,870,098
	11,624,829	11,694,607	12,092,354	11,270,543	12,163,216
	48,773,143	47,789,759	54,773,026	45,491,189	43,872,560
	110,642,661	109,395,916	105,668,592	89,697,633	77,535,100
	32,744,465	32,938,166	33,070,498	32,830,881	31,516,775
	18,132,998	17,148,374	18,617,749	17,333,180	16,536,662
	11,833,040	11,985,658	11,387,538	11,060,278	5,238,016
	11,056,998	11,560,846	11,329,610	11,088,708	10,663,480
	35,651,712	24,587,197	33,651,125	26,322,325	25,983,661
	8,471,575	8,429,687	8,202,160	7,451,077	6,884,379
	27,942,514	23,805,240	18,437,244	17,701,164	18,924,230
	21,665,866	21,821,801	21,058,386	16,925,138	13,168,354
	-	589,323	5,187,715	42,776,980	-
	6,560,442	1,983,519	4,933,509	2,261,163	1,735,894
	61,563,037	59,225,786	49,047,470	54,700,019	48,035,826
	<u>1,635,648,925</u>	<u>1,573,107,113</u>	<u>1,511,844,282</u>	<u>1,491,107,889</u>	<u>1,385,473,611</u>
	874,498,215	756,618,157	770,323,479	764,212,446	707,187,203
	297,679,594	291,177,796	283,055,202	281,406,166	264,937,499
	139,055,913	113,861,353	67,831,167	77,157,430	85,244,783
	76,011,931	78,503,626	76,012,320	72,578,279	69,650,709
	51,848,700	46,309,768	51,788,360	49,310,052	48,748,016
	60,745,723	57,791,422	55,341,217	53,354,539	49,866,606
	29,148,559	27,708,229	27,189,933	25,736,525	25,423,827
	14,046,524	14,206,639	13,149,060	13,096,270	12,287,022
	8,613,192	11,234,169	11,541,521	10,610,682	9,432,737
	151,503,207	112,762,608	100,566,378	105,072,340	65,054,648
	54,487,265	53,916,572	53,433,347	47,526,274	43,344,484
	97,311,937	90,755,667	129,372,483	99,693,700	75,614,400
	-	15,210	13,619	11,654	13,662
	54,869	39,658	22,347	12,304	16,211
	-	-	-	-	-
	<u>1,855,005,629</u>	<u>1,654,900,874</u>	<u>1,639,640,433</u>	<u>1,599,778,661</u>	<u>1,456,821,807</u>
	<u>(219,356,704)</u>	<u>(81,793,761)</u>	<u>(127,796,151)</u>	<u>(108,670,772)</u>	<u>(71,348,196)</u>
	327,401,558	244,889,130	199,828,955	261,225,566	185,144,585
	(327,401,558)	(244,889,130)	(199,828,955)	(261,225,566)	(185,144,585)
	190,650,000	103,285,000	93,260,000	181,800,000	122,300,000
	-	-	-	-	37,800,000
	-	-	-	-	(37,800,000)
	-	-	-	4,937	168,488
	-	94,513	60,038	-	119,790
	40,380,000	44,423,549	69,384,271	75,715,900	38,860,000
	30,959,363	18,037,398	18,664,020	13,642,515	14,815,121
	1,263,919	5,479,931	8,399,763	38,824,048	4,414,478
	946,137	1,170,804	(1,099,230)	8,782,112	5,274,617
	-	-	(70,877,624)	-	-
	<u>(41,643,919)</u>	<u>(49,903,480)</u>	<u>(25,679,034)</u>	<u>(68,730,094)</u>	<u>(42,852,298)</u>
	<u>222,555,500</u>	<u>122,587,715</u>	<u>92,112,204</u>	<u>250,039,418</u>	<u>143,100,196</u>
\$	<u>3,198,796</u>	<u>\$ 40,793,954</u>	<u>\$ (35,683,947)</u>	<u>\$ 141,368,646</u>	<u>\$ 71,752,000</u>
	<u>8.7%</u>	<u>9.2%</u>	<u>11.3%</u>	<u>9.5%</u>	<u>8.4%</u>

