

# CHARLES COUNTY MARYLAND



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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# CHARLES COUNTY, MARYLAND

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

Prepared by:

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[www.charlescountymd.gov](http://www.charlescountymd.gov)

**The County Commissioners of Charles County, Maryland**  
**Table of Contents**

Table of Contents .....	iii
<b>Introductory Section.....</b>	<b>1</b>
Letter of Transmittal .....	3
Government Finance Officers Certificate of Achievement .....	12
Listing of Elected and Appointed Officials .....	13
Organizational Chart .....	14
Charles County Location Map .....	15
Mission and Vision Statements .....	16
<b>Financial Section.....</b>	<b>17</b>
Report of Independent Public Accountants .....	19
Management's Discussion and Analysis (MD&A).....	22
<b>Basic Financial Statements .....</b>	<b>35</b>
Government-wide Financial Statements .....	36
Statement of Net Position .....	36
Statement of Activities .....	38
Fund Financial Statements.....	40
Governmental Fund Financial Statements.....	40
Balance Sheet .....	40
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities.....	41
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	42
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	43
Proprietary Fund Financial Statements.....	44
Statement of Net Position .....	44
Statement of Revenues, Expenses, and Changes in Net Position.....	45
Statement of Cash Flows .....	46
Fiduciary Fund Financial Statements.....	48
Statement of Fiduciary Net Position .....	48
Statement of Changes in Fiduciary Net Position .....	49
Component Unit Financial Statements.....	51
Combining Statement of Net Position .....	51

Combining Statement of Activities.....	52
Index to the Notes of the Financial Statements.....	55
<b>Notes to the Financial Statements .....</b>	<b>57</b>
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	57
NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY.....	70
NOTE 3. DETAILED NOTES ON ALL FUNDS.....	70
NOTE 4. RISK MANAGEMENT .....	98
NOTE 5. COMMITMENTS AND CONTINGENCIES.....	99
NOTE 6: PENSION & TRUST PLANS .....	100
NOTE 7: OTHER EMPLOYMENT BENEFITS.....	114
NOTE 8. CLOSURE AND POST-CLOSURE CARE COSTS .....	120
NOTE 9. SUBSEQUENT EVENTS .....	121
NOTE 10. ACCOUNTING CHANGES AND ERROR CORRECTIONS-COMPONENT UNIT.....	121
Required Supplementary Information .....	123
Schedule of Revenues, Expenditures, and Changes in Fund Balance: Budgetary (Non-GAAP) to Actual - General Fund.....	124
Schedule of the County's Retirement Plan Employer Contributions .....	125
Schedule of Changes in the County's Retirement Plan Net Pension Liability & Related Ratios..	126
Schedule of the Sheriff's Office Retirement Plan Employer Contributions.....	128
Schedule of Changes in the Sheriff's Office Retirement Net Pension Liability & Related Ratios	130
Schedule of the County's Contributions to the LOSAP Plan.....	132
Schedule of Changes in the County's LOSAP Net Pension Liability and Related Ratios .....	132
Schedule of the County's OPEB Plan Employer Contributions.....	134
Schedule of Changes in the County's Proportionate Share of the Net OPEB Liability & Related Ratios .....	135
Schedules and Combining Statements.....	137
General Fund .....	139
Schedule of Revenues and Other Financing Sources Budgetary (Non-GAAP) to Actual – General Fund .....	140
Schedule of Expenditures and Other Financing Uses Budgetary (Non-GAAP) to Actual – General Fund .....	144
Special Revenue Funds .....	147
Combining Balance Sheet.....	148
Combining Statement of Revenues, Expenses and Changes in Net Position .....	153
Enterprise Funds .....	159
Combining Statement of Net Position.....	160

Combining Statement of Revenues, Expenses and Changes in Net Position .....	161
Combining Statement of Cash Flows.....	162
Fiduciary & Trust Funds.....	165
Combining Statement of Fiduciary Net Position.....	166
Combining Statement of Changes in Fiduciary Net Position.....	167
<b>Statistical Section.....</b>	<b>169</b>
<b>    Financial Trend Information .....</b>	
Table 1	Net Position by Component.....
Table 2	Changes in Net Position.....
Table 3	Fund Balances of Governmental Funds .....
Table 4	Changes in Fund Balances of Governmental Funds.....
<b>    Revenue Capacity Information .....</b>	
Table 5	Assessed Value and Estimated Actual Value of Taxable Property .....
Table 6	Property Tax Rates for Direct and Overlapping Governments .....
Table 7	Principal Taxpayers.....
Table 8	Property Tax Levies and Collections.....
<b>    Debt Capacity Information.....</b>	
Table 9	Ratios of Outstanding Debt by Type.....
Table 10	Ratios of General Bonded Debt Outstanding.....
Table 11	Direct and Overlapping Debt: Governmental Activities .....
Table 12	Legal Debt Margin Information .....
<b>    Demographic and Economic Indicators .....</b>	
Table 13	Demographic and Economic Statistics .....
Table 14	Principal Employers .....
<b>    Operating Information.....</b>	
Table 15	Full-time Equivalent County Employees by Function.....
Table 16	Operating Indicators by Function .....
Table 17	Capital Asset Statistics by Function .....

# Introductory Section

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CHARLES COUNTY GOVERNMENT  
**Office of the County Administrator**

Deborah E. Hall, CPA  
Acting County Administrator

Phone 301-645-0553  
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February 6, 2025

To the Honorable Charles County Commissioners and  
The Citizens of Charles County, Maryland

The Annual Comprehensive Financial Report of Charles County, Maryland for the Fiscal Year ended June 30, 2024, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that Charles County annually issue a report of its financial condition and that this report be audited by an independent firm of licensed Certified Public Accountants. Responsibility for the accuracy of the County's financial records, including all required disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of Charles County Government. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

This report consists of management's representations concerning the finances of Charles County Government. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with U.S. generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by CliftonLarsonAllen, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurances that the financial statements of the County for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the year ended June 30, 2024, are fairly presented in conformity with U.S. generally accepted accounting principles (GAAP). The report of Independent Public Accountants is presented as the first component of the financial section of this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of the U.S. Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

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

### **Profile of the Charles County Government**

Charles County, Maryland was created in 1658 by an Order in Council. The County was named for Charles Calvert (1637-1715), 3<sup>rd</sup> Lord Baltimore. Calvert lived in Maryland from 1661 until he returned to England in 1684. He was Proprietor of the Maryland colony from 1675 to 1689, when he lost his right to govern. From 1692 until Calvert's death in 1715, Maryland was governed as a royal colony.

**Form of Government.** The County operated under the Commissioner form of government until March 2003 when the Code Home Rule form of government was adopted. Policy-making and certain legislative authority are vested in the Board of County Commissioners consisting of five Commissioners who are elected for four-year terms. The President of the County Commissioners, who must declare his or her candidacy at the time of filing, is elected County-wide and may reside anywhere within the County. The other four Commissioner members also run County-wide, but one must reside within each of the four Commissioner districts. The President serves on a full-time basis and the other Commissioners serve in a part-time capacity. The Board meets as needed at the Charles County Government Building in La Plata, Maryland. Other elected officials in the County include four Resident Judges of the Circuit Court, Clerk of the Circuit Court, States Attorney, Sheriff, Register of Wills, Judges of the Orphans' Court (three), and members of the County Board of Education (seven).

The County serves an estimated population of 171,973 and provides a full range of municipal services enacted by statute or charter. These include public safety, education, sanitation, transportation, public health, social services, recreation, public improvements, planning and zoning, and administrative services. The three incorporated municipalities within the County are La Plata, Indian Head and Port Tobacco. These entities are independent of the County and, as such, are not included in this report.

**Component Units.** The County is financially accountable, among other criteria, for a legally separate school system, a legally separate library system and the Resilience Authority of Charles County, Md Inc. All these entities are reported separately within the County's financial statements.

**Location.** Charles County, Maryland, located on the Southern Maryland Peninsula between the Patuxent River and the Potomac River, adjoins Prince George's County on the north and west and St.

Mary's County on the southeast. It occupies 502 square miles, of which 458 are land and 44 are waters.

The town of La Plata, the County seat, is 71 miles from Baltimore, and 32 miles from Washington, D.C. The County's executive offices are in the County Government Building, 200 Baltimore Street, La Plata, Maryland 20646.

**Budget.** The annual budget serves as the foundation for the County's financial planning and control. The County Commissioners are required to adopt a final budget no later than June 30th of the current fiscal year, and applies to those managed by the County Commissioners, County Administrator, County Attorney, and Department Heads. The budget is prepared by fund, function, and department. Department heads may make inter-category transfers up to \$15,000 within a department, with approval by the Fiscal & Administrative Services Director. Transfers between \$15,001 and \$35,000 require the approval of the County Administrator, between \$35,001 and \$50,000 require the approval of the President of the County Commissioners and transfers over \$50,000 require the majority approval of the full Board of Commissioners. Operating Budget Amendments that exclude grant funds require the special approval of the County Administrator or the Board of Commissioners depending on the dollar amount. Approval authority for an increase or decrease to total budget up to \$25,000 is delegated to the President of the County Commissioners, and more than \$25,000 requires majority approval of the Board of Commissioners.

Budget-to-actual comparisons are provided in this report for the General Fund for which an appropriated annual budget is adopted. This comparison is presented on page 124 as part of the required supplementary information.

## **Economic Condition and Outlook**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

**Local Economy.** Charles County, a suburb of Washington, D.C., is part of the Washington, D.C. Metropolitan Statistical Area (MSA). Charles County is also part of a region known as Southern Maryland, a three-county peninsula between the Potomac River and the Chesapeake Bay. The County has the 7th highest median household income in the state of Maryland and the 39th highest median household income in America. With a 2023 population estimate of 171,973, Charles County has been one of the fastest growing counties in Maryland. The U.S. Census Bureau, 2023 Population Estimates states Charles County has a majority African American population at 54.2%; making Charles County the nation's wealthiest majority African American county, overtaking Prince George's County, Maryland.

The County has a civilian labor force (16 years and older) of 88,994 with another 1,909 residents in the Armed Forces. The civilian workforce in Charles County continues to reflect the large number of educated working professionals that are moving into the County. The County median household income is 116,882. The annual average unemployment rate for 2023 was 2.2% according to the Maryland Department of Labor. According to recent Census data, major industries in which the civilian employed population are engaged include:

- Educational services, health care and social assistance (18.8%)

- Public Administration (20.6%)
- Professional scientific, management, waste management services and technical services (14.5%)

The foregoing constitutes 53.9% of the industries with the greatest employment. The top occupation groups for County residents (civilian employed population 16 years and over by number employed) are as follows:

- Management, business, science, and arts occupations (43.4%)
- Sales and office occupations (21.0%)
- Service occupations (16.7%)
- Natural resources, construction, and maintenance occupations (9.7%)
- Production, transportation, and material moving occupations (9.1%)

As indicated in the following table, employment in the County decreased from 41,505 in 2019 to 41,353 in 2023, a loss of 152 jobs and a 0.4% decrease in total employment. Growth in the public sector of employment outpaced the private sector between 2019 and 2023. The decrease in employment overall was due to the COVID-19 Pandemic which temporarily closed businesses during 2020. It is believed that employment will rebound over the coming years as the impact from the pandemic lessens.

	Five-Year Employment Statistics					% Change '19 to '23
	2019	2020	2021	2022	2023	
<b>GOVERNMENT</b>						
Federal	2,504	2,690	2,676	2,982	3,711	48.2%
State	539	517	521	541	539	0.0%
Local	7,048	6,728	6,704	7,010	7,285	3.4%
Subtotal	10,091	9,935	9,901	10,533	11,535	14.3%
<b>INDUSTRY</b>						
Services, Transportation, Communication & Utilities	27,267	24,646	25,834	26,314	26,340	-3.4%
Construction	3,492	3,259	2,997	2,958	2,911	-16.6%
Manufacturing	624	566	567	557	543	-13.0%
Other	31	33	28	27	23	-25.8%
Subtotal	31,414	28,504	29,426	29,856	29,817	-5.1%
Total	41,505	38,439	39,327	40,389	41,352	-0.4%

*Source: Maryland Department of Labor, Licensing and Regulation.*

The County's unemployment rates have remained lower than that of the nation and constant with the state.

### Average Annual Unemployment Rate

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Calvert County	3.0%	5.0%	4.2%	2.7%	1.9%
<b>Charles County</b>	<b>3.4</b>	<b>6.4</b>	<b>5.2</b>	<b>3.1</b>	<b>2.2</b>
Frederick County	3.0	5.6	4.4	2.7	2.0
Montgomery County	2.8	6.0	5.0	2.7	1.9
Prince George's County	3.5	7.8	6.7	3.3	2.2
St. Mary's County	3.2	4.6	4.0	2.8	2.0
State of Maryland	3.4	6.4	5.2	3.0	2.1
United States <sup>1</sup>	3.7	8.1	5.3	3.6	3.6

*<sup>1</sup> U.S. Department of Labor, Bureau of Labor Statistics.*

*Source: Maryland Department of Labor, Office of Workforce Information and Performance (OWIP),*

*Local Area Unemployment Statistics (LAUS) - Workforce Information and Performance - Annual County Data*

Charles County has experienced a continued increase in population each year. The Census of 2000 put the County's population at 121,204. The Census of 2010 puts the County's population at 146,551. The Census of 2020 puts the County's population at 166,617. The increase from 2000 to 2020 is 37.5%. The 2023 estimated County population is approximately 171,973. It is projected that population growth within the County will continue at a steady but moderate rate.

**Relevant Financial Policies.** The County Commissioners have formalized several financial policies to address their long-term and short-term concerns. Several of these are as follows:

1. Review and approve five-year comprehensive plans for operating and capital budgets for all major funds. By establishing long range plans, the County measures the fiscal impact of today's decisions on tomorrow's outcomes.
2. An annual review of all programs that operate on an enterprise fund basis is prepared to ensure that the revenues for such programs continue in a self-supporting nature. By doing so, the Commissioners relieve the pressure of funding such programs on the general taxpayer. Major programs include Solid Waste, Water & Sewer, Stormwater/Watershed Protection & Restoration, Environmental Service, Recreation Programs, and Developer Inspections & Review.
3. Regular reports are prepared for most major operations comparing year-to-date activity and year-end estimates with budget and prior year actual results. The review alerts the Board of County Commissioners to any financial problems that may require action, or operating surpluses that could be reinvested for program improvements.
4. When needed, the County will advance the State of Maryland's share for school construction to provide adequate classroom space, only when assurances are given by the State that the County will be reimbursed. All advanced projects have been reimbursed by the State.

5. Established a Fund Balance policy adopted on March 9, 2010, and last updated on September 25, 2019:
  - a. This policy will ensure the County maintains a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unexpected one-time expenditures.
  - b. The unrestricted fund balance range for the General Fund excluding committed and assigned items shall not be less than 8% and not more than 15% of the total budgeted operating revenues of the General Fund budget at the end of each fiscal year.
  - c. The fund balance of the Water and Sewer Operating Budget associated with the Department of Public Works – Utilities shall not be less than 30 days and not more than 120 days of the total budgeted operating expenses of the Utilities Operating Fund at the end of each fiscal year.
  - d. A surplus of 15% of the General Fund shall be designated or appropriated during the next fiscal year. A General fund surplus would be to cover any shortfalls within Special Revenue Funds. Water and Sewer surplus may be reserved for one-time capital needs. Surplus funds can be utilized to reduce or avoid debt, one-time expenditures such as capital outlay, capital project or operating needs, or to stabilize taxes, rates and fees.
  - e. A shortfall is to be rebuilt through the following mechanisms: distribution of surplus from other related funds or appropriation during the next three annual budget cycles of at least 20% of the shortfall. If this is financially unfeasible, a written plan shall be forwarded by the County Administrator to the Board of Commissioners for approval to restore the required range. This plan may require reduction of services, increased taxes, fees or rates.
6. Established a Debt policy adopted on September 22, 2009, and was last amended on January 23, 2018:
  - a. Authority to Issue Debt – The County may only issue general obligation and revenue bonds under the authority conferred by the Maryland General Assembly. As a Code Home Rule county, the County may also authorize the issuance of general obligation and revenue bonds by a public local law enacted by the County Commissioners. There are no statutory limits on the amount of general obligation or revenue bonds that may be authorized by the County Commissioners. The County may issue economic development revenue bonds under State law which provides that such bonds shall not constitute indebtedness or charge against the general credit of taxing power of the County. The County may issue bonds necessary to finance the cost incurred to construct new capacity for public school facilities. The debt service on these bonds is paid for by a special tax assessment (excise tax) on new home starts after June 30, 2003, payable over a 10-year period. The County may issue general obligation bonds to finance water systems, sewerage systems, solid waste disposal systems and solid waste acceptance systems in the Waldorf Taxing District One, the Mattawoman Special Taxing District Number Two, and Special Taxing District Number Three.

- b. **Debt Issuance Guidelines** – Long-term borrowing will not be used to finance current operations or normal maintenance. All debt issued, including lease purchases, will be repaid within a period not to exceed the useful life of the asset or the improvement financed by the debt. General Fund debt service payment levels will be maintained not to exceed 8% of operating revenues. The County will seek to maintain and, if possible, improve current bond ratings to minimize borrowing costs and preserve access to credit. The General Obligation debt issuance will be managed on an annual basis to match funds to the CIP cashflow requirements.
- c. **Debt Capacity** – The five-year financial plan will help determine the amount of debt that can be issued while maintaining an 8% debt service ratio to the General Fund operating revenue budget. The annual review of the Capital Improvement Program will identify projects eligible for long term financing, and those adopted will closely match the debt that is affordable as calculated by the annual update of the five-year financial plan.

**Long-term Financial Planning.** The County implements five-year financial forecast models for all major funds to aid with both operating and capital budget plans. Our financial models can adjust current and future revenues to fulfill the desired service level requirements. The outcome of compiling financial plans is to determine the amount of additional debt that the County can issue over a five-year period to make fiscally sound management decisions as it relates to future infrastructure.

During Fiscal Year 2024, the County held a bond sale in November 2023 with total proceeds of \$55.0 million. The County's debt service levels have remained well below the legal debt margin for the past several years as a direct result of the extensive financial planning that is conducted from both a capital and operating budget perspective. The Commissioner's target debt ceiling limit of 8% provides a sturdy framework from which to make long-term financial decisions.

**Major Initiatives.** The County's Fiscal Year 2025 budget continues to reflect long-range goals to guide the County's vision of providing the highest quality of service to citizens. The Commissioners receive regular updates on the five goals. The County's annual Budget Book provides additional detail at the departmental level on efforts to achieve the following stated goals:

- Economic Development: Accelerating business development, attraction, retention, and expansion in key / targeted industry sectors.
- Quality of Life: Creating space for community, leisure, and wellness activities, along with social supports, to enhance the experiences of residents and visitors.
- Emergency Preparedness, Response & Safety: Answering the call to connect our community to critical life-impacting services alongside our volunteer fire / EMS, law enforcement, and other response partners.
- Resiliency & Sustainability: Protecting and securing our natural resources, environment, infrastructure, and assets for the future
- Institutional Governance: Collaborating with County employees, agencies, and the community to manage operations more effectively, efficiently, and responsibly.

Also, as part of strengthening the County's position, several major economic development projects are recently completed or currently underway. St. John Properties has begun development on the Berry Pointe Business Park in Waldorf. The project is slated to comprise 518,400 square feet of flex/R&D space, 93,000 square feet of office, and 22,500 square feet of supporting retail. The development is projected to support over 2,100 jobs at full build-out and occupancy.

Waldorf Station is a proposed 145-acre mixed-use project in Waldorf, Maryland at the intersection of U.S. Route 301 and Maryland Route 5 (the primary gateway into the County). Construction on the mixed-use project is currently underway. The developer, Greenburg Gibbons, has submitted a building program that includes the following land uses: multi-family; senior/assisted living units; townhomes; retail/food and beverage/entertainment; office; and hospitality. A fiscal impact analysis prepared by EDD shows an estimated value of the project of approximately \$346.7 million at build-out and stabilization, generating an estimated \$5.9 million in annual municipal revenues and \$4.3 million in annual municipal costs, for an annual surplus of \$1.6 million in 2019 dollars. The Charles County Planning Commission and the County Board of Commissioners have approved a development agreement with Greenberg Gibbons. Concurrent with the construction of Waldorf Station will be the completion of the final phase of Western Parkway, which will link the St. Charles Towne Center in south Waldorf to U.S. 301 at Waldorf Station.

In December of 2020, Kaiser Permanente announced plans to develop a 100 million medical center in Waldorf. The health system plans to build a multi-phase medical center on a 23-acre parcel with the first phase to open in 2026. The Phase I facility will be approximately 60,000 square-feet and employ about 200 medical personnel. The medical center will include primary and specialty care, as well as 24/7 advanced urgent care. These clinical services would be supported by a full complement of ancillary departments including pharmacy, clinical lab, and diagnostic imaging. The new medical campus is proposed to comprise 260,000 square feet at full build out.

The Economic Development Department has been working with the Town of Indian Head and community stakeholders to support redevelopment of underutilized and vacant properties along the Maryland Route 210 Corridor. The College of Southern Maryland's (CSM) "Velocity Center" – which opened in the Fall of 2020, with actual programming and activities delayed until 2021. The center is now operational and is living up to its potential as a catalyst for additional redevelopment and economic activity in the Town of Indian Head. The facility has already attracted the attention of DOD-related non-profit organizations and for-profit companies. The United States Bomb Technology Association (USBTA) has moved personnel to Indian Head and will hold membership events in the Velocity Center and other venues in the County, bringing significant direct spending from conference activities and attendees. USBTA leases office space in a former 30,000 square foot retail center. In 2023, USBTA hosted over 20 government, private sector and industry meetings or trainings. In total, the USBTA generated over 10,000 hours of training.

In summary, the Fiscal Year 2025 economic outlook for the County remained stable. Operating revenues should increase approximately 7.9% due to growth in Property Taxes from raising assessments. Interest income was adjusted due to the County receiving higher earnings on investments.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to Charles County, Maryland for its annual comprehensive financial report for the year ended June 30, 2023. This is the twenty-second consecutive year that the County has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles in the United States of America and applicable legal requirements.

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.

The preparation of the annual comprehensive financial report was made possible by the dedicated services of the staff of the Department of Fiscal & Administrative Services, Accounting Division. Each member of the Department of Fiscal & Administrative Services, as well as members of other Departments who assisted and contributed information, has our sincere appreciation for their efforts.

We would also like to thank the County Commissioners for their leadership role and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Jacob J. Dyer  
Acting Director of Fiscal & Administrative Services



William G. DeAtley  
Chief of Accounting



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Charles County Government  
Maryland**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrell*

Executive Director/CEO

CHARLES COUNTY, MARYLAND  
GOVERNMENTAL ORGANIZATION  
CERTAIN ELECTED AND ADMINISTRATIVE OFFICIALS  
As of June 30, 2024

**CERTAIN ELECTED OFFICIALS**

President, County Commissioners  
County Commissioners

Reuben B. Collins, II, Esq.  
Gilbert O. Bowling, III  
Thomasina O. Coates, M.S.  
Ralph E. Patterson, II, M.A.  
Amanda M. Stewart, M.Ed.

County Sheriff

Troy D. Berry

**CERTAIN ADMINISTRATIVE OFFICIALS**

County Administrator  
Acting County Administrator  
Acting Deputy County Administrator  
County Attorney  
Acting Director of Fiscal & Administrative Services  
Acting Director of Planning & Growth Management  
Director of Emergency Services  
Director of Public Works  
Director of Recreation, Parks & Tourism  
Director of Community Services  
Director of Human Resources  
Director of Economic Development

Mark J. Belton  
Deborah E. Hall, CPA  
Jenifer M. Ellin  
Wes Adams  
Jacob J. Dyer  
Jason R. Groth  
Michelle Lilly  
Martin L. Harris  
Kelli Beavers  
Dina M. Barclay  
Alexis B. Blackwell  
Kelly Slagle-Robertson

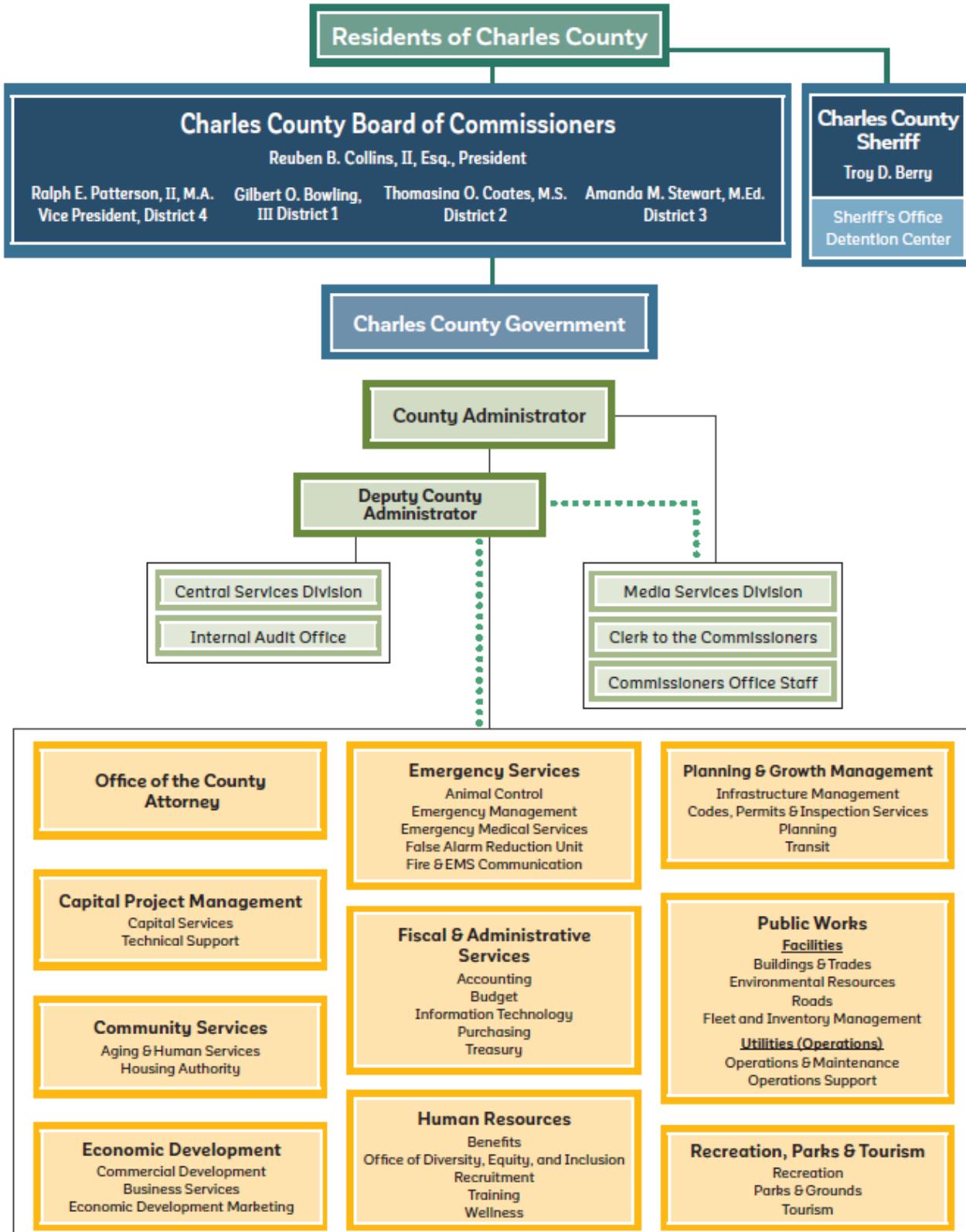
Independent Public

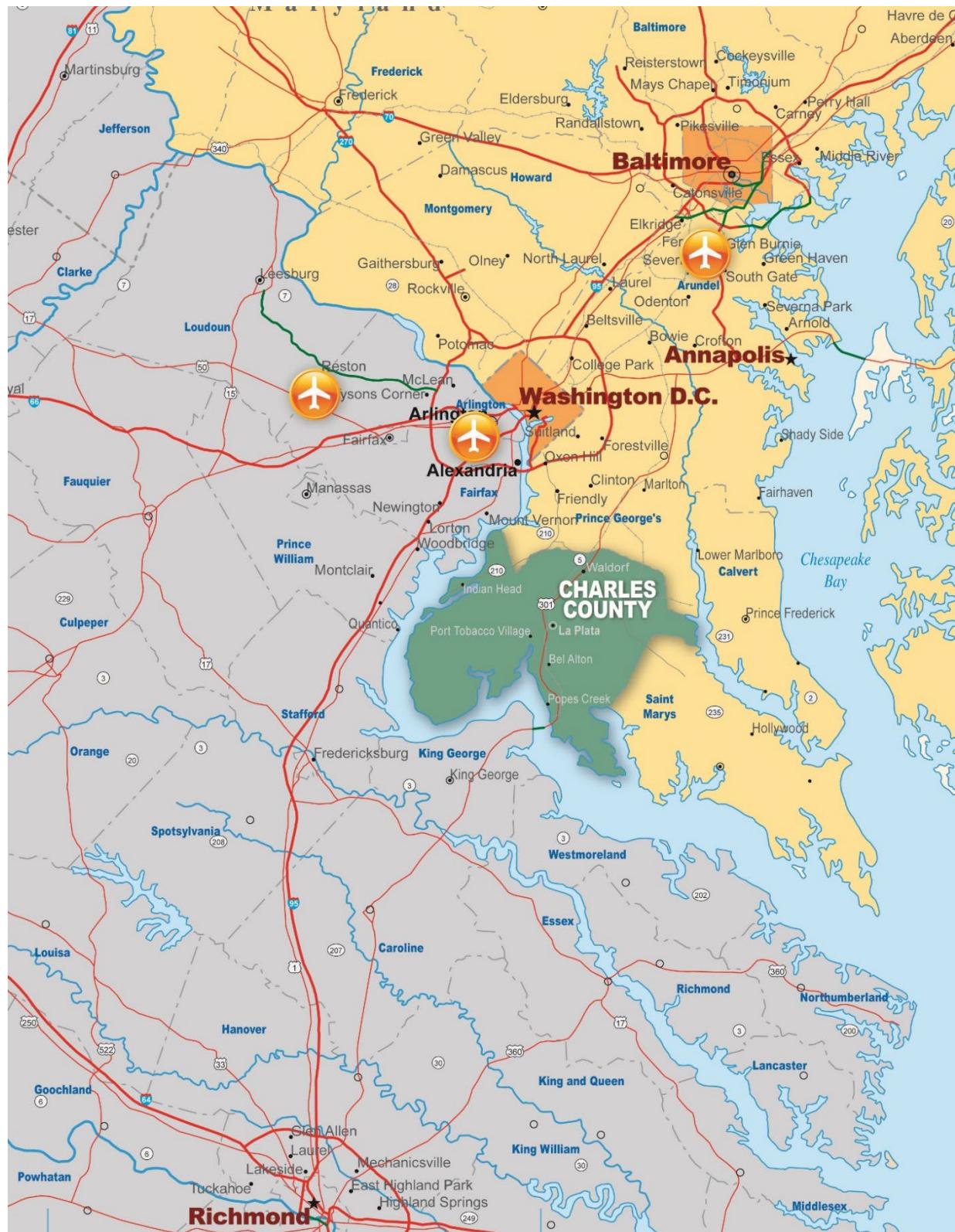
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Financial Advisor  
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Towson, MD 21286

**As of June 30, 2024**





# Charles County Government

## Our Mission

The mission of the Charles County Government is to provide our citizens the highest quality of service possible in a timely, efficient, and courteous manner. To achieve this goal, our government must be operated in an open and accessible atmosphere, be based on comprehensive long and short-term planning, and have an appropriate managerial organization tempered by fiscal responsibility. We support and encourage efforts to grow a diverse workplace.

## Our Vision

Charles County is a place where all people thrive and businesses grow and prosper; where the preservation of our heritage and environment is paramount; where government services to its citizens are provided at the highest level of excellence; and where the quality of life is the best in the nation.

# Financial Section

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## INDEPENDENT AUDITORS' REPORT

Commissioners of Charles County, Maryland  
La Plata, Maryland

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying 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 the County Commissioners of Charles County, Maryland (the County), as of and for the year ended June 30, 2024, 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, the financial statements referred to above 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, 2024, and the respective changes in financial position, and, where applicable, cash flows 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 Board of Library Trustees for Charles County, which represent 0.3 percent, 1 percent, and 1 percent, respectively, of the assets and deferred outflows, net deficit, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Library Trustees for Charles County, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

#### ***Emphasis of Matter***

##### ***Correction of Error***

As discussed in Note 10 to the financial statements, the beginning net position for the aggregate discretely presented component units in the financial statements for the year ended June 30, 2024 has been restated to correct a misstatement. Our opinion is not modified in respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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 control 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' 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 auditors' 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 and *Government Auditing Standards* 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 control. 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 and *Government Auditing Standards*, 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 control 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 control. 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 control 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, the schedule of revenues, expenditures, and changes in fund balance-budgetary to actual-General Fund, the schedule of the County's Retirement Plan Employer Contributions, the Schedule of the Changes in The County's Retirement Plan Net Pension Liability and Related Ratios, the schedule of Sheriff's' Office Retirement Plan Employer Contributions, the schedule of the changes in the Sheriff's' Office Retirement Plan Net Pension Liability and Related Ratios, the schedule of the County's OPEB Plan Employer Contributions, the schedule of the County's Proportionate Share of the Net OPEB liability and Related Ratios, the schedule of the County's Contributions to the LOSAP Plan, and the schedule of changes in the County's LOSAP Net Pension Liability and Related Ratios as listed in the 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.

Commissioners of Charles County, Maryland  
Charles County, Maryland

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedules and Combining Statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the Schedules and Combining Statements, as listed in the table of contents, 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 accompanying introductory and statistical sections are presented for purposes of additional analysis but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
February 2, 2025

## **Management's Discussion and Analysis (MD&A)**

Our discussion and analysis of the financial performance of Charles County, Maryland (the County) provides an overview of the County's financial activities for the Fiscal Year ended June 30, 2024. We encourage readers to use the information presented here in conjunction with the financial statements (beginning on page 36), and the accompanying notes to those financial statements (beginning on page 57).

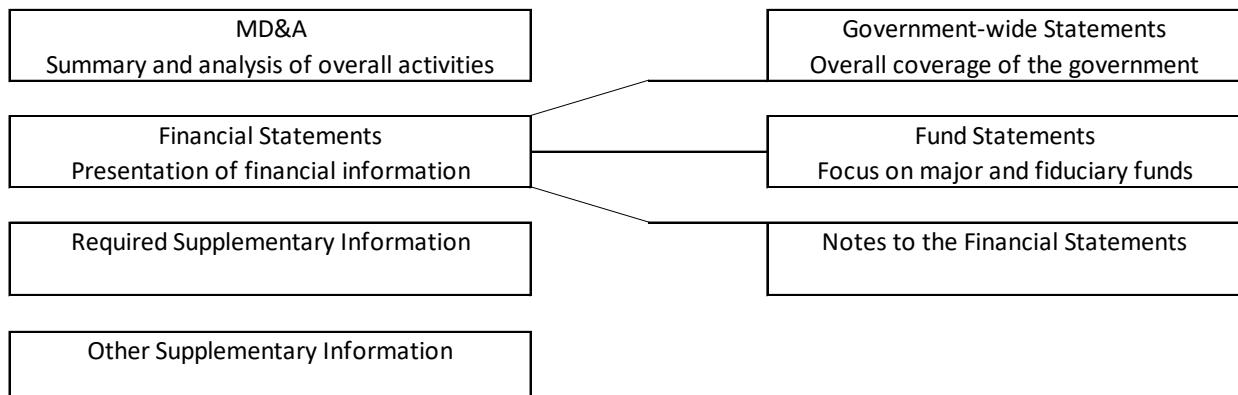
### **Financial Highlights**

- The government-wide assets and deferred outflows of resources of Charles County exceeded its liabilities and deferred inflows of resources at the close of the current fiscal year by \$709.9 million (net position).
- The County's statement of activities change in net position was an increase of \$64.6 million.
- As of the close of the current fiscal year, Charles County's governmental funds reported a combined ending fund balance of \$347.5 million, an increase of \$6.8 million from the prior year as stated on page 40. Approximately 1.6% of this total amount is classified as Non-spendable fund balance, or \$5.7 million. Much of the total is classified as Restricted, Committed or Assigned fund balance, or \$337.6 million.
- For Fiscal Year 2024, the total Fund Balance for the General Fund equaled \$198.9 million, as shown on page 40. Of that total, \$178.0 million is represented as Committed Fund Balance, including the Fund Balance Policy Target of \$80.3 million. The County's Fund Balance Policy sets a goal to maintain a minimum reserve of 8% of operating revenues.
- A General Fund balance appropriation of \$9.6 million was approved during the year to support Commissioner goals and objectives. However, revenues primarily from Interest Income, Recordation Taxes, and Transfer Taxes exceeded the budget estimate by \$25.5 million. In addition, overall year-end expenses were below the amended budget by \$13.2 million. As a result, instead of a budgeted Fund Balance decrease of \$35.2 million, an increase of \$3.4 million was experienced.

### **Overview of the Financial Statements**

This management's discussion and analysis is intended to serve as an introduction to the County's financial statements. Charles County's financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the financial statements themselves. The diagram on the next page illustrates how each element of the statements can be used to enhance the overall understanding of the information presented.

## Financial Statement Presentation



### Government-wide financial statements (Reporting on the County as a Whole)

The government-wide financial statements are designed to provide readers with a broad overview of Charles County Government's finances, in a manner like that of a private-sector business. The Statement of Net Position and the Statement of Activities are prepared using the accrual basis of accounting.

The Statement of Net Position presents information on all County assets, deferred outflows, deferred inflows, and liabilities, with the difference between the two reported as net position. Historical trending of these increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The pair of government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, education, highway and street maintenance, health, parks, and recreation. The business-type activities of the County include water and sewer services, solid waste management, environmental services (recycling) programs, watershed protection and restoration, recreation programs, vending, and development services (plan inspection and review).

The government-wide financial statements include not only the operations of Charles County Government itself (known as the primary government), but also the legally separate organizations of the Board of Education of Charles County, Maryland, the Board of Library Trustees for Charles County, Maryland, and the Resilience Authority of Charles County (component units). The financial information for these component units is reported separately from the financial information presented for the primary government. The government-wide financial statements can be found on pages 36-39 of this report.

## **Fund financial statements (Reporting on the County's Most Significant Funds)**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is much narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Charles County Government maintains twenty-nine individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, the Capital Projects Fund, and the Debt Service Fund, which are major funds. Data from the other twenty-six non-major governmental funds are combined into a single, aggregated presentation in the governmental fund financial statements. The governmental fund financial statements can be found on pages 40-43 of this report.

Proprietary funds - Proprietary funds include internal service funds and enterprise funds. An internal service fund is an accounting device used to accumulate and allocate costs internally among the County's various functions. Charles County does not maintain any internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer services, solid waste management, environmental services programs, watershed protection and restoration, some recreational programs, vending and inspection and review services.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, the Solid Waste Fund, and the Stormwater Protection Fund, which are considered major funds of the County. The remaining four enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The proprietary fund financial statements can be found on pages 44-47.

**Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. Fiduciary funds include four fund types - pension trust funds, investment trust funds, private-purpose trusts, and custodial funds. The County does not maintain any investment trust funds or private-purpose trusts. The four pension trust funds maintained by the County are the County Employees Retirement Plan, the Sheriff's Office Retirement Plan, the Length of Service Award Program (LOSAP) for Volunteer Firemen and Rescue Squad Members, and the Other Post Employment Benefit (OPEB) Trust plan. The fiduciary fund financial statements can be found on pages 48-49 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to developing a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 57-121 of this report.

**Required supplementary information.** In addition to the financial statements and accompanying notes, this report presents certain required supplementary information that is not considered a part of the financial statements. Included in this section is a budgetary comparison for the General Fund, which demonstrates compliance with the annually adopted budget. This information can be found on pages 123-135 of this report.