Anne Arundel County, Maryland
Taxable Assessed Value and Estimated Actual Value of Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30,	Real Property					Personal Property			Total Taxable Assessed Value	Weighted Average Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Agricultural Property	Use Value Property	Total Real Property	Railroad/Utility Property	Other Business Property	Total Personal Property				
2023	\$ 75,855,072	\$ 22,519,338	\$ 596,164	\$ 23,161	\$ 98,993,735	\$ 1,409,233	\$ 1,691,693	\$ 3,100,926	\$ 102,094,661	0.95	\$ 102,094,661	100.00%
2022	73,633,743	22,659,244	574,885	14,746	96,882,618	1,308,485	1,658,619	2,967,104	99,849,722	0.94	99,849,722	100.00%
2021	71,395,721	22,651,601	572,257	20,424	94,640,003	1,251,058	1,503,158	2,754,216	97,394,219	0.94	97,394,219	100.00%
2020	69,494,486	21,422,055	557,322	23,131	91,496,994	1,164,769	1,546,641	2,711,410	94,208,404	0.95	94,208,404	100.00%
2019	66,898,243	20,570,534	536,563	17,758	88,023,098	1,122,468	1,611,430	2,733,898	90,756,996	0.91	90,756,996	100.00%
2018	64,446,727	19,754,772	519,391	20,913	84,741,803	1,027,433	1,649,168	2,676,601	87,418,404	0.92	87,418,404	100.00%
2017	62,092,763	18,589,077	503,603	20,966	81,206,409	994,833	1,602,185	2,597,018	83,803,427	0.93	83,803,427	100.00%
2016	59,792,897	17,851,464	488,233	21,624	78,154,218	941,588	1,336,541	2,278,129	80,432,347	0.93	80,432,347	100.00%
2015	58,283,455	16,973,623	473,558	16,350	75,746,986	756,172	1,428,405	2,184,577	77,931,563	0.95	77,931,563	100.00%
2014	57,703,275	16,114,711	467,950	16,216	74,302,152	739,450	1,451,770	2,191,220	76,493,372	0.96	76,493,372	100.00%

Anne Arundel County, Maryland
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Per \$100 of Assessed Value)

Fiscal Year Ended June 30,	Anne Arundel County					Overlapping		Total	
	Other than City of Annapolis		Within City of Annapolis		Weighted Average Tax Rate	City of Annapolis Real Property	State of Maryland Real Property	Other than City of Annapolis Real Property	Within City of Annapolis Real Property
	Real Property	Personal Prop.	Real Property	Personal Prop.					
2023	\$ 0.933	\$ 2.332	\$ 0.559	\$ 1.397	\$ 0.940	\$ 0.738	\$ 0.112	\$ 1.045	\$ 1.409
2022	0.933	2.332	0.559	1.397	0.940	0.738	0.112	1.045	1.409
2021	0.934	2.335	0.560	1.400	0.940	0.738	0.112	1.046	1.410
2020	0.935	2.337	0.561	1.402	0.950	0.738	0.112	1.047	1.411
2019	0.902	2.255	0.541	1.352	0.910	0.738	0.112	1.014	1.391
2018	0.907	2.267	0.544	1.360	0.920	0.649	0.112	1.019	1.305
2017	0.915	2.287	0.548	1.370	0.930	0.649	0.112	1.027	1.309
2016	0.923	2.307	0.552	1.380	0.930	0.649	0.112	1.035	1.313
2015	0.943	2.357	0.564	1.410	0.950	0.649	0.112	1.055	1.325
2014	0.950	2.375	0.569	1.422	0.960	0.650	0.112	1.062	1.331

Note: Section 710(d) of the County Charter provides that property taxes shall not increase, compared with the previous fiscal year, more than the Consumer Price Index percentage of change, or 4.5 percent, whichever is the lesser.

Anne Arundel County, Maryland
Principal Property Tax Payers
Current Year and Nine Years Ago

2023			2014		
Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Baltimore Gas & Electric Company	\$ 1,242,963,493	1.22%	Baltimore Gas and Electric Company	\$ 657,345,780	0.86%
Arundel Mills Limited Partnership (Arundel Mills Mall)	429,208,780	0.42%	Verizon	187,235,060	0.24%
Verizon	140,650,850	0.14%	Annapolis Mall LTD Partnership (Annapolis Mall)	423,726,100	0.55%
GLP Capital LP	306,762,972	0.30%	Arundel Mills Limited Partnership (Arundel Mills Mall)	367,172,570	0.48%
Annapolis Mall LTD Partnership (Annapolis Mall)	324,008,400	0.32%	PPE Casino Resorts Maryland LLC	270,349,840	0.35%
Northrop Grumman Systems Corp.	243,964,185	0.24%	Raven FS Property Holdings LLC	175,040,000	0.23%
Raven FS Property Holdings LLC	192,514,833	0.19%	Annapolis Towne Center at Parole LLC	156,018,747	0.20%
Comcast of Maryland, LLC	72,867,570	0.07%	Northrop Grumman Corp.	111,453,800	0.15%
Annapolis Towne Center at Parole LLC	162,526,300	0.16%	Wal-mart Stores, Inc.	116,557,570	0.15%
WCS Properties Business Trust	135,604,800	0.13%	Dorsey Ridge Associated LLC	94,055,100	0.12%
	<u>\$ 3,251,072,183</u>	<u>3.18%</u>		<u>\$ 2,558,954,567</u>	<u>3.35%</u>

Anne Arundel County, Maryland
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collection to Date	
	Taxes Levied for the Fiscal Year	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 879,415,526	\$ 876,416,575 99.66%	\$ -	\$ 876,416,575	99.66%
2022	855,128,718	849,455,256 99.34%	4,761,000	854,216,256	99.89%
2021	829,252,065	821,315,061 99.04%	7,295,228	828,610,289	99.92%
2020	802,387,875	796,488,765 99.26%	5,538,468	802,027,233	99.96%
2019	744,040,379	742,102,299 99.74%	1,740,806	743,843,105	99.97%
2018	719,780,692	718,630,145 99.84%	1,051,084	719,681,229	99.99%
2017	691,541,813	690,363,926 99.83%	1,135,214	691,499,140	99.99%
2016	664,554,243	662,752,803 99.73%	1,776,654	664,529,457	100.00%
2015	660,178,876	651,873,246 98.74%	8,288,516	660,161,762	100.00%
2014	638,043,608	628,011,846 98.43%	9,883,252	637,895,098	99.98%

Anne Arundel County, Maryland
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands of dollars, except per capita)

Fiscal Year Ended June 30,	Governmental Activities							Business-Type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Leases and Subscriptions (c)	Tax Increment Bonds	State and Federal Loans	Capital Leases	Installment Purchase Agreements	Total Governmental Activities	Water, Wastewater and Solid Waste Bonds (b)	Leases (c)			
2023	\$ 1,713,954	\$ 62,597	\$ 56,780	\$ 1,682	\$ -	\$ 13,425	\$ 1,848,438	\$ 920,554	\$ 95	\$ 2,769,087	5.92%	\$ 4,667
2022	1,693,427	37,687	61,015	1,897	20	13,445	1,807,491	894,303	121	2,701,915	5.98%	4,564
2021	1,663,874	-	64,945	2,138	50	13,465	1,744,472	878,166	-	2,622,638	5.85%	4,452
2020	1,567,703	-	68,445	2,362	20	13,485	1,652,015	837,899	-	2,489,914	5.93%	4,272
2019	1,438,373	-	71,610	2,584	30	13,505	1,526,102	781,357	-	2,307,459	5.84%	3,984
2018	1,292,667	-	73,700	2,527	24	13,525	1,382,443	729,593	-	2,112,036	5.52%	3,670
2017	1,175,582	-	81,130	2,767	79	13,545	1,273,103	682,152	-	1,955,255	5.29%	3,422
2016	1,159,243	-	83,125	3,101	96	13,565	1,259,130	638,133	-	1,897,263	5.32%	3,342
2015	1,136,729	-	84,860	3,398	37	13,585	1,238,609	615,297	-	1,853,906	5.37%	3,290
2014	1,004,487	-	86,440	3,730	49	13,605	1,108,311	527,263	-	1,635,574	4.96%	2,922

(a) See the Demographic and Economic Statistics schedule for personal income and population data. These ratios are calculated using personal income for the prior calendar year.

(b) Bonds have been adjusted for the unamortized premium.

(c) Amounts include GASB87 and GASB 96 which began July 1, 2021 and July 1, 2022, respectively.