**Other supplementary information.** Other supplementary information includes the Combining Balance Sheet and the Combining Statement of Revenues, Expenditures and Changes in Fund Balance for non-major governmental funds. Also, presented here are the Combining Statement of Net Position, the Combining Statement of Revenues, Expenses, and Changes in Net Position, and the Combining Statement of Cash Flows for the non-major proprietary funds. Lastly, the Combining Statement of Fiduciary Net Position and the Combining Statement of Changes in Fiduciary Net Position are presented. These reports can be found on pages 139-167 of this report.

### **Government-wide Financial Analysis**

As noted earlier, trend analysis of net position may serve as a useful indicator of a government's financial position. In Charles County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$709.9 million at the close of the most recent fiscal year, as shown in the summary schedule of net position on the table below.

By far the largest portion of Charles County's net position, \$399.9 million, reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position (4%) represents resources that are subject to external restrictions on how they may be used.

**Net Position**  
**As of June 30, 2024 and 2023**  
(amounts are presented in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 564,222	\$ 534,062	\$ 171,276	\$ 146,106	\$ 735,497	\$ 680,168
Capital assets, net of depreciation	488,830	485,514	398,179	371,277	887,009	856,791
Total assets	<u>1,053,051</u>	<u>1,019,576</u>	<u>569,455</u>	<u>517,383</u>	<u>1,622,506</u>	<u>1,536,960</u>
Deferred Outflows of						
Resources	43,758	68,870	-	-	43,758	68,870
Total Assets and Deferred						
Outflows of Resources	1,096,810	1,088,446	569,455	517,383	1,666,265	1,605,830
Non-current liabilities	577,523	591,941	219,253	201,990	796,776	793,930
Other liabilities	67,364	56,177	15,416	13,772	82,780	69,949
Total liabilities	<u>644,888</u>	<u>648,118</u>	<u>234,668</u>	<u>215,762</u>	<u>879,556</u>	<u>863,879</u>
Deferred Inflows of						
Resources	69,826	89,501	7,155	7,119	76,981	96,620
Total Liabilities and Deferred						
Inflows of Resources	714,714	737,619	241,823	222,880	956,537	960,499
Net position:						
Net investment in capital assets	236,429	239,633	163,531	178,799	399,961	418,432
Restricted	22,188	21,127	4,855	8,279	27,043	29,405
Unrestricted	123,478	90,068	159,421	107,425	282,899	197,493
Total net position	<u>\$ 382,096</u>	<u>\$ 350,828</u>	<u>\$ 327,808</u>	<u>\$ 294,504</u>	<u>\$ 709,903</u>	<u>\$ 645,331</u>

Changes in Net Position  
Years ended June 30, 2024 and 2023  
(amounts are presented in thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Program revenues:</b>						
Charges for services	\$ 18,129	\$ 18,827	\$ 113,380	\$ 102,029	\$ 131,509	\$ 120,856
Operating grants & contributions	36,769	45,051	4,464	1,368	41,233	46,419
Capital grants & contributions	3,439	6,127	-	-	3,439	6,127
<b>General revenues:</b>						
Property taxes	296,523	278,179	-	-	296,523	278,179
Other taxes	226,677	203,834	-	-	226,677	203,834
Other	36,243	28,348	1,993	1,158	38,236	29,506
<b>Total revenues</b>	<b>617,779</b>	<b>580,366</b>	<b>119,837</b>	<b>104,555</b>	<b>737,617</b>	<b>684,920</b>
<b>Program expenses:</b>						
General government	23,497	13,592	-	-	23,497	13,592
Public safety	181,279	159,853	-	-	181,279	159,853
Education	260,519	234,783	-	-	260,519	234,783
Judicial	10,797	9,923	-	-	10,797	9,923
Health	5,368	5,746	-	-	5,368	5,746
Social services	4,123	3,775	-	-	4,123	3,775
Community services	25,627	24,652	-	-	25,627	24,652
Recreation, Parks & Tourism	12,168	14,253	-	-	12,168	14,253
Economic development	2,374	2,618	-	-	2,374	2,618
Public facilities	34,200	33,610	-	-	34,200	33,610
Water and sewer	-	-	51,621	51,449	51,621	51,449
Solid waste	-	-	7,896	8,401	7,896	8,401
Other	26,438	26,917	27,135	23,181	53,573	50,098
<b>Total expenses</b>	<b>586,391</b>	<b>529,721</b>	<b>86,652</b>	<b>83,031</b>	<b>673,043</b>	<b>612,754</b>
Excess(deficit) before transfers	31,388	50,644	33,184	21,524	64,573	72,166
Net transfers	(120)	(10,277)	120	10,277	-	-
<b>Change in net position</b>	<b>31,268</b>	<b>40,367</b>	<b>33,304</b>	<b>31,800</b>	<b>64,573</b>	<b>72,166</b>
Net position - beginning of year	350,828	310,462	294,504	262,704	645,331	573,166
<b>Net position - end of year</b>	<b>\$ 382,096</b>	<b>\$ 350,828</b>	<b>\$ 327,808</b>	<b>\$ 294,504</b>	<b>\$ 709,903</b>	<b>\$ 645,331</b>

Overall, the financial position of Charles County increased by 10% compared to Fiscal Year 2023. As shown on the table above, total revenues increased from \$684.9 million in Fiscal Year 2023 to \$737.6 million in Fiscal Year 2024. Property taxes increased by \$18.3 million due to growth in residential property assessments. The County's other taxes increased by \$22.8 million compared to FY2023 mostly due to larger income taxes distributions from the State and recognizing our share of the increase in the State local reserve account for income taxes. Program expenses increased from \$612.7 million in FY2023 to \$673.0 million in Fiscal Year 2024. The County experienced an increase in net position of \$64.6 million when all funds are combined.

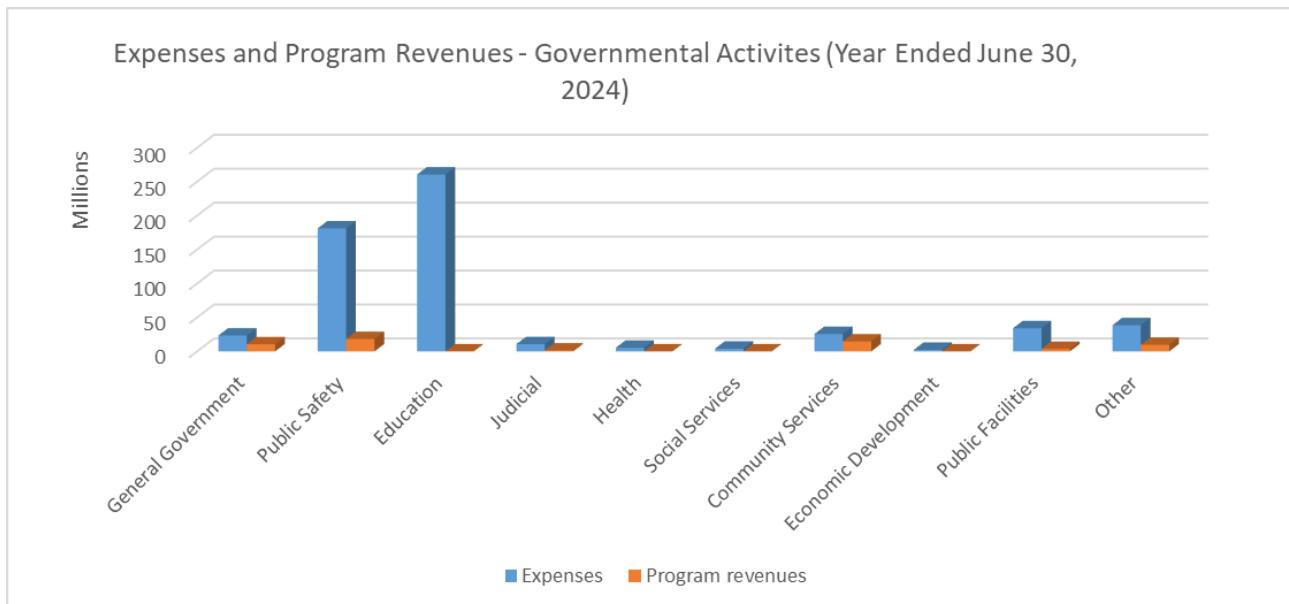
To aid in the understanding of the Statement of Activities (pages 38-39), some additional explanation is given. Of interest is the format of this statement. You will notice that expenses are listed in the first column with revenues from that program reported to the right. The result is a Net (Expenses)/Revenue and Changes in Net Position. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the County's taxpayers. It also identifies how much each function draws from the general revenues, or if the function is self-

supporting through fees and grants. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

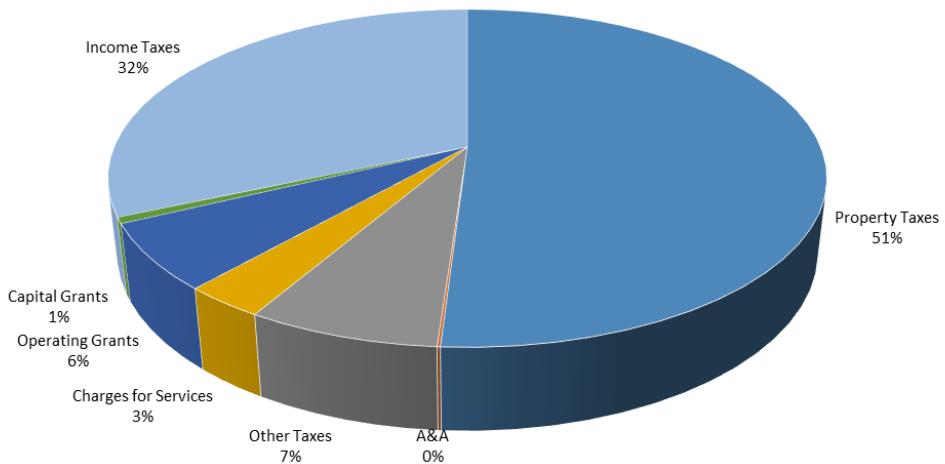
An increase in overall net position of \$64.6 million was experienced, as indicated on page 39. Total expenses of \$673.0 million were partially offset by program related service fees, grants, and other contributions of \$176.2 million. The remaining \$496.8 million in expenditures were primarily funded through non-program revenue sources, primarily property and income taxes.

**Governmental activities.** Governmental-type activities, as expected, operated at a \$528.1 million loss, primarily due to Education and Public Safety. As depicted in the bar chart below, Education and Public Safety programs typically have little program revenue, and therefore, rely heavily upon tax revenues to fund the operations. Education and Public Safety required approximately \$423.5 million in non-program revenue.

The County operates many programs on a fee for service basis (business-type activities) to help keep the burden on the taxpayer down. Business-type activities account for \$86.6 million of the total \$673.0 million expended, or approximately 13% of the total, and finished the fiscal year with an operating gain of \$33.3 million.



General and Program Governmental Revenues by Source - Governmental Activities  
(Year Ended June 30, 2024)



**Business-type activities.** The Water and Sewer Fund is considered a major fund for reporting purposes. The user fee rate structure is a tiered method. For Fiscal Year 2024, the rates increased for each tier. The residential rate for water is \$5.59 for the first 18,000 gallons, an increase of 47 cents. The second residential rate for water is \$11.18 from 18,001 to 24,000 gallons, an increase of 94 cents. The third residential rate for water is \$16.77 for 24,000 gallons and above, an increase of \$1.41. The residential sewer rate is \$12.75 and is capped at 24,000 gallons. The commercial/multi-family rate for water is \$6.64, up 54 cents, and sewer is \$12.75 per 1,000 gallons.

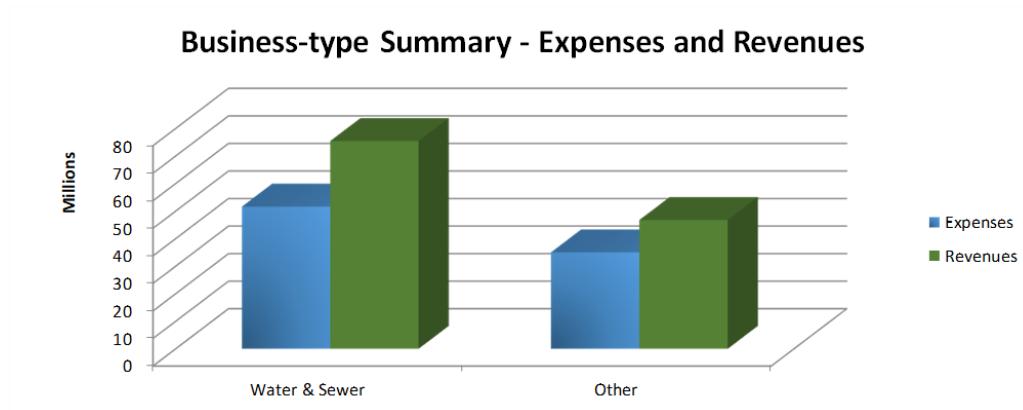
The Solid Waste Fund is considered a major fund for reporting purposes. The County owns and operates a landfill. The primary source of revenue is derived from tipping fees. The fee of \$91 per ton for commercial and residential refuse was increased by \$6 as compared to Fiscal Year 2023. The County has opened the fourth expansion of the existing landfill site to accommodate local County waste.

In conjunction with the landfill operation, the County also operates recycling and environmental programs. The recycling operation helps keep reusable items out of the landfill, thus extending the life, which, in turn, defrays the cost of the landfill and defers the need for additional sites. The recycling and environmental programs are funded by an annual user fee of \$153 assessed on each improved property in the County, which was a thirteen dollar increase as compared to Fiscal Year 2023.

On May 2, 2012, the Governor signed into law a requirement that the ten most populated jurisdictions in Maryland establish a watershed protection and restoration program and a stormwater remediation fee by July 1, 2013 (State Law (2012 Session – HB 987)). The main purpose of the program and fee is to provide a funding source to address requirements of the County's stormwater management permit, issued by the Maryland Department of the Environment. The County was already funding part of these expenses through a stormwater component of the Environmental Service fee, as mentioned above. The fee established for Fiscal Year 2024 was \$146, an increase of nineteen dollars compared to Fiscal Year 2023. The fee is charged annually to each improved property within the County. The Maryland legislature passed SB 863, the

Watershed Protection and Restoration Program, that placed governance on counties and municipalities to regulate their own stormwater fee starting in Fiscal Year 2016.

The Board of County Commissioners is committed to adjusting fees for services to preserve a self-supporting level. User fees are reviewed, and changes are recommended on a regular basis during the County's budgeting process. There are many factors that affect user fee revenue, ranging from weather conditions to citizen participation. For example, unseasonably dry weather creates a greater demand for water, which in turn increases user fee revenue.



### Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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. For instance, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$347.5 million, an increase of \$6.8 million in comparison with the prior year. The general fund increased by \$3.4 million primarily due to revenues exceeding expenditures. The County appropriated \$35.3 million from fund balance reserves with the majority supporting capital projects. Due to favorable interest income, recordation and transfer tax revenues, as well as from expenditures savings the entire appropriated use of fund balance was not needed. The non-major special revenue funds increased by \$2.1 million. The County's governmental fund balances as of June 30, 2024, includes General Fund reserves of \$2.6 million for inventory and Capital Project reserves of \$7.8 million for capital outlay with the balance of funds as indicated on page 97. The governmental fund balances of the County that are committed or assigned include \$18.0 million for income tax reserve and \$80.3 million as the policy target for bond rating.

The General Fund is the chief operating fund of the Charles County Government. At the end of the current fiscal year, non-spendable and restricted fund balance was \$5.8 million, and the committed fund balance, including the policy target, was \$178.0 million. The assigned fund balance for specific purposes was \$10.9 million, while the unassigned fund balance was \$4.2 million, for a total fund balance of \$198.9 million.

The Capital Project Fund experienced an increase of \$1.2 million during the current fiscal year. The County issues debt annually to fund multi-year capital projects, therefore, a fluctuation in fund balance is to be expected as bond proceeds are used. The Debt Service Fund experienced a minimal increase of twelve thousand due to the reduction in long term notes receivable combined with a slight increase in capital asset financing expenditures.

**Proprietary funds.** Charles County's proprietary fund statements provide the same type of information found in the government-wide financial statements, only in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$76.1 million. The unrestricted net position for the County's Solid Waste Fund was \$29.7 million. Unrestricted net position of all proprietary funds was \$133.7 million. There was a total increase in net position for all proprietary funds in the amount of \$33.3 million.

### **General Fund Budgetary Highlights**

#### **Fund Budgetary Highlights**

The Fiscal Year 2024 General Fund Operating Budget was adopted at \$527.4 million. Budget amendments approved during the year equaled \$10.0 million, increasing the budget to an amended total of \$537.4 million. The Budget provided funds to the local Board of Education exceeding the State mandated "Maintenance-of-Effort" by nearly \$10.5 million to support the State of Maryland Blueprint for Education implementation costs and salary increases.

A General Fund balance appropriation of \$9.6 million was approved during the year to support Commissioner goals and objectives. However, revenues primarily from Interest Income, Recordation Taxes, and Transfer Taxes exceeded the budget estimate by \$25.5 million. In addition, overall year-end expenses were below the amended budget by \$13.2 million. As a result, instead of a budgeted Fund Balance decrease of \$35.2 million, an increase of \$3.4 million was experienced.

### **Capital Asset and Debt Administration**

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$887.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, infrastructure, right-to-use leased and SBITA assets. The total increase in the County's investment in capital assets for the current fiscal year was 3.5% (which is a less than 1% increase for governmental activities and an 7.3% increase for business-type activities).

**Capital Assets**  
 (net of depreciation)  
 June 30, 2024 and 2023  
 (amounts are presented in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land (not depreciated)	\$ 108,725	\$ 108,430	\$ 2,396	\$ 2,396	\$ 111,121	\$ 110,826
Construction in progress (not depreciated)	66,979	60,143	149,747	132,161	216,726	192,304
Land improvements	20,276	20,091	21,346	12,142	41,623	32,233
Infrastructure	192,932	192,572	191,850	191,675	384,781	384,248
Buildings and improvements	72,564	75,633	5,162	5,620	77,727	81,253
Machinery and equipment	12,213	15,012	24,559	24,088	36,772	39,100
Vehicles	7,591	6,484	3,120	3,195	10,711	9,679
Right-to-use assets	2,823	2,109	-	-	2,823	2,109
SBITA	4,726	5,040	175	-	4,901	5,040
<b>Total</b>	<b>\$ 488,830</b>	<b>\$ 485,514</b>	<b>\$ 398,355</b>	<b>\$ 371,277</b>	<b>\$ 887,184</b>	<b>\$ 856,791</b>

Additional information on the County's capital assets can be found in Note 3 on pages 79-82 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had notes and bonds outstanding of \$488.5 million, which are backed by the full faith and credit of the County.

**Outstanding Debt**  
 General Obligation Bonds and Notes Payable  
 June 30, 2024 and 2023  
 (amounts are presented in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
General obligation bonds	\$ 292,190	\$ 294,051	\$ 194,630	\$ 177,867	\$ 486,820	\$ 471,918
Notes payable	-	-	1,640	2,446	1,640	2,446
<b>Total</b>	<b>\$ 292,190</b>	<b>\$ 294,051</b>	<b>\$ 196,270</b>	<b>\$ 180,313</b>	<b>\$ 488,460</b>	<b>\$ 474,364</b>

The County's total debt during Fiscal Year 2024 increased by \$14.1 million. The issuance of bonds at favorable interest rates combined with the County's strategic long-term financial policy of primarily 15-year bond terms results in a rapid pay down of debt and has provided the County with the ability to issue new debt without a large negative fiscal impact. Bonds are also issued with 20-year bond terms for certain Road projects and 30-year bond terms for Stormwater Retrofit projects and certain Sewer projects to match the useful life of the asset with bond repayment.

The County announced that all three major national bond rating agencies: Fitch Ratings, S&P Global Ratings, and Moody's Investor's Service, have reaffirmed the County's AAA bond rating. Bond rating experts met with county leaders to review the health and stability of the county based on budget management, external audits, financial management, and economic development. This allows the county to maintain low interest rates when repaying bonds. S&P Global Ratings report stated that their rating was supported by the county's "long history of sound, conservative budgeting practices and maintenance of formalized fiscal policies, with positive operations." Moody's evaluation says that Charles County "has ongoing redevelopment that will be beneficial to

its credit profile. The stable outlook reflects the growing likelihood that the county's economy continues to be strong while fund balance and leverage hold steady." Fitch ratings added that Charles County's "rapid rate of amortization of existing debt and continued economic growth are expected to result in stable to slightly improved long-term liability metrics in the near term." On December 17, 2024, the county sold \$73 million in consolidated public improvements bonds to fund capital improvements.

The County may issue general obligation and revenue bonds under existing authority conferred by the Maryland General Assembly. As a Code Home Rule County, the County may also authorize the issuance of general obligation and revenue bonds by enacting public local laws. There is no statutory limit on the amount of general obligation or revenue bonds that may be authorized by the County Commissioners. As of the end of Fiscal Year 2024, the County currently has \$158,443,100 of general obligation bond authority.

State statutes limit the amount of general obligation debt a governmental entity may issue for water, sewer, and solid waste infrastructure to ten percent of its total assessed valuation. This debt is typically backed first by revenue bonds from the various enterprise funds and second by the full faith and credit of the County. The current water, sewer, and solid waste debt limitation for Charles County is \$2.0 billion, which significantly exceeds the County's current outstanding general obligation debt related to revenue bonds. Additional information on the County's long-term debt can be found in Note 3 (Item I) on pages 87-91 of this report.

#### **Economic Factors and Next Year's Budgets and Rates**

- The General Fund Adopted Budget, for the fiscal year ending June 30, 2025, was approved on May 14, 2024, in the amount of \$561,338,600, an increase of 6.4% over the General Fund fiscal year 2024 Adopted Budget.
- The adopted budget included an increase of \$31.1 million in real and business personal property tax receipts due to raising assessments. The adopted budget also includes a \$6.5 million increase in interest income. The County is receiving higher earnings from its investments.
- Appropriation from Fund Balance Reserves of \$25.0 million were approved for fiscal year 2025 to support Commissioner goals & objectives that are one time in nature, to help offset revenue losses from the Morgantown power plant deactivation, to smooth the impact of the teacher's incentive grant for Charles County Public Schools, use of the Income Tax Volatility reserve, and the Other Post-Employment Benefits contribution per the County's strategic plan. These fund balance reserves were established by Board of County Commissioners in fiscal year 2024.
- The property tax rate (exclusive of the special fire and rescue district tax) remained at \$1.141 for Real Property and \$2.8525 for Business Personal Property per \$100 of assessed value.
- The local income tax rate for calendar year 2025 remains at 3.03% of an individual's Maryland taxable income.
- The adopted expenditure budgets for fiscal year 2025 increased by \$33,976,500. Public Education increased 5.8% and will be receiving \$12.6 million more than the previous

fiscal year. The Board of Education continues to receive most of the County funding with an appropriation of \$231,403,500 of the total \$561,338,600. Sheriff and Detention Center budgets receive the second largest allocation of County funding at \$130,585,500, which is \$9.3 million more than fiscal year 2024. The additional funds support hiring fifteen (15) new positions including ten (10) new sworn officers. Other highlights include funding to support ten (10) new emergency medical technicians to support ambulance services in the County, continuation of fare free ridership service to our VanGO customers, and new positions to support recreation services; information technology; human resources; community services; economic development; fiscal services; and planning. The budget meets the County's debt obligations for the capital improvement program, and other expenditures to facilitate Commissioners' goals and objectives.

- The Fiscal Year 2025 budget will maintain the county's fund balance reserve within policy limits of 8-15% of total budget operating revenues.

These factors, as well as many others, were considered in preparing the County's budget for Fiscal Year 2025.

## **Requests for Information**

This financial report is designed to provide a general overview of Charles County's finances for all those with an interest in the County's finances. Questions concerning any information provided in this report should be addressed to:

Director of Fiscal and Administrative Services  
Charles County Government  
200 Baltimore Street  
La Plata, MD 20646

Please visit our website at [www.charlescountymd.gov](http://www.charlescountymd.gov)

# Basic Financial Statements

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 15,781,119	\$ 540,363	\$ 16,321,481	\$ 108,624,572
Short-term investments	467,559,405	-	467,559,405	-
Accounts & other tax receivables	106,176,601	17,567,250	123,743,851	53,286,287
Grant receivables	13,547,567	-	13,547,567	-
Excise tax receivable	61,397,758	-	61,397,758	-
County property taxes receivable	3,675,716	-	3,675,716	-
Leases receivable	862,763	251,285	1,114,049	6,083,430
Internal balances	(144,395,676)	144,395,676	-	-
Inventory	2,572,613	743,397	3,316,010	386,649
Other current assets	3,355,929	240,046	3,595,974	117,254
Leases receivable, non-current	6,997,305	7,444,579	14,441,884	
Restricted assets:				
Cash and cash equivalents	22,791,148	93,026	22,884,173	-
Notes receivable	3,899,624	-	3,899,624	-
Capital assets, not being depreciated/amortized				
Land	108,725,112	2,395,955	111,121,067	20,707,070
Construction in progress	66,979,186	149,746,577	216,725,762	163,481,340
Capital assets, net of accumulated depreciation:				
Land improvements	20,276,442	21,346,247	41,622,688	10,175,999
Infrastructure	192,931,664	191,849,520	384,781,184	-
Buildings and improvements	72,564,424	5,162,411	77,726,835	339,587,172
Machinery and equipment	12,212,622	24,559,078	36,771,700	10,166,931
Vehicles	7,591,266	3,119,577	10,710,844	-
Capital assets, net of accumulated amortization:				
Right-to-use assets	2,822,882	-	2,822,882	2,476,155
SBITA assets	4,725,956	175,329	4,901,285	4,838,581
Total assets	<u>1,053,051,425</u>	<u>569,630,316</u>	<u>1,622,681,741</u>	<u>719,931,440</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Related to OPEB	3,337,868	-	3,337,868	205,673,471
Related to Pension	39,236,861	-	39,236,861	5,078,735
Charges on bond refundings	1,183,364	-	1,183,364	-
Total deferred outflows	<u>43,758,093</u>	<u>-</u>	<u>43,758,093</u>	<u>210,752,206</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
	<u>1,096,809,519</u>	<u>569,630,316</u>	<u>1,666,439,834</u>	<u>930,683,646</u>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 STATEMENT OF NET POSITION-continued  
 AS OF JUNE 30, 2024

**LIABILITIES:**

Accounts payable	26,884,186	11,466,259	38,350,445	38,018,918
Accrued expenses	13,447,692	2,983,325	16,431,017	36,962,733
Unearned revenue	18,987,077	706,971	19,694,049	5,066,335
Other liabilities	8,045,516	259,066	8,304,582	194,344
<b>Noncurrent liabilities:</b>				
Due within one year	38,321,939	11,420,126	49,742,065	3,106,802
Due in more than one year	539,201,400	207,832,567	747,033,967	552,862,824
<b>Total liabilities</b>	<b>644,887,810</b>	<b>234,668,314</b>	<b>879,556,124</b>	<b>636,211,956</b>

**DEFERRED INFLOWS OF RESOURCES:**

Related to Leases/SBITAS	7,490,955	7,154,768	14,645,723	5,891,591
Related to OPEB	33,601,173	-	33,601,173	300,316,546
Related to Pension	28,733,981	-	28,733,981	1,500,808
<b>Total deferred inflows</b>	<b>69,826,109</b>	<b>7,154,768</b>	<b>76,980,877</b>	<b>307,708,945</b>

**TOTAL LIABILITIES AND DEFERRED INFLOWS**

<b>OF RESOURCES</b>	<b>714,713,919</b>	<b>241,823,082</b>	<b>956,537,001</b>	<b>943,920,901</b>
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**NET POSITION:**

Net Investment in capital assets	236,429,465	163,531,165	399,960,630	518,334,245
Restricted for:				
Capital projects	-	4,855,223	4,855,223	-
Debt service	1,002,651	-	1,002,651	-
Fire and Rescue	271,039	-	271,039	-
Cable franchise	10,095,472	-	10,095,472	-
Restricted for grants	10,818,552	-	10,818,552	830,934
Unrestricted	123,478,421	159,420,848	282,899,269	(532,402,434)
<b>Total net position</b>	<b>\$ 382,095,600</b>	<b>\$ 327,807,236</b>	<b>\$ 709,902,836</b>	<b>\$ (13,237,255)</b>

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Capital Grants and Contributions
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>PRIMARY GOVERNMENT:</b>					
Governmental activities:					
Legislative	\$ 3,388,359	\$ -	\$ -	\$ -	-
Judicial	10,796,848	-	1,338,204		17,181
Law	2,246,736	37,774	2,353,822		-
General government	23,497,372	8,949,718	41,923		1,521,930
Elections	2,531,775	-	-		-
Public safety	181,279,270	6,333,052	11,559,611		393,352
Planning and growth management	6,812,757	1,061,155	4,343,987		221,836
Health	5,368,096	87,813	-		-
Social services	4,122,783	-	-		-
Community services	25,627,257	515,356	14,098,223		-
Recreation, Parks & Tourism	12,168,387	525,185	45,618		1,122,744
Public facilities	34,199,539	618,719	2,910,983		162,103
Economic development	2,373,750	-	-		-
Education	260,519,011	-	-		-
Conservation of natural resources	874,857	-	77,066		-
Interest expense on long term debt	10,583,746	-	-		-
Total governmental activities	586,390,542	18,128,773	36,769,436		3,439,146
Business-type activities:					
Water and sewer	51,620,581	71,080,993	4,364,043		-
Inspection and review	9,559,399	12,178,654	-		-
Recreation	2,244,777	2,242,667	20,949		-
Solid waste	7,896,091	11,216,584	-		-
Environmental services	8,570,302	8,793,133	10,758		-
SW-Watershed Protection	6,557,789	7,601,372	67,985		-
Vending machines	203,490	266,796	-		-
Total business-type activities	86,652,428	113,380,199	4,463,735		-
Total primary government	\$ 673,042,970	\$ 131,508,972	\$ 41,233,171	\$ 3,439,146	
<b>COMPONENT UNITS:</b>					
Board of Education of Charles County, Maryland	\$ 565,050,186	\$ 4,521,725	\$ 176,945,874	\$ 80,339,679	
Board of Library Trustees for Charles County	7,661,124	138,817	138,157		-
The Resilience Authority of Charles County	335,387	-	533,735		-
Total component units	\$ 573,046,697	\$ 4,660,542	\$ 177,617,766	\$ 80,339,679	

General revenues:

Taxes:

- Local property taxes
- Local taxes - Excise
- Local taxes - Admissions & Amusement
- Local taxes - Recordation
- Local taxes - Transfer
- Local taxes - Hotel/Motel
- Local taxes - Heavy Equipment
- Income taxes (Own Source)

County and state appropriations

Other income

Interest and investment earnings

Net transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Correction of Error

Net position - end of year

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2024

Net (Expenses)Revenues and Changes in Net Position						
Primary Government						
Governmental Activities	Business-type Activities	Total	Component Units			
<b>PRIMARY GOVERNMENT:</b>						
\$ (3,388,359)	\$ -	\$ (3,388,359)	\$ -			
(9,441,463)	-	(9,441,463)	-			
144,860	-	144,860	-			
(12,983,801)	-	(12,983,801)	-			
(2,531,775)	-	(2,531,775)	-			
(162,993,255)	-	(162,993,255)	-			
(1,185,778)	-	(1,185,778)	-			
(5,280,283)	-	(5,280,283)	-			
(4,122,783)	-	(4,122,783)	-			
(11,013,679)	-	(11,013,679)	-			
(10,474,840)	-	(10,474,840)	-			
(30,507,734)	-	(30,507,734)	-			
(2,373,750)	-	(2,373,750)	-			
(260,519,011)	-	(260,519,011)	-			
(797,791)	-	(797,791)	-			
(10,583,746)	-	(10,583,746)	-			
(528,053,186)	-	(528,053,187)	-			
<b>Total governmental activities</b>						
- 23,824,455	23,824,455	23,824,455	-			
- 2,619,254	2,619,254	2,619,254	-			
- 18,839	18,839	18,839	-			
- 3,320,493	3,320,493	3,320,493	-			
- 233,590	233,590	233,590	-			
- 1,111,568	1,111,568	1,111,568	-			
- 63,307	63,307	63,307	-			
- 31,191,505	31,191,505	31,191,506	-			
(528,053,186)	31,191,505	(496,861,681)	-			
<b>Total business-type activities</b>						
<b>Total primary government</b>						
<b>COMPONENT UNITS:</b>						
-	-	-	(303,242,908)			
-	-	-	(7,384,150)			
-	-	-	198,348			
-	-	-	(310,428,710)			
<b>Total component units</b>						
<b>General revenues:</b>						
<b>Taxes:</b>						
296,523,018	-	296,523,018	-			
12,042,808	-	12,042,808	-			
719,003	-	719,003	-			
20,880,545	-	20,880,545	-			
8,094,407	-	8,094,407	-			
1,321,866	-	1,321,866	-			
203,400	-	203,400	-			
183,413,670	-	183,413,670	-			
-	-	-	379,492,826			
11,066,720	-	11,066,720	5,335,640			
25,175,677	1,992,652	27,168,329	3,746,695			
(120,075)	120,075	-	-			
559,321,040	2,112,727	561,433,767	388,575,161			
31,267,854	33,304,232	64,572,086	78,146,451			
350,827,745	294,503,004	645,330,749	(94,595,033)			
\$ 382,095,600	\$ 327,807,236	\$ 709,902,836	\$ (13,237,255)			
<b>Net position - beginning of year</b>						
<b>Correction of Error</b>						
<b>Net position - end of year</b>						

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 AS OF JUNE 30, 2024

	General Fund	Capital Projects	Debt Service	Total Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 15,469,825	\$ -	\$ -	\$ 311,293	\$ 15,781,119
Investments	467,559,405	-	-	-	467,559,405
Accounts & Other tax receivables	103,943,484	1,119,106	283	1,113,728	106,176,601
Grants receivables	-	9,311	-	13,538,256	13,547,567
Excise tax receivables	-	-	61,397,758	-	61,397,758
County property taxes receivables	3,675,716	-	-	-	3,675,716
Leases receivable, current	862,763	-	-	-	862,763
Due from other funds	33,678,193	127,877,113	16,938,333	19,265,855	197,759,495
Inventory	2,572,613	-	-	-	2,572,613
Other assets	3,155,844	-	-	200,085	3,355,929
Restricted assets					
Restricted cash and cash equivalents	1,232,269	-	-	21,558,879	22,791,148
Leases receivable, non-current	6,997,305	-	-	-	6,997,305
Restricted notes receivable	-	-	3,899,624	-	3,899,624
<b>Total assets</b>	<b>\$ 639,147,418</b>	<b>\$ 129,005,531</b>	<b>\$ 82,235,998</b>	<b>\$ 55,988,096</b>	<b>\$ 906,377,043</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
Accounts payable	\$ 2,955,131	\$ 21,417,830	\$ 70,245	\$ 2,440,980	\$ 26,884,186
Accrued expenditures	5,093,244	38,812	-	209,372	5,341,428
Unearned revenue	752,896	2,096,504	283	16,137,394	18,987,077
Due to other funds	334,452,096	11,956	-	7,691,118	342,155,171
Other liabilities	6,313,405	108,000	-	-	6,421,405
Payable from restricted assets	1,714,940	-	-	-	1,714,940
<b>Total liabilities</b>	<b>351,281,712</b>	<b>23,673,103</b>	<b>70,528</b>	<b>26,478,865</b>	<b>401,504,207</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Lease related	7,490,955	-	-	-	7,490,955
Unavailable revenue	81,431,076	-	61,373,471	7,114,632	149,919,178
<b>Total deferred inflows</b>	<b>88,922,031</b>	<b>-</b>	<b>61,373,471</b>	<b>7,114,632</b>	<b>157,410,133</b>
<b>Fund balances:</b>					
Nonspendable fund balance	5,672,379	-	-	-	5,672,379
Restricted fund balance	180,904	7,827,530	4,902,275	17,230,514	30,141,223
Committed fund balance	178,020,972	51,849,321	-	107,000	229,977,293
Assigned fund balance	10,889,338	45,655,577	15,889,724	5,057,085	77,491,723
Unassigned fund balance	4,180,084	-	-	-	4,180,084
<b>Total fund balances</b>	<b>198,943,676</b>	<b>105,332,428</b>	<b>20,791,999</b>	<b>22,394,599</b>	<b>347,462,702</b>
<b>Total liabilities, deferred inflows &amp; fund balances</b>	<b>\$ 639,147,418</b>	<b>\$ 129,005,531</b>	<b>\$ 82,235,998</b>	<b>\$ 55,988,096</b>	<b>\$ 906,377,043</b>

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
 JUNE 30, 2024

Total Governmental Fund Balance \$ 347,462,702

Amounts reported for governmental activities in the statement  
 of net position are different because:

Capital assets used in governmental activities are not financial  
 resources and therefore are not reported in the funds 488,829,553

Long-term liabilities, including bonds payable, are not due and  
 payable in the current period and therefore are not  
 reported in the funds:

Bonds payable	(292,190,346)
Capital asset financing payable	(10,607,511)
Health insurance claims	(1,391,787)
Worker's Compensation claims	(3,885,228)
Net pension liabilities	(136,375,244)
LOSAP liabilities	(627,236)
Accrued interest	(2,738,421)
Lease & SBITA liabilities	(5,803,699)
Net OPEB liability	(103,687,158)

Unavailable revenue 149,919,178

Deferred outflows and inflows of resources, including charges on refunding  
 and associated with pensions which are not financial resources and  
 therefore are not reported in the funds.