Anne Arundel County, Maryland
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(in thousands of dollars, except per capita)

<u>Fiscal Year Ended June 30,</u>	<u>Net General Obligation Bonds Outstanding (a)</u>	<u>Percentage of Estimated Actual Taxable Value of Property (b)</u>	<u>Per Capita (c)</u>
2023	\$ 2,363,784	2.32%	\$ 3,984
2022	2,310,644	2.31%	3,903
2021	2,288,240	2.35%	3,885
2020	2,151,217	2.28%	3,691
2019	1,976,795	2.18%	3,413
2018	1,785,640	2.04%	3,103
2017	1,631,670	1.95%	2,856
2016	1,556,069	1.93%	2,741
2015	1,496,636	1.92%	2,656
2014	1,332,037	1.74%	2,380

(a) Bonds have been adjusted for the unamortized premium and net position restricted for debt service.

(b) See the Taxable Assessed Value and Estimated Actual Value of Property schedule for property value data.

(c) See the Demographic and Economic Statistics schedule for population data.

Anne Arundel County, Maryland
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of Annapolis	\$ 68,112,205	100.00%	\$ 68,112,205
Subtotal overlapping debt			68,112,205
Anne Arundel County direct debt			1,848,437,846
Total direct and overlapping debt			\$ 1,916,550,051

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of the overlapping government that is borne by the residents and businesses of Anne Arundel County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Anne Arundel County, Maryland
Legal Debt Margin
Last Ten Fiscal Years
(dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Assessed value										
Real property	\$ 98,993,735	\$ 96,882,618	\$ 94,640,003	\$ 91,496,994	\$ 88,023,098	\$ 84,741,803	\$ 81,206,409	\$ 78,154,218	\$ 75,746,986	\$ 74,302,152
Personal and operating real property	3,100,926	2,967,104	2,754,216	2,711,410	2,733,898	2,676,602	2,597,018	2,278,129	2,184,577	2,191,220
Total assessed value	102,094,661	99,849,722	97,394,219	94,208,404	90,756,996	87,418,405	83,803,427	80,432,347	77,931,563	76,493,372
Legal debt margin										
Debt limit (5.2% of assessed value of real property, 13% for fiscal years 2001 and prior)	5,147,674	5,037,896	4,921,280	4,757,844	4,577,201	4,406,574	4,222,733	4,064,019	3,938,843	3,863,712
Debt limit (13% of assessed value of personal and operating real property)	403,120	385,724	358,048	352,483	355,407	347,958	337,613	296,157	283,995	284,859
Total debt limit	5,550,794	5,423,620	5,279,328	5,110,327	4,932,608	4,754,532	4,560,346	4,360,176	4,222,838	4,148,571
Debt applicable to limit:										
General obligation bonds (1)	1,355,191	1,337,928	1,327,513	1,289,037	1,190,801	1,088,656	997,364	982,412	984,949	916,204
Bonded debt for WPRF projects (1)	145,926	139,614	118,480	95,611	72,866	55,216	44,448	46,688	33,825	7,300
Bonded debt for solid waste projects (1)	42,993	43,453	47,362	44,472	38,973	37,228	33,888	32,920	33,881	28,491
Installment Purchase Agreements (1)	13,425	13,445	13,465	13,485	13,505	13,525	13,545	13,565	13,585	13,605
Tax Increment Bonds (1)	56,780	61,015	64,945	68,445	71,610	73,700	81,130	83,125	84,860	86,440
Bond anticipation notes (2)	-	-	-	-	-	-	-	-	-	-
Total debt applicable to limit	1,614,315	1,595,455	1,571,765	1,511,050	1,387,755	1,268,325	1,170,375	1,158,710	1,151,100	1,052,040
Legal debt margin	\$ 3,936,479	\$ 3,828,165	\$ 3,707,563	\$ 3,599,277	\$ 3,544,853	\$ 3,486,207	\$ 3,389,971	\$ 3,201,466	\$ 3,071,738	\$ 3,096,531
Total debt applicable to the limit as a percentage of debt limit	29.08%	29.42%	29.77%	29.57%	28.13%	26.68%	25.66%	26.57%	27.26%	25.36%

(1) See Note 8 of the General Purpose Financial Statements for explanations of the bonded debt limits.

(2) This presentation of debt for self-liquidating solid waste projects and bond anticipation notes is made to provide a conservative statement of indebtedness that evidences compliance with the 5.2% and 5.6% debt limitation.