Changes with charges on refundings	1,183,364
Related to Pensions	39,236,861
Related to Pensions	(28,733,981)
Related to OPEB	3,337,868
Related to OPEB	(33,601,173)

Compensated absences which are not due and payable in the  
 current period and therefore are not reported in the  
 funds (28,232,144)

Net position of Governmental Activities \$ 382,095,600

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2024

	General Fund	Capital Projects	Debt Service	Total Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes - Local property	\$ 267,881,789	\$ -	\$ -	\$ 15,194,491	\$ 283,076,280
Taxes - Income (Own Source)	173,607,605	-	-	-	173,607,605
Taxes - Excise	-	-	12,042,808	-	12,042,808
Taxes - Admissions and Amusement	719,003	-	-	-	719,003
Taxes - Recordation	20,880,545	-	-	-	20,880,545
Taxes - Transfer	8,094,407	-	-	-	8,094,407
Taxes - Hotel/Motel	1,321,866	-	-	-	1,321,866
Taxes - Heavy Equipment	203,400	-	-	-	203,400
Charges for services	13,911,702	306,979	-	3,910,092	18,128,773
Intergovernmental	5,654,961	2,806,777	-	31,746,844	40,208,582
Interest income	23,485,403	-	1,449,900	240,375	25,175,677
Other income	7,439,636	2,319,189	341	1,399,635	11,158,800
<b>Total revenues</b>	<b>523,200,315</b>	<b>5,432,945</b>	<b>13,493,048</b>	<b>52,491,437</b>	<b>594,617,746</b>
<b>Expenditures:</b>					
Current:					
Education	235,455,374	37,250,908	-	2,974,013	275,680,295
Public safety	145,516,050	4,171,015	-	26,272,313	175,959,378
Other general government	12,227,800	-	3,034,560	-	15,262,360
Public facilities	15,849,839	9,532,773	-	-	25,382,612
Financial administration	16,715,051	201,621	-	-	16,916,672
Community services	2,651,928	-	-	22,925,863	25,577,791
Recreation, Parks and Tourism	11,106,398	1,401,436	-	-	12,507,834
Judicial	9,250,403	-	-	1,294,685	10,545,088
Planning and growth management	4,238,211	2,155,131	-	53,177	6,446,519
Health	4,297,235	-	-	912,625	5,209,860
Economic development	2,329,702	-	-	54,419	2,384,120
Social services	1,558,939	-	-	2,563,844	4,122,783
Legislative	3,047,820	-	-	89,395	3,137,215
Law	2,229,196	-	-	-	2,229,196
Conservation of natural resources	885,371	-	-	-	885,371
Elections	2,300,773	-	-	-	2,300,773
Debt service:					
Principal	21,377,305	-	10,213,116	-	31,590,420
Interest	7,975,024	-	2,594,313	-	10,569,336
<b>Total expenditures</b>	<b>499,012,420</b>	<b>54,712,883</b>	<b>15,841,989</b>	<b>57,140,333</b>	<b>626,707,625</b>
Excess (deficiency) of revenues over (under) expenditures	24,187,895	(49,279,938)	(2,348,941)	(4,648,896)	(32,089,879)
<b>Other financing sources (uses):</b>					
GASB 87 Leases Issued	1,429,169	-	-	-	1,429,169
GASB 96 SBITA Issued	1,316,096	-	-	-	1,316,096
Issuance of debt - capital asset financing	-	-	2,361,800	-	2,361,800
Issuance of debt - bonds	-	30,700,000	-	-	30,700,000
Premium on issuance of debt	-	3,214,303	-	-	3,214,303
Transfers in	1,652,015	17,765,600	-	7,301,348	26,718,963
Transfers out	(25,169,535)	(1,200,000)	-	(469,503)	(26,839,038)
<b>Total other financing sources (uses)</b>	<b>(20,772,255)</b>	<b>50,479,903</b>	<b>2,361,800</b>	<b>6,831,845</b>	<b>38,901,293</b>
Net change in fund balance	3,415,640	1,199,964	12,859	2,182,949	6,811,413
Fund balance - beginning of year	195,528,036	104,132,464	20,779,140	20,211,650	340,651,290
Fund balance - end of year	<b>\$ 198,943,676</b>	<b>\$ 105,332,428</b>	<b>\$ 20,791,999</b>	<b>\$ 22,394,599</b>	<b>\$ 347,462,702</b>

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCE OF  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2024

Net change in fund balance - Governmental Funds	\$ 6,811,413
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation and/or amortization expense.	37,770,485 (34,363,149)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decrease net position	(92,080)
Governmental funds report the issuance of debt as income and the repayment of debt as expenditures. However, in the government-wide statements, debt and repayment of debt is reported as a reduction of a long-term liability.	2,332,742
Governmental funds report revenues based on the availability of the funds. However, in the government-wide statements revenues are recorded based on collectibility.	13,455,724
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Deferred outflows and inflows of resources related to pensions	(24,276,621)
Deferred outflows and inflows of resources related to OPEB	18,043,338
Amortization of deferred charges on bond refundings	(211,604)
Compensated absences	367,273
Health Self-Insurance Claims - IBNR	64,907
Worker's Compensation Self-Insurance Claims - IBNR	(351,888)
Net pension expense	5,817,806
Net LOSAP expense	2,362,874
Leases/SBITA	363,759
Net OPEB current year expense	3,172,875
Change in Net Position of Governmental Activities	<u>\$ 31,267,854</u>

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2024

	Business-type activities				
	Water and Sewer Fund	Solid Waste Fund	SW-Water Protection	Other Non-Major Proprietary Funds	Total
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$ 200	\$ 2,000	\$ -	\$ 538,163	\$ 540,363
Account receivables	15,682,343	1,663,395	57,847	163,665	17,567,250
Leases receivable	251,285	-	-	-	251,285
Due from other funds	90,006,775	46,512,108	20,456,921	13,217,289	170,193,094
Inventory	743,397	-	-	-	743,397
Other current assets	232,377	237	-	7,431	240,046
Total current assets	<u>106,916,378</u>	<u>48,177,741</u>	<u>20,514,768</u>	<u>13,926,548</u>	<u>189,535,435</u>
Noncurrent assets:					
Net capital assets	324,444,027	30,008,317	37,847,605	6,054,745	398,354,694
Leases receivable	4,686,036	-	-	2,758,542	7,444,579
Restricted cash and cash equivalents	-	93,026	-	-	93,026
Total noncurrent assets	<u>329,130,063</u>	<u>30,101,343</u>	<u>37,847,605</u>	<u>8,813,288</u>	<u>405,892,298</u>
Total assets	<u>436,046,441</u>	<u>78,279,083</u>	<u>58,362,373</u>	<u>22,739,836</u>	<u>595,427,733</u>
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	9,072,648	379,532	755,096	1,258,983	11,466,259
Accrued expenses	2,193,081	145,874	368,829	275,541	2,983,325
Due to other funds	21,776,674	1,368,343	1,063,945	1,588,455	25,797,418
Unearned revenue	78,317	-	-	628,654	706,971
Current portion of long-term debt					
Bonds payable	7,464,321	95,966	1,177,357	11,468	8,749,112
Capital asset financing	1,147,134	115,324	92,586	125,258	1,480,302
Compensated absences	209,589	36,104	23,477	54,369	323,539
Subscription-based IT arrangements	51,913	-	-	-	51,913
Notes payable	815,260	-	-	-	815,260
Total current liabilities	<u>42,808,937</u>	<u>2,141,143</u>	<u>3,481,290</u>	<u>3,942,729</u>	<u>52,374,099</u>
Noncurrent liabilities:					
Bonds payable	146,213,395	1,071,998	38,486,820	108,616	185,880,829
Capital asset financing	2,155,149	106,731	129,232	187,039	2,578,151
Compensated absences	1,491,226	221,027	140,663	311,470	2,164,386
Landfill post-closure costs	-	16,273,511	-	-	16,273,511
Subscription-based IT arrangements	110,646	-	-	-	110,646
Notes payable	825,043	-	-	-	825,043
Other liabilities	166,041	93,026	-	-	259,066
Total noncurrent liabilities	<u>150,961,500</u>	<u>17,766,292</u>	<u>38,756,715</u>	<u>607,125</u>	<u>208,091,633</u>
Total liabilities	<u>193,770,437</u>	<u>19,907,435</u>	<u>42,238,005</u>	<u>4,549,854</u>	<u>260,465,731</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>					
Charges related to Leases	4,629,591	-	-	2,525,177	7,154,768
Total Deferred Inflows	<u>4,629,591</u>	<u>-</u>	<u>-</u>	<u>2,525,177</u>	<u>7,154,768</u>
<b>NET POSITION:</b>					
Net Investment in Capital Assets	134,990,354	26,746,285	(3,806,697)	5,601,223	163,531,165
Restricted for Capital Projects	1,679,345	-	3,175,878	-	4,855,223
Unrestricted	100,976,714	31,625,364	16,755,187	10,063,583	159,420,848
Total net position	<u>\$ 237,646,414</u>	<u>\$ 58,371,649</u>	<u>\$ 16,124,368</u>	<u>\$ 15,664,806</u>	<u>\$ 327,807,236</u>

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2024

	Business-type activities				
	Water and Sewer Fund	Solid Waste Fund	SW-Water Protection	Other Non-Major Proprietary Funds	Total
<b>Operating revenues:</b>					
Charges for services	\$ 71,069,742	\$ 11,147,642	\$ 7,601,372	\$ 23,453,251	\$ 113,272,006
Other income	-	-	-	-	-
<b>Total operating revenues</b>	<b>71,069,742</b>	<b>11,147,642</b>	<b>7,601,372</b>	<b>23,453,251</b>	<b>113,272,006</b>
<b>Operating expenses:</b>					
Personnel services	14,885,233	3,013,884	1,676,078	5,508,360	25,083,554
Utilities	3,977,831	30,762	-	13,583	4,022,177
Repairs and maintenance	2,613,138	389,205	4,140	109,784	3,116,266
Insurance costs	518,804	29,713	-	44,545	593,061
Indirect costs	1,747,840	497,400	161,900	420,350	2,827,490
Supplies	3,251,431	410,275	9,509	472,342	4,143,557
Contract services	1,695,228	164,935	1,434,429	11,394,547	14,689,139
Other operating costs	7,368,781	1,450,167	1,114,797	1,590,774	11,524,518
Depreciation/amortization	10,587,543	1,901,314	886,040	1,011,022	14,385,918
<b>Total operating expenses</b>	<b>46,645,829</b>	<b>7,887,655</b>	<b>5,286,892</b>	<b>20,565,306</b>	<b>80,385,680</b>
<b>Operating income</b>	<b>24,423,913</b>	<b>3,259,987</b>	<b>2,314,480</b>	<b>2,887,943</b>	<b>32,886,326</b>
<b>Nonoperating revenues (expenses):</b>					
Interest income	173,284	1,788,028	14,538	16,802	1,992,652
Intergovernmental	4,364,043	-	67,985	31,707	4,463,735
Interest expense	(4,974,752)	(8,436)	(1,270,897)	(12,660)	(6,266,746)
Gain on disposal of capital assets	11,251	68,942	-	28,000	108,193
<b>Total nonoperating revenues (losses)</b>	<b>(426,174)</b>	<b>1,848,534</b>	<b>(1,188,374)</b>	<b>63,848</b>	<b>297,834</b>
<b>Income before transfers</b>	<b>23,997,738</b>	<b>5,108,521</b>	<b>1,126,106</b>	<b>2,951,792</b>	<b>33,184,157</b>
<b>Transfers in</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,075</b>	<b>120,075</b>
<b>Change in net position</b>	<b>23,997,738</b>	<b>5,108,521</b>	<b>1,126,106</b>	<b>3,071,867</b>	<b>33,304,232</b>
<b>Net position - beginning of year</b>	<b>213,648,675</b>	<b>53,263,128</b>	<b>14,998,262</b>	<b>12,592,939</b>	<b>294,503,004</b>
<b>Net position - end of year</b>	<b>\$ 237,646,414</b>	<b>\$ 58,371,649</b>	<b>\$ 16,124,368</b>	<b>\$ 15,664,806</b>	<b>\$ 327,807,236</b>

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2024

	Business-type activities				
	Water and Sewer Fund	Solid Waste Fund	SW-Water Protection	Other Non-Major Proprietary Funds	Total
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 68,024,966	\$ 11,147,642	\$ 7,601,372	\$ 23,479,965	\$ 110,253,945
Cash paid to suppliers	(20,464,159)	(2,715,373)	(2,115,348)	(13,749,855)	(39,044,735)
Cash paid to employees	(14,411,933)	(2,959,723)	(1,651,930)	(5,306,506)	(24,330,092)
<b>Net cash from operating activities</b>	<b>33,148,873</b>	<b>5,472,545</b>	<b>3,834,093</b>	<b>4,423,604</b>	<b>46,879,115</b>
<b>Cash flows from investing activities:</b>					
Interest received	173,284	1,788,028	14,538	16,802	1,992,652
<b>Net cash from investing activities</b>	<b>173,284</b>	<b>1,788,028</b>	<b>14,538</b>	<b>16,802</b>	<b>1,992,652</b>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in (out)	-	-	-	120,075	120,075
Intergovernmental	4,364,043	-	67,985	31,707	4,463,735
Receipts from interfund loans	-	-	-	11,569	11,569
Repayments of interfund loans	(11,984,288)	(4,445,175)	(6,866)	(3,717,836)	(20,154,165)
<b>Net cash used in noncapital financing activities</b>	<b>(7,620,245)</b>	<b>(4,445,175)</b>	<b>61,119</b>	<b>(3,554,485)</b>	<b>(15,558,786)</b>
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from issuance of bonds	24,000,000	-	300,000	-	24,300,000
Principal payments on bonds payable	(6,635,903)	(91,769)	(1,165,964)	-	(7,893,636)
Principal payments on capital asset financing	(1,067,718)	(142,056)	(99,692)	(10,944)	(1,320,410)
Principal payments on loans	(805,593)	-	-	(137,658)	(943,251)
Interest paid	(4,974,752)	(8,436)	(1,270,897)	(12,661)	(6,266,746)
Proceeds from disposal of assets	11,251	68,942	-	28,000	108,193
Cash paid for capital expenses	(36,229,196)	(2,638,529)	(1,673,197)	(636,471)	(41,177,393)
<b>Net cash used in capital and related financing activities</b>	<b>(25,701,912)</b>	<b>(2,811,848)</b>	<b>(3,909,750)</b>	<b>(769,734)</b>	<b>(33,193,243)</b>
Net increase (decreases) in cash and cash equivalents	-	3,550	-	116,192	119,742
Cash and cash equivalents - beginning of year	200	91,476	-	421,971	513,647
<b>Cash and cash equivalents - end of year</b>	<b>\$ 200</b>	<b>\$ 95,026</b>	<b>\$ -</b>	<b>\$ 538,163</b>	<b>\$ 633,389</b>

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2024

	Business-type activities				
	Water and Sewer Fund	Solid Waste Fund	SW-Water Protection	Other Non-Major Proprietary Funds	Total
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income/ (loss)	\$ 24,423,913	\$ 3,259,987	2,314,480	\$ 2,887,943	\$ 32,886,323
<b>Adjustments to reconcile operating income to net cash from operating activities:</b>					
Depreciation/amortization	10,587,543	1,901,314	886,040	1,011,022	14,385,918
Increase (decrease) in compensation-related liabilities included in long-term debt	936,571	(20,535)	(9,654)	(9,594)	896,788
Increase in landfill closure liabilities included in long-term debt	-	958,697	-	-	958,697
(Increase) decrease in other receivables	(3,033,963)	(321,292)	156,157	5,390	(3,193,708)
(Increase) decrease in notes receivable	(10,813)	-	-	-	(10,813)
(Increase) decrease in leases receivable	(196,604)	-	-	-	(196,604)
(Increase) decrease in inventories	(99,728)	-	-	-	(99,728)
(Increase) decrease in other current assets	2,068	50	-	3,284	5,402
(Increase) decrease in restricted assets	-	(3,550)	-	-	(3,550)
(Increase) decrease in deferred bond issue costs	(466,411)	12,895	84,665	1,185	(367,666)
Increase (decrease) in accounts payable	317,771	(369,183)	368,604	286,212	603,404
Increase (decrease) in accrued expenses	699,658	54,161	33,802	211,447	999,068
Increase (decrease) in other liabilities	(11,131)	-	-	-	(11,131)
Increase (decrease) in Net Pension Obligation	-	-	-	-	-
Increase (decrease) in unearned revenue	-	-	-	26,715	26,715
Net cash from by operating activities	<u>\$ 33,148,873</u>	<u>\$ 5,472,545</u>	<u>\$ 3,834,093</u>	<u>\$ 4,423,604</u>	<u>\$ 46,879,115</u>

SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	Water and Sewer Fund	Solid Waste Fund	SW-Water Protection	Other Non-Major Proprietary Funds	Total
Borrowing under capital asset financing	\$ 1,809,000	\$ -	\$ -	\$ 120,000	\$ 1,929,000

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 STATEMENT OF FIDUCIARY NET POSITION  
 AS OF JUNE 30, 2024

Pension & OPEB  
Trust Funds

ASSETS:

Current assets:

Cash and cash equivalents	\$ 11,782,322
Interest receivable	<u>311,677</u>
Total current assets	<u>12,093,998</u>

Investments:

Bond mutual funds	173,754,860
Equity securities	302,572,948
Pooled separate accounts	<u>310,664,739</u>
Total investments	<u>786,992,546</u>

Total assets 799,086,544

LIABILITIES:

Accrued expenses	<u>32,575</u>
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NET POSITION:

Net position restricted for pensions	756,665,682
Net position restricted for OPEB	<u>42,388,286</u>

TOTAL NET POSITION \$ 799,053,969

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 YEAR ENDED JUNE 30, 2024

**Pension & OPEB  
 Trust Funds**

**ADDITIONS:**

Contributions:

Employer contributions	\$ 30,126,672
Employee contributions	7,571,730
	<hr/>
Total contributions	37,698,402
Investment earnings:	
Interest	36,303,633
Net change in fair value of investments	55,826,405
	<hr/>
Total investment earnings	92,130,038
Less investment expenses	(3,504,054)
	<hr/>
Net investment earnings	88,625,984
	<hr/>
Total additions	126,324,387

**DEDUCTIONS:**

Benefits paid to members	33,975,134
Administrative costs	50,948
	<hr/>
Total deductions	34,026,082
Changes in net position	92,298,303
Net position - beginning of year	706,755,666
	<hr/>
Net position - end of year	\$ 799,053,969

The accompanying notes are an integral part of these financial statements.

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THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF NET POSITION  
 COMPONENT UNITS  
 JUNE 30, 2024

	Board of Education of Charles County, Maryland	Board of Library Trustees for Charles County	The Resilience Authority of Charles County	<u>Total</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 105,947,337	\$ 2,157,168	\$ 520,067	\$ 108,624,572
Accounts receivable	52,993,960	11,283	114,588	53,119,831
Leases receivable	6,083,430	-	-	6,083,430
Inventory	386,649	-	-	386,649
Other assets	39,840	77,414	-	117,254
Capital assets				
Land	20,707,070	-	-	20,707,070
Construction in progress	163,481,340	-	-	163,481,340
Land improvements	10,175,999	-	-	10,175,999
Buildings	339,587,172	-	-	339,587,172
Machinery, furniture and equipment	9,700,619	466,312	-	10,166,931
Right-to-use assets: Equipment	2,476,155	-	-	2,476,155
Subscription-based IT assets	4,838,581			4,838,581
Total assets	<u>716,418,152</u>	<u>2,712,177</u>	<u>634,655</u>	<u>719,764,984</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflows related to OPEB	205,548,541	124,930	-	205,673,471
Deferred outflows related to Pension	5,078,735	-	-	5,078,735
Total deferred outflows of resources	<u>210,627,276</u>	<u>124,930</u>	<u>-</u>	<u>210,752,206</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
	<u>927,045,428</u>	<u>2,837,107</u>	<u>634,655</u>	<u>930,517,190</u>
<b>LIABILITIES:</b>				
Accounts payable	37,875,135	118,055	25,728	38,018,918
Accrued expenses	36,962,733	-	-	36,962,733
Unearned revenue	4,955,298	-	111,037	5,066,335
Other liabilities	904,757	-	-	904,757
Non-current liabilities:				
Due within one year	2,871,139	235,663	-	3,106,802
Due in more than one year	551,844,445	1,018,379	-	552,862,824
Total liabilities	<u>635,413,507</u>	<u>1,372,097</u>	<u>136,765</u>	<u>636,922,369</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows related to OPEB	298,677,994	1,638,552	-	300,316,546
Deferred inflows related to Pension	1,500,808	-	-	1,500,808
Deferred inflows related to Leases	5,891,591	-	-	5,891,591
Total deferred inflows of resources	<u>306,070,393</u>	<u>1,638,552</u>	<u>-</u>	<u>307,708,945</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
	<u>941,483,900</u>	<u>3,010,649</u>	<u>136,765</u>	<u>944,631,314</u>
<b>NET POSITION:</b>				
Net investment in capital assets	517,640,411	466,312	-	518,106,723
Unrestricted (deficit)	(532,078,883)	(639,854)	497,890	(532,220,847)
Total net position	<u>\$ (14,438,472)</u>	<u>\$ (173,542)</u>	<u>\$ 497,890</u>	<u>\$ (14,114,124)</u>

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF ACTIVITIES  
 COMPONENT UNITS  
 YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>COMPONENT UNITS:</b>				
Board of Education of Charles County, MD	\$ 566,391,047	\$ 4,521,725	\$ 176,945,874	\$ 80,567,201
Board of Library Trustees for Charles County	7,661,124	138,817	138,157	-
The Resilience Authority of Charles County	335,387	-	533,735	-
<b>Total component units</b>	<b>\$ 574,387,558</b>	<b>\$ 4,660,542</b>	<b>\$ 177,617,766</b>	<b>\$ 80,567,201</b>

General revenues:

County and state appropriations  
 Other income  
 Interest and investment earnings  
 Miscellaneous  
 Loss on disposition of capital assets  
 Total general revenues and transfers

Change in net position

Net position - beginning of the year  
 Correction of Error  
 Net position - end of year

The accompanying notes are an integral part of these financial statements.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF ACTIVITIES  
 COMPONENT UNITS  
 YEAR ENDED JUNE 30, 2024

Net (Expenses) Revenues and Changes in Net Position				
Primary Government				
Board of Education of Charles County, Maryland	Board of Library Trustees for Charles County	The Resilience Authority of Charles County	Total	
\$ (304,356,247)	\$ -	\$ (7,384,150)	\$ 198,348	COMPONENT UNITS:
-				Board of Education of Charles County, MD
				Board of Library Trustees for Charles County
				The Resilience Authority of Charles County
<u>(304,356,247)</u>	<u>(7,384,150)</u>	<u>198,348</u>	<u>(311,542,049)</u>	Total component units
General revenues:				
371,325,671	8,167,155	-	379,492,826	County and state appropriations
-	33,564	-	33,564	Other income
3,630,211	116,484	-	3,746,695	Interest and investment earnings
5,292,812	9,264	-	5,302,076	Miscellaneous
-	-	-	-	Loss on disposition of capital assets
<u>380,248,694</u>	<u>8,326,467</u>	<u>-</u>	<u>388,575,161</u>	Total general revenues and transfers
75,892,447	942,317	198,348	77,033,112	Change in net position
(93,778,716)	(1,115,859)	299,542	(94,595,033)	Net position - beginning of the year
3,447,797	-	-	3,447,797	Correction of Error
<u>\$ (14,438,472)</u>	<u>\$ (173,542)</u>	<u>\$ 497,890</u>	<u>\$ (14,114,124)</u>	Net position - end of year

The accompanying notes are an integral part of these financial statements.

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## The County Commissioners of Charles County, Maryland

### Notes to the Financial Statements--June 30, 2024

#### INDEX

		<u>Page</u>
NOTE 1	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	57
	A.    Reporting Entity	57
	B.    Basic Financial Statements	58
	Government-wide Statements	59
	Fund Financial Statements	60
	C.    Measurement Focus and Basis of Accounting	61
	Measurement Focus	61
	Basis of Accounting	62
	D.    Financial Statement Amounts	62
	1    Cash and Cash Equivalents	62
	2    Investments	62
	3    Receivables	62
	4    Inter-fund Transactions	63
	5    Inventories	63
	6    Prepaid Items	63
	7    Restricted Assets	64
	8    Capital Assets	64
	9    Net Position/Fund Balance	65
	10    Compensated Absences	66
	11    Long-term Obligations	67
	12    Revenues, Expenditures, and Expenses	67
	13    Accounting Estimates	67
	14    Leases and Subscription-based Tech Arrangements	68
	E.    Significant Applicable New GASB Pronouncements	69
NOTE 2	STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	70
	A.    Budgets and Budgetary Accounting	70
NOTE 3	DETAILED NOTES ON ALL FUNDS	70
	A.    Cash Deposits and Investments	70
	B.    Receivables	75
	C.    Property Taxes Receivable	76
	D.    Tax Abatements	76
	E.    Notes Receivable	77
	F.    Capital Assets	79

# The County Commissioners of Charles County, Maryland

## Notes to the Financial Statements--June 30, 2024

### INDEX

		<u>Page</u>
NOTE 3, continued	G. Inter-fund Receivables, Payables, and Transfers H. Capital Asset Financing I. Long-Term Debt J. Restricted Assets K. Leases and Subscription-Based IT Arrangements L. Fund Balance Analysis	84 86 87 92 93 97
NOTE 4	RISK MANAGEMENT	98
NOTE 5	COMMITMENTS AND CONTINGENCIES A. Contingencies Under Grant Provisions B. Litigation	99 99 99
NOTE 6	PENSION & TRUST PLANS A. County Employees Retirement Plan B. Sheriff's Office Retirement Plan C. Length of Service Award Program (LOSAP) for Volunteer Firemen and Rescue Squad Members	100 103 107 111
NOTE 7	OTHER EMPLOYMENT BENEFITS A. Deferred Compensation Plan B. Other Post-Employment Benefits (OPEB) C. Post-Employment Health Program (PEHP)	114 114 115 120
NOTE 8	CLOSURE AND POST-CLOSURE CARE COSTS A. Pisgah Landfill B. Charles County Landfill	120 120 120
NOTE 9	SUBSEQUENT EVENTS	121
NOTE 10	ACCOUNTING CHANGES AND ERROR CORRECTIONS- COMPONENT UNIT	121

## Notes to the Financial Statements

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Charles County, Maryland (the County) was created by order of council on May 10, 1658. The County operates under the Maryland Code Home Rule form of Government. Both the executive and the legislative functions of the County are vested in the elected five-member Board of Commissioners of Charles County, Maryland (County Commissioners). The County provides various services to its citizens including public safety, health and social services, parks and recreation, public transportation, public works, economic development and general administrative services.

The County's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to state and local government units as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying financial statements include those of the Charles County Government (the primary government) and its component units. Component units are legally separate entities that are included in the County's reporting entity because of the significance of their operating or financial relationships with the County. The criteria for including organizations as component units with the County's reporting entity, as set forth in GASB Statement 14 *The Financial Reporting Entity*, modified by GASB Statement 39 *Determining Whether Certain Organizations are Component Units*, and clarified with GASB Statement 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*, include whether:

- The organization is legally separate,
- The County Commissioners appoint a voting majority of the organization's board,
- The County Commissioners have the ability to impose their will on the organization,
- The organization has the potential to impose a financial benefit/burden on the County, and
- The organization is fiscally dependent on the County.

Based on the application of these criteria, the following organizations are considered component units of the Charles County Government. Their financial data is discretely presented in a separate column in the government-wide financial statements. A Combining Statement of Net Position and a Combining Statement of Activities for the component units are also provided. Each discretely presented component unit has a June 30 year end. GASB has further clarified additional considerations with GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB No. 14*.

**The Board of Education of Charles County, Maryland (the Board of Education or the Board)** is a legally separate organization created by Maryland state law to operate the County's public school system. Management of the County's schools is under the control of the Board of Education, with the final decision-making authority held by the State Board of Education. The members of the Board of Education are elected by the residents of Charles County every four years. The Board of Education is financially reliable upon Charles County Government approving their annual budget and establishing spending limitations. The County Commissioners are responsible for levying taxes and collecting and distributing the funds to the Board within

the entire annual budget process. The Board is unable to issue bonded debt, thus the County can and does finance Board capital projects. Therefore, the County has the ability to impose their will on the organization, as well as the Board having the potential to impose a financial benefit/burden on the County. The County provided \$218,767,000 in operating funds and \$35,598,265 in capital funding to the Board of Education during fiscal year 2024.

**The Board of Library Trustees for Charles County, Maryland (the Library)** is a legally separate entity under Maryland state law. The Library's Trustees, a seven-member Board, are appointed by the County Commissioners and oversee the day-to-day management of the Library. The Library's budget is subject to the approval of the elected County Commissioners. The County provided \$4,666,500 in operating funds to the Library during fiscal year 2024.

**The Resilience Authority of Charles County, Maryland (The Authority)** is a quasi-governmental, non-profit financing organization authorized in the State of Maryland that will pool, disseminate, and invest capital; link private, state, federal and philanthropic funding to public infrastructure projects by viewing them as investment opportunities, and advance economic development initiatives and other public benefits by targeting resilience investment projects. The County appropriated \$210,000 in operating funds to the Authority from two of their enterprise funds, the Environmental Services Fund and the Stormwater-Water Protection Fund.

Complete financial statements of the Board of Education, the Library, and the Resilience Authority can be obtained directly from their respective administrative offices:

Board of Education of Charles County  
Superintendent of Fiscal Services  
P.O. Box 2770  
La Plata, MD 20646  
[www.ccboe.com/fiscalservices/](http://www.ccboe.com/fiscalservices/)

Board of Library Trustees of Charles County  
2 Garrett Avenue  
La Plata, MD 20646  
<https://www.ccplonline.org/about/board-of-trustees/>

The Resilience Authority of Charles County, Maryland Inc.  
200 Baltimore Street  
La Plata, MD 20646  
[www.CharlesCountyMD.gov/Resilience](http://www.CharlesCountyMD.gov/Resilience)

## **B. Basic Financial Statements**

The County's basic financial statements include government-wide financial statements (reporting on the County as a whole), fund financial statements (reporting on the County with an emphasis on the most significant funds), and fiduciary financial statements (reporting on the County's pension and OPEB funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities are normally supported by taxes and intergovernmental revenues. The County's public safety, health and social services, some parks and recreation, public transportation, public works, economic development, and general administrative services are classified as governmental activities. Business-type activities rely significantly on fees and charges for

support. The County's water and sewer operations, solid waste management operations, environmental services (recycling), watershed protection and restoration, recreation, vending commissions, and inspection and development services are classified as business-type activities.

#### Government-wide Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government and its component units. The government-wide financial statements focus more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported using the economic resources measurement focus and the accrual basis of accounting, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net positions are reported in three parts: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. Net position should be reported as restricted when constraints are placed either by externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

The net position restricted for other purposes results from special revenue funds and the restrictions on their use. When both restricted and unrestricted resources are available for use, the County utilizes restricted resources to finance qualifying activities first, then unrestricted resources as they are needed.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. The functions are also supported by general government revenues (property tax, income tax, certain intergovernmental revenues, fines, permits, and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants and capital grants. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Program revenues must be directly associated with the function of a business-type activity. The operating grants column indicates operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenues (property tax, income tax, intergovernmental revenues, interest income, etc.), which are not properly included among program revenues.

The County has an indirect cost allocation plan authorized under Uniform Guidance, which it uses (when applicable and allowed) to charge costs to special revenue (grant) programs and proprietary funds. The Federal guidelines state that indirect costs are eligible for reimbursement provided they are necessary for the efficient conduct of the grant or contract and provided specific costs identified are not restricted by Federal law or regulation. The County utilizes a central services allocation plan and indirect cost rate proposal prepared by Cost Plans Plus, LLC in developing cost-based fees, rates, user charges and overhead recoveries from other taxing entities, authorities and enterprise funds.

## Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB sets forth minimum criteria for the determination of major funds. The criterion used by the County is based on the percentage of assets, deferred outflows and inflows, liabilities, revenues, or expenditures/expenses by fund category and then the governmental and enterprise funds combined. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Non-major funds by category are summarized into a single column.

### 1. Governmental Funds:

The County reports the following governmental fund types:

- a. **General Fund** is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered a major fund.
- b. **Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Capital Projects Fund is a major fund.
- c. **Debt Service Fund** is used to account for the accumulation of certain funds for the periodic payment of principal and interest on long-term debt. The Debt Service fund is a major fund.
- d. **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds of the County are non-major funds.

### 2. Proprietary Funds:

The focus of proprietary fund measurement is economic resources, the determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are similar to businesses in the private sector. The following is a description of the proprietary funds of the County:

**Enterprise Funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs,

be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to cover similar costs. The Water and Sewer Fund, the Solid Waste Fund, and the Stormwater – Watershed Protection Fund qualifies as a major fund and are presented separately. All other enterprise funds are non-major, and their data is combined into a single aggregated presentation.

### **3. Fiduciary Funds:**

Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support County programs. The reporting focus for fiduciary funds is on net position and changes in net position, and accounting principles used are like that of proprietary funds.

The County's fiduciary and pension trust funds account for the retirement benefits for the County Employees Retirement Plan, the Charles County, Maryland Sheriff's Office Retirement Plan, the Length of Service Award Program (LOSAP) for Volunteer Fireman and Rescue Squad Members, and the OPEB Trust plan. Since, by definition, these assets are held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. They are presented in the fiduciary fund financial statements.

### **C. Measurement Focus and Basis of Accounting**

The measurement focus identifies the type of resources being measured. The basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

#### **Measurement Focus**

In the government-wide financial statements, both governmental and business-type activities are presented using the economic resources measurement focus as defined below in Item b. In the governmental fund financial statements, the “current financial resources” measurement focus is used as appropriate:

a. All governmental funds utilize a “**current financial resources**” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary and fiduciary funds utilize an “**economic resources**” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

## **Basis of Accounting**

a. **Accrual Basis** – Both governmental and business type activities are presented using the accrual basis of accounting in the government-wide financial statements and the proprietary and fiduciary fund financial statements. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

b. **Modified Accrual Basis** – The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. both measurable and available. “Measurable” means knowing or able to reasonably estimate the amount. “Available” means collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes, income taxes, highway user taxes, and interest revenues to be available if they are collected within 60 days after year end. Property taxes, income taxes, highway user taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are measurable and available and if they are collected within 90 days after year end. Expenditures (including capital outlay) are recorded when the related liability is incurred. However, debt service expenditures (principal and interest), as well as expenditures related to compensated absences, claims and judgements, are recorded only when due.

## **D. Financial Statement Amounts**

### **1. Cash and Cash Equivalents:**

The County has defined cash and cash equivalents to include cash on hand, petty cash, demand deposits, money market accounts, and short-term securities with an original maturity of three months or less at time of purchase.

### **2. Investments:**

Investments held by the County, including the pension funds, are stated at fair value, net asset value or amortized cost within the fair value hierarchy established by generally accepted accounting principles.

### **3. Receivables:**

All trade, excise and property tax receivables are reported at fair value. Estimated unbilled revenues from the Water and Sewer Fund are recognized at the end of each fiscal year on a pro-rata basis. The estimated amount is based on billings during the month following the close of the fiscal year. Taxes, special assessments, utility charges and accrued interest are deemed collectible in full. Property taxes attach as an enforceable lien when levied on July 1 of each fiscal year. The taxes are payable without interest by September 30.

All property tax revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no longer than sixty (60) days after the close of the current period. Revenue relating to receivables which have not been collected within sixty days after the fiscal year-end has been reclassified from property tax revenues to unavailable revenue.

**4. Inter-fund Transactions:**

The following is a description of the basic types of inter-fund transactions made during the year and related accounting policies:

- a. Transactions for services rendered or facilities provided – these transactions are recorded as revenues in the receiving fund and expenditures in the disbursing fund.
- b. Transactions to reimburse a fund for expenditures made by it or for the benefit of another fund – these transactions are recorded as expenditures in the disbursing fund and as reductions of expenditures in the receiving fund.
- c. Transactions to shift resources from the fund budgeted to receive them to the fund budgeted to expend them – these transactions are recorded as transfers in and out.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due (to) from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances” and are not eliminated in the process of consolidation.

**5. Inventories:**

Inventories of the County, consisting of expendable supplies held for the County’s use, are valued at the Average Cost Method. Inventories in all funds are initially recorded in an inventory account and recognized as expenditures/expenses when consumed.

**6. Prepaid Items:**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

**7. Restricted Assets:**

Cash deposits are held for construction escrow bonds, inmates at the Detention Center, a County Attorney escrow, a State's Attorney Restitution bank account, two Economic Development loan program bank accounts, the Opioid Restitution funds, unearned grant funds and various lease deposits held are all restricted and being held in Governmental Funds. In addition, certain debt proceeds and certain resources set aside for their repayment in the Debt Service Fund, are classified as restricted assets on the balance sheet because their uses are limited, and they are maintained in separate accounts. In the Solid Waste Management Fund, bonds are held for commercial credit customers of the landfill operation in a fully refundable interest-bearing bank account.

**8. Capital Assets:**

Capital assets are reported in applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an original, individual cost of \$5,000 or more and an estimated useful life more than one year. Such assets are recorded at historical cost if purchased or constructed by the County. Both the Board of Education and Library (component units) define capital assets as assets having an initial individual cost of more than \$1,000 and estimated useful life more than one year. For the Library, books, and audio-visual materials with a useful life greater than one year are capitalized and are valued and depreciated using the composite method. For the primary government and component units, donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation. Normal maintenance and repair costs that do not add to the value of the assets or materially extend assets' lives are not capitalized by the County or the component units.

Significant outlays for capital assets and improvements are capitalized as Construction in Progress while projects are being constructed. Projects are not depreciated until completed or substantially completed and available for use.

Property, plant and equipment of the primary government and the component units are depreciated/amortized using the straight-line method over the following estimated useful lives:

	County	Board of Education	Library
Buildings	30 yrs		
Improvements	10-30 yrs		
Buildings & Improvements		30 yrs	
Land Improvements		10 yrs	
Leasehold Improvements			15-39 yrs
Water & Sewer systems	30-50 yrs		
Infrastructure	10-50 yrs		
Machinery and Equipment	5-10 yrs	5-10 yrs	7 yrs
Vehicles	5 yrs		5 yrs
Computers & Software	3-5 yrs		5 yrs
Other infrastructure	10-50 yrs		
Books and audio visual materials			3 yrs
Right-to-use assets	4-30 yrs	5-10 yrs	
Subscription-based IT assets	2-6 yrs	5-10 yrs	

## **9. Net Position/Fund Balance:**

In the government-wide financial statements, net position is displayed in three components:

- a. Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings, and related deferred inflows and outflows that are attributable to the acquisition, construction, or improvement of these assets.
- b. Restricted net position – consists of items with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, fund balances for governmental funds are classified as follows:

- a. Non-spendable Fund Balance – this classification reports governmental funds that are not spendable in the current form, such as inventory and prepaid items, or due to a legal or contractual requirement that they maintain intact.
- b. Restricted Fund Balance - this classification reports amounts that are restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external parties such as creditors, grantors, contributors, or laws and regulations of other governments.
- c. Committed Fund Balance – this category reports amounts that are self-imposed limitations set in place prior to the end of the reporting period. The limitation is imposed by formal action of the County’s highest level of decision-making authority, which is by a majority vote

by the Charles County Board of County Commissioners. Only the County's Board of County Commissioners may modify or rescind the commitment.

- d. Assigned Fund Balance – this classification reports amounts that are limited by the County's intent to be used for specific purposes; but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of County Commissioner's to their designees, the County Administrator and the Director of Fiscal and Administrative Services.
- e. Unassigned Fund Balance – this classification reports the residual net resources. The County's General Fund is the only fund permitted to report a positive amount.

Net Position in the proprietary fund statements is classified in the same manner as in the government-wide statements.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the order of Committed, Assigned, and Unassigned.

#### **10. Compensated Absences:**

Employees of the County earn annual leave, compensatory time and sick leave in varying amounts. It is the County's policy to permit employees to accumulate earned but unused annual leave, compensatory time, and sick pay benefits. Upon separation of service with the County, non-critical employees are reimbursed for accumulated annual leave up to a maximum of 45 days and accumulated compensatory time up to 240 hours. Sworn Officers, Corrections Officers, and certain critical employees of the Sheriff's Office are reimbursed for accumulated annual leave up to a maximum of 720 hours. Sworn Officers can be reimbursed for up to 480 hours of compensatory time. The County policy on sick pay permits if the employee has 1,000 hours, they can be paid for 200 hours. If the employee has 500 hours but less than 1,000, they can be paid for 100 hours.

The County accrues the value of accumulated unpaid annual leave, compensatory time, and associated employee-related costs when incurred in the government-wide and proprietary fund financial statements. Only the amount of unused annual leave and compensatory pay that is expected to be liquidated with expendable available financial resources (amount estimated to be used within 60 days of year-end) is recorded as an expense and a liability in the governmental fund that will pay it. The non-current portion for governmental funds is maintained separately and represents a reconciling item between the fund and the government-wide presentations.

## **11. Long-term Obligations:**

In the government-wide financial statements and proprietary fund-types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental fund-types recognize bonded debt and related premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Capital asset financing, leases and subscription-based information technology arrangements are recorded in the same manner.

## **12. Revenues, Expenditures, and Expenses:**

Property taxes and interest assessed in the current fiscal period are accrued and are recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered earned and therefore recognizable as revenue of the current period.

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. In the fund financial statements, expenditures are classified by character.

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing goods in connection with the proprietary fund's principal operations. Operating revenues include user fees and charges. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## **13. Accounting Estimates:**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

## **14. Leases and Subscription-based Technology Arrangements**

### **Leases where the County is lessee:**

The County is a lessee for certain non-cancellable leases of equipment and real estate. For these leases, the County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the County measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life and the SBITA liability is reduced by the principal portion of lease payments made.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses as the incremental borrowing rate which is determined by the rate that the County negotiated on that year's capital asset financing.

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

### **Leases where the County is Lessor:**

The County is lessor for the lease of a recreational building, certain portions of an office building, and the Circuit Courthouse as well as various land leases. It also leases out space for cellular antennae placement on certain water and radio towers. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The County uses its estimated incremental borrowing rate (defined above) as the discount rate for lease, unless it is explicitly stated in the lease agreement. The lease term includes the non-cancellable period explicitly stated within the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The County monitors changes in circumstances that would require a remeasurement of its

leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Subscription-Based Information Technology Arrangements:**

The County has entered into various subscription agreements that convey control of the right-to-use another entity's combination of IT software and tangible capital assets, for a variety of governmental purposes. These subscription agreements result in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. SBITA assets (including implementation and other qualifying costs) are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

At the commencement of a SBITA contract, the County measures the SBITA liability at the present value of payments expected to be made during the SBITA term. The SBITA asset is initially measured as the initial amount of the related SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life and the SBITA liability is reduced by the principal portion of SBITA payments made. The County uses the interest rate charged in the contract as the discount rate. When the interest rate is not included in the SBITA agreement, the County uses as the incremental borrowing rate which is determined by the rate that the County negotiated on that year's capital asset financing.

**E. Significant Applicable New GASB Pronouncements**

GASB (Government Accounting Standards Board) has issued the following Statements which will become effective in future years as shown below. Management is currently evaluating the effect of implementation of many of these Standards.

GASB Statement No. 101, Compensated Absences was issued in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The County plans to implement any impacts of this new standard with our Fiscal Year 2025 report.

GASB Statement No. 102, Certain Risk Disclosures was issued in December 2023. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. If conditions warrant, the County plans to implement this new standard with our Fiscal Year 2025 report.

GASB Statement No. 103, Financial Reporting Model Improvements was issued in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its

effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Early application is encouraged. The County plans to implement any impacts of this new standard with our Fiscal Year 2026 report.

## **NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgets and Budgetary Accounting**

Formal budgetary accounting is employed as a management control for all funds of the County, except the four pension trust funds. However, a legal budget is adopted only for the General Fund. Thus, the budgetary financial statement included in this report as required supplementary information does not include the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund, the Proprietary Funds or the Fiduciary Funds. The basis for budgeting is the modified accrual basis. All annual appropriations lapse at fiscal year-end. Project-length budgets are adopted for the Capital Projects Fund which is projected in five-year increments.

The legal level of budgetary control (that is, the level at which expenditures cannot exceed budgeted appropriations) is at the department, office or agency level. However, with proper approval by the County Commissioners, as stated in the County's Budget Policies and Delegated Authorities, last reviewed on July 1, 2022, budget transfers and amendments can be made. The budgeted financial statements represented in this report reflect both the original and final budget authorization, including all amendments made by the County Commissioners. The Library exceeded their expense budgets by \$71,374. The Vehicle Maintenance division in the Department of Public Works-Facilities also exceed their expense budgets by \$16,152. The cause for each of them was the participation in our health and dental program being greater than anticipated. The Administration division and the Career EMS division in our Department of Emergency Services exceeded expense budgets by \$451,247 and \$40,530 respectively. The Department of Economic Development also exceed their expense budgets by \$227,717. None of these were considered material because of the post fiscal year end implementation and recording of GASB 87 & 96 transactions. The State Attorney's Office exceed their expense budgets by \$157,105 due to a combination of GASB 87 & 96 transactions, and the lack of personnel turnover that was projected.

## **NOTE 3. DETAILED NOTES ON ALL FUNDS**

### **A. Cash Deposits and Investments**

Article 95, Section 22 of the Annotated Code of Maryland states that local governments are authorized to invest in the instruments specified in the State Finance and Procurement Article, Section 6-222 of the Code. In addition, Article 95, Section 22 requires that local government deposits with financial institutions be fully collateralized, and that the collateral be types specified in the State Finance and Procurement Article, Section 6-202. The County's Chief of Treasury is charged with the responsibility for selecting depositories and investing idle funds as directed by the State and County Codes. The Chief of Treasury is further restricted as to the types of deposits and investments in accordance with the County's

investment policy. Depository institutions must be Maryland banks and must be approved for use by the County Commissioners.

### **Cash Deposits**

At year-end, the carrying amount of the County's deposits was \$18,399,532 and the bank balances were \$19,844,627. Of the bank balance, \$2,892,441 was covered by Federal depository insurance and \$17,430,011 was collateralized with securities held by the pledging financial institution's trust department or agent in the County's name. The various amounts of petty cash on hand were \$14,955. The restricted cash equivalents balance of \$2,078,050 and \$20,806,124 consists of funds from grantors and third-party agreements, as seen in the detail below.

At year-end, the carrying amount of the Board of Education's deposits was \$46,303,998 and the bank balances were \$43,386,265. The bank balance was covered by either Federal depository insurance or by collateral held in either the pledging bank's trust department or by the pledging bank's agent in the Board's name.

At year-end, the Library's amount of cash on hand was \$1,712 and the carrying amount in deposits was \$123,519 and the bank balances was \$224,317. The bank balance was covered by Federal depository insurance, up to statutory limits and collateralized by securities held by the pledging financial institution, for the excess.

At year-end, the carrying amount of the Resilience Authority's deposits and bank balance was \$520,067. The balance was covered by Federal depository insurance and collateralized by securities held by the pledging financial institution, for the excess.

### **Investments**

Statutes authorize the Chief of Treasury to invest in short-term U.S. government securities or repurchase agreements fully secured by the United States government if the funds are not needed for immediate disbursement. The stated maturities of the investments may not exceed 24 months. Statutes also authorize the County's Chief of Treasury to invest in a local government investment pool established by state law. Investments are subject to approval of the County Commissioners as to the amount available for investment and the acceptable securities or financial institutions used.

At year-end, the County's cash and investment balances were as follows:

	Total Governmental Funds	Total Fiduciary Funds	Total Enterprise Funds	Total
Cash on hand	\$ 10,950	\$ -	\$ 4,005	\$ 14,955
Deposit accounts	15,770,169	-	536,358	16,306,526
Repurchase agreements (sweep)	109,876,214	-	-	109,876,214
U.S. government securities				
Treasuries	108,597,158	-	-	108,597,158
Agencies	115,994,611	-	-	115,994,611
Money market	-	11,782,322	-	11,782,322
Maryland local government pool	133,091,421	-	-	133,091,421
Bond mutual funds	-	173,754,860	-	173,754,860
Equity securities	-	302,572,948	-	302,572,948
Pooled separate accounts	-	310,664,739	-	310,664,739
Restricted cash equivalents	1,985,024	-	93,026	2,078,050
Restricted cash held in Maryland local government pool	20,806,124	-	-	20,806,124
Total cash and investments	<u>\$ 506,131,671</u>	<u>\$ 798,774,869</u>	<u>\$ 633,389</u>	<u>\$ 1,305,539,929</u>

At year-end, the Board of Education's cash and investment balances were as follows:

Cash on hand	\$ 2,405
Deposits	46,303,988
Money market mutual funds	8,776,803
Maryland local government pool	<u>50,864,141</u>
Total cash and investments	<u>\$ 105,947,337</u>

At year-end, the Library's cash and investment balances were as follows:

Cash on hand and deposits	\$ 125,131
Maryland local government pool	<u>2,031,937</u>
Total cash and investments	<u>\$ 2,157,168</u>

At year-end, the Resilience Authority's cash and investment balances were as follows:

Maryland local government pool	\$ 520,067
Total cash and investments	<u>\$ 520,067</u>

The County categorizes its fair value measurements with 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. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. In addition to the three levels, if an investment does not have a readily determined fair value, the investment can be measured using

the net asset value (NAV) per share. Investments in pooled separate accounts (PSA's) or collective trusts are valued at the NAV based on information provided by the respective managers.

	Level 1	Level 2	Level 3	Balance June 30, 2024
<b>Investments by fair value level:</b>				
U.S. government securities: Treasuries	\$ -	\$ 108,597,158	\$ -	\$ 108,597,158
U.S. government securities: Agencies	-	115,994,611	-	115,994,611
Bond Mutual funds	173,754,860	-	-	173,754,860
Equity securities	302,572,948	-	-	302,572,948
	<u>476,327,808</u>	<u>224,591,770</u>	<u>-</u>	<u>700,919,578</u>
<b>Investments carried at net asset value:</b>				
Pooled Separate accounts				310,664,739
<b>Cash and Investments carried at amortized cost:</b>				
Cash on hand				14,955
Deposit Accounts				16,307,150
Repurchase agreements (sweep)				109,876,214
Money Market				11,782,322
Maryland local government pool				133,091,421
Restricted assets: cash equivalents				2,078,050
Restricted assets: MD local government pool				20,806,124
Total Cash and Investments at amortized cost:				<u>293,956,237</u>
Total Cash and Investments				<u>\$ 1,305,540,553</u>

Debt securities (Federal agencies, U.S. Strip Treasuries, Fixed Income funds and U.S. Government Agencies) classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Pooled separate accounts (PSA's) or collective trusts consist of thirteen investments. The objectives of the funds vary but generally are to seek long-term capital appreciation by managing a broad opportunity set of asset classes including, but not limited to, equities, bonds, commodities, currencies and cash. These investments are valued at the net asset value (NAV) of units of the fund. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value.

The State Legislature created the MLGIP with the passage of Article 95 22G, of the Annotated Code of Maryland. The State Treasurer of Maryland exercises administrative oversight responsibility over the MLGIP. Investments in the Maryland Local Government Investment Pool (MLGIP) are not evidenced by securities. The investment pool, not the participating governments, faces the custodial credit risk. A single financial institution, PNC Institutional Investments, is contracted to operate the Pool. In addition, the State Treasurer has established an advisory board composed of Pool participants to review the activities of the contractor semi-annually and provide suggestions to enhance the return on investments. The MLGIP maintains an AAm credit quality rating from S&P Global Ratings and maintains a \$1.00 per share value. The MLGIP uses the amortized cost method to compute unit value rather than market value to report net assets. Accordingly, the fair value of the position in the MLGIP is the same as the value of MLGIP shares. The MLGIP

does not have any significant limitations or restrictions related to redemption notice periods, maximum transaction amounts, liquidity fees or redemption gates.

Investments made by the County under Agencies consists of several instruments backed by either the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; and are held in a custodial account along with Treasuries. These agency investments are implicitly guaranteed by the U.S. government and carry a credit rating of AAA.

### **Interest Rate Risk**

As a means of limiting its exposure to fair value losses stemming from rising interest rates, the County's investment policy prohibits the investment of operating funds in securities maturing more than 24 months from the date of purchase. Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity as of June 30, 2024:

	Investment Maturities (in Years)					Total
	Less than 1	1 to 5	6 to 10	More than 10		
<b>Investments with Maturities:</b>						
U.S. Treasury Obligations	\$ 108,597,158	\$ -	\$ -	\$ -	\$ 108,597,158	
U.S. Governmental Agencies	\$ 115,994,611	\$ -	\$ -	\$ -	\$ 115,994,611	
Total	\$ 224,591,770	\$ -	\$ -	\$ -	\$ 224,591,770	

### **Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of failure of the counter party, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, or not registered in the name of the government, and are held by either the counter party or the counter party's trust department or agent, but not in the government's name. The County's policy relating to credit risk of investments require that securities underlying all certificates of deposit, repurchase agreements and reverse repurchase agreements have a market value of at least 102 percent of the cost, plus accrued interest of the investment. County policies also require that a third-party custodian hold investments securities and the collateral underlying all investments, in the government's name. The County's Chief of Treasury recognizes investment diversification as an important safeguard of County assets. Investment instruments, investment maturities, and financial institutions doing business with the County shall be diversified in such a way to insure there is no concentration of risk in any of these categories. These diversification standards, as outlined in the County's Joint Statement of Investment Policies, are applied at the time of each investment. As of June 30, 2024, the County's investments were not exposed to custodial credit risk as all investment securities are registered in the name of the County.

### **Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County places no limit on the amount invested in any one issuer. The County does not own one investment of a single source that exceeds 5% of the total value of the investment portfolio that are required to be reported.

### **Foreign Currency Risk**

Foreign currency risk is the risk that the changes in the exchange rate of investments will adversely affect the fair value of an investment. The County held no positions in investments denominated in a foreign currency.

#### **B. Receivables**

Receivables as of the year-end for the County's individual major funds and non-major funds in the aggregate were as follows:

	Governmental Activities			Business-Type Activities				Total Non-Major Funds	Total
	General	Capital Projects	Debt Service	Water and Sewer Fund	Solid Waste Fund	SW-Watershed Protection Fund			
<b>Receivables:</b>									
Interest	\$ 6,005,093	\$ -	\$ -	\$ 9,284	\$ -	\$ -	\$ -	\$ -	\$ 6,014,377
Taxes	3,792,355	-	61,397,758	-	-	-	-	-	65,190,113
Accounts	97,821,751	1,128,417	-	15,279,982	1,663,395	57,847	1,268,080	117,219,472	
Leases	7,860,069	-	-	4,937,321	-	-	-	2,758,542	15,555,932
Special assessments	-	-	283	393,077	-	-	-	-	393,360
Intergovernmental	-	-	-	-	-	-	-	13,547,569	13,547,569
<b>Total receivables</b>	<b>\$ 115,479,268</b>	<b>\$ 1,128,417</b>	<b>\$ 61,398,041</b>	<b>\$ 20,619,664</b>	<b>\$ 1,663,395</b>	<b>\$ 57,847</b>	<b>\$ 17,574,191</b>	<b>\$ 217,920,824</b>	

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned and unavailable revenue reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
Delinquent property taxes receivable (General Fund)	\$      -	\$ 6,027,603	\$ 6,027,603
Unavailable property tax receivable (Debt Service)	-	61,373,471	61,373,471
Unavailable income tax receivable	-	75,403,472	75,403,472
Special assessments not yet due (Debt Service)	283	-	283
School construction impact fees	2,096,504	-	2,096,504
Grant draw-downs prior to meeting all eligibility requirements	15,771,675	-	15,771,675
Leases receivable	-	7,490,955	7,490,955
Opioid Settlement Fund proceeds		7,114,632	7,114,632
Other unearned revenue	<u>1,118,616</u>	<u>-</u>	<u>1,118,616</u>
Total unearned revenue for governmental funds	<u>\$ 18,987,077</u>	<u>\$ 157,410,133</u>	<u>\$ 176,397,211</u>

#### C. Property Taxes Receivable

The County levies a property tax each July 1 on the assessed value of all taxable real property located within the County on that date. Assessed values are established by the Maryland Departments of Assessments and Taxation at assessed market value. A reassessment of all property is required to be completed every three years. The rates of the levy cannot exceed the constant yield tax rate furnished by the Maryland State Department of Assessments and Taxation without public notice and only after public hearings. The real property tax rate for the year ended June 30, 2024, remained constant at \$1.141 per \$100 of assessed value. Property taxes attach as an enforceable lien on the property when levied on July 1 of each year. The taxes are payable without interest by September 30.

Revenue relating to property taxes receivable, which have not been collected within 60 days after year-end, have been reclassified from property tax revenues to unavailable revenues in governmental funds.

#### D. Tax Abatements

Charles County has two Payment in Lieu of Tax (PILOT) agreements with two of our largest business personal property taxpayers. As a result of negotiations, each agreement replaces the official process of an annual assessment from the State Department of Taxation that would result in a Charles County tax bill. In return, the County and taxpayer know the stated amount due for the term of the agreement.

The first PILOT agreement for the County was executed on December 13, 2011, with CPV Maryland, LLC. This endeavor took many years of the regulatory process, permitting, and ultimately, construction of a natural gas power plant in Charles County. The commercial operation date of the plant was February 14, 2017, and thus began the agreement's payment schedule that has a term of 20 years. The plant utilizes treated reclaimed water to meet facility cooling needs from the Mattawoman sewer treatment plant owned by the County, which resulted in revenue collected in the amount of \$1,199,948 for Fiscal Year 2024. The revenue from treated reclaimed water was a major influence in providing tax relief to CPV, as well as a stimulus for the local economy.

The second PILOT, executed on April 28, 2021, is between Charles County and Lanyard Power Holdings, LLC. The original term of this agreement is for 5 years. On July 8, 2021, PJM Interconnection, LLC (PJM) agreed to the deactivation of Morgantown 1 and 2 generating units effective May 31, 2022. On May 10, 2022, the PJM approved the deactivation of Morgantown CT1 and CT2 generating units at any time. Within the new agreement, and per intentions to close much sooner than anticipated, Section 3.11 became effective and resulted in the County receiving the floor payment for the PILOT in FY23. Consequently, the County has established a Loss Reserve in the general fund balance records of \$11,548,500 and has started to use this source beginning with FY24 to smooth out the impacts. On December 22, 2023, Lanyard Power Holdings, LLC notified the PJM and the County of the intent to deactivate the remaining units at Morgantown CT3 – CT6. On May 31, 2024, a letter was sent to PJM to partially rescind the deactivation of 2 units, CT3 and CT4. These are the only two remaining units and the floor payment will be billed in FY25.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
PILOT Agreements	
CPV Maryland, LLC	\$ 5,186,566
Lanyard Power Holdings, LLC	\$ 1,269,510

#### E. Notes Receivable

The following is a schedule of the note receivable balances of the Debt Service Fund:

<u>Loan &amp; Year</u>	Total		Principal Balance
	<u>Borrowed</u>	<u>Term &amp; Rate</u>	<u>6/30/2024</u>
U.S. Home Corporation 2011	4,000,000	15 years, 2%-4.5%	1,010,000
U.S. Home Corporation 2012	4,000,000	15 years, 2%-3.25%	868,750
U.S. Home Corporation 2013	3,700,000	15 years, 3%-4%	1,149,390
U.S. Home Corporation 2015	1,700,000	15 years, 3%-4%	871,484
<b>Total Notes Receivable</b>	<b>\$ 15,400,000</b>		<b>\$ 3,899,624</b>

Bonds issued by the County for U.S. Home Corporation is secured by Bond Repayment Agreements, Letters of Credit, and by the full faith and credit of the County's General Fund. Principal and interest payments on the related bonds from these restricted resources are also accounted for in the same Debt Service fund.

The future minimum note payments receivable for the years ended June 30 are as follows:

	U.S. Home Corporation
2025	\$ 1,081,265
2026	1,080,495
2027	1,016,087
2028	424,352
2029	142,566
2030-2034	195,442
Subtotal	<hr/> 3,940,207
Less: Interest	<hr/> 40,583
Total future minimum note payments receivable	<hr/> \$ 3,899,624

## F. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

### Primary Government

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated/amortized:				
Land	\$ 108,430,290	\$ 294,822	\$ -	\$ 108,725,112
Construction in progress	60,142,928	23,820,288	16,984,031	66,979,186
Total capital assets, not depreciated/amortized	<u>168,573,218</u>	<u>24,115,111</u>	<u>16,984,031</u>	<u>175,704,298</u>
Capital assets, depreciated/amortized				
Land Improvements	33,451,760	1,644,879	-	35,096,639
Infrastructure	540,687,259	17,282,004	-	557,969,263
Buildings and Improvements	186,366,029	2,467,255	-	188,833,284
Machinery and Equipment	77,133,648	1,607,632	93,941	78,647,338
Vehicles	30,694,351	4,108,854	1,040,023	33,763,182
Right-to-use buildings	1,916,930	1,427,945	164,294	3,180,581
Right-to-use equipment	1,162,190	-	-	1,162,190
(SBITA)	<u>6,746,908</u>	<u>2,100,835</u>	<u>-</u>	<u>8,847,743</u>
Total capital assets, depreciated/amortized	<u>878,159,073</u>	<u>30,639,405</u>	<u>1,298,258</u>	<u>907,500,219</u>
Less: accumulated depreciation/amortization for:				
Land Improvements	(13,361,051)	(1,459,146)	-	(14,820,197)
Infrastructure	(348,114,956)	(16,922,642)	-	(365,037,598)
Buildings and Improvements	(110,733,304)	(5,535,557)	-	(116,268,860)
Machinery and Equipment	(62,121,812)	(4,406,845)	(93,941)	(66,434,716)
Vehicles	(24,210,348)	(3,001,591)	(1,040,023)	(26,171,916)
Right-to-use buildings	(718,282)	(448,619)	(60,998)	(1,105,903)
Right-to-use equipment	(251,352)	(162,634)	-	(413,985)
Subscription-Based IT Arrangement				
(SBITA)	<u>(1,706,889)</u>	<u>(2,414,899)</u>	<u>-</u>	<u>(4,121,788)</u>
Total accumulated depreciation/amortization	<u>(561,217,993)</u>	<u>(34,351,933)</u>	<u>(1,194,962)</u>	<u>(594,374,964)</u>
Total capital assets, depreciated/ amortized, net	<u>316,941,080</u>	<u>(3,712,528)</u>	<u>-</u>	<u>313,125,256</u>
Governmental activities, capital assets, net	<u>\$ 485,514,298</u>	<u>\$ 20,402,583</u>	<u>\$ 16,984,031</u>	<u>\$ 488,829,554</u>

Business Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated/amortized:				
Land	\$ 2,395,955	\$ -	\$ -	\$ 2,395,955
Construction in progress	<u>132,160,841</u>	<u>34,886,049</u>	<u>17,300,313</u>	<u>149,746,577</u>
Total capital assets, not depreciated/amortized	<u>134,556,796</u>	<u>34,886,049</u>	<u>17,300,313</u>	<u>152,142,532</u>
Capital assets, depreciated/amortized				
Land Improvements	23,630,436	10,033,002	-	33,663,438
Infrastructure	388,320,275	8,960,151	-	397,280,426
Buildings and Improvements	15,447,173	42,786	-	15,489,959
Machinery and Equipment	54,749,771	3,527,660	309,145	57,968,286
Vehicles	10,188,417	1,092,884	174,639	11,106,662
Subscription-Based IT				
Arrangements (SBITA)		221,469	-	221,469
Total capital assets, depreciated/amortized	<u>492,336,071</u>	<u>23,877,952</u>	<u>483,784</u>	<u>515,730,239</u>
Land Improvements	(11,488,212)	(828,979)	-	(12,317,191)
Infrastructure	(196,644,993)	(8,785,914)	-	(205,430,906)
Buildings and Improvements	(9,827,450)	(500,097)	-	(10,327,547)
Machinery and Equipment	(30,661,582)	(3,056,771)	(309,145)	(33,409,208)
Vehicles	(6,993,706)	(1,168,018)	(174,639)	(7,987,085)
Subscription-Based IT				
Arrangements (SBITA)		(46,139)	-	(46,139)
Total accumulated depreciation/amortization	<u>(255,615,943)</u>	<u>(14,385,918)</u>	<u>(483,784)</u>	<u>(269,518,077)</u>
Total capital assets, depreciated/ amortized, net	<u>236,720,128</u>	<u>9,492,034</u>	<u>-</u>	<u>246,212,162</u>
Business-type, capital assets, net	\$ 371,276,924	\$ 44,378,083	\$ 17,300,313	\$ 398,354,694
Grand Total, capital assets, net	<u>\$ 856,791,222</u>	<u>64,780,666</u>	<u>34,284,344</u>	<u>887,184,248</u>

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities, depreciation:

Public Safety/Fire & Rescue	\$ 2,755,469
Legislative	161,693
Judicial	109,530
Election Board	259
Financial Administration/Central Services	97,019
Health	158,236
Community Services	46,608
Public Facilities	23,612,985
Emergency Services	2,566,048
Education	44,807
Inspection & Enforcement	377,529
Economic Development	9,310
Recreation, Parks, & Tourism	1,386,290
Total depreciation expense- Governmental Activities	\$ <u>31,325,781</u>

Governmental Activities, amortization of leases:

Public Safety/Fire & Rescue	\$ 133,513
Election Board	230,743
PGM	2,584
Financial Administration/Central Services	17,811
Emergency Services	129,881
Economic Development	61,407
Recreation, Parks, & Tourism	35,314
Total lease amortization expense- Governmental Activities	\$ <u>611,253</u>

Governmental Activities, amortization of SBITAs:

Public Safety/Fire & Rescue	\$ 536,785
Community Services	14,933
Judicial	120,863
Financial Administration/Central Services	1,742,318
Total SBITA amortization expense- Governmental Activities	\$ <u>2,414,899</u>

Business-Type Activities:

Water and Sewer	\$ 10,541,403
Solid Waste	1,901,314
Environmental Services	558,008
Recreation Programs	315,227
Inspection and Reviews	137,787
SW- Watershed Protection	886,040
Total depreciation expense- Business-type Activities	\$ <u>14,339,779</u>

Business-Type Activities: amortization of SBITAs:

Water and Sewer	\$ 46,139
Total SBITA amortization expense- Business-type Activities	\$ <u>46,139</u>

## Construction Commitments

The County has active construction projects as of June 30, 2024. The projects include widening and reconstruction of existing streets and bridges, maintenance of existing roads, landfill expansion, modifications of County facilities, and the improvement and expansion of existing water and sewer facilities. At year-end, the County's project commitments are as follows:

<u>Division / Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
<b>Transportation</b>		
Road and bridge expansions	\$ 58,858,373	\$ 54,379,963
Other transportation projects	350,383	5,826,568
<b>General government</b>		
Buidings and improvements	23,561,304	54,568,138
Other general government projects	28,425,078	38,931,050
<b>Water and sewer</b>		
Expansions and improvements	153,264,946	286,441,081
<b>Parks</b>		
Expansions and improvements	11,436,910	15,297,943
<b>Environmental service</b>		
Various environmental service projects	14,548,580	21,732,477
<b>Watershed Restoration</b>	<u>22,034,689</u>	<u>67,401,530</u>
<b>Total</b>	<u>\$ 312,480,263</u>	<u>\$ 544,578,749</u>

Most construction projects are financed, in part or in full, by general obligation bonds. Road and bridge expansions are also financed by off-site road fees and transfers of existing resources from the General Fund. Water and sewer expansions are financed by general obligation bonds, the state, and property owners.

## Discretely Presented Component Units

Capital asset activity for the Board of Education for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital assets, not depreciated:</b>				
Land	\$ 20,690,734	\$ 16,336	\$ -	\$ 20,707,070
Construction in progress	95,249,163	77,760,053	(9,527,876)	163,481,340
<b>Total capital assets, not depreciated</b>	<b>115,939,897</b>	<b>77,776,389</b>	<b>(9,527,876)</b>	<b>184,188,410</b>
<b>Capital assets, depreciated:</b>				
Buildings	717,463,430	13,269,794	-	730,733,224
Land Improvements	31,027,157	840,157	(8,755)	31,858,559
Furniture and Equipment	33,755,294	4,554,497	(1,362,949)	36,946,842
<b>Total capital assets, depreciated</b>	<b>782,245,881</b>	<b>18,664,448</b>	<b>(1,371,704)</b>	<b>799,538,625</b>
<b>Less: accumulated depreciation for:</b>				
Buildings	(372,179,530)	(18,966,522)	-	(391,146,052)
Land Improvements	(19,641,590)	(2,046,550)	5,580	(21,682,560)
Furniture and Equipment	(26,861,252)	(1,747,920)	1,362,949	(27,246,223)
<b>Total accumulated depreciation</b>	<b>(418,682,372)</b>	<b>(22,760,992)</b>	<b>1,368,529</b>	<b>(440,074,835)</b>
<b>Total capital assets, depreciated net</b>	<b>363,563,509</b>	<b>(4,096,544)</b>	<b>(3,175)</b>	<b>359,463,790</b>
<b>Right-to-use leased assets</b>				
Equipment	1,454,862	2,643,019	(1,380,469)	2,717,412
<b>Total amortized right-to-use assets</b>	<b>1,454,862</b>	<b>2,643,019</b>	<b>(1,380,469)</b>	<b>2,717,412</b>
<b>Less: Right-to-use leased Assets</b>				
Accumulated amortization				
Equipment	(1,092,423)	(387,569)	1,238,735	(241,257)
<b>Total right-to-use leased asset accumulated amortization</b>	<b>(1,092,423)</b>	<b>(387,569)</b>	<b>1,238,735</b>	<b>(241,257)</b>
<b>Total right-to-use leased assets, being amortized, Net</b>	<b>362,439</b>	<b>2,255,450</b>	<b>(141,734)</b>	<b>2,476,155</b>
<b>Subscription-Based IT Assets</b>	<b>7,621,329</b>	<b>2,058,286</b>	<b>(188,583)</b>	<b>9,491,032</b>
<b>Less: Accumulated amortization</b>				
Subscription-based IT Assets	(1,647,718)	(3,181,053)	176,320	(4,652,451)
<b>Total Subscription-Based information technology arrangement assets, Net</b>	<b>5,973,611</b>	<b>(1,122,767)</b>	<b>(12,263)</b>	<b>4,838,581</b>
<b>Board of Ed capital assets, net</b>	<b>\$ 485,839,456</b>	<b>\$ 74,812,528</b>	<b>\$ (9,685,048)</b>	<b>\$ 550,966,936</b>

Capital asset activity for the Library for the year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, depreciated:				
Furniture and Equipment	\$ 2,814,842	\$ 45,072	\$ -	\$ 2,859,914
Library books and AV material	2,249,165	218,919	-	2,468,084
Total capital assets, depreciated	5,064,007	263,991	-	5,327,998
Less: accumulated depreciation	(4,414,433)	(447,253)	-	(4,861,686)
Library capital assets, net	<u>\$ 649,574</u>	<u>\$ (183,262)</u>	<u>\$ -</u>	<u>\$ 466,312</u>

#### G. Inter-fund Receivables, Payables, and Transfers

The General Fund is the main fund used to collect, invest, and disburse monies for governmental and proprietary funds. This creates temporary inter-fund balances. The composition of inter-fund balances as of June 30, 2024, is as follows:

##### Net Due (To) From other funds:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Fund	\$ (300,773,903)	\$ -
Capital Projects Fund	127,865,157	-
Debt Service Fund	16,938,333	-
Water and Sewer Fund	-	68,230,101
Solid Waste Fund	-	45,143,765
Stormwater Mgmt Fund	-	19,392,976
Other Non-major Funds	11,574,737	11,628,834
Total	<u>\$ (144,395,676)</u>	<u>\$ 144,395,676</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expand them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The following is a schedule of inter-fund transfers:

Transfers Out	Transfers In						Non-Major Enterprise Funds	Total
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Solid Waste Fund	SW-Water Protection Fund			
<u>General Fund</u>	\$ -	\$ 17,765,600	\$ 7,283,860	\$ -	\$ -	\$ 120,075	\$ 25,169,535	
<u>Capital Projects Fund</u>		1,200,000	-	-	-	-	-	1,200,000
<u>Non-Major Governmental Funds</u>	452,015	-	17,488	-	-	-	-	469,503
<b>Total Transfers In</b>	<b>\$ 1,652,015</b>	<b>\$ 17,765,600</b>	<b>\$ 7,301,348</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,075</b>	<b>\$ 26,839,038</b>	

Primary activities include

- \* Transfers of pay-go funding from the General Fund to the Capital Projects Fund.
- \* Transfers of matching County grants funding to the Non-Major Governmental Funds.
- \* Transfer of General Fund assistance for the Recreation Fund programs.

## H. Capital Asset Financing

### Capital Asset Financing

The County has entered into annual agreements for financing the acquisition of various machinery and equipment. Before the implementation of GASB 87, these financing agreements were categorized as capital leases for accounting purposes but are now considered to be another financing mechanism. These liabilities have been recorded at the present value of their future minimum payments as of the inception dates. Information on each of the various prior agreements is as follows:

- Fiscal Year 2020 – Various equipment for the General Fund, the Inspection Fund, the Solid Waste Fund, the Water and Sewer fund, the Environmental Service Fund, and the Stormwater-Water Protection Fund – semiannual payments of \$410,697 over 5 years ending September 2024, including interest at a rate of 1.95%, equipment to be capitalized at \$3,895,200.
- Fiscal Year 2021 – Various equipment for the General Fund, the Solid Waste Fund, the Water and Sewer fund, and the Environmental Service Fund – semiannual payments of \$583,812 over 5 years ending September 2025, including interest at a rate of 0.94%, equipment to be capitalized at \$5,690,000.
- Energy Upgrade Financing FY 2021 – Various HVAC equipment, lighting retrofits, water conservation equipment and other capital assets installed in county buildings to increase energy efficiency and provide savings to the General Fund with semiannual payments starting at \$194,391 and increasing to \$275,618 over 13 years ending April 2034, including interest at a rate of 1.92%, equipment to be capitalized at \$5,382,795.
- Fiscal Year 2022 – Various equipment for the General Fund, the Solid Waste Fund, the Water and Sewer Fund, and the Stormwater-Water Protection Fund – semiannual payments of \$338,104 over 5 years ending September 2026, including interest at a rate of .7759%, equipment to be capitalized at \$3,310,000.
- Fiscal Year 2023 – Various vehicles and equipment for the General Fund, the Inspection Fund, and the Water and Sewer Fund – semiannual payments of \$398,053 over 5 years ending September 2027, including interest at a rate of 2.78%, equipment to be capitalized at \$3,692,400.
- Fiscal Year 2024 – Various vehicles and equipment for the General Fund, the Inspection Fund, and the Water and Sewer Fund including self-contained breathing apparatus equipment for Emergency Services (General Fund). Semiannual payments are \$480,310 over 5 years ending September 2028, including interest at a rate of 4.2102% with total vehicles and equipment to be capitalized at \$4,290,800.

The assets acquired through capital asset financing and still in use are as follows:

	Governmental Activities	Business-type Activities
<b>Assets:</b>		
Building and Improvements	\$ 90,906	\$ -
Machinery and equipment	26,911,254	8,205,153
Vehicles	<u>16,246,443</u>	<u>8,697,356</u>
<b>Total capital assets</b>	<b><u>43,248,604</u></b>	<b><u>16,902,509</u></b>
<b>Less accumulated depreciation:</b>		
Building and Improvements	(85,927)	-
Machinery and equipment	(24,304,477)	(7,226,802)
Vehicles	<u>(12,939,878)</u>	<u>(6,316,679)</u>
<b>Total accumulated depreciation</b>	<b><u>(37,330,282)</u></b>	<b><u>(13,543,482)</u></b>
<b>Total capital assets, net</b>	<b><u>\$ 5,918,322</u></b>	<b><u>\$ 3,359,027</u></b>

The future minimum obligations and the net present value of the minimum payments for capital asset financing as of June 30, 2024, were as follows:

	Governmental Activities	Business- type Activities	Total
2025	\$ 2,763,994	\$ 1,582,579	\$ 4,346,573
2026	2,240,230	1,182,200	3,422,430
2027	1,782,319	773,807	2,556,126
2028	1,290,941	545,290	1,836,231
2029	761,063	215,967	977,030
2030-2034	<u>2,594,013</u>	-	<u>2,594,013</u>
<b>Subtotal</b>	<b><u>\$ 11,432,560</u></b>	<b><u>\$ 4,299,844</u></b>	<b><u>\$ 15,732,403</u></b>
Interest	<u>(825,048)</u>	<u>(241,389)</u>	<u>(1,066,437)</u>
<b>Present value of minimum financing payments</b>	<b><u>\$ 10,607,512</u></b>	<b><u>\$ 4,058,455</u></b>	<b><u>\$ 14,665,967</u></b>

#### I. Long-Term Debt

##### **General Obligation Bonds**

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. During the year ended June 30, 2024, general obligation bonds totaling \$55,000,000 were issued for consolidated public improvement. General obligation bonds are direct obligations and pledge the full faith and credit of the County. In the past, these bonds have been a mix of 10-year and 15-year serial bonds with equal amounts of principal maturing each year. In addition, the County bonds in recent past have also had components with 20-year and 30-year serial bonds to fund projects that result in expected longer life spans of the eventual County capital asset.

The County's General Obligation Bonds and deferred amounts currently outstanding are as follows:

Bond Description and Year	Amount Borrowed	Term and Rate	Governmental Activities Balance 6/30/24	Business-type Activities Balance 6/30/24
Consolidated Public Improvement Bonds of 2014	\$ 17,400,000	15 yrs, 3% - 5%	7,506,749	2,024,957
Consolidated Public Improvement Bonds of 2014	\$ 14,000,000	10 yrs, 4% - 5%	1,635,000	-
Consolidated Public Improvement Bonds of 2014	\$ 7,600,000	30 yrs, 3% - 5%	-	2,630,000
Consolidated Public Improvement Refunding Bonds of 2015	\$ 21,830,000	15 yrs, 2% - 4%	10,587,796	2,322,685
Consolidated Public Improvement Bonds of 2015	\$ 21,895,000	15 yrs, 3% - 5%	3,746,087	584,368
Consolidated Public Improvement Bonds of 2015	\$ 5,800,000	10 yrs, 3% - 5%	1,208,359	186,641
Consolidated Public Improvement Bonds of 2015	\$ 3,800,000	30 yrs, 3% - 5%	-	195,000
Consolidated Public Improvement Bonds of 2016	\$ 5,500,000	10 yrs, 3% - 5%	1,696,646	233,355
Consolidated Public Improvement Bonds of 2016	\$ 18,000,000	15 yrs, 3%-5%	9,956,062	2,779,734
Consolidated Public Improvement Bonds of 2016	\$ 1,000,000	20 yrs, 3% - 5%	745,000	-
Consolidated Public Improvement Bonds of 2016	\$ 7,500,000	30 yrs, 3%-5%	-	6,465,000
Consolidated Public Improvement Bonds of 2017	\$ 20,000,000	10 yrs, 3%-5%	9,220,000	-
Consolidated Public Improvement Bonds of 2017	\$ 24,000,000	15 yrs, 2.25%-5%	21,524,197	8,154,195
Consolidated Public Improvement Bonds of 2017	\$ 2,000,000	20 yrs 2.25%-5%	1,555,000	-
Consolidated Public Improvement Bonds of 2017	\$ 10,000,000	30 yrs, 2.25%-5%	878,000	7,902,000
Consolidated Public Improvement Refunding Bonds of 2017	\$ 46,175,000	26 yrs, 2%-5.3%	15,578,334	9,731,666
Consolidated Public Improvement Bonds of 2018	\$ 15,000,000	10 yrs, 3%-5%	8,385,000	-
Consolidated Public Improvement Bonds of 2018	\$ 29,000,000	15 yrs, 2.25%-5%	19,010,776	5,745,061
Consolidated Public Improvement Bonds of 2018	\$ 1,000,000	20 yrs 2.25%-5%	830,000	-
Consolidated Public Improvement Bonds of 2018	\$ 15,000,000	30 yrs, 2.25%-5%	-	13,635,000
Consolidated Public Improvement Bonds of 2019	\$ 6,000,000	10 yrs, 5%	3,950,000	-
Consolidated Public Improvement Bonds of 2019	\$ 32,000,000	15 yrs, 2.5%-5%	26,546,505	5,122,157
Consolidated Public Improvement Bonds of 2019	\$ 1,000,000	20 yrs 2.5%-5%	865,000	-
Consolidated Public Improvement Bonds of 2019	\$ 19,000,000	30 yrs, 3.375%-5%	-	17,585,000

Bond Description and Year	Amount Borrowed	Term and Rate	Governmental Activities Balance 6/30/24	Business-type Activities Balance 6/30/24
Consolidated Public Improvement Bonds of 2020	\$ 10,000,000	10 yrs, 4%	7,129,750	375,250
Consolidated Public Improvement Bonds of 2020	\$ 26,800,000	15 yrs, 1.25%-4%	21,106,226	6,583,958
Consolidated Public Improvement Bonds of 2020	\$ 3,000,000	20 yrs, 1.25%-4%	2,700,000	-
Consolidated Public Improvement Bonds of 2020	\$ 12,200,000	30 yrs, 1.25%-4%	-	11,505,000
Consolidated Public Improvement Refunding Bonds of 2020	\$ 7,760,000	7 yrs, 2%-2.45%	2,984,849	110,151
Consolidated Public Improvement Refunding Bonds of 2020	\$ 3,970,000	24 yrs, 2%-2.45%	-	3,895,000
Consolidated Public Improvement Refunding Bonds of 2020	\$ 12,575,000	25 yrs, 2%-2.45%	7,894,039	4,636,814
Consolidated Public Improvement Refunding Bonds (Taxable) of 2020	\$ 6,575,000	6-10 yrs, 2%-2.45%	5,295,000	-
Consolidated Public Improvement Bonds of 2021	\$ 6,000,000	10 yrs, 5%	5,025,000	-
Consolidated Public Improvement Bonds of 2021	\$ 35,000,000	15 yrs, 1.5%-5%	35,247,309	3,483,957
Consolidated Public Improvement Bonds of 2021	\$ 2,000,000	20 yrs 1.5%-5%	1,865,000	-
Consolidated Public Improvement Bonds of 2021	\$ 27,000,000	30 yrs, 1.5%-5%	-	25,965,000
Consolidated Public Improvement Bonds of 2022	\$ 6,000,000	10 yrs, 5%	5,525,000	-
Consolidated Public Improvement Bonds of 2022	\$ 22,000,000	15 yrs, 5%	16,242,635	7,479,767
Consolidated Public Improvement Bonds of 2022	\$ 2,000,000	20 yrs 4%-5%	1,940,000	-
Consolidated Public Improvement Bonds of 2022	\$ 20,000,000	30 yrs, 4%-5%	-	19,690,000
Consolidated Public Improvement Bonds of 2023	\$ 11,000,000	10 yrs, 5%	10,500,000	500,000
Consolidated Public Improvement Bonds of 2023	\$ 29,000,000	15 yrs, 5%	23,311,029	10,108,226
Consolidated Public Improvement Bonds of 2023	\$ 15,000,000	30 yrs, 4.125%-5%	-	15,000,000
 Total bonds outstanding			292,190,346	194,629,942
 Loan Description and Year				
MD Water Quality Revolving Loan				
Mattawoman BNR Upgrade	\$ 14,767,900	20 yrs, 1.200%	-	1,640,304
Total loans outstanding			-	1,640,304
Total bonds and loans outstanding			\$ 292,190,346	196,270,246

## Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024, was as follows:

For the governmental activities, compensated absences are generally liquidated by the general fund, certain special revenue funds, and certain business-type enterprise funds. The net pension and OPEB liabilities are generally liquidated by the general fund and certain special revenue funds.