Anne Arundel County, Maryland
Pledged-Revenue Bond Coverage
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water and Wastewater Revenue Backed Bonds						Solid Waste Revenue Backed Bonds					
	Utility	Less:	Net	Debt Service		Coverage	Service	Less:	Net	Debt Service		Coverage
	Charges and Other	Operating Expenses	Available Revenue	Principal	Interest		Charges and Other	Operating Expenses	Available Revenue	Principal	Interest	
2023	\$ 108,288	\$ 108,329	\$ -41	\$ 39,408	\$ 33,330	0.00	\$ 68,508	\$ 59,592	\$ 8,916	\$ 3,460	\$ 1,316	1.87
2022	100,439	109,879	-9,440	38,283	32,793	-0.13	66,665	36,791	29,875	3,478	2,056	5.40
2021	96,617	102,534	-5,917	36,554	30,690	-0.09	57,834	53,525	4,309	3,076	1,977	0.85
2020	102,566	98,213	4,353	34,136	30,418	0.07	56,534	47,710	8,825	2,501	1,928	1.99
2019	96,579	97,182	-603	32,450	28,579	-0.01	56,194	49,865	6,329	2,355	1,841	1.51
2018	96,827	92,229	4,598	30,655	26,527	0.08	54,339	48,073	6,267	1,860	1,799	1.71
2017	95,380	86,703	8,676	30,141	13,424	0.20	53,163	45,062	8,101	3,348	764	1.97
2016	94,645	96,453	-1,807	29,560	10,104	-0.05	51,560	41,660	9,900	2,434	1,000	2.88
2015	93,904	78,084	15,819	26,514	8,339	0.45	50,786	46,396	4,390	2,356	900	1.35
2014	97,087	80,622	16,465	24,779	7,691	0.51	51,246	46,294	4,952	2,138	861	1.65

Fiscal Year	Tax Increment Bonds						Installment Purchase Agreements Bonds					
	Revenues and	Less:	Net	Debt Service		Coverage	Revenues and	Less:	Net	Debt Service		Coverage
	Transfers In	Operating Expenses	Available Revenue	Principal	Interest		Transfers In	Operating Expenses	Available Revenue	Principal	Interest	
2023	\$ 47,509	\$ 726	\$ 46,783	\$ 4,235	\$ 2,208	7.26	\$ 465	\$ 0	\$ 465	\$ 20	\$ 718	0.63
2022	48,435	1,153	47,282	3,930	2,408	7.46	-3,352	0	-3,352	20	719	-4.54
2021	52,564	1,124	51,440	3,500	2,588	8.45	130	0	130	20	720	0.18
2020	51,120	1,118	50,002	3,165	2,749	8.45	2,449	0	2,449	20	722	3.30
2019	47,294	1,435	45,859	2,090	2,202	10.68	1,849	0	1,849	20	723	2.49
2018	47,851	1,438	46,413	2,240	4,185	7.22	592	0	592	20	724	0.80
2017	47,908	1,678	46,230	1,995	4,233	7.42	-569	0	-569	20	725	-0.76
2016	39,206	957	38,249	1,735	4,271	6.37	2,443	0	2,443	20	726	3.27
2015	37,290	146	37,144	1,580	3,720	7.01	1,850	0	1,850	20	727	2.48
2014	33,562	639	32,923	1,430	3,105	7.26	1,262	0	1,262	20	728	1.69

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
"Utility Charges and Other" includes investment earnings but not capital contributions and grants.
"Operating Expenses" do not include interest or depreciation.

Anne Arundel County, Maryland
Demographic and Economic Statistics
Last Ten Years

Year	Population (a)	Personal Income (b) (thousands of dollars)	Per Capita Personal Income (c)	Public School Enrollment (d)	Unemployment Rate % (e)
2023	593,286	\$ 46,773,871	\$ 78,839	86,419	2.03
2022	592,052	45,195,933	76,338	84,453	3.42
2021	589,054	44,802,858	76,059	83,165	5.05
2020	582,777	41,961,692	72,003	83,044	5.85
2019	579,234	39,518,240	68,225	84,984	2.97
2018	575,523	38,278,035	66,510	83,249	3.23
2017	571,339	36,978,774	64,723	82,777	3.64
2016	567,665	35,686,828	62,866	81,397	3.80
2015	563,502	34,535,911	61,288	80,387	4.42
2014	559,691	32,999,381	58,960	79,518	5.15

Sources and notes:

(a) Mid-year (July 1) estimates obtained from the Maryland Department of Planning , U.S. Census Bureau, release date March 2023; These data supersede population estimates published in previous years.