	<u>Beg Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>End Balance</u>	<u>Amounts</u>
					<u>Due in 1 year</u>
<b><u>Governmental activities:</u></b>					
General obligation bonds	\$ 257,400,597	\$ 30,700,000	\$ (31,590,420)	\$ 256,510,177	\$ 31,560,888
Plus deferred amounts for bond premiums	<u>36,650,197</u>	<u>3,214,303</u>	<u>(4,184,330)</u>	<u>35,680,169</u>	<u>-</u>
Total bonds payable	294,050,794	33,914,303	(35,774,751)	292,190,346	31,560,888
Capital asset financing	11,079,806	2,361,800	(2,834,094)	10,607,512	2,530,054
Net Pension liabilities	142,193,050	-	(5,817,806)	136,375,244	-
Net LOSAP liability	2,990,110	-	(2,362,874)	627,236	-
Net OPEB liability	106,860,033	-	(3,172,875)	103,687,158	-
Lease liability	2,148,888	1,429,169	(691,935)	2,886,122	656,116
Subscription-Based IT Arrangement liability	4,018,571	1,316,096	(2,417,090)	2,917,577	1,277,581
Compensated absences	<u>28,599,419</u>	<u>8,536,182</u>	<u>(8,903,457)</u>	<u>28,232,144</u>	<u>2,297,301</u>
Governmental activities	<u>591,940,671</u>	<u>47,557,550</u>	<u>(61,974,881)</u>	<u>577,523,339</u>	<u>38,321,939</u>
<b><u>Business-type activities:</u></b>					
General obligation bonds	166,234,403	24,300,000	(7,904,580)	182,629,823	8,749,112
Plus deferred amounts for bond premiums	<u>11,632,453</u>	<u>1,341,545</u>	<u>(973,880)</u>	<u>12,000,118</u>	<u>-</u>
Total bonds payable	177,866,856	25,641,545	(8,878,460)	194,629,942	8,749,112
Notes payable	2,445,897	-	(805,593)	1,640,304	815,260
Capital asset financing	3,584,293	1,929,000	(1,454,838)	4,058,455	1,480,301
Landfill closure costs	15,314,814	958,697	-	16,273,511	-
Subscription-Based IT Arrangement liability	-	221,469	(58,910)	162,559	51,913
Compensated absences	<u>2,777,643</u>	<u>1,202,188</u>	<u>(1,491,906)</u>	<u>2,487,925</u>	<u>323,539</u>
Business-type activities	<u>201,989,503</u>	<u>29,952,899</u>	<u>(12,689,707)</u>	<u>219,252,695</u>	<u>11,420,126</u>
Total primary government					
noncurrent liabilities	<u>\$ 793,930,173</u>	<u>\$ 77,510,448</u>	<u>\$ (74,664,589)</u>	<u>\$ 796,776,034</u>	<u>\$ 49,742,065</u>
<b><u>Component units:</u></b>					
Board of Education	\$ 549,290,430	\$ 84,721,981	\$ (96,736,244)	\$ 537,276,167	\$ 2,871,139
Library	1,376,009	11,991	(133,958)	1,254,042	235,663

The annual requirements to amortize all debt outstanding as of June 30, 2024, including interest of \$130,644,430 and excluding compensated absences, deferred amounts for bond premiums, net pension liabilities, net OPEB liability, lease and SBITA liabilities, and landfill closure costs, are as follows:

Year ending June 30	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 34,090,942	\$ 10,170,441		\$ 11,044,676	\$ 6,473,889	\$ 61,779,948
2026	30,202,719	8,786,341		9,949,206	6,035,262	54,973,528
2027	30,395,871	7,480,336		9,111,482	5,619,943	52,607,632
2028	28,633,921	6,100,460		8,665,607	5,238,898	48,638,886
2029	24,858,116	5,057,275		8,630,431	4,897,209	43,443,031
2030-2034	85,572,729	12,972,593		38,790,569	20,083,140	157,419,031
2035-2039	31,551,390	2,465,721		31,958,610	13,999,949	79,975,670
2040-2044	1,616,500	115,458		27,923,500	9,319,438	38,974,896
2045-2049	195,500	12,975		28,059,500	4,796,858	33,064,833
2050-2054	-	-		14,195,000	1,018,244	15,213,244
	<u>\$ 267,117,688</u>	<u>\$ 53,161,600</u>		<u>\$ 188,328,581</u>	<u>\$ 77,482,830</u>	<u>\$ 586,090,699</u>

The schedule above includes principal and interest for general obligation bond debt and capital asset financing payments. Future years lease payments and SBITA payments are detailed separately on page 94 and page 96 of this report, respectively.

#### Special Assessment Debt

In prior years, the County has had requests for, and granted, various special assessments on projects petitioned by citizens. These projects are performed by the County, but the cost is fully funded by the property owners. No debt has been issued for these projects to date rather they have been funded on a pay-go basis.

J. Restricted Assets

The details of the restricted assets are as follows:

Governmental Activities

Cash and cash equivalents

ARPA funds	\$ 19,655,834
Inmate account	15,180
County Attorney escrow	10,049
SAO Restitution account	40,204
 LATCF Funds	 63,263
Business Development Loan Fund	437,517
Targeted Industry Loan Fund	315,238
Opioid Restitution Fund	1,087,027
Construction Escrow	<u>1,166,837</u>
 Total cash and cash equivalents	 \$ 22,791,148

Notes Receivable

U.S. Homes Corporation	\$ <u>3,899,624</u>
Total notes receivable	<u>3,899,624</u>
 Total Governmental Activities	 26,690,772

Business-type Activities

Cash and cash equivalents

Landfill Bonds	<u>93,026</u>
 TOTAL PRIMARY GOVERNMENT	 \$ <u>26,783,797</u>

## K. Leases and Subscription-Based Information Technology Arrangements

### County as Lessee

The County has entered into various non-cancellable lease agreements as lessee for office space and office equipment, and one lease for a public safety antenna on a radio tower. The County's leases have initial terms from 2 to 14 years, and contain one or more renewals at the County's option, most commonly for five-year periods. The County has 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. 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 always readily determinable, or if there is no specific rate listed in the lease, the County uses the negotiated interest rate on that year's capital asset financing as the incremental borrowing rate. For FY2024 that rate was 4.2012%.

The list below details the leased buildings and equipment during FY2024:

<b>Buildings</b>	<b>Sheriff's Office</b>	<b>Sheriff's Office</b>	<b>Sheriff's Office</b>	<b>EMS</b>	<b>Election Board</b>	<b>Economic Development (updated 2024 with additional space)</b>
Term of lease; ending date	10 years; 2/2032	1 year; 12/2024	10 years; 12/2028	5 years; 10/2028	6 years; 7/2025	8 years; 4/2032
Extensions	(2) 5 year	1 year	(2) 5 year	none	(3) 1 year	(3) 1 year
Initial lease liability	362,595	10,057	328,011	148,010	556,148	1,098,170
Lease liability at 6/30/24	199,651	5,352	209,879	282,334	246,112	1,073,388
Value of the right-to-use asset at 6/30/24	362,595	36,112	328,011	468,227	794,038	1,192,822
Accumulated amortization at 6/30/24	(84,605)	(30,723)	(132,343)	(190,707)	\$ (546,727)	(120,799)

<b>Equipment</b>	<b>Golf cars (60)</b>	<b>Public Safety tower</b>	<b>Networked Printers &amp; Postage machines</b>	<b>Total Lease Buildings and Equipment</b>
Term of lease; ending date	6 years; 9/2027	14 years; 11/2035	4-5 years; varies then month-to-month	
Extensions available	none	(3) 5 year		
Initial lease liability	176,572	743,662	240,732	
Lease liability at 6/30/24	116,490	653,073	99,842	2,886,121
Value of the right-to-use asset at 6/30/24	176,572	743,662	240,732	4,342,771
Accumulated amortization at 6/30/24	(97,115)	(137,223)	(179,648)	(1,519,890)

The future principal and interest lease payments as of June 30, 2024, were as follows:

Year ending June 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$ 656,116	\$ 93,849	\$ -	\$ -	\$ 749,966	
2026	452,281	74,053	-	-	526,334	
2027	410,329	58,234	-	-	468,563	
2028	336,803	44,405	-	-	381,208	
2029	265,958	32,149	-	-	298,108	
2030-2034	655,737	55,738	-	-	711,476	
2035-2039	108,896	2,484	-	-	111,380	
Total	<u>\$ 2,886,122</u>	<u>\$ 360,913</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,247,035</u>	

#### County as Lessor

The county has existing leases for land, building and tower leases. There were no new land or bulding leases in FY2024, but the county did enter into one additional agreement for placement of cell antennae on a county-owned water tower. The majority of these leases have terms from 2 to 25 years with one, two or three more renewals at the county's option for five year periods. The County has included these renewal periods in the lease term when they are both non-cancellable and reasonably certain to be exercised, but in some cases the County is not able to determine the likelihood of renewal so far in the future. 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 always readily determinable, or if there is no specific rate listed in the lease, the County uses the negotiated interest rate on that year's capital asset financing as the incremental financing rate. For FY2024 that rate was 4.2012%.

The total amount of inflow of resources relating to leases are recognized in the current fiscal year as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Lease revenue	1,007,376	385,350	1,392,725
Interest revenue	246,624	234,851	481,476
Total revenue	<u>1,254,000</u>	<u>620,201</u>	<u>1,874,201</u>

As of June 30, 2024, the principal and interest requirements to maturity for the leases receivable are as follows:

Year ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Principal	Interest	Total	
2025	\$ 862,763	240,623	\$ 251,285	226,917	\$ 1,581,588	
2026	926,264	214,977	218,420	221,909	1,581,570	
2027	927,810	186,181	229,764	222,118	1,565,873	
2028	937,641	157,523	217,597	215,785	1,528,546	
2029	976,993	127,171	234,078	208,630	1,546,872	
2030-2034	1,593,495	201,285	1,206,870	946,879	3,948,529	
2035-2039	895,290	176,384	1,389,385	748,166	3,209,225	
2040-2044	526,818	63,581	1,142,296	502,711	2,235,406	
thereafter	212,994	25,311	2,806,168	1,355,968	4,400,441	
	<u>\$ 7,860,068</u>	<u>1,393,035</u>	<u>\$ 7,695,864</u>	<u>4,649,083</u>	<u>\$ 21,598,050</u>	

#### Subscription-Based Information Technology Arrangements (SBITA)

The County has entered into various subscription agreements that convey control of the right-to-use another entity's combination of IT software and tangible capital assets, for a variety of governmental purposes. The County recognizes subscription assets with an initial, individual value of \$10,000 or more and an agreed-upon term of more than one year. The County is not required to include short-term subscriptions of one year or less.

At the commencement of a subscription, the County initially measures the subscription liability at the present value of payments expected to be made during the lease term. Subsequently, the subscription liability is reduced by the principal portion of lease payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. The subscription asset is amortized on a straight-line basis over its useful life. Implementation costs are also amortized over the life of the underlying subscription liability.

Key estimates and judgments related to subscription include how the County determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The County uses the interest rate charged by the subscription provider as the discount rate, or if one is not specifically stated in the agreement, the County uses the negotiated interest rate on that year's capital asset financing as the incremental borrowing rate. For FY2024 that rate was 4.2012%.

The subscription term includes the non-cancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

Subscription assets are reported with capital assets, and subscription liabilities are reported with long-term debt on the statement of net position. The list below details the County's subscription-based information technology arrangements in effect as of the end of the fiscal year:

<u>Description</u>	<u>Length of SBITA</u>	<u>SBITA liability at 6/30/24</u>	<u>SBITA asset value at 6/30/24</u>	<u>Accumulated amortization at 6/30/24</u>
<b>Governmental Funds</b>				
Tyler MUNIS Enterprise ERP	5 years; 6/2026	1,075,871	3,790,407	(2,281,854)
NICE Body-worn camera software	6 years; 1/2028	1,378,049	2,274,333	(691,450)
HAPPY Housing software	3 years; 7/2025	14,928	44,799	(28,622)
NeoGov (HR)	4 years; 6/2026	66,837	129,998	(64,999)
Microsoft Enterprise Agreement	2.3 years; 10/2024	-	410,148	(351,555)
Microsoft 365	3 years; 1/2026	-	231,211	(109,183)
Granicus gov't meeting software	2 years; 7/2024	-	75,881	(75,881)
Cisco Flex Calling	3 years; 7/2025	29,624	88,905	(57,756)
Meraki Radio Enterprise	3 years; 4/2026	19,239	57,732	(22,772)
OpenGov Budget Software	1.5 years; 6/2025	171,378	258,878	(86,293)
Frontline Mobile Tech	5 years; 12/2028	-	1,057,218	(121,637)
Various investigative software	varies	-	48,024	(43,892)
Various cybersecurity software	varies	56,214	195,348	(110,113)
Various other financial software	varies	105,437	184,861	(75,781)
Total Governmental Funds		<b>2,917,577</b>	<b>8,847,743</b>	<b>(4,121,788)</b>
<b>Proprietary Funds</b>				
Dark Trace	4 years; 8/2027	162,559	221,469	(46,139)
Total SBITA		<b>3,080,136</b>	<b>9,069,212</b>	<b>(4,167,927)</b>

The future principal and interest requirements for the County's SBITA as of June 30, 2024 were as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		
<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30					
2025	\$ 1,277,581	\$ 87,383	\$ 51,913	\$ 6,997	\$ 1,423,874
2026	1,107,201	49,884	54,161	4,749	1,215,995
2027	532,795	16,206	56,485	2,425	607,911
Total	<b>\$ 2,917,577</b>	<b>\$ 153,472</b>	<b>\$ 162,559</b>	<b>\$ 14,171</b>	<b>\$ 3,247,779</b>

## L. Fund Balance Analysis

The following are the components of Fund Balance in the governmental funds:

Fund balances:	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b><u>Nonspendable</u></b>					
Inventory	\$ 2,572,613	\$ -	\$ -	\$ -	\$ 2,572,613
Prepay Items	3,099,766	-	-	-	3,099,766
	<u>5,672,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,672,379</u>
<b><u>Restricted</u></b>					
Capital Outlay	-	7,827,530	-	-	7,827,530
Economic Development	12,627	-	-	755,269	767,896
Debt Service	-	-	4,902,275	-	4,902,275
Housing	-	-	-	463,340	463,340
Drug Enforcement	-	-	-	1,676,666	1,676,666
Fire and Rescue	-	-	-	271,039	271,039
Planning Programs	-	-	-	849,503	849,503
Public Safety	-	-	-	197,862	197,862
Cable Franchise	-	-	-	9,988,472	9,988,472
Mental Health	-	-	-	261,328	261,328
Aging Services	-	-	-	60,861	60,861
ARPA funding	-	-	-	1,070,413	1,070,413
Animal Control	168,277	-	-	4,500	172,777
Community Reinvestment Repair	-	-	-	1,631,263	1,631,262.7
	<u>180,904</u>	<u>7,827,530</u>	<u>4,902,275</u>	<u>17,230,514</u>	<u>30,141,223</u>
<b><u>Committed</u></b>					
Policy Target	80,344,890	-	-	-	80,344,890
Income Tax Reserve	18,000,000	-	-	-	18,000,000
OPEB Reserve	4,250,000	-	-	-	4,250,000
Teacher's Incentive Grant	704,800	-	-	-	704,800
CIP Reserve	34,302,000	-	-	-	34,302,000
Workers Compensation	13,117,203	-	-	-	13,117,203
Unspent Budget	15,753,579	-	-	-	15,753,579
Cable Franchise	-	-	-	107,000	107,000
GenOn Reserve for Loss	11,548,500	-	-	-	11,548,500
CIP/Pay-go	-	51,849,321	-	-	51,849,321
	<u>178,020,972</u>	<u>51,849,321</u>	<u>-</u>	<u>107,000</u>	<u>229,977,293</u>
<b><u>Assigned</u></b>					
Aging Grants	-	-	-	38,332	38,332
Judicial Grants	-	-	-	62,297	62,297
Transportation	-	-	-	4,140,163	4,140,163
Public Safety	-	-	-	119,910	119,910
Housing	367,187	-	-	-	367,187
Animal Control	-	-	-	244,697	244,697
Cable Franchise	-	-	-	451,686	451,686
Debt Service	-	-	15,889,724	-	15,889,724
Storm Event Reserve	6,500,000	-	-	-	6,500,000
Health Ins Rate Stabilization	4,022,150	-	-	-	4,022,150
CIP & Operations	-	45,655,577	-	-	45,655,577
	<u>10,889,338</u>	<u>45,655,577</u>	<u>15,889,724</u>	<u>5,057,085</u>	<u>77,491,723</u>
<b><u>Unassigned</u></b>					
Other unassigned	4,180,084	-	-	-	4,180,084
Total fund balances	<u>\$ 198,943,676</u>	<u>\$ 105,332,428</u>	<u>\$ 20,791,999</u>	<u>\$ 22,394,599</u>	<u>\$ 347,462,702</u>

#### NOTE 4. RISK MANAGEMENT

##### Liability Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County was unable to obtain general liability, public official's legal liability, business auto liability, and auto physical damage insurance from commercial insurance companies at a cost it considered to be economically justifiable. The County and other local governments throughout the State joined together to form the Local Government Insurance Trust (LGIT), a public entity risk pool. The County pays an annual premium to LGIT for its general insurance coverage. LGIT is self-sustaining through member premiums and will reinsure through commercial companies.

##### Self-Insured Health Care

The County is self-insured for employee health insurance through agreements with CareFirst BlueCross BlueShield, CareFirst BlueChoice, and Delta Dental. Employees contribute 30% of the estimated cost of the plan, and the County contributes 70%. Certain outside agencies (Library, Soil Conservation, and Courthouse) and some retirees are also covered under this agreement with varying contribution levels. The health insurance agreements are claims-made policies with administrative fees paid to all carriers. The policies include stop-loss provisions for claims in excess of \$125,000 per person/per year for CareFirst. Claims that are in excess of this limit are covered by the insurance carrier. Delta Dental does not have a stop-loss provision. At June 30, 2024, a liability of \$1,865,000 (\$1,391,787 in governmental funds and \$473,213 in business-type funds) was recorded for estimated claims incurred but not yet reported (IBNR), which represents the estimated run-out claims liability should the self-insurance agreement be terminated. Historical experience and actuarial assumptions were the basis used in estimating the liabilities for unpaid claims.

The changes in the County's IBNR claims liability are as follows:

Fiscal Year	Beginning of Year	Claims and Changes in Estimates, Net	End of Year
2022	1,578,000	(180,000)	1,398,000
2023	1,398,000	540,000	1,938,000
2024	1,938,000	(73,000)	1,865,000

##### Self-Insured Worker's Compensation

The County elected to be self-insured for employer worker's compensation as of the beginning of the fiscal year 2013. Based on employer costs and employee claims for the fiscal year ending June 30, 2024, a budget surplus of \$1,394,775 was recognized and increased assigned fund balance across all funds to offset future plan-related costs. The balance for all funds as of June 30, 2024, is \$14,863,800.

In addition, the County had a Loss Reserve Analysis report prepared as of June 30, 2024. This report was provided to County stakeholders as well as being sent to the Maryland Workers' Compensation Commission. The discounted reserve reported was \$3,885,228. This is recorded on the County's books in similar fashion as the preceding Health IBNR claims liability and future reports will be done periodically as needed.

Fiscal Year	Beginning of Year	Changes in Discounted Reserve, Net	End of Year
2022	5,510,289	(1,419,441)	4,090,848
2023	4,090,848	(557,508)	3,533,340
2024	3,533,340	351,888	3,885,228

#### Other insurance

The County continues to carry commercial insurance for other risks of loss, including other general liability, earth movement, flood; fiduciary; employee health, dental, and life; unemployment, and long-term disability insurance. Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past five years.

### **NOTE 5. COMMITMENTS AND CONTINGENCIES**

#### **A. Contingencies Under Grant Provisions**

The County participates in federal, and state assisted programs and is a recipient of several grants. These programs and grants are subject to financial and compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise because of these audits is not believed to be material. The County has experienced audits of a few programs during the year ended June 30, 2024, which have not resulted in any findings or liabilities. The County does not expect any disallowances of grant expenditures in the future.

#### **B. Litigation**

Charles County is routinely engaged in litigation regarding matters that arise in the normal course of the County's activities. In the opinion of the County Attorney and County Management, none of these matters will have a material effect on the financial position of the County.

## **NOTE 6: PENSION & TRUST PLANS**

Note 6 and 7 represent the required pension note disclosures for the County Pension Plans, including the Charles County Employees Retirement Plan (the “County Plan”) and the Charles County Sheriff’s Office Retirement Plan (“SORP”), and the Other Post Employment Benefit plan (“OPEB”) trust funds. Also included here is the existing Length of Service Award Program (“LOSAP”) Plan, with its trust fund (started April 2022). These footnotes also include information on the County’s deferred compensation plans.

### Summary of Significant Accounting Policies

Pension plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Employee and employer contributions are recognized as revenues in the period in which employee services are performed and expenses, benefits, and refunds are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Market quotations are used for investments traded in an active securities market, and contract values are used for unallocated insurance contracts. For the County’s OPEB plan, Charles County allocates the pay-go costs of active and retiree health insurance by the counts for personnel services based on the respective allocation to the general fund or proprietary fund.

### Contributions and Reserves

For the County Plan and SORP, employer-required contributions are calculated by an independent actuary. The County normally pays the full actuary-recommended amounts to the trust, which are paid after formal funding approval is given by the County Commissioners through the budget process. Administrative costs of the plans are financed through investment earnings and additional contributions of the employer.

For OPEB, the County’s practice has been to pay the employer benefit payments from general revenues, plus make a cash contribution to the trust (after formal budget approval by the County Commissioners). LOSAP is funded from revenues obtained from the county’s fire and rescue tax. During FY 2022, the investment assets for the LOSAP plan were formally placed in a trust which will be maintained going forward. Investments for the two pension and OPEB trust funds are managed by an investment committee which includes an outside investment consultant. LOSAP program assets are maintained separately by a custodian and investment decisions are made by an investment firm appointed by the Board of Fire and Rescue Commissioners.

The County’s net pension liabilities, deferred outflows and deferred inflows of resources related to pensions, and the pension expense for June 30, 2024, consist of the following:

(in thousands of dollars)	County Plan	Sheriff's Plan	LOSAP	Total Pension Plans	OPEB (County Share)
Net Pension/OPEB Liability	\$ 15,831	\$ 120,544	\$ 627	\$ 137,002	\$ 103,687
Deferred Outflows of Resources	\$ 9,138	\$ 23,510	\$ 6,588	\$ 39,237	\$ 3,338
Deferred Inflows of Resources	\$ 4,181	\$ 8,294	\$ 16,259	\$ 28,734	\$ 33,601
Pension/OPEB Expense	\$ 13,954	\$ 15,754	\$ 1,179	\$ 30,888	\$ 21,216
Fiduciary Net Position	\$ 317,360	\$ 418,707	\$ 20,599	\$ 756,666	\$ 42,388

The County does not produce separate annual financial reports for any of the fiduciary trust funds including LOSAP and OPEB, nor are they included in the report of any other entity. Accordingly, the combining statements for the fiduciary trust funds are presented as follows:

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2024

	<u>County Pension</u>	<u>Sheriff's Pension</u>	<u>LOSAP Trust Fund</u>	<u>Total Pension Funds</u>	<u>OPEB Trust Fund</u>	<u>Total Fiduciary Funds</u>
<b>ASSETS:</b>						
Current assets:						
Cash and cash equivalents	\$ 6,694,905	\$ 4,450,422	\$ 627,332	\$ 11,772,659	\$ 9,662	\$ 11,782,322
Interest receivable	<u>-</u>	<u>295,855</u>	<u>-</u>	<u>295,855</u>	<u>15,822</u>	<u>311,677</u>
Total current assets	<u>6,694,905</u>	<u>4,746,277</u>	<u>627,332</u>	<u>12,068,514</u>	<u>25,484</u>	<u>12,093,998</u>
Investments:						
Bond mutual funds	<u>-</u>	<u>154,864,239</u>	<u>8,386,902</u>	<u>163,251,141</u>	<u>10,503,719</u>	<u>173,754,860</u>
Equity securities	<u>-</u>	<u>259,125,290</u>	<u>11,584,993</u>	<u>270,710,284</u>	<u>31,862,665</u>	<u>302,572,948</u>
Pooled separate accounts	<u>310,664,739</u>	<u>-</u>	<u>-</u>	<u>310,664,739</u>	<u>-</u>	<u>310,664,739</u>
Total investments	<u>310,664,739</u>	<u>413,989,529</u>	<u>19,971,895</u>	<u>744,626,163</u>	<u>42,366,383</u>	<u>786,992,546</u>
Total assets	<u>317,359,644</u>	<u>418,735,806</u>	<u>20,599,227</u>	<u>756,694,677</u>	<u>42,391,867</u>	<u>799,086,544</u>
<b>LIABILITIES:</b>						
Accrued expenses	<u>-</u>	<u>28,994</u>	<u>-</u>	<u>28,994</u>	<u>3,581</u>	<u>32,575</u>
<b>NET POSITION RESTRICTED FOR PENSIONS AND OPEB BENEFITS</b>						
AND OPEB BENEFITS	<u>\$ 317,359,644</u>	<u>\$ 418,706,812</u>	<u>\$ 20,599,227</u>	<u>\$ 756,665,683</u>	<u>\$ 42,388,286</u>	<u>\$ 799,053,969</u>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 YEAR ENDED JUNE 30, 2024

	<u>County Pension</u>	<u>Sheriff's Pension</u>	<u>LOSAP Trust Fund</u>	<u>Total Pension Funds</u>	<u>OPEB Trust Fund</u>	<u>Total Fiduciary Funds</u>
<b>ADDITIONS:</b>						
Contributions:						
Employer contributions	\$ 5,822,125	\$ 16,580,335	\$ 944,612.00	\$ 23,347,072	\$ 6,779,600	\$ 30,126,672
Employee contributions	3,726,145	3,845,585	-	7,571,730	-	7,571,730
Total contributions	9,548,270	20,425,920	944,612.00	30,918,802	6,779,600	37,698,402
Investment earnings:						
Interest, Dividends, Gains	8,420,567	26,213,012	584,098	35,217,676	1,085,956	36,303,633
Net change in fair value of investment:	26,725,172	23,886,301	1,440,091	52,051,564	3,774,842	55,826,405
Total investment earnings	35,145,738	50,099,313	2,024,188	87,269,240	4,860,798	92,130,038
Less investment expenses	(1,708,134)	(1,714,699)	(60,697)	(3,483,530)	(20,524)	(3,504,054)
Net investment earnings	33,437,604	48,384,614	1,963,491	83,785,710	4,840,274	88,625,984
Total additions	42,985,874	68,810,534	2,908,103	114,704,512	11,619,874	126,324,386
<b>DEDUCTIONS:</b>						
Benefits paid to members	12,219,483	20,598,472	1,157,179	33,975,134	-	33,975,134
Administrative costs	12,431	16,147	21,124	49,702	1,247	50,948
Total deductions	12,231,914	20,614,619	1,178,303	34,024,836	1,247	34,026,082
Changes in net position	30,753,960	48,195,915	1,729,801	80,679,676	11,618,627	92,298,303
Net position - beginning of year	286,605,684	370,510,897	18,869,426	675,986,007	30,769,659	706,755,666
Net position - end of year	\$ 317,359,644	\$ 418,706,812	\$ 20,599,227	\$ 756,665,683	\$ 42,388,286	\$ 799,053,969

General Information about the Pension Plans

The Charles County Employees Retirement Plan and the Charles County Sheriff's Office Retirement Plan are single-employer defined benefit public employee retirement plans administered by Charles County, Maryland, which provide retirement benefits as well as death and disability benefits and cost-of-living adjustments. The County Commissioners have the power and authority to establish and carry out a funding policy and method consistent with the objectives of the plans, and to establish and amend the benefit provisions of the plans.

For additional information not provided in this report on any of the pension or OPEB plans, please address written information requests to:

Human Resources Department  
 Charles County Government  
 200 Baltimore Street  
 La Plata, MD 20646

You can also contact Human Resources at 301-645-0585, or online at:

<https://www.charlescountymd.gov/government/human-resources/contact-human-resources>

**A. County Employees Pension Plan:**

**Plan Description** – The County Employees Pension Plan (the “County’s Plan”) is a single-employer defined benefit pension plan established in accordance with Article 25, section 3(g) of the Annotated Code of Maryland. All full-time county employees not otherwise eligible for the Sheriff’s Office Retirement Plan are eligible to participate in the plan, which includes both public safety and non-public safety employees.

**Plan Provisions** – The following are the chief provisions of the County Plan:

**Benefit Formula** – Employees are entitled to an annual retirement benefit payable monthly for life. For non-public safety participants: 1.5% of Final Average Earnings multiplied by years of Credited Service up to 5 years, plus 1.75% for years from 5 to 10, plus 2.0% for years from 10 to 15, plus 2.25% for years from 15 to 20, plus 2.5% for years in excess of 20. The maximum benefit is 65% of Final Average Earnings. For public safety participants: 2.5% of Final Average Earnings provided by years of Credited Service. The maximum benefit is 75% of Final Average Earnings. This is a modified cash refund annuity.

**Vesting** – For both non-public safety participants hired before July 1, 1997, 25% after 2 years, 50% after 3 years, 75% after 4 years, and 100% after 5 years, normal retirement date equals 100% vesting. For both public safety and non-public safety employees hired on or after July 1, 1997, 100% after 5 years.

**Normal Retirement Date** – For non-public safety participants, the first day of the month coinciding with or next following the later of a Participant’s 62<sup>nd</sup> birthday or the completion of 5 years of service; if Service is 20 or greater, the benefit is unreduced at age 60. For participants in the Plan prior to July 1, 1977, there is an elective Normal Retirement Date of age 60. For public safety participants, the first day of the month coinciding with or next following the earlier of a participant’s 60<sup>th</sup> birthday or 25 hypothetical years of service.

**Cost of Living Adjustment** – Provides for an annual increase in the annuity benefit in proportion to the last annual increase in the Consumer Price Index. This increase shall not be in excess of 4% per year. Effective October 1, 2015, the cost-of-living adjustment provides for no decrease (with an offset in subsequent years) if the CPI decreases between valuation dates.

**Employee Contributions** – For non-public safety participants, 4% of earnings, no contributions after 31 years of credited service. For public safety participants, 8% of earnings; **Interest Credited** – 5% per annum

**Employees covered by the benefit terms:** Membership in the plan consisted of the following as of July 1, 2023, the date of the last actuarial valuation:

Active plan members	1,028
Terminated, entitled to but not yet receiving benefits	407
Retirees and beneficiaries receiving benefits	431
	<hr/>
	1,866

## Pension Expense and Net Pension Liability

The pension expense was calculated using the July 1, 2023, census data and asset information as of June 30, 2024. The end of year liability value was determined using the July 1, 2023, census data projected forward using standard actuarial techniques.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term</u>	
		<u>Target</u>	<u>Expected</u>
Large Cap Equity	29%	4.95%	
Small Cap Equity	8%	5.95%	
Mid Cap Equity	6%	5.70%	
International Equity	12%	4.85%	
Fixed Income	25%	2.82%	
Real Estate	5%	4.25%	
Stable Value	<u>15%</u>	1.75%	
Total	100%		

Discount rate: The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

In projecting whether the future benefit payments of this pension plan will be covered by plan assets, we have assumed that 100% of the actuarially determined contribution will be contributed by the sponsor based on the most recent 5-year history of actual contributions. The long-term expected rate of return on plan assets has been validated by applying the most recent capital market assumptions, to the asset allocation strategy of Charles County Pension Plan using a building block approach.

Funding Policy and Contributions: The annual pension contribution for the year ended June 30, 2024, was \$5,822,125. The contribution for the current year was determined as part of the July 1, 2023, actuarial valuation. The actuarial assumptions and methods included:

Funding Method – Frozen Entry Age Normal Actuarial Cost Method with amortization of the unfunded accrued liability using the level percent closed method over 20 years, as re-established effective July 1, 2009.

Asset Method – Five-year smoothed fair value effective July 1, 2000.

Investment Return – 7.05% compounded annually, net of investment and contract fees.

Post Retirement COLA Increases – 2.50% per year increase is assumed.

Inflation – 2.75%

Mortality – The RP-2014 Total Dataset (Adjusted to 2006) with Scale MP-2020 for males and females.

Salary Increases – assumed to increase at an annual rate of 4.00%.

### **Changes in the Net Pension Liability and related ratios:**

(Dollar amounts in thousands)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Increase (Decrease) Net Pension Liability/(Asset) (a) - (b)
<b>Balances at 6/30/23</b>	308,653	286,606	\$ 22,047
<b>Changes for the year:</b>			
Service cost	9,217	-	9,217
Interest	21,370	-	21,370
Changes in benefit terms	-	-	-
Differences between expected and actual experience	6,170	-	6,170
Changes in assumptions	-	-	-
Contributions - employer	-	5,822	(5,822)
Contributions - employee	-	3,726	(3,726)
Net Investment Income	-	33,642	(33,642)
Benefit payments, including refunds of member contributions	(12,219)	(12,219)	-
Administrative expense	-	(217)	217
Other	-	-	-
<b>Net Changes</b>	<u>24,538</u>	<u>30,754</u>	<u>(6,216)</u>
<b>Balances at 6/30/24</b>	<u>\$ 333,191</u>	<u>\$ 317,360</u>	<u>\$ 15,831</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County for this plan, calculated using the discount rate of 7.05%, 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 (6.05%) or 1 percentage-point higher (8.05%) than the current rate:

(Dollar amounts in thousands)	1% decrease 6.05%	Current Discount Rate 7.05%	1% increase 8.05%
County's net pension liability/(asset)	\$ 65,823	\$ 15,831	\$ (25,192)
Plan fiduciary net position as a percentage of the total pension liability			95.26%
Annual money-weighted rate of return			11.80%

### **Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the County reported net deferred outflows or resources and deferred inflows of resources related to the County Employees Pension Plan from the following sources:

(Dollar amounts in thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,868	\$ 2,921
Changes of assumptions	1,930	1,260
Net difference between projected and actual earnings on pension plan investments	1,340	-
<b>Total</b>	<b>\$ 9,138</b>	<b>\$ 4,181</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (dollar amounts in thousands):

Year ended June 30:
2025 (210)
2026 8,434
2027 (2,785)
2028 (1,194)
2029 712

## B. Sheriff's Office Retirement Plan

**Plan Description** – The Sheriff's Office Retirement Plan (“SORP”) is a single-employer defined benefit pension plan established in accordance with Article 25, section 3(g) of the Annotated Code of Maryland. The Sheriff's Plan covers all Sheriff's Office, Corrections and Communication employees.

**Plan Provisions** – The following are the chief provisions of the SORP:

Benefit Formula -- For Sworn Officers, 3% of average compensation for each of first 20 years and 2% thereafter up to 30 years, to a maximum of 80% of average compensation. For Correctional Officers, 2.25% per year to a maximum of 75% of average compensation. For Communications Officers, 2.0% per year to a maximum of 80% of average compensation (75% if termination prior to 7/1/18).

Vesting – For Sworn Officers, Communications and Correctional Officers, 5 years of service is required to be 100% vested.

Normal Retirement Date – 25 years of service, or age 60, if earlier. For Sworn Officers hired before 7/1/86, 20 years of service, or age 60, if earlier.

Deferred Retirement Option Programs (DROP) –

**For Sworn Officers:** a 5-year DROP is offered. DROP allows a sworn member of the Sheriff's Office to retire without terminating employment for up to 5 years. DROP credits consist of DROP monthly retirement income deposits and County pick-up contributions. DROP monthly retirement income deposits are subject to the annual COLA. DROP account balances are credited with 7% interest each July 1 for participants who entered DROP prior to 7/1/17. Participants entering DROP after 7/1/17 are credited with 2% less than the Plan's actuarial assumed investment rate of return per year on July 1<sup>st</sup>.

**For Correctional Officers:** a 3-year DROP was instituted in 2023. This DROP allows a correctional member of the Sheriff's Office to retire without terminating employment for up to 5 years. DROP credits consist of DROP monthly retirement income deposits and County pick-up contributions. DROP monthly retirement income deposits are not subject to the annual COLA. Participants entering DROP are credited with 10 year Treasury yield as in effect on the June 30 preceding the effective date of the DROP Participant's participation in DROP.

The DROP fund balance for Sworn Officers held by the SORP as of July 1, 2023 was \$6,208,101 (most recent information available). There were no participants in the new Correctional Officers DROP as of June 30, 2024. DROP funds are included in the plan's fiduciary net position.

Cost of Living Adjustment – Provides for an annual increase in the annuity benefit in proportion to the last annual increase in the Consumer Price Index. This increase shall not be more than 4% per year. Effective October 1, 2015, the cost-of-living adjustment provides for no decrease (with an offset in subsequent years) if the CPI decreases between valuation dates.

Employee Contributions – For Sworn Officers, 8% of base earnings; for Correctional Officers and Communications Dispatchers, 7% of base earnings; Interest Credited – 5% per annum

Employees covered by the benefit terms: As of the valuation date of July 1, 2023, the following Sheriff's employees were covered by the plan:

	Sworn Officers	Correctional Officers	Communications Employees
Active plan members	310	117	45
Retirees and beneficiaries receiving benefits	182	38	13
Disabled, receiving benefits	12	4	-
Vested termination	25	11	5
	<u>529</u>	<u>170</u>	<u>63</u>

### **Pension Expense and Net Pension Liability**

The Pension Expense was calculated using July 1, 2023, census data and asset information as of June 30, 2024. The end of year liability values was determined using the July 1, 2023 census data projected forward using standard actuarial techniques.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term</u>	
		<u>Target</u>	<u>Expected</u>
Domestic Large Cap	35%	5.81%	
Domestic Mid/Small Cap	15%	7.06%	
International Equity	10%	6.64%	
Fixed Income	35%	2.60%	
Cash	5%	1.00%	
Inflation	—	2.60%	
Total	100%		

Discount rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

The included calculations assume that the members and the County will continue to make all required actuarially determined contributions. Based on that assumption, the plan's fiduciary net position is expected to be available to make all future benefit payments of current plan members.

Funding Policy and Contributions – The total pension liability is based on the July 1, 2023 actuarial valuation rolled forward to June 30, 2024. These calculations are based on the Entry Age Normal cost method as required by GASB 67 and are based on an expected long-term rate of return of 7.25%. Normal cost ceases for Sworn members after 25 years of service (when members are assumed to join DROP) since GASB 67 does

not allow normal cost while in DROP. All other methods, assumptions, and provisions used are detailed in the July 1, 2023, actuarial valuation report. The calculation of the Actuarially Determined Contribution for fiscal year ended June 30, 2024, is contained in the July 1, 2022, actuarial valuation report. The annual pension contribution for the year ended June 30, 2024, was \$16,580,335. The actuarial assumptions and methods included:

Funding Method – Projected Unit Credit with amortization of the annual change in unfunded accrued liability over a period of 20 years as a level percentage of pay. Actuarial surplus is amortized over 30 years as a level percentage of pay. Total payroll is assumed to increase by 3.0% per year. Amortization bases were restarted on 7/1/2022. The amortization payment and period are determined separately for Sworn Officers, Communications Dispatchers and Correctional Officers.

Asset Method – Asset smoothing method which spreads the investment gains or losses more than the assumed return over a five-year period. The actuarial value of assets can be no less than 50% of fair value of assets and no more than 150% of fair value of assets.

Investment Return – 7.25% compounded annually, net of investment and contract fees

Inflation – 2.60% per year increase is assumed

Post Retirement COLA Increases – 2.60% per year increase is assumed.

Mortality – Society of Actuaries Pub-2010 Safety Amount-Weighted Mortality Tables and the SOA mortality improvement scale (Scale MP) available at each actuarial valuation date (currently MP-2021).

Salary Increases – separate service-based rates for each group (salary increases are estimated to decrease over time):

- Sworn: starts at 10.0% per year decreasing to 2.75% per year for employees over 26 years
- Corrections: starts at 6.35% per year decreasing to 3.15% per year for employees over 26 years
- Communications: starts at 7.00% per year decreasing to 3.00% per year for employees over 21 years

**Changes in the Net Pension Liability and related ratios:**

(Dollar amounts shown in thousands)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 6/30/23</b>	\$ 490,657	370,511	\$ 120,146
<b>Changes for the year:</b>			
Service cost	14,242	-	14,242
Interest	34,826	-	34,826
Changes of benefit terms	9,750	-	9,750
Differences between expected and actual experience	10,374	-	10,374
Changes of assumptions	-	-	-
Contributions - employer	-	16,580	(16,580)
Contributions - employee	-	3,845	(3,845)
Net Investment Income	-	48,539	(48,539)
Benefit payments, including refunds of member contributions	(20,598)	(20,598)	-
Administrative expense	-	(170)	170
Other	-	-	-
<b>Net Changes</b>	<b>\$ 48,594</b>	<b>\$ 48,196</b>	<b>\$ 398</b>
<b>Balances at 6/30/24</b>	<b>\$ 539,251</b>	<b>\$ 418,707</b>	<b>\$ 120,544</b>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County for this plan, calculated using the discount rate of 7.25%, 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 (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

	Current		
	1% decrease 6.25%	Discount Rate 7.25%	1% increase 8.25%
	\$ 200,305	\$ 120,544	\$ 55,761

(Dollar amounts in thousands)

Plan fiduciary net position as a percentage of the total pension liability	77.65%
Annual money-weighted rate of return	13.10%

#### Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the County reported net deferred outflows or resources and deferred inflows of resources related to the Sheriff's Office Retirement Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
(Dollar amounts in thousands)		
Differences between expected and actual experience	\$ 23,510	\$ 791
Changes of assumptions	-	2,098
Net difference between projected and actual earnings on pension plan investments	-	5,405
Total	<u>\$ 23,510</u>	<u>\$ 8,294</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (dollar amounts in thousands):

Year ended June 30:

2025	3,230
2026	13,184
2027	(2,583)
2028	(344)
2029	1,729

### C. Length of Service Award Program (LOSAP) for Volunteer Firemen and Rescue Squad Members

**Plan Description** – The Length of Service Award Program (LOSAP) for Volunteer Firemen and Rescue Squad Members was established in accordance with Article II, Chapter 54 of the Charles County Code of Public Local Laws of Maryland for qualified active volunteer members of the Charles County volunteer fire companies and volunteer rescue squads. It is a single employer defined benefit retirement plan administered by Charles County, Maryland which provides retirement benefits to volunteers as described below.

**Plan Provisions** – The following are the chief provisions of LOSAP:

**Benefit Formula** - Any person who has reached the age of sixty and who has completed a minimum of twenty-five years of certified active volunteer service with any Charles County volunteer fire company or rescue squad receives benefits of \$10 multiplied by year of service per month (effective July 2013). An additional payment of \$2 per month is added for each full year of volunteer service more than twenty-five years. Seventy-five percent of the volunteer's benefits accrue to his or her surviving spouse which terminate upon the death or remarriage of the spouse.

**Vesting** – not applicable for this plan

**Normal Retirement Date** – age 60

**Cost of Living Adjustment** – none

**Volunteer Contributions** – none

Volunteers covered by benefit terms: On January 1, 2023, the following participants were covered by the benefit terms:

Active participants with a Yr of Service for the Prior Year	682
Actives not Credited with a Yr of Service for the Prior Year	228
Terminated Vested Participants	23
Retirees Accruing Additional Benefits	145
Retirees Not Accruing Additional Benefits	108
Survivors Receiving Benefits	50
	<hr/>
	<b>1,236</b>

### **Pension Expense and Net Pension Liability**

The Pension Expense was calculated using the July 1, 2022 census data. The total pension liability is based on the same July 1, 2022 actuarial valuation.

The target allocation and best estimate of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Classes</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic large cap	27%	5.81%
Domestic mid/small cap	13%	7.06%
International developed equity	13%	6.64%
International emerging equity	7%	8.56%
Fixed Income	39%	2.60%
Cash	1%	1.00%
Inflation		2.60%
<b>Total</b>	<b>100%</b>	

Discount Rate – The calculations in this report assume the plan remains unfunded. Thus, the discount rate is based on the 20-year general obligation bond rate. The discount rate used to measure the total pension liability was 6.10%.

Funding Policy and Contributions – For this fiscal year and future years, the plan is funded from the revenue derived from one cent of the fire and rescue tax levied by the County in accordance with Section 123 of the Article noted above. Contributions to the program for the year ended June 30, 2024, totaled \$944,612 from the 2023/2024 tax levy. The County Commissioners administer the plan but do not fund it beyond the allocation of the fire and rescue tax revenues.

Asset Method – Effective April 5, 2022, the Plan is funded through a trust. Five year smoothed asset value effective as of July 1, 2022. Investment returns above or below the assumed rate of return are recognized at a rate of 20% per year over five years. The actuarial value of assets can be no less than 50% of fair value of assets and no more than 150% of fair value of assets.

Investment Return – 6.10% compounded annually, net of investment and contract fees

Inflation – 2.60% per year increase is assumed

Mortality – Pub-2010 Safety Headcount Weighted generationally projected using Scale MP-2021. The projection to the valuation date is assumed to be current mortality experience. The generational projection past the valuation date is assumed to account for future mortality improvements. This assumption has been set based on a generally accepted mortality study. Due to the size of the plan, there is insufficient experience to create plan-specific mortality tables.

**Changes in the net LOSAP Pension Liability and related ratios:**

(Dollar amounts in thousands)

			Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)	
<b>Balances at 6/30/23</b>	\$ 21,860	18,870	\$ 2,990	
<b>Changes for the year:</b>				
Service cost	474	-	474	
Interest	1,298	-	1,298	
Changes of benefit terms	-	-	-	
Differences between expected and actual experience	(1,248)	-	(1,248)	
Changes of assumptions	-	-	-	
Contributions - employer	-	944	(944)	
Contributions - employee	-	-	-	
Net Investment Income	-	1,963	(1,963)	
Benefit payments, including refunds of member contributions	(1,157)	(1,157)	-	
Administrative expense	-	(21)	21	
Other	-	-	-	
<b>Net Changes</b>	<b>(633)</b>	<b>1,729</b>	<b>(2,362)</b>	
<b>Balances at 6/30/24</b>	<b>\$ 21,226</b>	<b>\$ 20,599</b>	<b>\$ 627</b>	

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability for this plan, calculated using the discount rate of 6.10%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.10%) or 1 percentage-point higher (7.10%) than the current rate (dollar amounts in thousands):

(Dollar amounts in thousands)	Current		
	1% decrease	Discount Rate	1% increase
	5.10%	6.10%	7.10%
LOSAP net pension liability	\$ 3,480	\$ 627	\$ (1,707)

Plan fiduciary net position as a percentage of the total pension liability	<u>97.05%</u>
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Annual money-weighted rate of return	10.40%
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**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2024, the County reported net deferred outflows or resources and deferred inflows of resources related to LOSAP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
(Dollar amounts in thousands)		
Differences between expected and actual experience	\$ 1,431	\$ 1,123.0
Changes of assumptions	5,157	14,670
Net difference between projected and actual earnings on LOSAP plan investments	-	466
Total	\$ 6,588	\$ 16,259

Amounts reported as deferred outflows of resources and deferred inflows of resources related to LOSAP pensions will be recognized in pension expense as follows (dollar amounts in thousands):

Year ended June 30:	
2025	(884)
2026	(884)
2027	(1,196)
2028	(1,051)
2029	(887)
Thereafter	(4,769)

#### **NOTE 7: OTHER EMPLOYMENT BENEFITS**

##### **A. Deferred Compensation Plan**

The County offers its employees three deferred compensation plans, created in accordance with Internal Revenue Code Section 457. The plans are administered by Nationwide Retirement Solutions, Inc., Empower, and BrightHouse. The plans, available to all employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust, or in trust equivalents, for the exclusive benefit of participants and their beneficiaries. Therefore, in accordance with GASB, the deferred compensation investments are not reported in the County's financial statements. The following schedule reflects the basic information regarding the County's program:

(all dollar amounts in thousands)	<u>Nationwide</u>	<u>Empower</u>	<u>BrightHouse</u>
Participants	495	272	60
Plan Assets	\$ 45,284	\$ 32,863	\$ 6,159
Annual Employee Contribution	\$ 2,447	\$ 1,902	\$ 313

## B. Other Post-Employment Benefits (OPEB) Plan

**Plan Description** – The Charles County's post-employment benefit plan is a single employer defined benefit plan. The Board of Library Trustees, a component unit of the County, has a small number of participants in this plan. The financial information presented in this note represents both the County and the Library. In this benefit plan, Charles County provides medical, dental and vision benefits to eligible employees who retire from employment after meeting the minimum age and years of service requirements of the Charles County Employees Pension Plan or the Sheriff's Office Retirement Plan which are outlined previously in these notes. The OPEB plan was closed to new hires on January 1, 2017. Employees hired on or after January 1, 2017, are enrolled in a Post Employment Health Program (PEHP) which is described in the section immediately following.

The following actuarial calculations are based on OPEB benefits provided under the terms of the County's substantive plan in effect at the time of the valuation and on a pattern of sharing costs between the employer and plan members to that point, while also reflecting a long-term financial perspective.

### **Summary of Significant Accounting Policies**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Charles County OPEB Plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they were reported by the plan as of June 30, 2024, which is the measurement date. The financial statements of the Plan were prepared using the accrual basis of accounting. Expenditures are recognized on the accrual basis as retirees' insurance costs are incurred. The Plan's insurance costs are paid by the retirees, the County and the Library. Charles County is self-insured with stop loss reinsurance.

**Plan Provisions** – The following are the chief provisions of the OPEB plan:

Retirees can continue the same medical and dental coverage (including family coverage) they had as active employees. The Government pays a portion of the costs of medical, dental, and vision coverage so long as minimum age and service requirements are met. Employees who retire when they are eligible for reduced retirement benefits may defer benefit commencement until the pension benefit is unreduced. However, OPEB benefits must be elected at the time of retirement. Also, retirees who opt-out are not allowed to re-enter the plan at any point in the future.

### Benefit Formula –

<u>Years of Service</u>	<u>% Paid by County</u>
5 years	2% per year (10% max)
Years 6-10	3% per year (25% max)
Years 11-15	4% per year (45% max)
Years 16-20	4.34% per year (66.7% max)
Years 21+	66.7%

Public Safety employees receive 66.7% subsidy regardless of service.

Vesting – 5 years of service

Normal Retirement age – Participants must meet the retirement eligibility requirements of their respective pension plan, whether for normal or early retirement or disability retirement. Non-Public Safety Participants must also meet the eligibility requirements of Charles County Government. This requires that employees must be at least age 52, have a minimum of 5 years of vesting service, and their age plus service must be at least 70 to be eligible for health insurance.

Medical Trend Increases – The medical trend includes the long-term medical trend released by the Society of Actuaries. The current valuation uses the latest version of the model available at the time of the March 2023 report from the actuaries.

Employee Contribution – The subsidy for general employees depends upon years of service and plan chosen (see chart above)

Employees and Retirees covered by the benefit terms – The following table summarizes the membership, average age, and average service for participants enrolled in Medical/Dental/Vision as of 11/1/2022:

Number of Participants	Sheriff's	Non-Sheriff's	Total
Active	318	556	874
Retirees in Pay Status (Pre-Medicare)	141	71	212
Retirees in Pay Status (Medicare Age)	112	317	429
Active Statistics			
Average Age	42.35	50.17	47.32
Average Service	16.61	17.22	15.49
Inactive Statistics in Pay Status			
Average Age (Pre-Medicare)	56.79	60.63	58.08
Average Age (Medicare Age)	72.21	74.19	73.67

#### Funding Policies and Funded Progress from Employer's Perspective under GASB Statement No. 75

The Plan's funding policy provides for the County to contribute to the trust as determined by the County budget. The County budget for fiscal year 2024 included funding for pay-as-you-go OPEB costs as well as \$6,779,600 to the trust.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Classes	Ranges	Target Allocation	Long-Term Expected Rate of Return
Large Cap Domestic Equities	35%-45%	40%	6.96%
Small/Mid Cap Domestic Equities	10%-20%	15%	7.50%
International Equities	15%-25%	20%	7.52%
Fixed Income	15%-35%	25%	4.88%
Cash Equivalents	0%-10%	0%	3.43%
Inflation			2.44%
<b>Total</b>		100%	

**Discount rate and medical care cost increases** -- The OPEB plan was closed to new hires on January 1, 2017. Employees hired on or after January 1, 2017, are enrolled in a defined contribution plan. Using the methodology described under GASB 75, assuming 2% annual increases for expected future hires to account for future benefits to be paid under the DC plan, and assuming Charles County Government maintains the current funding levels (adjusted for assumed increases to payroll in future years), it was determined that the fund will remain solvent with no “cross-over” point. Therefore, the discount rate used to determine the liabilities under GASB 75 was set to the long-term rate of return of plan assets of 7.25%. Future medical care cost increase rates are unpredictable and could be volatile. They depend upon the economy, future health care delivery systems and emerging technologies. The trend rate selected is based on an economic model, but future medical trend increases could vary significantly from the model.

**Actuarial assumptions and methods included** -- The net OPEB liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County's proportionate share of the net OPEB liability was based on an allocation determined by the County and agreed to by the Library.

Actuarial Cost Method – Entry Age Normal

Amortization Method – level dollar

Asset Method – fair value of assets

Investment Return – 7.25% compounded annually, net of investment and contract fees

Inflation – 2.50% per year increase is assumed

Healthcare cost trend rate –The trend for 2024 is 5.8%. The ultimate trend is 3.94% for both Pre-Medicare and Post-Medicare.

Salary information – the OPEB plan does not depend on salary information

## Changes in the Total OPEB Plan Liability and related ratios:

(Dollar amounts in thousands)	TOTAL PLAN			COUNTY SHARE		
	Total OPEB Liability (a)	Plan Fiduciary (b)	Net OPEB Liability (a) - (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balances At 6/30/23</b>						
<b>Changes for the year:</b>						
Service cost	\$ 138,786	\$ 30,773	\$ 108,012	\$ 136,802	\$ 29,942	\$ 106,860
Interest	2,553	-	2,553	2,450	-	2,450
Changes of benefit terms	9,911	-	9,911	9,509	-	9,509
Differences between expected and actual experience	979	-	979	940	-	940
Changes of assumptions	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(5,147)	-	(5,147)	(4,939)	-	(4,939)
Contributions - employer	-	11,927	(11,927)	-	11,444	(11,444)
Net Investment Income	-	4,825	(4,825)	-	4,629	(4,629)
Benefit payments, including refunds of member contributions	-	(5,147)	5,147	-	(4,939)	4,939
Administrative expense	-	(1)	1	-	(1)	1
Other	-	-	-	-	-	-
Net Changes	<u>8,296</u>	<u>11,603</u>	<u>(3,307)</u>	<u>7,960</u>	<u>11,133</u>	<u>(3,173)</u>
<b>Balances At 6/30/24</b>	<u><u>\$ 147,082</u></u>	<u><u>\$ 42,376</u></u>	<u><u>\$ 104,706</u></u>	<u><u>\$ 144,762</u></u>	<u><u>\$ 41,075</u></u>	<u><u>\$ 103,687</u></u>

Plan fiduciary net position as a percentage  
of the total OPEB liability 28.81%

### Library/County relative share of OPEB Plan

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Total Plan	\$ 147,082	\$ 42,376	\$ 104,706
Library's Share	2,320	1,301	1,018
County's Share	<u>\$ 144,762</u>	<u>\$ 41,075</u>	<u>\$ 103,687</u>

Sensitivity of the county share of total and net OPEB liability to changes in the discount rate: the chart below presents the total and net OPEB liability of the County for this plan, calculated using the discount rate of 7.25%, as well as what the County's total and net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

CHANGES IN THE DISCOUNT RATE	Current		
	1% decrease 6.25%	Discount Rate 7.25%	1% increase 8.25%
(Dollar amounts in thousands)			
Plan Total OPEB liability	\$ 171,057	\$ 147,082	\$ 127,842
Library	2,741	2,320	2,049
County portion	168,316	144,762	125,794
Net OPEB liability	\$ 128,681	\$ 104,706	\$ 85,466
Library	1,264	1,018	839
County portion	127,417	103,687	84,627

Sensitivity of the county share of OPEB liability to changes in the health care cost trend rate: the chart below presents the total and net OPEB liability of the County for this plan, calculated using the health care cost trend rate of 3.94%, as well as what the County's total and net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

<b>HEALTH CARE COST TREND RATE</b>	Current		
	1% decrease	Trend Rate	1% increase
	2.94%	3.94%	4.94%
(Dollar amounts in thousands)			
<b>County's TOTAL Net OPEB liability</b>	\$ 124,430	\$ 147,082	\$ 175,845
Library	1,994	2,320	2,818
County portion	122,436	144,762	173,027
<b>Net OPEB liability</b>	\$ 82,054	\$ 104,706	\$ 133,469
Library	806	1,018	1,311
County portion	81,248	103,687	132,158

### **Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

As of June 30, 2024, the net deferred outflows of resources and deferred inflows of resources related to the total OPEB plan are from the following sources:

(Dollar amounts in thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,944	\$ 13,119
Changes of assumptions	519	20,671
Net difference between projected and actual earnings on OPEB plan investments		963
<b>Total</b>	<b>\$ 3,463</b>	<b>\$ 34,753</b>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the County's share of OPEB will be recognized in expense as follows:

Year ended June 30:	(in thousands)
2025	(20,079)
2026	(3,542)
2027	(3,687)
2028	(4,145)
2029	163

As of June 30, 2024, the net deferred outflows of resources and deferred inflows of resources related to the County and Library share of the OPEB plan are from the following sources:

(Dollar amounts in thousands)	<u>County</u>		<u>Library</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,837	\$ 12,689	\$ 107	\$ 430
Changes of assumptions	501	19,993	18	678
Net difference between projected and actual earnings on OPEB plan investments		919		44
<b>Total</b>	<b>\$ 3,338</b>	<b>\$ 33,601</b>	<b>\$ 125</b>	<b>\$ 1,151</b>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the County's share of OPEB will be recognized in expense as follows:

Year ended June 30: (dollar amounts in thousands)	<u>County</u>	<u>Library</u>
2025	(19,421)	(659)
2026	(3,427)	(115)
2027	(3,565)	(121)
2028	(4,007)	(138)
2029	157	7

### C. Post-Employment Health Program (PEHP)

The Post Employment Health Program (PEHP) enrollment is required for all employees hired after January 1, 2017, enrolled in medical insurance through the County. The program is an individual employee fund administered through Nationwide. It assists with health insurance premiums and eligible medical expenses upon retirement or separation from employment. The monies are invested in various fund options at the direction of the employee. Employee and County contributions to the PEHP are subject to change annually based on the Consumer Price Index (CPI). The employee gains access to 100% of the accumulated funds upon leaving county service or retirement.

### NOTE 8. CLOSURE AND POST-CLOSURE CARE COSTS

#### A. Pisgah Landfill

State and Federal laws and regulations required the County to place a final cover on its Pisgah landfill site when it stopped accepting waste, and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. The Pisgah landfill stopped accepting waste in September 1994. The greatest of closure costs related to this landfill were incurred during Fiscal Year 1997. The landfill was closed in Fiscal Year 2000 with a final cost of \$6,841,885. Post-closure costs for the fiscal year ended June 30, 2024, were \$193,267.

#### B. Charles County Landfill

State and federal laws and regulations require the County to place a final cover on the County landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet

date. The landfill is located on a 70-acre site, estimated to provide nearly 5.3 million cubic yards of landfill space. As of June 30, 2024, approximately 1.0 year of useful life space remains available for future waste disposal. The County is developing the landfill in sections so that when one section closes another is ready to open. At the close of the fiscal year, the landfill had Phase IIIB filled for accounting purposes of the closure and post-closure liability calculation. Phase 4A was constructed during FY22 and received Maryland Department of the Environment approval on July 17, 2022, to begin accepting waste. The \$16,273,511 reported as landfill closure and post-closure care liability as of June 30, 2024, represents the cumulative amount reported to date of the estimated capacity of the sections that have been opened.

The County will recognize the remaining estimated cost of closure and post-closure care as the remaining phases and capacity is filled. The actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has established a sinking fund reserve for landfill closure costs through the implementation of the user fee rates at the landfill. The County estimates the capacity of the landfill and the future date to begin closure with the assistance of computer models. Construction costs are estimates and a rate is adopted during the budget process to ensure funds are available when needed. Landfill closure costs recognized during the year amounted to \$958,697.

#### **NOTE 9. SUBSEQUENT EVENTS**

On December 17, 2024, the County completed a bond sale transaction for \$73,000,000 in general obligation public improvement bonds. The proceeds are being used, together with funds from other sources, to finance the costs of certain buildings, facilities, equipment, and grounds in Charles County, as well as the costs of issuance of the 2024 bonds. Debt service repayments are scheduled for semi-annually on April 1 and October 1, commencing April 1, 2025.

#### **NOTE 10. ACCOUNTING CHANGES AND ERROR CORRECTIONS-COMPONENT UNIT**

##### Correction of an Error in Previously Issued Financial Statements

During fiscal year ended June 30, 2024, the Board of Education determined that revenues were being improperly deferred and should have been recognized as revenue in prior periods. Therefore, in the governmental activities and the restricted programs fund deferred revenues were overstated by \$3.2 million for the fiscal year ended June 30, 2023. The effect of correcting that error is shown in column A of the table below.

##### Adjustments to and Restatements of Beginning Balances

During the fiscal year ended June 30, 2024, an error correction resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	June 30, 2023 As Previously Reported	Error Correction	June 30, 2023 As Adjusted or Restated
Government Wide			
Governmental Activities	<u>\$ (93,778,716)</u>	\$ 3,447,797	<u>\$ (90,330,919)</u>
Total Primary Government	<u>\$ (93,778,716)</u>	<u>\$ 3,447,797</u>	<u>\$ (90,330,919)</u>
Government Funds			
Major Funds			
General Fund	54,057,971	-	54,057,971
Restricted Programs Fund	-	3,447,797	3,447,797
Food Service Food	8,599,321	-	8,599,321
Capital Projects Fund	(153,992)	-	(153,992)
Total Governmental Funds	<u>\$ 62,503,300</u>	<u>\$ 3,447,797</u>	<u>\$ 65,951,097</u>
Fiduciary Funds			
Pension and Retiree Health Trust Func	<u>\$ 234,005,667</u>	<u>\$ -</u>	<u>\$ 234,005,667</u>

## Required Supplementary Information

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGETARY (NON-GAAP) TO ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted amounts		Actual amounts budgetary basis	Variance with final budget positive (negative)
	Original	Final		
<b>Revenues:</b>				
Taxes - local property	\$ 266,589,400	\$ 266,589,400	\$ 267,881,789	\$ 1,292,389
Taxes - income	169,000,000	169,000,000	173,607,605	4,607,605
Taxes - other local	26,240,000	26,240,000	31,219,221	4,979,221
Charges for services	11,672,500	11,944,390	13,911,702	1,967,312
Intergovernmental	5,429,700	5,435,550	5,654,961	219,411
Interest income	13,500,000	13,528,050	23,485,403	9,957,353
Other income	7,888,700	7,966,630	7,439,636	(526,994)
<b>Total revenues</b>	<b>500,320,300</b>	<b>500,704,020</b>	<b>523,200,315</b>	<b>22,496,295</b>
<b>Expenditures:</b>				
Education	235,393,600	235,393,600	235,455,374	(61,774)
Public safety	146,364,100	148,354,050	145,516,050	2,838,000
General government (including contingencies)	13,265,500	13,989,700	12,227,800	1,761,900
Public Works- Facilities	17,945,200	18,094,120	15,849,839	2,244,281
Financial Administration	18,220,800	18,456,010	16,715,051	1,740,959
Judicial	9,437,500	9,454,390	9,250,403	203,987
Planning and Growth Management	4,834,500	4,578,550	4,238,211	340,339
Community Services	3,013,700	3,034,400	2,651,928	382,472
Recreation, Parks & Tourism	12,633,700	12,448,290	11,106,398	1,341,892
Health Services	3,777,200	4,527,020	4,297,235	229,785
Economic Development	2,269,900	2,157,150	2,329,702	(172,552)
Social Services	1,602,500	1,561,070	1,558,939	2,131
Legislative	3,649,200	3,267,230	3,047,820	219,410
Law	1,499,900	2,890,880	2,229,196	661,684
Conservation of Natural Resources	907,700	915,680	885,371	30,309
Elections	2,699,300	2,699,300	2,300,773	398,527
<b>Debt service</b>				
Principal	21,377,300	21,377,300	21,377,305	(5)
Interest	8,509,400	8,509,400	7,975,024	534,376
<b>Total expenditures</b>	<b>507,401,000</b>	<b>511,708,140</b>	<b>499,012,420</b>	<b>12,695,720</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,080,700)</b>	<b>(11,004,120)</b>	<b>24,187,895</b>	<b>35,192,015</b>
<b>Other financing sources (uses):</b>				
GASB87 Leases issued	-	-	1,429,169	1,429,169
GASB96 SBITA issued	-	-	1,316,096	1,316,096
Transfers in	1,500,000	1,500,000	1,652,015	152,015
Transfers out	(20,192,200)	(25,674,090)	(25,169,535)	504,555
<b>Total other financing sources (uses)</b>	<b>(18,692,200)</b>	<b>(24,174,090)</b>	<b>(20,772,255)</b>	<b>3,401,835</b>
Net change in fund balance	(25,772,900)	(35,178,210)	3,415,640	38,593,850
Fund balance - beginning of year	195,528,036	195,528,036	195,528,036	-
<b>Fund balance - end of year</b>	<b>\$ 169,755,136</b>	<b>\$ 160,349,826</b>	<b>\$ 198,943,676</b>	<b>\$ 38,593,850</b>

**Schedule of the County's Plan Employer Contributions**

Last 10 Fiscal Years

(Dollar amounts in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 5,822	\$ 4,823	\$ 5,592	\$ 5,367	\$ 4,715	\$ 4,498	\$ 3,926	\$ 3,673	\$ 5,240	\$ 5,627
Contributions in relation to the actuarially determined contribution	<u>5,822</u>	<u>4,823</u>	<u>5,592</u>	<u>5,367</u>	<u>4,715</u>	<u>4,498</u>	<u>3,926</u>	<u>3,673</u>	<u>5,240</u>	<u>5,627</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Covered payroll	\$70,647	\$63,660	\$61,099	\$60,623	\$57,791	\$54,332	\$53,002	\$50,662	\$58,330	\$57,345
Contributions as a percentage of covered employee payroll	8.24%	7.58%	9.15%	8.85%	8.16%	8.28%	7.41%	7.25%	8.98%	9.81%

Notes to Schedule

Valuation date: Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year.  
Actuarial valuations are performed every year.

*Methods and assumptions used to determine most recent contribution rates:*

Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Changes in assumptions and differences between assumptions and actual experience are recognized over the average of the expected remaining service lives of all employees (active and inactive employees, including retirees).
	Differences between expected earnings on plan investments and actual investments earnings are recognized over a 5 year period. Changes in benefit terms are recognized immediately.
Asset valuation method	Assets are valued at contract value with a market value adjustment factor for the Guaranteed Deposit Account assets, and at market value for separate accounts, which is considered the best representation of Fair Value. The fair value of the Guaranteed Deposit Account accounts is an estimate only, and not the result of the precise calculation which would be done if the contract discontinuance or to measure the impact of excess withdrawals in any calendar year.
Inflation	2.75%
Salary increases	4.00% including inflation
Investment rate of return	7.05%, net of plan investment expenses and contract fees.
Retirement age	For non-public safety participants, the first day of the month coinciding with or next following the later of a Participant's 62nd birthday or the completion of 5 years of Service; if Service is 20 or greater, the benefit is unreduced at age 60. For Participants in the Plan prior to July 1, 1977, there is an elective Normal Retirement Date of age 60. For public safety participants, the first day of the month coinciding with or next following the earlier of a Participant's 60th birthday or 25 hypothetical years of Service.
Mortality	RP-2014 Total Dataset (Adjusted to 2006) with Scale MP-2020 for males and females

**Schedule of Changes in the County's Plan Net Pension Liability and Related Ratios**

(Dollar amounts in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total Pension Liability</b>					
Service cost	\$ 9,217	\$ 8,784	\$ 8,237	\$ 7,895	\$ 7,555
Interest	21,370	20,038	18,845	17,841	17,691
Changes of benefit terms	-	-	4,926	-	-
Differences between expected and actual experience and changes in assumptions	6,170	2,771	(5,538)	(2,874)	109
Benefit payments, including refunds of member contributions	(12,219)	(10,146)	(9,223)	(8,226)	(7,398)
Net change in total pension liability	24,538	21,447	17,247	14,636	17,957
Total Pension Liability - beginning	308,653	287,206	269,959	255,323	237,366
Total Pension Liability - ending (a)	<u>\$ 333,191</u>	<u>\$ 308,653</u>	<u>\$ 287,206</u>	<u>\$ 269,959</u>	<u>\$ 255,323</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 5,822	\$ 4,823	\$ 5,592	\$ 5,367	\$ 4,715
Contributions - employee	3,726	3,356	2,825	2,785	2,546
Net Investment Income	33,642	22,768	(36,485)	62,502	9,105
Benefit payments, including refunds of member contributions	(12,219)	(10,146)	(9,223)	(8,226)	(7,398)
Administrative expense	(217)	(252)	(232)	(151)	(184)
Other	-	-	-	-	-
Net change in plan fiduciary net position	30,754	20,549	(37,523)	62,277	8,784
Plan Fiduciary Net Position - beginning	286,606	266,057	303,580	241,303	232,519
Plan Fiduciary Net Position - ending (b)	<u>\$ 317,360</u>	<u>\$ 286,606</u>	<u>\$ 266,057</u>	<u>\$ 303,580</u>	<u>\$ 241,303</u>
County's Net Pension Liability/(Asset) - ending (a) - (b)	<u>\$ 15,831</u>	<u>\$ 22,047</u>	<u>\$ 21,149</u>	<u>\$ (33,621)</u>	<u>\$ 14,020</u>
Plan Fiduciary Net Position as a percentage of the total pension liability	95.25%	92.86%	92.64%	112.45%	94.51%
Covered payroll	\$ 70,647	\$ 63,660	\$ 61,099	\$ 60,623	\$ 57,791
County's Net Pension Liability as a percentage of covered employee pensionable payroll	22.41%	34.63%	34.61%	-55.46%	24.26%
Annual money-weighted rate of return	11.8%	8.6%	-12.0%	25.9%	3.6%

**Schedule of Changes in the County's Plan Net Pension Liability and Related Ratios (continued)**

<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		
\$ 7,276	\$ 6,690	\$ 6,320	\$ 5,902	\$ 5,844						Total Pension Liability
15,177	14,782	13,915	13,944	12,705						Service cost
591	-	-	-	-						Interest
190	2,782	(224)	(12,218)	4,888						Changes of benefit terms
(6,648)	(6,251)	(5,291)	(4,871)	(4,759)						Differences between expected and actual experience
16,586	18,003	14,720	2,757	18,678						Benefit payments, including refunds of member contribution
220,780	202,777	188,057	185,300	166,622						Net change in total pension liability
<u>\$ 237,366</u>	<u>\$ 220,780</u>	<u>\$ 202,777</u>	<u>\$ 188,057</u>	<u>\$ 185,300</u>						Total Pension Liability - beginning
										Total Pension Liability - ending (a)
Plan Fiduciary Net Position										
\$ 4,498	\$ 3,926	\$ 3,673	\$ 5,240	\$ 5,627						Contributions - employer
2,476	2,348	2,347	2,179	2,105						Contributions - employee
13,788	15,852	21,017	1,734	7,421						Net Investment Income
(6,647)	(6,251)	(5,291)	(4,870)	(4,759)						Benefit payments, including refunds of member contribution
(117)	(109)	(73)	(81)	(88)						Administrative expense
-	-	-	-	-						Other
13,998	15,766	21,673	4,202	10,306						Net change in plan fiduciary net position
218,521	202,755	181,082	176,880	166,574						Plan Fiduciary Net Position - beginning
<u>\$ 232,519</u>	<u>\$ 218,521</u>	<u>\$ 202,755</u>	<u>\$ 181,082</u>	<u>\$ 176,880</u>						Plan Fiduciary Net Position - ending (b)
<u>\$ 4,847</u>	<u>\$ 2,259</u>	<u>\$ 22</u>	<u>\$ 6,975</u>	<u>\$ 8,420</u>						County's Net Pension Liability/(Asset) - ending (a) - (b)
97.96%	98.98%	99.99%	96.29%	95.46%						Plan Fiduciary Net Position as a percentage of the total pension liability
\$ 54,332	\$ 53,002	\$ 50,663	\$ 58,330	\$ 57,345						Covered payroll
8.92%	4.26%	0.04%	11.96%	14.68%						County's Net Pension Liability as a percentage of covered employee pensionable payroll
7.0%	8.5%	12.3%	1.7%	5.2%						Annual money-weighted rate of return

**Schedule of Sheriff's Office Retirement Plan Employer Contributions**

Last 10 Fiscal Years

(Dollar amounts in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 16,580	\$ 15,313	\$ 14,753	\$ 13,494	\$ 12,431	\$ 11,892	\$ 11,795	\$ 10,845	\$ 10,590	\$ 10,402
Contributions in relation to the actuarially determined contribution	<u>16,580</u>	<u>15,313</u>	<u>14,753</u>	<u>13,494</u>	<u>12,431</u>	<u>11,892</u>	<u>11,795</u>	<u>10,845</u>	<u>10,590</u>	<u>10,402</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Covered payroll	\$ 46,065	\$ 40,609	\$ 38,762	\$ 39,034	\$ 36,255	\$ 34,470	\$ 33,888	\$ 33,373	\$ 30,706	\$ 32,509
Contributions as a percentage of covered employee payroll	35.99%	37.71%	38.06%	34.57%	34.29%	34.50%	34.81%	32.50%	34.49%	32.00%

Notes to Schedule

Valuation date: Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year for the year immediately following the prior fiscal year (done every year). The assumptions shown below are those used in the July 1, 2022 actuarial valuation to calculate the FY2024 ADC. Assumptions used to determine contributions in the past may not have been the same.

*Methods and assumptions used to determine the FY2024 contribution rate:*

Actuarial cost method	Projected Unit Credit
Amortization method	Layered, level percent of payroll (closed), increasing 3.0% per year, determined separately for the three employee groups. Surplus bases are amortized over 30 years and loss bases are amortized over 20 years. Bases were restarted 7/1/2022.
Remaining amortization period	Ranges from 13 to 30 years.
Asset valuation method	5-year smoothed market between 50% and 150% of the market value assets
Inflation	
Salary increases	Separate service-based rates for each group
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by participant age and service
Mortality	Society of Actuaries Pub-2010 Safety Amount-Weighted Mortality Tables and the SOA mortality improvement scale (Scale M available at each actuarial valuation date (currently MP-2021)

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**Schedule of Changes in the Sheriff's Office Retirement Plan Net Pension Liability & Related Ratios**

(Dollar amounts in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total Pension Liability</b>					
Service cost	\$ 14,242	\$ 12,663	\$ 11,930	\$ 9,245	\$ 8,607
Interest	34,826	31,726	30,233		26,604
Changes of benefit terms	9,750	41		28,879	-
Differences between expected and actual experience	10,374	17,203	(1,384)	4,528	11,324
Changes of assumptions	-	-	(3,671)	-	-
Benefit payments, including refunds of member contributions	(20,598)	(17,154)	(15,893)	(15,896)	(15,688)
Net change in total pension liability	48,594	44,479	21,215	26,756	30,847
Total Pension Liability - beginning	490,657	446,178	424,963	398,207	367,360
Total Pension Liability - ending (a)	<u>\$ 539,251</u>	<u>\$ 490,657</u>	<u>\$ 446,178</u>	<u>\$ 424,963</u>	<u>\$ 398,207</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 16,580	\$ 15,313	\$ 14,753	\$ 13,494	\$ 12,431
Contributions - employee	3,845	3,655	3,169	3,129	2,996
Net Investment Income	48,539	35,947	(47,048)	81,618	13,387
Benefit payments, including refunds of member contributions	(20,598)	(17,154)	(15,893)	(15,896)	(15,688)
Administrative expense	(170)	(144)	(143)	(148)	(133)
Other	-	-	-	-	-
Net change in plan fiduciary net position	48,196	37,617	(45,162)	82,197	12,993
Plan Fiduciary Net Position - beginning	370,511	332,894	378,056	295,859	282,866
Plan Fiduciary Net Position - ending (b)	<u>\$ 418,707</u>	<u>\$ 370,511</u>	<u>\$ 332,894</u>	<u>\$ 378,056</u>	<u>\$ 295,859</u>
<b>Sheriff's Net Pension Liability - ending (a) - (b)</b>	<u>\$ 120,544</u>	<u>\$ 120,146</u>	<u>\$ 113,284</u>	<u>\$ 46,907</u>	<u>\$ 102,348</u>
<b>Plan Fiduciary Net Position as a percentage of the total pension liability</b>	77.65%	75.51%	74.61%	88.96%	74.30%
Covered payroll	\$ 40,609	\$ 40,609	\$ 38,762	\$ 39,034	\$ 36,255
<b>Sheriff's Net Pension Liability as a percentage of covered employee pensionable payroll</b>	296.84%	295.86%	292.26%	120.17%	282.30%
Expected average remaining service years of all participants	6	6	7	6	6
Annual money-weighted rate of return	13.10%	10.80%	-12.44%	27.59%	4.73%

Notes:

The retirement rates for Correctional Officers were modified and DROP loads were added to reflect the implementation of the DROP.

Note that some totals may not add due to rounding. Values may be adjusted within the financial statements to account for these rounding differences.