(b) U.S. Bureau of Economic Analysis (BEA), release date November 2022 - revised estimated for 2014-2021. These data supersede personal income estimates published in previous years. The year 2022- 2023 have been forecast by Anne Arundel County Planning & Zoning.

(c) U. S Bureau of Economic Analysis, release date November 2022 Per capita personal income is total personal income divided by total U.S. Census Bureau mid-year population.

(d) Anne Arundel County Board of Education, Educational Facilities Master Plan July 2023; 2002-2022 actual enrollment. Enrollment for 2023 Projected by AACPS Planning Department release date July 2023. Revised to include evening high school enrollment.

(e) Maryland Department of Labor, Licensing and Regulation monthly reports Average per Calendar Year ; Year 2023 average for 6 months (Jan-June). Release date 8/01/2023. Previous data superseded by August 2023 report.

ANNE ARUNDEL COUNTY, MARYLAND

Principal Employers

Current Year and Nine Years Ago

2023			2014		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Ft. George G. Meade	62,680	15.33%	Ft. George G. Meade *	49,132	13.08%
Anne Arundel County Public Schools	14,852	3.63%	Anne Arundel County Public Schools	14,000	3.73%
State of Maryland	12,256	3.00%	BWI Thurgood Marshall Airport	9,717	2.59%
BWI Thurgood Marshall Airport	9,717	2.38%	State of Maryland	9,578	2.55%
Northrop Grumman Corp.	9,500	2.32%	Northrop Grumman Corp.	6,500	1.73%
Anne Arundel County Government	6,348	1.55%	Anne Arundel County Government	5,190	1.38%
Anne Arundel Health System	5,100	1.25%	Anne Arundel Health System	4,000	1.06%
Southwest Airlines	4,857	1.19%	Southwest Airlines	3,200	0.85%
Univ. of MD Baltimore Washington Medical Center	3,328	0.81%	Maryland Live! Casino	3,000	0.80%
Live! Casino and Hotel	3,000	0.73%	Baltimore Washington Medical Center	2,800	0.75%
	<u>131,638</u>	<u>32.20%</u>		<u>107,117</u>	<u>28.51%</u>

Sources: Anne Arundel Economic Development Corporation, the Maryland State Data Center, and the U.S. Department of Commerce - Bureau of Economic Analysis.

ANNE ARUNDEL COUNTY, MARYLAND
County Government Employees by Function - Full Time Equivalent
Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	560	544	534	529	519	521	511	502	500	500
Public safety										
Police	1,033	1,026	1,019	1,005	1,016	992	975	965	951	919
Fire	999	991	1,009	988	934	922	908	901	901	780
Detention center	434	434	434	434	397	395	397	398	398	398
Emergency Management	9	8	6	5	5	-	-	-	-	-
Health and human services	168	159	155	154	154	154	158	158	158	158
Public works	302	300	299	298	295	297	298	307	308	309
Recreation and community services	120	110	108	105	100	95	92	87	87	87
Judicial	319	313	306	296	290	286	281	277	270	272
Code enforcement	171	170	166	165	160	160	159	155	156	155
Land use and development	88	86	81	81	72	75	75	78	80	81
Water and wastewater	380	380	380	380	380	380	380	380	378	376
Solid waste	92	92	90	90	90	90	90	90	90	88
Child care	25	25	9	9	9	9	9	9	9	9
Total	<u>4,700</u>	<u>4,638</u>	<u>4,596</u>	<u>4,539</u>	<u>4,421</u>	<u>4,376</u>	<u>4,333</u>	<u>4,307</u>	<u>4,286</u>	<u>4,132</u>