**Schedule of Changes in the Sheriff's Office Retirement Plan Net Pension Liability & Related Ratios (continued)**

<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		Total Pension Liability
\$ 8,068	\$ 7,681	\$ 7,433	\$ 6,566	\$ 6,534						
25,197	24,182	21,532	20,983	19,286						Service cost
-	(313)	-	-	-						Interest
(5,995)	(820)	6,770	(6,916)	815						Changes of benefit terms
4,874	-	7,554	5,579	4,692						Differences between expected and actual experience
(12,669)	(10,511)	(9,899)	(9,609)	(8,902)						Changes of assumptions
19,475	20,219	33,390	16,603	22,425						Benefit payments, including refunds of member contributions
347,885	327,666	294,276	277,673	255,248						Net change in total pension liability
<u>\$ 367,360</u>	<u>\$ 347,885</u>	<u>\$ 327,666</u>	<u>\$ 294,276</u>	<u>\$ 277,673</u>						Total Pension Liability - beginning
										Total Pension Liability - ending (a)
 Plan Fiduciary Net Position										
\$ 11,892	\$ 11,794	\$ 10,845	\$ 10,590	\$ 10,402						Contributions - employer
2,793	2,776	2,765	2,614	2,616						Contributions - employee
18,243	19,716	25,617	2,035	7,785						Net Investment Income
(12,669)	(10,511)	(9,899)	(9,610)	(8,902)						Benefit payments, including refunds of member contributions
(143)	(162)	(120)	(120)	(111)						Administrative expense
-	-	-	-	-						Other
20,116	23,613	29,207	5,508	11,790						Net change in plan fiduciary net position
262,749	239,136	209,929	204,421	192,631						Plan Fiduciary Net Position - beginning
<u>\$ 282,866</u>	<u>\$ 262,749</u>	<u>\$ 239,136</u>	<u>\$ 209,929</u>	<u>\$ 204,421</u>						Plan Fiduciary Net Position - ending (b)
 \$ 84,494	 \$ 85,136	 \$ 88,530	 \$ 84,347	 \$ 73,252						Sheriff's Net Pension Liability - ending (a) - (b)
 Plan Fiduciary Net Position as a percentage of the total pension liability										
77.00%	75.53%	72.98%	71.34%	73.62%						
\$ 34,470	\$ 33,888	\$ 33,373	\$ 30,706	\$ 32,509						Covered payroll
245.13%	251.23%	265.27%	274.69%	225.33%						Sheriff's Net Pension Liability as a percentage of covered employee pensionable payroll
6	6	7	6	7						Expected average remaining service years of all participants
6.94%	8.74%	12.70%	1.50%	4.54%						Annual money-weighted rate of return

**Schedule of LOSAP Contributions**

Last 10 Fiscal Years

(Dollar amounts in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 775	\$ 767	N/A	Information for FY2021 and prior is not available	
Contributions in relation to the actuarially determined contribution	944	889	19,842		
Contribution deficiency (excess)	\$ (169)	\$ (122)	N/A	—	—
Covered payroll	N/A	N/A	N/A		
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A		

**Notes to Schedule**

An actuarially determined contribution amount was not calculated for FY 2022 because the plan did not have a dedicated trust for assets. A trust was created for this plan effective April 5, 2022.

The contribution amount for FY 2022 reflected the value of the trust as of April 5, 2022.

Actuarially determined contribution amounts are calculated as of the middle of the fiscal year (January 1) for the two fiscal years beginning one year and two years following the valuation date. Actuarial valuations are performed every other year. The assumptions shown below are those used in the July 1, 2022 actuarial valuation to calculate the FY 2024 ADC. Assumptions used to determine contributions in the past may not have been the same.

**Methods and assumptions used to determine FY 2024 contribution rate:**

Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar amount
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market
Inflation	2.60%
Salary increases	none
Investment rate of return	6.10%, net of pension plan investment expense, including inflation
Retirement age	Rates varying based on age and service
Mortality	Society of Actuaries Pub-2010 Safety Amount-Weighted Mortality Tables and the SOA mortality improvement scale (Scale MP) available at each actuarial valuation date (currently MP-2021)

Additional years' information will be displayed as it becomes available to show ten years of information.

**Schedule of Changes in the County's LOSAP Net Pension Liability and Related Ratios**

(Dollar amounts in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	
<b>Total Pension Liability</b>							
Service cost	\$ 474	\$ 459	\$ 454	\$ 1,016	\$ 930	\$ 900	Information for FY2018
Interest	1,298	1,263	2,236	914	935	843	and earlier
Differences between expected and actual experience	(1,248)	-	987	-	1,307	-	is not available
Changes of benefit terms	-	-	-	-	-	-	
Changes of assumptions	-	-	(18,515)	3,564	5,297	(1,764)	
Benefit payments, including refunds of member contributions	(1,157)	(1,128)	(1,107)	(1,000)	(1,014)	(972)	
Net change in total pension liability	\$ (633)	\$ 594	(15,945)	4,494	7,456	(993)	
Total Pension Liability - beginning	21,860	21,266	37,211	32,717	25,261	26,254	
Total Pension Liability - ending (a)	<u>\$ 21,226</u>	<u>\$ 21,860</u>	<u>\$ 21,266</u>	<u>\$ 37,211</u>	<u>\$ 32,717</u>	<u>\$ 25,261</u>	
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 944	\$ 889	\$ 19,842	\$ -	\$ -	\$ -	
Contributions - member	-	-	-	-	-	-	
Net Investment Income	1,963	1,773	(1,289)	-	-	-	
Benefit payments, including refunds of member contributions	(1,157)	(1,128)	(1,107)	-	-	-	
Administrative expense	(21)	(57)	(52)	-	-	-	
Other	-	-	-	-	-	-	
Net change in plan fiduciary net position	\$ 1,729	\$ 1,477	\$ 17,394	-	-	-	
Plan Fiduciary Net Position - beginning	18,870	17,393	-	-	-	-	
Plan Fiduciary Net Position - ending (b)	<u>\$ 20,599</u>	<u>\$ 18,870</u>	<u>\$ 17,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's Net Pension Liability - ending (a) - (b)	<u>\$ 627</u>	<u>\$ 2,990</u>	<u>\$ 3,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Plan Fiduciary Net Position as a percentage of the total pension liability	97.05%	86.32%	81.79%	N/A	N/A	N/A	
Estimated average remaining service years of all participants	10	11	11	11	11	19	
Annual money-weighted rate of return	10.40%	10.19%	N/A	N/A	N/A	N/A	

Information for FY2018 and earlier is not available.

Notes to Schedule

Benefit changes There are no benefit changes reflected in the current schedule.

Changes of assumptions There are no assumption changes reflected in the current schedule.

Note that some totals may not add due to rounding. Values may be adjusted within the financial statements to account for these rounding differences. Additional years' information will be displayed as it becomes available to show ten years of information.

**Schedule of the OPEB Plan Employer Contributions (includes Library)**

Last 10 Fiscal Years

(Dollar amounts in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	Information
Actuarially determined contribution	\$ 15,299	\$ 14,145	\$ 15,845	\$ 14,783	\$ 14,668	\$ 13,662	\$ 10,576	\$ 9,771	For FY2016 and earlier is
Contributions in relation to the actuarially determined contribution	<u>11,927</u>	<u>10,758</u>	<u>9,601</u>	<u>7,115</u>	<u>6,492</u>	<u>5,159</u>	<u>4,440</u>	<u>3,924</u>	not available
Contribution deficiency (excess)	<u>\$ 3,372</u>	<u>\$ 3,387</u>	<u>\$ 6,244</u>	<u>\$ 7,668</u>	<u>\$ 8,176</u>	<u>\$ 8,503</u>	<u>\$ 6,136</u>	<u>\$ 5,847</u>	

Notes to Schedule

Benefit changes

None

Valuation Date:

11/1/2022

Actuarial valuations are done every other year.

Changes of assumptions

None

*Methods and assumptions used to determine contribution rates:*

Valuation Date

11/1/2022

Measurement Date

7/1/2023

Actuarial cost method

Projected Unit Credit with linear pro-ration to assumed benefit commencement

Amortization method

Level dollar

Asset valuation method

Fair value of assets

Remaining amortization period

15 years for FYE 2024

Investment rate of return

7.25%

Payroll growth rate

N/A - The amortization method is level dollar

Inflation

2.50%

Healthcare cost trend rate

The trend for 2023 is 5.8%. The ultimate trend is 3.94% for both Pre-Medicare Post-Medicare.

Because the OPEB plan does not depend on salary, salary information is not provided.

**Schedule of Changes in the County's Proportionate Share of the Net OPEB Liability and Related Ratios**

(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>								
Service cost	\$ 2,450	\$ 2,957	\$ 2,839	\$ 2,807	\$ 2,925	\$ 7,898	\$ 8,365	\$ 8,040
Interest	9,509	10,776	10,100	9,247	9,177	9,015	8,560	7,669
Changes of benefit terms	-	-	-	-	-	(963)	-	-
Differences between expected and actual experience	940	(17,073)	513	3,798	411	(9,340)	130	2,364
Changes of assumptions	-	(5,643)	-	1,168	(7,745)	(89,891)	(11,962)	(36,539)
Benefit payments, including refunds of member contributions	<u>(4,939)</u>	<u>(4,545)</u>	<u>(4,296)</u>	<u>(3,697)</u>	<u>(3,375)</u>	<u>(3,149)</u>	<u>(2,940)</u>	<u>(2,674)</u>
Net change in total pension liability	7,960	(13,529)	9,156	13,324	1,393	(86,430)	2,153	(21,140)
Total Pension Liability - beginning	<u>136,802</u>	<u>150,331</u>	<u>141,175</u>	<u>127,851</u>	<u>126,458</u>	<u>212,888</u>	<u>210,735</u>	<u>231,875</u>
Total Pension Liability - ending (a)	<u>\$ 144,762</u>	<u>\$ 136,802</u>	<u>\$ 150,331</u>	<u>\$ 141,175</u>	<u>\$ 127,851</u>	<u>\$ 126,458</u>	<u>\$ 212,888</u>	<u>\$ 210,735</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 11,444	\$ 10,406	\$ 9,272	\$ 6,867	\$ 6,279	\$ 5,095	\$ 4,440	\$ 3,924
Contributions - employee							-	-
Net Investment Income	4,629	3,097	(4,345)	4,409	427	336	239	3
Benefit payments, including refunds of member contributions	<u>(4,939)</u>	<u>(4,545)</u>	<u>(4,296)</u>	<u>(3,697)</u>	<u>(3,375)</u>	<u>(3,149)</u>	<u>(2,940)</u>	<u>(2,674)</u>
Administrative expense	(1)	(1)	(1)	(1)	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	11,133	8,957	630	7,578	3,331	2,282	1,739	1,253
Plan Fiduciary Net Position - beginning	<u>29,942</u>	<u>20,985</u>	<u>20,355</u>	<u>12,777</u>	<u>9,446</u>	<u>7,164</u>	<u>5,425</u>	<u>4,172</u>
Plan Fiduciary Net Position - ending (b)	<u>\$ 41,075</u>	<u>\$ 29,942</u>	<u>\$ 20,985</u>	<u>\$ 20,355</u>	<u>\$ 12,777</u>	<u>\$ 9,446</u>	<u>\$ 7,164</u>	<u>\$ 5,425</u>
County's Net Pension Liability - ending (a) - (b)	<u>\$ 103,687</u>	<u>\$ 106,860</u>	<u>\$ 129,345</u>	<u>\$ 120,820</u>	<u>\$ 115,074</u>	<u>\$ 117,012</u>	<u>\$ 205,724</u>	<u>\$ 205,310</u>
Plan fiduciary net position as a percentage of the total OPEB liability	28.37%	21.89%	13.96%	14.42%	10.00%	7.47%	3.37%	2.57%
Estimated average remaining service years of all participants	6	6	7	7	7	7	8	8
Annual money-weighted rate of return	15.46%	14.76%	-21.34%	34.51%	4.52%	4.69%	4.41%	0.07%

Information for FY2016 and earlier is not available.

**Notes to Schedule**

Benefit changes      none

Changes of assumptions

The discount rate changes from year to year (as shown)      7.25%      7.25%      7.40%      7.40%      7.50%      7.50%      4.31%      4.04%

Because this OPEB plan does not depend on salary, salary information is not provided.

Additional years' information will be displayed as it becomes available to show ten years of information

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## Schedules and Combining Statements

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## General Fund

The General Fund is established to account for resources devoted to financing the general services that the County performs for its citizens.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

BUDGETARY (NON-GAAP) BASIS

FOR THE YEAR ENDED JUNE 30, 2024

	Final Amended Budgeted Amounts	Actual Amounts	Variance With Amended Budget
<b><u>Taxes - Local Property</u></b>			
Real Property	\$ 248,523,300	\$ 251,599,579	\$ 3,076,279
Business Personal Property	268,000	147,628	(120,372)
Railroad & Public Utilities	12,011,000	10,960,194	(1,050,806)
Ordinary Business Corporation	7,238,100	5,753,255	(1,484,845)
Payment in Lieu of Tax	3,020,200	3,055,494	35,294
Penalties and Interest	600,000	644,385	44,385
Half-year Billing Fee	300,000	980,085	680,085
Homestead Tax Credit	(1,870,000)	(1,876,041)	(6,041)
Low Income Tax Credit	(700,000)	(611,463)	88,537
Senior Tax Credit	(320,000)	(249,781)	70,219
La Plata Tax Differential	(2,200,000)	(2,219,869)	(19,869)
Indian Head Tax Differential	(133,000)	(148,828)	(15,828)
Agriculture Preservation Credit	(140,000)	(146,226)	(6,226)
Other Tax Credits	(8,200)	(6,621)	1,579
Total Taxes - Local Property	<u>266,589,400</u>	<u>267,881,789</u>	<u>1,292,389</u>
<b>Taxes - Income</b>	<b>169,000,000</b>	<b>173,607,605</b>	<b>4,607,605</b>
<b><u>Taxes - Other Local</u></b>			
Admission and Amusement	810,000	719,003	(90,997)
Recordation	16,600,000	20,880,545	4,280,545
Transfer Tax	7,470,000	8,094,407	624,407
Hotel / Motel	1,240,000	1,321,866	81,866
Heavy Equipment Tax	120,000	203,400	83,400
Total Taxes - Other Local	<u>26,240,000</u>	<u>31,219,221</u>	<u>4,979,221</u>
<b><u>Charges for Services</u></b>			
Licenses and Permits			
Alcohol Licenses	203,600	198,750	(4,850)
Traders Licenses	210,200	197,633	(12,567)
Civil Marriage Licenses	36,000	33,580	(2,420)
Protective Inspection Licenses	-	22,078	22,078
Building Permits	398,000	464,972	66,972
Park Facilities Permits	105,600	153,562	47,962
Trailer Occupancy Permits	45,300	41,040	(4,260)
Other Licenses and Permits	47,300	113,261	65,961
subtotal	<u>1,046,000</u>	<u>1,224,876</u>	<u>178,876</u>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
 BUDGETARY (NON-GAAP) BASIS (continued)  
 FOR THE YEAR ENDED JUNE 30, 2024

	Final Amended Budgeted Amounts	Actual Amounts	Variance With Amended Budget
<b><u>Charges for Services (continued)</u></b>			
Service Charges			
Soil Conservation Plan Fee	56,100	65,494	9,394
Indirect Cost Revenue	2,951,490	2,957,067	5,577
Plat Review & Processing	120,000	-	(120,000)
Special Exception Fees	19,300	2,150	(17,150)
Bail Bond Fees	8,500	-	(8,500)
EMS Billing Fees	2,010,000	3,515,660	1,505,660
School Allocation Extension Fees	1,800	-	(1,800)
Forest Conservation Fees	16,800	12,445	(4,355)
Site Development Plan Application	44,000	-	(44,000)
Mosquito Control Fees	90,000	87,813	(2,187)
Deeds & Tax Verification Fees	120,000	108,789	(11,211)
Advertising Fees	34,300	33,929	(371)
Custodial Fees	392,200	427,433	35,233
Animal Shelter Boarding Fees	16,200	19,275	3,075
False Alarm Registration Fees	286,400	225,811	(60,589)
Sheriff Fees	460,000	422,159	(37,841)
Sheriff Pay Phone Commission	90,000	-	(90,000)
Detention Center Room and Board	-	347	347
Local 911 Fees	1,800,000	1,976,900	176,900
Park Entrance Fees	45,900	48,080	2,180
Food and Drink Sales	47,700	37,724	(9,976)
Outdoor Sports Programs Fees	347,300	477,105	129,805
Other Fees	1,940,400	2,268,643	328,243
subtotal	<hr/> 10,898,390	<hr/> 12,686,826	<hr/> 1,788,436
Total Charges for Services	11,944,390	13,911,702	1,967,312
 <b><u>Intergovernmental</u></b>			
Federal Grants			
Miscellaneous Grants	-	5,730	5,730
subtotal	-	5,730	5,730

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
 BUDGETARY (NON-GAAP) BASIS (continued)  
 FOR THE YEAR ENDED JUNE 30, 2024

	Final Amended Budgeted Amounts	Actual Amounts	Variance With Amended Budget
<b><u>Intergovernmental (continued)</u></b>			
State Shared			
Highway User	2,830,000	2,910,982	80,982
subtotal	<u>2,830,000</u>	<u>2,910,982</u>	<u>80,982</u>
State Grants			
Aid for Police Protection	2,184,000	2,092,110	(91,890)
Aid for Inmate Operations	70,000	152,415	82,415
Jury Fee Reimbursement	259,200	231,870	(27,330)
Soil Conservation	66,500	77,066	10,566
Other State Grants	25,850	184,787	158,937
subtotal	<u>2,605,550</u>	<u>2,738,248</u>	<u>132,698</u>
Total Intergovernmental	<u>5,435,550</u>	<u>5,654,961</u>	<u>219,411</u>
<b><u>Interest Income</u></b>			
Treasury Bills	3,528,050	6,162,718	2,634,668
MLGIP	4,000,000	6,474,756	2,474,756
US Government Agencies	3,700,000	6,861,696	3,161,696
CD's & Other Interest	2,300,000	3,739,608	1,439,608
Leases	-	246,624	246,624
Total Interest Income	<u>13,528,050</u>	<u>23,485,403</u>	<u>9,957,353</u>
<b><u>Other Income</u></b>			
Rent			
Courthouse Rent	930,000	879,434	(50,566)
Water Tower Rental	362,000	349,255	(12,745)
Office Space	226,200	204,901	(21,299)
Post Office	12,000	12,000	-
Other Rent	3,700	3,628	(72)
subtotal	<u>1,533,900</u>	<u>1,449,218</u>	<u>(84,682)</u>
Fines and Forfeitures			
False Alarm Fines	2,065,500	1,215,719	(849,781)
Alcoholic Beverage Fines	34,000	3,175	(30,825)
County Parking Fines	10,000	7,370	(2,630)
Red Light Camera Fines	2,200,000	2,394,315	194,315
Speed Camera Fines	1,400,000	1,485,053	85,053
Building Permit Fines	10,300	93,412	83,112
Other Fines	19,000	52,095	33,095
subtotal	<u>5,738,800</u>	<u>5,251,139</u>	<u>(487,661)</u>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
 BUDGETARY (NON-GAAP) BASIS (continued)  
 FOR THE YEAR ENDED JUNE 30, 2024

	Final Amended		
	Budgeted Amounts	Actual Amounts	Variance With Amended Budget
<u>Other Income (continued)</u>			
Miscellaneous	412,700	416,771	4,071
Gain (Loss) on Fixed Assets	281,230	322,507	41,277
Total Other Income	<u>7,966,630</u>	<u>7,439,636</u>	<u>(526,994)</u>
 Total Revenues	 <u>500,704,020</u>	 <u>523,200,315</u>	 <u>22,496,295</u>
 <u>Other Financing Sources:</u>			
GASB87 Lease	-	1,429,169	1,429,169
GASB96 SBITA		1,316,096	1,316,096
Transfers In			
Special Revenue Funds	300,000	452,015	152,015
Capital Projects Funds	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>
subtotal	<u>1,500,000</u>	<u>1,652,015</u>	<u>152,015</u>
Total other financing sources	<u>1,500,000</u>	<u>4,397,280</u>	<u>2,897,280</u>
 Total Revenues and Other			
 Financing Sources	 <u>\$ 502,204,020</u>	 <u>\$ 527,597,595</u>	 <u>\$ 25,393,575</u>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
 BUDGETARY (NON-GAAP) BASIS  
 FOR THE YEAR ENDED JUNE 30, 2024

	Final Amended Budgeted Amounts	Actual Amounts	Variance With Amended Budget
<b><u>Education</u></b>			
Board of Education	\$ 218,767,000	\$ 218,767,000	\$ -
College of Southern Maryland	10,766,600	10,766,600	- -
Library	5,334,800	5,406,174	(71,374)
Other	525,200	515,600	9,600
<b>Total Education</b>	<b>235,393,600</b>	<b>235,455,374</b>	<b>(61,774)</b>
<b><u>Public Safety</u></b>			
Sheriff's Office			
Sheriff	95,687,670	95,026,766	660,904
Detention Center	21,635,270	21,110,359	524,911
Automated Enforcement Unit	4,228,830	2,600,642	1,628,188
Fingerprinting Service	363,200	391,210	(28,010)
subtotal	121,914,970	119,128,976	2,785,994
Emergency Services			
Administration	1,023,400	1,474,647	(451,247)
False Alarm Reduction Unit	231,110	228,975	2,135
Communications	4,983,920	4,605,537	378,383
Emergency Management	8,100	14,337	(6,237)
Tactical Response	751,350	661,327	90,023
Career EMS	17,263,300	17,303,830	(40,530)
Animal Control	868,630	812,399	56,231
Animal Shelter	1,279,100	1,255,113	23,987
subtotal	26,408,910	26,356,164	52,746
Volunteer Fire & EMS	30,170	30,910	(740)
<b>Total Public Safety</b>	<b>148,354,050</b>	<b>145,516,050</b>	<b>2,838,000</b>
<b><u>General Government</u></b>			
Debt Service	3,219,700	2,980,025	239,675
Central Services	10,769,930	9,247,775	1,522,155
Contingencies	70	-	70
<b>Total General Government</b>	<b>13,989,700</b>	<b>12,227,800</b>	<b>1,761,900</b>
<b><u>Public Works- Facilities</u></b>			
Administration	673,540	622,886	50,654
Buildings & Trades	9,057,790	7,826,498	1,231,292
Vehicle Maintenance	1,306,220	1,322,372	(16,152)
Roads	7,056,570	6,078,083	978,487
<b>Total Public Works- Facilities</b>	<b>18,094,120</b>	<b>15,849,839</b>	<b>2,244,281</b>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
 BUDGETARY (NON-GAAP) BASIS (continued)  
 FOR THE YEAR ENDED JUNE 30, 2024

	Final Amended Budgeted Amounts	Actual Amounts	Variance With Amended Budget
<b><u>Financial Administration</u></b>			
Fiscal & Administrative Services			
Administration	241,340	197,719	43,621
Budget	482,200	443,125	39,075
Accounting	1,497,040	1,441,395	55,645
Purchasing	476,050	445,042	31,008
Information Technology	6,735,560	5,816,615	918,945
Treasury	1,510,050	1,462,782	47,268
subtotal	<u>10,942,240</u>	<u>9,806,679</u>	<u>1,135,561</u>
Internal Audit	230,980	210,488	20,492
Liquor Board	334,430	332,109	2,321
Human Resources	1,991,160	1,705,191	285,969
Retiree Fringe	4,957,200	4,660,584	296,616
Total Financial Administration	<u>18,456,010</u>	<u>16,715,051</u>	<u>1,740,959</u>
<b><u>Judicial</u></b>			
State's Attorney's Office	6,926,830	7,083,935	(157,105)
Circuit Court	2,459,360	2,100,950	358,410
Orphan's Court	68,200	65,518	2,682
Total Judicial	<u>9,454,390</u>	<u>9,250,403</u>	<u>203,987</u>
<b><u>Planning &amp; Growth Management</u></b>			
Administration	1,366,560	1,221,475	145,085
Planning	2,643,000	2,475,649	167,351
Codes, Permits & Inspection Services	396,990	369,364	27,626
Infrastructure Management	164,860	166,132	(1,272)
Transit	7,140	5,591	1,549
Total Planning & Growth Mgmt	<u>4,578,550</u>	<u>4,238,211</u>	<u>340,339</u>
<b><u>Community Services</u></b>			
Administration	598,720	515,952	82,768
Aging Services	2,138,420	1,861,497	276,923
Housing Authority	297,260	274,479	22,781
Total Community Services	<u>3,034,400</u>	<u>2,651,928</u>	<u>382,472</u>
<b><u>Recreation, Parks &amp; Tourism</u></b>			
Administration	1,576,480	1,482,589	93,891
Parks and Grounds	6,336,480	5,728,983	607,498
Recreation	3,413,800	2,971,060	442,740
Tourism	1,121,530	923,767	197,763
Total Recreation, Parks, & Tourism	<u>12,448,290</u>	<u>11,106,398</u>	<u>1,341,892</u>
Health Services	<u>4,527,020</u>	<u>4,297,235</u>	<u>229,785</u>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGETARY (NON-GAAP) BASIS (continued)  
FOR THE YEAR ENDED JUNE 30, 2024

	Final Amended Budgeted Amounts	Actual Amounts	Variance With Amended Budget
<b><u>Economic Development</u></b>			
Economic Development Department	2,019,150	2,246,867	(227,717)
Other	138,000	82,835	55,165
<b>Total Economic Development</b>	<b>2,157,150</b>	<b>2,329,702</b>	<b>(172,552)</b>
<b>Social Services</b>	<b>1,561,070</b>	<b>1,558,939</b>	<b>2,131</b>
<b><u>Legislative</u></b>			
County Commissioners	782,590	757,613	24,977
County Administrator	2,484,640	2,290,208	194,432
<b>Total Legislative</b>	<b>3,267,230</b>	<b>3,047,820</b>	<b>219,410</b>
<b><u>Law - County Attorney</u></b>			
County Attorney	2,235,680	2,025,686	209,994
Criminal Justice Initiatives	655,200	203,509	451,691
<b>Total Law</b>	<b>2,890,880</b>	<b>2,229,196</b>	<b>661,684</b>
<b><u>Conservation of Natural Resources</u></b>			
Weed Control	17,300	21,679	(4,379)
Resource Conservation & Development	18,740	13,975	4,765
University of MD Extension	270,700	269,104	1,596
Soil Conservation	608,940	580,614	28,326
<b>Total Conservation</b>	<b>915,680</b>	<b>885,371</b>	<b>30,309</b>
<b>Elections</b>	<b>2,699,300</b>	<b>2,300,773</b>	<b>398,527</b>
<b><u>Debt service</u></b>			
Bond Principal	21,377,300	21,377,305	(5)
Interest	8,509,400	7,975,024	534,376
<b>subtotal</b>	<b>29,886,700</b>	<b>29,352,329</b>	<b>534,371</b>
<b>Total expenditures</b>	<b>511,708,140</b>	<b>499,012,420</b>	<b>12,695,720</b>
<b><u>Other financing uses:</u></b>			
Defeased Bonds	-	-	-
Transfers out			
Capital Projects	17,765,600	17,765,600	-
Special Revenue Funds	7,755,360	7,283,860	471,500
Debt Service Fund	-	-	-
Enterprise Funds	153,130	120,075	33,055
<b>subtotal</b>	<b>25,674,090</b>	<b>25,169,535</b>	<b>504,555</b>
<b>Total other financing uses</b>	<b>25,674,090</b>	<b>25,169,535</b>	<b>504,555</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 537,382,230</b>	<b>\$ 524,181,955</b>	<b>\$ 13,200,275</b>

# Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources other than special assessments, expandable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

## American Rescue Plan Act-

The American Rescue Plan Act further facilitates the CARES Act and related activities for continued recovery from the economic and health effects of the COVID-19 pandemic.

## Opioid Restitution Funds-

Receipts for this fund come from the Maryland Opioid Restitution Fund, related to legal settlements reached with prescription opioid manufacturers and distributors. Allowable uses are set by the settlements and agreements.

## Judicial Grants-

Established to track grant funds which support improvement in the quality of justice in state and local courts, and foster innovative, efficient solutions to common issues faced by all courts. Child Support Grants are reported here.

## Transportation Grants-

Established to support the County's public transportation systems. Operating revenues are primarily supported with Federal and State grants matched by the county.

## Housing Assistance Funds-

Established to fund programs that provide low income housing assistance through Federal grants, provided by the U.S. Department of Housing and Urban Development (HUD) and Portability agreements with other jurisdictions.

## Agricultural Preservation Fund-

Established to track and fund land preservation efforts. An agricultural transfer tax is assessed on land that has a change of use from agricultural to residential or commercial.

## Fire and Rescue Funds-

Established to fund the various volunteer fire stations and rescue squads, this fund is financed by a County-wide Fire and Rescue property tax and a State of Maryland Amoss grant.

## Cable Franchise Fund

A cooperative effort between County Government, the public school system, the local community college, and the library system. Government access channels for Charles County are made possible through franchise agreements with local cable TV providers which generate revenue from a franchise fee assessed on monthly cable TV bills.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024

	Nuisance Abatement	Planning Grants	Judicial Grants	Transportation Grants	Economic Development Loan Programs
<b>ASSETS:</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Accounts receivable	86,230	-	-	-	275,885
Grants receivable	-	-	565,009	322,406	-
Due from other funds	-	-	-	4,910,126	2,514
Other assets	-	-	1,450	-	-
Restricted cash	-	-	-	-	752,755
<b>Total assets</b>	<b>\$ 86,230</b>	<b>\$ -</b>	<b>\$ 566,459</b>	<b>\$ 5,232,532</b>	<b>\$ 1,031,154</b>
<b>LIABILITIES AND FUND BALANCE:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 50,404	\$ 1,073,671	\$ -
Accrued expenditures	-	-	21,454	18,698	-
Unearned revenue	-	-	218	-	275,885
Due to other funds	41,732	-	494,383	-	-
Other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>41,732</b>	<b>-</b>	<b>566,459</b>	<b>1,092,369</b>	<b>275,885</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance:</b>					
Nonspendable fund balance	-	-	-	-	-
Restricted fund balance	44,498	-	-	-	755,269
Committed fund balance	-	-	-	-	-
Assigned fund balance	-	-	-	4,140,163	-
Unassigned fund balance	-	-	-	-	-
<b>Total fund balance</b>	<b>44,498</b>	<b>-</b>	<b>-</b>	<b>4,140,163</b>	<b>755,269</b>
<b>Total liabilities and fund balance</b>	<b>\$ 86,230</b>	<b>\$ -</b>	<b>\$ 566,459</b>	<b>\$ 5,232,532</b>	<b>\$ 1,031,154</b>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING BALANCE SHEET (continued)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024

	Opioid Restitution Funds	Public Safety Grants	Community Development Grants	Housing Assistance	Housing Special Loans	Sheriff's Special Programs
<b>ASSETS:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 311,193	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Grants receivable	7,282,118	1,290,747	623,563	72,672	19,988	-
Due from other funds	-	1,010	-	-	285,049	120,684
Other assets	-	-	-	-	-	-
Restricted cash	1,087,027	-	-	-	-	-
<b>Total assets</b>	<b>\$ 8,369,145</b>	<b>\$ 1,291,757</b>	<b>\$ 623,563</b>	<b>\$ 383,865</b>	<b>\$ 305,037</b>	<b>\$ 120,684</b>
<b>LIABILITIES AND FUND BALANCE:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,285	\$ 13,696	\$ -	\$ 69,814	\$ -	\$ 774
Accrued expenditures	-	63,220	-	35,631	-	-
Unearned revenue	82,494	263,608	-	-	19,988	-
Due to other funds	63,715	951,235	623,563	100,131	-	-
Other liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>147,494</b>	<b>1,291,757</b>	<b>623,563</b>	<b>205,575</b>	<b>19,988</b>	<b>774</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	7,114,632	-	-	-	-	-
<b>Total Deferred Inflows</b>	<b>7,114,632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance:</b>						
Nonspendable fund balance	-	-	-	-	-	-
Restricted fund balance	1,107,018	-	-	178,290	285,049	-
Committed fund balance	-	-	-	-	-	-
Assigned fund balance	-	-	-	-	-	119,910
Unassigned fund balance	-	-	-	-	-	-
<b>Total fund balance</b>	<b>1,107,018</b>	<b>-</b>	<b>-</b>	<b>178,290</b>	<b>285,049</b>	<b>119,910</b>
<b>Total liabilities and fund balance</b>	<b>\$ 8,369,145</b>	<b>\$ 1,291,757</b>	<b>\$ 623,563</b>	<b>\$ 383,865</b>	<b>\$ 305,037</b>	<b>\$ 120,684</b>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING BALANCE SHEET (continued)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024

	Community Development	Shelter/ Control	Drug Forfeitures	Agricultural Preservation	Fire and Rescue Funds
<b>ASSETS:</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Accounts receivable	-	1,195	-	-	17,400
Grants receivable	1,145,479	-	-	-	-
Due from other funds	-	277,159	569,890	805,004	253,639
Other assets	2,000	-	-	-	-
Restricted cash	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,147,479</b>	<b>\$ 278,354</b>	<b>\$ 569,890</b>	<b>\$ 805,004</b>	<b>\$ 271,039</b>
<b>LIABILITIES AND FUND BALANCE:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 22,944	\$ 242	\$ -	\$ -
Accrued expenditures	-	847	-	-	-
Unearned revenue	-	5,366	-	-	-
Due to other funds	1,147,479	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>1,147,479</b>	<b>29,157</b>	<b>242</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance:</b>					
Nonspendable fund balance	-	-	-	-	-
Restricted fund balance	-	4,500	569,648	805,004	271,039
Committed fund balance	-	-	-	-	-
Assigned fund balance	-	244,697	-	-	-
Unassigned fund balance	-	-	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>249,197</b>	<b>569,648</b>	<b>805,004</b>	<b>271,039</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,147,479</b>	<b>\$ 278,354</b>	<b>\$ 569,890</b>	<b>\$ 805,004</b>	<b>\$ 271,039</b>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING BALANCE SHEET (continued)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024

	Law Library	Tourism Grants	Aging 40 fund	Aging 43 fund	So MD Justice Academy	Human Services
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivable	5,497	-	-	-	5,530	-
Grants receivable	-	41,923	709,517	374,925	-	98,285
Due from other funds	57,991	-	-	-	199,393	440,952
Other assets	-	-	-	-	5,215	445
Restricted cash	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 63,589</b>	<b>\$ 41,923</b>	<b>\$ 709,517</b>	<b>\$ 374,925</b>	<b>\$ 210,138</b>	<b>\$ 539,682</b>
<b>LIABILITIES AND FUND BALANCE:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,292	\$ -	\$ 111,823	\$ 47,655	\$ 12,275	\$ 196,960
Accrued expenditures	-	-	-	6,347	-	7,417
Unearned revenue	-	-	115,685	-	-	73,977
Due to other funds	-	41,923	443,677	260,063	-	-
Other liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,292</b>	<b>41,923</b>	<b>671,185</b>	<b>314,065</b>	<b>12,275</b>	<b>278,354</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	-	-	-	-
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance:</b>						
Nonspendable fund balance	-	-	-	-	-	-
Restricted fund balance	-	-	-	60,861	197,862	261,328
Committed fund balance	-	-	-	-	-	-
Assigned fund balance	62,297	-	38,332	-	-	-
Unassigned fund balance	-	-	-	-	-	-
<b>Total fund balance</b>	<b>62,297</b>	<b>-</b>	<b>38,332</b>	<b>60,861</b>	<b>197,862</b>	<b>261,328</b>
<b>Total liabilities and fund balance</b>	<b>\$ 63,589</b>	<b>\$ 41,923</b>	<b>\$ 709,517</b>	<b>\$ 374,925</b>	<b>\$ 210,138</b>	<b>\$ 539,682</b>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING BALANCE SHEET (continued)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024

	Cable Franchise	Emergency Management	ARPA Grants	Cannabis Reform Act	Total
<b>ASSETS:</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 311,293
Investments	-	-	-	-	-
Accounts receivable	721,990	-	-	-	1,113,728
Grants receivable	-	665,314	37,892	288,419	13,538,256
Due from other funds	9,999,600	-	-	1,342,844	19,265,855
Other assets	190,106	-	869	-	200,085
Restricted cash	-	-	19,719,097	-	21,558,879
<b>Total assets</b>	<b>\$ 10,911,696</b>	<b>\$ 665,314</b>	<b>\$ 19,757,857</b>	<b>\$ 1,631,263</b>	<b>\$ 55,988,096</b>
<b>LIABILITIES AND FUND BALANCE:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 320,150	\$ 30,565	\$ 487,431	\$ -	\$ 2,440,980
Accrued expenditures	44,388	-	11,370	-	209,372
Unearned revenue	-	1,974	15,298,200	-	16,137,394
Due to other funds	-	632,775	2,890,444	-	7,691,118
Other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>364,538</b>	<b>665,314</b>	<b>18,687,445</b>	<b>-</b>	<b>26,478,865</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	7,114,632
<b>Total Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,114,632</b>
<b>Fund balance:</b>					
Nonspendable fund balance	-	-	-	-	-
Restricted fund balance	9,988,472	-	1,070,413	1,631,263	17,230,514
Committed fund balance	107,000	-	-	-	107,000
Assigned fund balance	451,686	-	-	-	5,057,085
Unassigned fund balance	-	-	-	-	-
<b>Total fund balance</b>	<b>10,547,158</b>	<b>-</b>	<b>1,070,413</b>	<b>1,631,263</b>	<b>22,394,599</b>
<b>liabilities and fund</b>	<b>\$ 10,911,696</b>	<b>\$ 665,314</b>	<b>\$ 19,757,857</b>	<b>\$ 1,631,263</b>	<b>\$ 55,988,096</b>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2024

	Nuisance Abatement	Planning Grants	Judicial Grants	Transportation Grants	Economic Development Loan Programs
<b>REVENUES:</b>					
Taxes - local property	\$ -	\$ -	\$ -	\$ -	\$ -
Charge for services	65,372	-	-	143,743	-
Intergovernmental	-	1,500	1,123,515	3,747,702	-
Interest income	-	-	-	-	7,823
Other income	-	-	55	-	40,083
<b>Total revenues</b>	<b>65,372</b>	<b>1,500</b>	<b>1,123,570</b>	<b>3,891,446</b>	<b>47,906</b>
<b>EXPENDITURES:</b>					
Education	-	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	-	-	10,639,392	-
Judicial	-	-	1,225,543	-	-
Planning & growth mgmt.	42,975	1,500	-	-	-
Health	-	-	-	-	-
Economic development	-	-	-	-	12,496
Social services	-	-	-	-	-
Legislative	-	-	-	-	-
<b>Total expenditures</b>	<b>42,975</b>	<b>1,500</b>	<b>1,225,543</b>	<b>10,639,392</b>	<b>12,496</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>22,397</b>	<b>-</b>	<b>(101,973)</b>	<b>(6,747,946)</b>	<b>35,411</b>
<b>Other financing sources:</b>					
Transfers in	-	-	101,973	6,154,860	-
Transfers out	-	-	-	-	(152,015)
	-	-	101,973	6,154,860	(152,015)
<b>Net change in fund balance</b>	<b>22,397</b>	<b>-</b>	<b>-</b>	<b>(593,086)</b>	<b>(116,604)</b>
<b>Fund balance - beginning of year</b>	<b>22,101</b>	<b>-</b>	<b>-</b>	<b>4,733,249</b>	<b>871,873</b>
<b>Fund balance - end of year</b>	<b>\$ 44,498</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,140,163</b>	<b>\$ 755,269</b>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE (continued)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2024

	Opioid Restitution Funds	Public Safety Grants	Community Development Grants	Housing Assistance	Housing Special Loans	Sheriff's Special Programs
<b>REVENUES:</b>						
Taxes - local property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charge for services	-	-	-	133,770	-	9,500
Intergovernmental	735,486	1,606,266	816,621	10,991,244	39,185	-
Interest income	27,191	-	-	500	-	-
Other income	-	1,493	-	42,857	-	-
<b>Total revenues</b>	<b>762,677</b>	<b>1,607,758</b>	<b>816,621</b>	<b>11,168,371</b>	<b>39,185</b>	<b>9,500</b>
<b>EXPENDITURES:</b>						
Education	-	-	-	-	-	-
Public safety	-	2,422,335	-	-	-	-
Community services	-	-	816,621	11,300,385	93,803	1,572
Judicial	-	-	-	-	-	-
Planning & growth mgmt.	-	-	-	-	-	-
Health	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Legislative	65,000	-	-	-	-	-
<b>Total expenditures</b>	<b>65,000</b>	<b>2,422,335</b>	<b>816,621</b>	<b>11,300,385</b>	<b>93,803</b>	<b>1,572</b>
Excess (deficiency) of revenues over (under) expenditures	697,677	(814,577)	-	(132,014)	(54,618)	7,928
<b>Other financing sources:</b>						
Transfers in	-	814,577	-	17,568	-	-
Transfers out	-	-	-	-	-	-
	-	814,577	-	17,568	-	-
Net change in fund balance	697,677	-	-	(114,445)	(54,618)	7,928
Fund balance - beginning of year	409,341	-	-	292,736	339,668	111,981
<b>Fund balance - end of year</b>	<b>\$ 1,107,018</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 178,290</b>	<b>\$ 285,049</b>	<b>\$ 119,910</b>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE (continued)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2024