Source: Anne Arundel County Budget Office, Approved Current Expense Budgets

Anne Arundel County, Maryland
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Physical arrests	9,172	10,908	9,205	10,304	13,145	12,946	14,126	14,375	13,788	14,725
Parking violations	2,429	2,021	1,932	2,058	3,298	2,906	2,429	1,545	1,715	3,338
Traffic violations	151,305	153,230	75,752 ¹	129,831	187,715	177,049	172,259	159,213	149,416	152,663
Fire										
Emergency responses	89,349	79,577	88,085	85,081	87,292	86,862	85,061	81,040	71,844	69,053
Inspections	11,461	6,160	7,446	9,866	12,544	10,829	12,656	9,062	10,268	10,729
Streets and highways										
Resurfacing (miles)	85.5	84.7	97.5	80.1	59.1	59.8	74.8	53.4	38.1	41.7
Recreation and community services										
Facility use applications	3,435	3,422	843 ¹	5,530	6,231	6,234	7,331	5,036	6,162	6,158
Water										
New water connections	998	1,302	1,670	1,811	2,633	1,000	1,671	1,972	1,229	1,126
Water main breaks	166	207	160	177	165	168	221	227	236	255
Average daily water consumption (thousands of gallons)	33,324	31,669	30,265	31,193	33,600	32,400	33,650	33,067	33,333	34,105
Number of customers	123,977	122,979	121,677	119,938	118,127	115,494	114,494	112,917	111,466	110,165
Wastewater										
Average daily sewage treatment (thousands of gallons)	31,207	32,606	28,336	29,192	33,183	30,386	28,859	31,442	31,568	32,468
Number of customers	132,275	131,246	129,882	128,157	126,287	123,653	122,603	120,981	119,499	118,154
Solid waste										
Trash collected (tons per year)	287,480	284,343	302,616	270,550	254,681	222,822	205,604	199,116	185,817	182,148
Recyclables collected (tons per year)	125,469	133,445	142,475	142,464	135,884	136,912	143,890	136,831	135,648	132,509
Child care										
Enrollment	2,575	2,682	470 ¹	3,141	3,097	3,134	3,087	2,903	2,842	2,417

1) Decreases primarily due to COVID-19.

Source: Data provided by the following Anne Arundel County departments: Police, Fire, Recreation & Parks, and Public Works.

Anne Arundel County, Maryland
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety										
Police										
Stations	12	12	12	12	12	12	12	12	12	12
Patrol units (vehicles)	638	593	588	582	572	545	505	500	500	500
Fire										
County owned stations	22	22	22	22	21	20	20	20	20	20
Volunteer stations	9	9	9	9	10	11	11	11	11	11
Pumpers/tankers	69	68	67	69	70	65	63	60	58	66
Ladder trucks	17	16	25	25	24	22	23	23	23	23
Paramedic units	46	46	43	40	41	43	43	43	44	43
Streets and highways										
Streets (miles)	1,834	1,834	1,826	1,818	1,813	1,811	1,806	1,802	1,819	1,819
Streetlights	40,941	40,751	40,736	40,194	39,734	39,173	39,301	39,046	38,858	38,549
Traffic signals	251	249	238	238	234	222	219	216	207	205
Recreation and community services										
Open space acreage	5,810	5,828	4,989	4,984	4,930	4,722	4,991	4,991	4,990	4,982
Playgrounds and Parks acreage	6,989	6,923	7,789	7,706	7,536	7,542	7,329	7,329	7,319	7,318
Parks *										
Playgrounds	81	78	78	68	68	68	70	69	67	67
Baseball/softball fields	197	192	198	198	198	197	213	215	216	213
Football fields	104	98	100	99	99	97	104	99	97	98
Basketball courts	82	78	83	82	84	84	84	83	76	77
Tennis courts	54	50	53	52	54	53	53	54	54	54
Water										
Water mains (miles)	1,517	1,548	1,510	1,447	1,423	1,412	1,407	1,388	1,387	1,377
Water treatment plants	12	12	12	12	12	12	12	12	12	12
Wastewater										
Maximum daily treatment capacity (thousands of gallons)	52,530	52,530	52,530	52,530	52,530	46,830	46,640	46,640	46,615	46,615
Wastewater mains (miles)	1,595	1,612	1,523	1,469	1,469	1,472	1,472	1,446	1,445	1,442
Wastewater treatment plants	7	7	7	7	7	6	7	7	7	7
Wastewater pumping stations	267	267	265	265	262	262	259	258	257	257

Source: Data provided by the following Anne Arundel County departments: Police, Fire, Recreation & Parks, and Public Works.

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