	Community Development	Shelter/ Control	Drug Forfeitures	Agricultural Preservation	Fire and Rescue Funds
<b>REVENUES:</b>					
Taxes - local property	\$ -	\$ -	\$ -	\$ 42,375	15,152,117
Charge for services	- -	163,400	- -	- -	- -
Intergovernmental	74,091	- -	18,461	- -	396,735
Interest income	- -	- -	3,756	- -	188,177
Other income	- -	17,178	76,379	- -	- -
<b>Total revenues</b>	<b>74,091</b>	<b>180,578</b>	<b>98,596</b>	<b>42,375</b>	<b>15,737,029</b>
<b>EXPENDITURES:</b>					
Education	- -	- -	- -	- -	- -
Public safety	- -	191,056	99,393	- -	15,850,680
Community services	74,091	- -	- -	- -	- -
Judicial	- -	- -	- -	- -	- -
Planning & growth mgmt.	- -	- -	- -	8,702	- -
Health	- -	- -	- -	- -	- -
Economic development	- -	- -	- -	- -	- -
Social services	- -	- -	- -	- -	- -
Legislative	- -	- -	24,395	- -	- -
<b>Total expenditures</b>	<b>74,091</b>	<b>191,056</b>	<b>123,788</b>	<b>8,702</b>	<b>15,850,680</b>
Excess (deficiency) of revenues over (under) expenditures	- -	(10,478)	(25,192)	33,673	(113,651)
<b>Other financing sources:</b>					
Transfers in	- -	- -	- -	- -	- -
Transfers out	- -	- -	- -	- -	- -
<b>Net change in fund balance</b>	<b>- -</b>	<b>(10,478)</b>	<b>(25,192)</b>	<b>33,673</b>	<b>(113,651)</b>
<b>Fund balance - beginning of year</b>	<b>- -</b>	<b>259,675</b>	<b>594,840</b>	<b>771,332</b>	<b>384,690</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ 249,197</b>	<b>\$ 569,648</b>	<b>\$ 805,004</b>	<b>\$ 271,039</b>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE (continued)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2024

	Law Library	Tourism Grants	Aging 40 fund	Aging 43 fund	So MD Justice Academy
<b>REVENUES:</b>					
Taxes - local property	\$ -	\$ -	\$ -	\$ -	\$ -
Charge for services	37,774	-	7,126	281,913	-
Intergovernmental	-	41,923	1,260,133	881,239	100,000
Interest income	-	-	-	-	-
Other income	10,032	-	142,074	-	100
<b>Total revenues</b>	<b>47,806</b>	<b>41,923</b>	<b>1,409,334</b>	<b>1,163,152</b>	<b>100,100</b>
<b>EXPENDITURES:</b>					
Education	-	-	-	-	-
Public safety	-	-	-	-	186,037
Community services	-	-	-	-	-
Judicial	69,141	-	-	-	-
Planning & growth mgmt.	-	-	-	-	-
Health	-	-	-	-	-
Economic development	-	41,923	-	-	-
Social services	-	-	1,408,864	1,154,980	-
Legislative	-	-	-	-	-
<b>Total expenditures</b>	<b>69,141</b>	<b>41,923</b>	<b>1,408,864</b>	<b>1,154,980</b>	<b>186,037</b>
Excess (deficiency) of revenues over (under) expenditures	(21,335)	-	469	8,172	(85,937)
<b>Other financing sources:</b>					
Transfers in	31,000	-	-	-	97,040
Transfers out	-	-	-	-	-
	<b>31,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,040</b>
Net change in fund balance	9,665	-	469	8,172	11,103
Fund balance - beginning of year	52,633	-	37,863	52,688	186,760
<b>Fund balance - end of year</b>	<b>\$ 62,297</b>	<b>\$ -</b>	<b>\$ 38,332</b>	<b>\$ 60,861</b>	<b>\$ 197,862</b>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE (continued)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2024

	Human Services	Cable Franchise	Emergency Management	ARPA Grants	Cannabis Reform Act	Total
<b>REVENUES:</b>						
Taxes - local property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,194,491
Charge for services	92,547	2,974,946	-	-	-	3,910,092
Intergovernmental	852,331	-	3,094,906	4,347,171	1,618,336	31,746,844
Interest income	-	-	-	-	12,927	240,375
Other income	-	-	-	1,069,385	-	1,399,635
<b>Total revenues</b>	<b>944,878</b>	<b>2,974,946</b>	<b>3,094,906</b>	<b>5,416,556</b>	<b>1,631,263</b>	<b>52,491,437</b>
<b>EXPENDITURES:</b>						
Education	-	2,974,013	-	-	-	2,974,013
Public safety	-	-	3,176,669	4,346,143	-	26,272,313
Community services	-	-	-	-	-	22,925,863
Judicial	-	-	-	-	-	1,294,685
Planning & growth mgmt.	-	-	-	-	-	53,177
Health	912,625	-	-	-	-	912,625
Economic development	-	-	-	-	-	54,419
Social services	-	-	-	-	-	2,563,844
Legislative	-	-	-	-	-	89,395
<b>Total expenditures</b>	<b>912,625</b>	<b>2,974,013</b>	<b>3,176,669</b>	<b>4,346,143</b>	<b>-</b>	<b>57,140,333</b>
Excess (deficiency) of revenues over (under) expenditures	32,253	934	(81,763)	1,070,413	1,631,263	(4,648,896)
<b>Other financing sources:</b>						
Transfers in	2,567	-	81,763	-	-	7,301,348
Transfers out	-	(317,488)	-	-	-	(469,503)
	2,567	(317,488)	81,763	-	-	6,831,845
Net change in fund balance	34,820	(316,555)	-	1,070,413	1,631,263	2,182,949
Fund balance - beginning of year	226,509	10,863,712	-	-	-	20,211,650
<b>Fund balance - end of year</b>	<b>\$ 261,328</b>	<b>\$ 10,547,158</b>	<b>\$ -</b>	<b>\$ 1,070,413</b>	<b>\$ 1,631,263</b>	<b>\$ 22,394,599</b>

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# Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private enterprises, where the intent is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

## MAJOR FUNDS

(statements are included in the basic financial statement group, pages 44-47)

<b>Water and Sewer Fund-</b>	This fund is used to manage the operations of Charles County's public water and sewer systems, funded by the users of those systems.
<b>Solid Waste Fund-</b>	This fund tracks Charles County's operations of the landfill. The primary source of revenue for this fund is tipping fees.
<b>Stormwater Protection Fund-</b>	This fund is used to implement local stormwater management plans and practices as well as stream and wetland restoration activities.

## NON-MAJOR FUNDS

(presented on the following pages)

<b>Recreation Programs Fund-</b>	This fund is used to manage the operations of recreation programs for the County.
<b>Environmental Services Fund-</b>	This fund is used to manage the operations of environmental recycling services for the County.
<b>Inspections and Review Fund-</b>	This fund is used to manage the operations of inspection and review for the County.
<b>Vending Machines Fund-</b>	This fund is used to manage the operations of vending machines for the County.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF NET POSITION  
 OTHER PROPRIETARY FUNDS  
 JUNE 30, 2024

	Inspections and Review	Recreation Programs	Environmental Services	Vending Machines	Total
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$ -	\$ 330,050	\$ -	\$ 208,113	\$ 538,163
Account receivables	-	92,849	68,839	1,978	163,665
Leases receivable	-	-	-	-	-
Due (to) from other funds	9,355,308	-	3,807,115	54,867	13,217,289
Inventory	-	-	-	-	-
Other current assets	2,987	4,444	-	-	7,431
Total current assets	<u>9,358,295</u>	<u>427,342</u>	<u>3,875,953</u>	<u>264,958</u>	<u>13,926,548</u>
Noncurrent assets:					
Net capital assets	175,711	4,192,129	1,686,905	-	6,054,745
Leases receivable	-	2,758,542	-	-	2,758,542
Total noncurrent assets	<u>175,711</u>	<u>6,950,672</u>	<u>1,686,905</u>	<u>-</u>	<u>8,813,288</u>
Total assets	<u>9,534,006</u>	<u>7,378,014</u>	<u>5,562,858</u>	<u>264,958</u>	<u>22,739,836</u>
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	678,700	102,979	477,224	80	1,258,983
Accrued expenses	93,624	83,336	98,581	-	275,541
Due to other funds	143	1,562,686	25,626	-	1,588,455
Unearned revenue	304	628,350	-	-	628,654
Current portion of long-term debt/liabilities					
Bonds payable	-	-	11,468	-	11,468
Capital asset financing	60,371	-	64,887	-	125,258
Compensated absences	30,929	-	23,441	-	54,369
Notes payable	-	-	-	-	-
Total current liabilities	<u>864,071</u>	<u>2,377,351</u>	<u>701,227</u>	<u>80</u>	<u>3,942,729</u>
Noncurrent liabilities:					
Bonds payable	-	-	108,616	-	108,616
Net bond issue premiums	-	-	-	-	-
Capital asset financing	138,311	-	48,728	-	187,039
Compensated absences	153,042	-	158,428	-	311,470
Notes payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total noncurrent liabilities	<u>291,353</u>	<u>-</u>	<u>315,772</u>	<u>-</u>	<u>607,125</u>
Total liabilities	<u>1,155,424</u>	<u>2,377,351</u>	<u>1,016,999</u>	<u>80</u>	<u>4,549,854</u>
Deferred Inflows of resources					
Charges relatead to leases	-	2,525,177	-	-	2,525,177
Total deferred inflows	<u>-</u>	<u>2,525,177</u>	<u>-</u>	<u>-</u>	<u>2,525,177</u>
<b>NET POSITION:</b>					
Net Investment in capital assets	(22,971)	4,192,129	1,432,065	-	5,601,223
Unrestricted	<u>8,401,554</u>	<u>(1,716,643)</u>	<u>3,113,795</u>	<u>264,878</u>	<u>10,063,583</u>
Total net position	<u>\$ 8,378,582</u>	<u>\$ 2,475,486</u>	<u>\$ 4,545,859</u>	<u>\$ 264,878</u>	<u>\$ 15,664,806</u>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 OTHER PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2024

	Inspections and Review	Recreation Programs	Environmental Services	Vending Machines	Total
<b>Operating revenues:</b>					
Charge for services	\$ 12,178,654	\$ 2,242,667	\$ 8,765,133	\$ 266,796	\$ 23,453,251
Total operating revenue	<u>12,178,654</u>	<u>2,242,667</u>	<u>8,765,133</u>	<u>266,796</u>	<u>23,453,251</u>
<b>Operating expenses:</b>					
Personnel services	2,273,343	1,215,645	2,019,371	-	5,508,360
Utilities	-	-	13,583	-	13,583
Repairs and maintenance	-	2,717	107,067	-	109,784
Insurance costs	7,326	26,679	10,540	-	44,545
Indirect costs	186,200	-	234,150	-	420,350
Supplies	27,009	210,174	235,159	-	472,342
Contract services	6,301,043	466,984	4,626,520	-	11,394,547
Other operating costs	620,111	7,351	759,822	203,490	1,590,774
Depreciation/amortization	137,787	315,227	558,008	-	1,011,022
Total operating expenses	<u>9,552,821</u>	<u>2,244,777</u>	<u>8,564,220</u>	<u>203,490</u>	<u>20,565,307</u>
Operating income (loss)	<u>2,625,833</u>	<u>(2,111)</u>	<u>200,913</u>	<u>63,307</u>	<u>2,887,942</u>
<b>Nonoperating revenues (expenses)</b>					
Interest income	-	-	16,802	-	16,802
Intergovernmental	-	20,949	10,758	-	31,707
Interest expense	(6,579)	-	(6,082)	-	(12,660)
Gain (Loss) on disposal of capital assets	-	-	28,000	-	28,000
Total nonoperating revenue (expenses)	<u>(6,579)</u>	<u>20,949</u>	<u>49,478</u>	<u>-</u>	<u>63,848</u>
Income (loss) before transfers	<u>2,619,254</u>	<u>18,838</u>	<u>250,391</u>	<u>63,307</u>	<u>2,951,791</u>
Transfers in	-	120,075	-	-	120,075
Transfers out	-	-	-	-	-
Capital transfer	-	-	-	-	-
Change in net position	<u>2,619,254</u>	<u>138,913</u>	<u>250,391</u>	<u>63,307</u>	<u>3,071,866</u>
Net position - beginning of year	<u>5,759,328</u>	<u>2,336,572</u>	<u>4,295,468</u>	<u>201,571</u>	<u>12,592,939</u>
Net position - end of year	<u>\$ 8,378,582</u>	<u>\$ 2,475,485</u>	<u>\$ 4,545,859</u>	<u>\$ 264,878</u>	<u>\$ 15,664,805</u>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF CASH FLOWS  
 OTHER PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2024

	Inspections and Review	Recreation Programs	Environmental Services	Vending Machines	Total
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 12,178,654	\$ 2,269,382	\$ 8,765,133	\$ 266,796	\$ 23,479,965
Cash paid to suppliers	(6,926,624)	(741,312)	(5,878,429)	(203,490)	(13,749,855)
Cash paid to employees	(2,232,527)	(1,140,576)	(1,933,403)	-	(5,306,506)
Net cash provided by (used in) operating activities	<u>3,019,503</u>	<u>387,495</u>	<u>953,302</u>	<u>63,307</u>	<u>4,423,604</u>
<b>Cash flows from investing activities:</b>					
Interest received	-	-	16,802	-	16,802
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>16,802</u>	<u>-</u>	<u>16,802</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in (out)	-	120,075	-	-	120,075
Intergovernmental	-	20,949	10,758	-	31,707
Receipts from interfund loans	-	-	-	11,569	11,569
Repayment of interfund loans	(2,863,428)	(487,203)	(367,205)	-	(3,717,836)
Net cash provided by (used in) noncapital financing activities	<u>(2,863,428)</u>	<u>(346,179)</u>	<u>(356,447)</u>	<u>11,569</u>	<u>(3,554,485)</u>
<b>Cash flows from capital and related financing activities:</b>					
Intergovernmental	-	-	-	-	-
Proceeds from issuance of bonds	-	-	-	-	-
Proceeds from new loans	-	-	-	-	-
Principal payments on bonds payable	-	-	(10,944)	-	(10,944)
Principal payments on capital asset financing	(67,644)	-	(70,014)	-	(137,658)
Interest paid	(6,579)	-	(6,082)	-	(12,661)
Proceeds from disposal of assets	-	-	28,000	-	28,000
Cash (paid) received for capital expenses	(81,853)	-	(554,618)	-	(636,471)
Net cash used in capital and related financing activities	<u>(156,076)</u>	<u>-</u>	<u>(613,657)</u>	<u>-</u>	<u>(769,734)</u>
Net increase (decrease) in cash and cash equivalents	-	41,316	-	74,876	116,187
Cash and cash equivalents - beginning of year	-	288,734	-	133,237	421,971
Cash and cash equivalents - end of year	<u>\$ -</u>	<u>\$ 330,050</u>	<u>\$ -</u>	<u>\$ 208,113</u>	<u>\$ 538,159</u>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF CASH FLOWS (continued)  
 OTHER PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2024

	Inspections and Review	Recreation Programs	Environmental Services	Vending Machines	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 2,625,833	\$ (2,111)	\$ 200,913	\$ 63,307	\$ 2,887,942
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation/amortization	137,787	315,227	558,008	-	1,011,022
Increase (decrease) in compensation-related liabilities included in long-term debt	(28,182)	(7,514)	26,102	-	(9,594)
(Increase) decrease in other receivables	-	(47,003)	52,394	-	5,391
(Increase) decrease in leases receivables	-	-	-	-	-
(Increase) decrease in inventories	-	-	-	-	-
(Increase) decrease in other current assets	(2,987)	6,272	-	-	3,285
(Increase) decrease in restricted assets	-	-	-	-	-
(Increase) decrease in deferred bond issue costs	-	-	1,185	-	1,185
Increase (decrease) in accounts payable	218,053	13,326	54,833	-	286,212
Increase (decrease) in accrued expenses	68,998	82,583	59,866	-	211,447
Increase (decrease) in deferred revenue	-	26,715	-	-	26,715
Net cash provided by operating activities	<u>\$ 3,019,502</u>	<u>\$ 387,495</u>	<u>\$ 953,302</u>	<u>\$ 63,307</u>	<u>\$ 4,423,606</u>

SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	Inspections and Review	Recreation Programs	Environmental Services	Vending Machines	Total
Borrowing under capital asset financing	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000

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## Fiduciary & Trust Funds

Fiduciary and Trust Funds are pension and other beneficiary trust funds held by the County for the benefit of County employees.

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2024

	<u>County Pension</u>	<u>Sheriff's Pension</u>	<u>LOSAP Trust Fund</u>	<u>Total Pension Funds</u>	<u>OPEB Trust Fund</u>	<u>Total Fiduciary Funds</u>
<b>ASSETS:</b>						
Current assets:						
Cash and cash equivalents	\$ 6,694,905	\$ 4,450,422	\$ 627,332	\$ 11,772,659	\$ 9,662	\$ 11,782,322
Interest receivable	<u>-</u>	<u>295,855</u>	<u>-</u>	<u>295,855</u>	<u>15,822</u>	<u>311,677</u>
Total current assets	<u>6,694,905</u>	<u>4,746,277</u>	<u>627,332</u>	<u>12,068,514</u>	<u>25,484</u>	<u>12,093,998</u>
Investments:						
Bond mutual funds	<u>-</u>	<u>154,864,239</u>	<u>8,386,902</u>	<u>163,251,141</u>	<u>10,503,719</u>	<u>173,754,860</u>
Equity securities	<u>-</u>	<u>259,125,290</u>	<u>11,584,993</u>	<u>270,710,284</u>	<u>31,862,665</u>	<u>302,572,948</u>
Pooled separate accounts	<u>310,664,739</u>	<u>-</u>	<u>-</u>	<u>310,664,739</u>	<u>-</u>	<u>310,664,739</u>
Total investments	<u>310,664,739</u>	<u>413,989,529</u>	<u>19,971,895</u>	<u>744,626,163</u>	<u>42,366,383</u>	<u>786,992,546</u>
Total assets	317,359,644	418,735,806	20,599,227	756,694,677	42,391,867	799,086,544
<b>LIABILITIES:</b>						
Accrued expenses	<u>-</u>	<u>28,994</u>	<u>-</u>	<u>28,994</u>	<u>3,581</u>	<u>32,575</u>
<b>NET POSITION RESTRICTED FOR PENSIONS AND OPEB BENEFITS</b>						
	<u>\$ 317,359,644</u>	<u>\$ 418,706,812</u>	<u>\$ 20,599,227</u>	<u>\$ 756,665,683</u>	<u>\$ 42,388,286</u>	<u>\$ 799,053,969</u>

THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 YEAR ENDED JUNE 30, 2024

	<u>County Pension</u>	<u>Sheriff's Pension</u>	<u>LOSAP Trust Fund</u>	<u>Total Pension Funds</u>	<u>OPEB Trust Fund</u>	<u>Total Fiduciary Funds</u>
<b>ADDITIONS:</b>						
Contributions:						
Employer contributions	\$ 5,822,125	\$ 16,580,335	\$ 944,612	\$ 23,347,072	\$ 6,779,600	\$ 30,126,672
Employee contributions	3,726,145	3,845,585	-	7,571,730	-	7,571,730
Total contributions	9,548,270	20,425,920	944,612	30,918,802	6,779,600	37,698,402
Investment earnings:						
Interest, Dividends, Gains	8,420,567	26,213,012	584,098	35,217,676	1,085,956	36,303,633
Net change in fair value of investment:	26,725,172	23,886,301	1,440,091	52,051,564	3,774,842	55,826,405
Total investment earnings	35,145,738	50,099,313	2,024,188	87,269,240	4,860,798	92,130,038
Less investment expenses	(1,708,134)	(1,714,699)	(60,697)	(3,483,530)	(20,524)	(3,504,054)
Net investment earnings	33,437,604	48,384,614	1,963,491	83,785,710	4,840,274	88,625,984
Total additions	42,985,874	68,810,534	2,908,103	114,704,512	11,619,874	126,324,386
<b>DEDUCTIONS:</b>						
Benefits paid to members	12,219,483	20,598,472	1,157,179	33,975,134	-	33,975,134
Administrative costs	12,431	16,147	21,124	49,702	1,247	50,948
Total deductions	12,231,914	20,614,619	1,178,303	34,024,836	1,247	34,026,082
Changes in net position	30,753,960	48,195,915	1,729,801	80,679,676	11,618,627	92,298,303
Net position - beginning of year	286,605,684	370,510,897	18,869,426	675,986,007	30,769,659	706,755,666
Net position - end of year	\$ 317,359,644	\$ 418,706,812	\$ 20,599,227	\$ 756,665,683	\$ 42,388,286	\$ 799,053,969

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# Statistical Section

This part of the County's annual comprehensive financial report contains selected financial and socio-demographic information, generally presented on multi-year basis to best illustrate other factors when looking at the County.

## Financial Trends

Tables 1 through 4 contain trend information that assists the reader in assessing the County's current financial performance by placing it in historical perspective.

## Revenue Capacity

Tables 5 through 8 contain information that assists the reader in assessing the viability of the County's most significant local revenue source, property taxes.

## Debt Capacity

Tables 9 through 12 present information that assists the reader in analyzing the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

## Demographic & Economic Indicators

Tables 13 and 14 offer information that assists the reader in understanding the environment within which the County's financial activities take place.

## Operating information

Tables 15 through 17 contain service and infrastructure indicators that help the reader understand how the information in the County's financial statements relate to the services and activities it performs.

Source: Unless otherwise noted, the information in these tables is derived from the annual reports for the relevant year

Net Position by Component

Charles County, Maryland

Table 1

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Governmental activities</b>					
Net Investment in capital assets	\$ 347,192,029	\$ 362,533,718	\$ 345,033,818	\$ 318,039,248	\$ 324,753,199
Restricted	51,199,624	67,034,990	69,514,892	78,631,995	102,747,093
Unrestricted	(168,350,468)	(167,864,680)	(175,847,690)	(268,729,030)	(283,668,065)
<b>Total governmental activities net position</b>	<b>\$ 230,041,185</b>	<b>\$ 261,704,028</b>	<b>\$ 238,701,019</b>	<b>\$ 127,942,214</b>	<b>\$ 143,832,227</b>
<b>Business-type activities</b>					
Net Investment in capital assets	\$ 119,751,507	\$ 138,115,848	\$ 143,705,045	137,136,931	158,893,106
Restricted	3,625,297	3,237,653	4,178,772	4,444,560	4,965,771
Unrestricted	37,460,289	30,267,199	42,374,220	72,844,549	59,389,665
<b>Total business-type activities net position</b>	<b>\$ 160,837,093</b>	<b>\$ 171,620,700</b>	<b>\$ 190,258,037</b>	<b>\$ 214,426,040</b>	<b>\$ 223,248,543</b>
<b>Primary government</b>					
Net Investment in capital assets	\$ 478,045,954	\$ 500,649,566	\$ 488,738,863	\$ 455,176,179	\$ 483,646,305
Restricted	51,199,624	70,272,643	73,693,664	83,076,555	107,712,864
Unrestricted	(138,367,300)	(137,597,481)	(133,473,470)	(195,884,481)	(224,278,400)
<b>Total primary government activities net position</b>	<b>\$ 390,878,278</b>	<b>\$ 433,324,728</b>	<b>\$ 428,959,057</b>	<b>\$ 342,368,255</b>	<b>\$ 367,080,770</b>

Net Position by Component

Charles County, Maryland

Table 1

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year									
2020		2021		2022		2023		2024	
\$ 334,431,291		\$ 232,812,038		\$ 228,057,036		\$ 239,633,200		\$ 236,429,465	
110,655,838		34,988,167		20,118,030		21,126,618		22,187,714	
(278,704,704)		(38,298,551)		62,287,214		90,067,926		123,478,421	
<b>\$ 166,382,424</b>		<b>\$ 229,501,652</b>		<b>\$ 310,462,280</b>		<b>\$ 350,827,744</b>		<b>\$ 382,095,600</b>	
Governmental activities									
Net Investment in capital assets									
Restricted									
Unrestricted									
Total governmental activities net position									
Business-type activities									
Net Investment in capital assets									
Restricted									
Unrestricted									
Total business-type activities net position									
Primary government									
Net Investment in capital assets									
Restricted									
Unrestricted									
Total primary government activities net position									

Changes in Net Position

Charles County, Maryland  
Table 2  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Expenses</b>					
Governmental activities:					
Legislative	\$ 1,591,134	\$ 1,691,498	\$ 1,704,530	\$ 1,929,714	\$ 2,242,349
Judicial	6,370,123	6,567,844	6,938,558	6,431,506	6,746,598
Law	1,150,014	952,254	894,539	1,119,063	1,226,703
General government	17,066,637	17,912,929	19,547,216	31,782,557	17,505,012
Elections	1,024,458	1,171,314	1,288,076	1,271,850	1,471,693
Public safety	103,043,579	106,250,693	120,941,630	116,587,255	110,186,536
Planning and growth management	4,973,410	4,026,177	3,514,652	3,898,053	3,642,489
Health	3,130,059	3,415,892	4,299,942	4,498,635	4,334,663
Social services	2,007,057	1,959,157	2,267,949	2,632,030	2,773,565
Community services	21,025,812	19,181,570	20,693,915	20,746,628	20,321,188
Recreation, Parks & Tourism	-	-	7,667,205	9,249,954	9,018,148
Public facilities	28,045,011	47,516,445	70,661,386	52,346,628	59,973,618
Economic development	8,905,067	1,572,945	1,957,525	1,924,597	1,872,196
Education	181,938,370	185,562,444	186,840,966	207,443,543	205,826,302
Conservation of natural resources	637,079	646,436	650,295	666,831	655,702
Interest expense on long term debt	10,414,044	10,506,320	9,915,666	10,013,041	10,947,520
Total governmental activities	<u>\$ 391,321,854</u>	<u>408,933,918</u>	<u>459,784,049</u>	<u>472,541,886</u>	<u>458,744,280</u>
Business-type activities:					
Water and sewer	29,908,251	31,740,597	35,515,466	36,772,401	40,615,655
Inspection and review	3,437,782	3,540,445	3,875,427	3,959,878	3,744,994
County parks	-	-	-	-	-
Recreation	3,666,849	2,752,848	3,135,252	2,936,434	3,238,081
Solid waste	4,172,509	3,916,243	4,854,293	4,289,956	4,779,846
Environmental services	4,199,268	4,560,865	4,813,704	5,216,415	5,251,518
SW-Watershed Protection	1,620,185	1,956,248	2,053,754	3,377,112	3,650,454
Vending machines	133,993	107,085	167,146	106,784	165,381
Total business-type activities	<u>47,138,837</u>	<u>48,574,331</u>	<u>54,415,042</u>	<u>56,658,980</u>	<u>61,445,928</u>
Total primary government expenses	<u>\$ 438,460,691</u>	<u>\$ 457,508,249</u>	<u>\$ 514,199,091</u>	<u>\$ 529,200,866</u>	<u>\$ 520,190,208</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services					
Judicial	\$ 94,845	\$ -	\$ -	\$ -	\$ -
Law	-	-	48,105	30,868	24,116
Legislative	-	-	68,314	17,264	17,264
General government	1,963,170	5,956,531	5,875,101	6,326,860	6,356,821
Elections	-	-	-	-	-
Public safety	4,269,225	4,067,307	3,930,289	4,028,785	4,076,982
Planning and growth management	3,031,874	7,847,985	3,880,674	6,114,965	2,357,346
Health	116,274	64,109	60,573	63,663	61,435
Community services	2,824,839	1,775,673	1,900,772	1,260,237	1,106,310
Recreation, Parks & Tourism	-	-	1,082,031	984,734	1,043,560
Public facilities	671,589	887,612	514,099	517,440	516,797
Education	3,260,599	-	-	-	-
Conservation of natural resources	-	-	-	-	-
Operating grants and contributions	30,284,579	32,236,242	24,060,252	21,067,341	21,743,759
Capital grants and contributions	2,964,335	1,305,271	-	4,172,599	5,487,041
Total governmental activities program revenues	<u>49,481,329</u>	<u>54,140,730</u>	<u>41,420,209</u>	<u>44,584,756</u>	<u>42,791,431</u>
Business-type activities:					
Charges for services					
Water and sewer	34,245,914	36,575,372	36,673,156	38,987,728	39,764,793
Solid waste management	5,974,573	6,753,142	7,704,446	7,685,910	8,532,418
Environmental services	4,090,322	4,491,840	5,241,286	5,492,554	5,531,655
Other activities	10,326,766	8,976,303	8,930,400	9,572,580	9,520,970
Operating grants and contributions	1,020,251	990,409	1,063,185	811,115	987,062
Capital grants and contributions	12,040,000	105,256	-	259,493	236,215
Total business-type activities program revenues	<u>67,697,826</u>	<u>57,892,323</u>	<u>59,612,473</u>	<u>62,809,381</u>	<u>64,573,113</u>
Total primary government program revenues	<u>\$ 117,179,155</u>	<u>\$ 112,033,053</u>	<u>\$ 101,032,682</u>	<u>\$ 107,394,136</u>	<u>\$ 107,364,544</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (341,840,525)	\$ (354,793,188)	\$ (418,363,841)	\$ (427,957,130)	\$ (415,952,849)
Business-type activities	20,558,989	9,317,992	5,197,431	6,150,401	3,127,185
Total primary government net expense	<u>\$ (321,281,536)</u>	<u>\$ (345,475,196)</u>	<u>\$ (413,166,409)</u>	<u>\$ (421,806,729)</u>	<u>\$ (412,825,664)</u>

Continued

Changes in Net Position

Charles County, Maryland

Table 2

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year						
	2020	2021	2022	2023	2024	
<b>Expenses</b>						
						Governmental activities:
\$	2,302,871	\$ 2,464,972	\$ 2,710,773	\$ 2,868,925	\$ 3,388,359	Legislative
	7,140,734	7,176,634	7,861,408	9,922,544	10,796,848	Judicial
	1,340,894	1,132,128	1,068,116	2,025,350	2,246,736	Law
	26,656,034	25,801,245	12,315,675	13,591,943	23,497,372	General government
	1,356,061	1,793,404	2,390,444	2,666,440	2,531,775	Elections
	102,493,502	119,896,291	153,067,034	159,853,256	181,279,270	Public safety
	4,626,830	6,815,630	6,986,371	7,882,891	6,812,757	Planning and growth management
	9,207,175	14,029,149	4,594,238	5,745,772	5,368,096	Health
	2,893,192	2,969,712	3,194,220	3,774,689	4,122,783	Social services
	20,764,433	20,187,730	28,713,564	24,652,336	25,627,257	Community services
	8,628,385	8,798,570	13,113,565	14,253,388	12,168,387	Recreation, Parks & Tourism
	64,491,345	31,562,357	59,910,525	33,609,893	34,199,539	Public facilities
	2,013,746	1,765,207	2,284,697	2,617,868	2,373,750	Economic development
	216,919,201	231,260,845	223,371,287	234,782,529	260,519,011	Education
	709,492	700,221	687,382	762,851	874,857	Conservation of natural resources
	11,533,610	11,004,423	10,856,576	10,710,614	10,583,746	Interest expense on long term debt
	483,077,505	487,358,520	533,125,875	529,721,289	586,390,542	Total governmental activities
						Business-type activities:
	40,995,812	41,108,315	47,543,987	51,448,962	51,620,581	Water and sewer
	4,781,005	4,811,668	5,743,463	6,667,335	9,559,399	Inspection and review
						County parks
	2,938,222	1,576,652	1,889,338	2,058,725	2,244,777	Recreation
	6,281,897	7,509,119	7,641,486	8,401,178	7,896,091	Solid waste
	6,340,433	6,566,597	6,849,953	7,788,693	8,570,302	Environmental services
	3,994,163	5,147,574	5,743,031	6,460,204	6,557,789	SW-Watershed Protection
	150,249	67,193	139,306	207,341	203,490	Vending machines
	65,481,781	66,787,117	75,550,563	83,032,438	86,652,428	Total business-type activities
	\$ 548,559,287	\$ 554,145,638	\$ 608,676,438	\$ 612,753,727	\$ 673,042,970	Total primary government expenses
<b>Program revenues</b>						
						Governmental activities:
						Charges for services
\$		\$	\$	\$	\$	
	39,342	31,015	62,630	17,563	37,774	Judicial
	17,264	-	-	-	-	Law
	6,424,328	6,679,364	7,108,189	6,221,118	8,949,718	Legislative
	-	-	-	-	-	General government
	4,598,777	4,381,090	4,967,747	5,229,338	6,333,052	Elections
	1,565,641	6,037,125	6,018,348	3,619,166	1,061,155	Public safety
	66,683	56,253	74,046	-	87,813	Planning and growth management
	830,766	295,625	389,382	891,120	515,356	Health
	916,177	1,017,442	1,292,376	1,155,064	525,185	Community services
	467,917	448,151	490,284	1,616,860	618,719	Recreation, Parks & Tourism
	-	-	-	70,518	-	Public facilities
	-	-	-	-	-	Education
	-	-	-	-	-	Conservation of natural resources
	25,389,682	34,546,492	40,334,311	45,051,195	36,769,436	Operating grants and contributions
	3,708,799	5,273,078	4,536,100	6,127,160	3,439,146	Capital grants and contributions
	44,025,375	58,765,635	65,273,413	70,005,245	58,337,355	Total governmental activities program revenues
						Business-type activities:
						Charges for services
	45,358,728	48,916,015	59,856,354	65,395,670	71,080,993	Water and sewer
	8,093,331	9,312,619	10,973,462	11,166,629	11,216,584	Solid waste management
	6,467,163	6,871,901	7,331,001	8,039,902	8,793,133	Environmental services
	10,400,434	11,004,310	14,364,761	17,426,639	22,289,489	Other activities
	1,215,927	1,175,455	1,279,036	1,368,123	4,463,735	Operating grants and contributions
	72,800	-	-	-	-	Capital grants and contributions
	71,608,382	77,280,301	93,804,613	103,396,963	117,843,934	Total business-type activities program revenue
	\$ 115,633,757	\$ 136,045,936	\$ 159,078,025	\$ 173,402,207	\$ 176,181,289	Total primary government program revenues
<b>Net (eNet) (expense)/revenue</b>						
	\$ (439,052,131)	\$ (428,592,885)	\$ (467,852,463)	\$ (459,716,044)	\$ (528,053,186)	Governmental activities
	6,126,598	10,493,182	18,254,047	20,364,523	31,191,505	Business-type activities
	\$ (432,925,531)	\$ (418,099,701)	\$ (449,598,414)	\$ (439,351,519)	\$ (496,861,681)	Total primary government net expense

Changes in Net Position

Charles County, Maryland

Table 2

Last Ten Fiscal Years  
(accrual basis of accounting)

Continued

	Fiscal Year				
	2015	2016	2017	2018	2019
<b><u>General revenues and other changes in net position</u></b>					
Governmental activities:					
Taxes					
Local property taxes	\$ 216,073,564	\$ 223,238,990	\$ 234,670,748	\$ 241,773,420	\$ 250,102,797
Other local	30,960,062	33,987,630	33,346,032	37,032,780	34,847,873
Income taxes	115,479,944	126,886,692	118,080,824	131,633,096	143,716,459
State highway user taxes	931,891	-	952,802	973,650	1,017,386
Other income	12,303,303	7,400,378	5,900,261	5,610,431	5,303,292
Interest and investment earnings	2,531,265	2,505,628	3,152,433	4,423,854	8,479,063
Unrestricted grants and contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	(464,468)	(879,136)	(742,266)	(542,914)	(1,388,437)
Extraordinary loss tornado, net of inc rec'd	-	-	-	-	-
Total governmental activities	<u>377,815,561</u>	<u>393,140,182</u>	<u>395,360,832</u>	<u>420,904,317</u>	<u>442,078,433</u>
Business-type activities:					
Other income	464,358	501,903	12,571,257	1,234,227	3,742,442
Interest and investment earnings	59,994	84,574	126,385	262,555	564,440
Miscellaneous	-	-	-	-	-
Transfers	464,468	879,136	742,266	542,914	1,388,437
Total business-type activities	<u>988,820</u>	<u>1,465,613</u>	<u>13,439,908</u>	<u>2,039,696</u>	<u>5,695,319</u>
Total primary government	<u>\$ 378,804,381</u>	<u>\$ 394,605,795</u>	<u>\$ 408,800,740</u>	<u>\$ 422,944,013</u>	<u>\$ 447,773,752</u>
<b><u>Change in net position</u></b>					
Governmental activities	\$ 35,975,036	\$ 38,346,994	\$ (23,003,009)	\$ (7,052,813)	\$ 26,125,584
Net Restatement	(63,014,064)	-	-	-	-
Business-type activities	21,547,809	10,783,605	18,637,339	8,190,096	8,822,504
Total primary government	<u>\$ (5,491,219)</u>	<u>\$ 49,130,599</u>	<u>\$ (4,365,670)</u>	<u>\$ 1,137,283</u>	<u>\$ 34,948,088</u>

Charles County, Maryland  
 Table 2  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Continued

Fiscal Year									
2020		2021		2022		2023		2024	
\$ 255,488,455	\$ 268,024,019	\$ 283,238,317	\$ 278,178,940	\$ 296,523,018					
38,485,017	42,796,699	66,474,525	41,448,321	43,262,029					
154,403,594	170,011,765	189,376,845	162,384,289	183,413,670					
2,066,341	-	-	-	-					
5,790,819	9,915,706	8,513,914	13,454,809	11,066,720					
6,865,200	2,335,788	1,943,179	14,891,943	25,175,677					
-	-	-	-	-					
(1,497,098)	(1,371,865)	(733,689)	(10,276,794)	(120,075)					
<u>461,602,327</u>	<u>491,712,113</u>	<u>548,813,090</u>	<u>500,081,508</u>	<u>559,321,040</u>					
-	-	-	-	-					
527,240	162,198	289,239	1,157,980	1,992,652					
-	-	-	-	-					
1,497,098	1,371,865	733,689	10,276,794	120,075					
<u>2,024,338</u>	<u>1,534,063</u>	<u>1,022,928</u>	<u>11,434,774</u>	<u>2,112,727</u>					
<u>\$ 463,626,666</u>	<u>\$ 493,246,177</u>	<u>\$ 549,836,019</u>	<u>\$ 511,516,283</u>	<u>\$ 561,433,767</u>					
\$ 22,550,197	\$ 63,119,228	\$ 80,960,627	\$ 40,365,464	\$ 31,267,854					
-	-	-	-	-					
8,150,936	12,027,245	19,276,973	31,799,300	33,304,232					
<u>\$ 30,701,132</u>	<u>\$ 75,146,473</u>	<u>\$ 100,237,601</u>	<u>\$ 72,164,764</u>	<u>\$ 64,572,086</u>					

General revenues and other changes in net position

Governmental activities:

Taxes

Local property taxes  
 Other local  
 Income taxes  
 State highway user taxes  
 Other income  
 Interest and investment earnings  
 Unrestricted grants and contributions  
 Miscellaneous  
 Transfers  
 Extraordinary loss tornado, net of income rec

Total governmental activities

Business-type activities:

Other income  
 Interest and investment earnings  
 Miscellaneous  
 Transfers

Total business-type activities

Total primary government

Change in net position

Governmental activities

Net Restatement

Business-type activities

Total primary government

Fund Balances of Governmental Funds

Charles County, Maryland

Table 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>General fund</b>					
Nonspendable fund balance	\$ 2,156,136	\$ 4,365,445	\$ 2,612,616	\$ 2,222,832	\$ 1,835,020
Restricted fund balance	5,301,900	5,256,573	1,571,097	2,077,132	96,114
Committed fund balance	38,288,776	55,610,042	63,196,702	75,024,127	92,542,994
Assigned fund balance	3,482,661	4,020,616	5,713,044	6,637,351	6,516,854
Unassigned fund balance	1,022,395	-	4,772,156	6,962,553	7,859,944
<b>Total general fund</b>	<b>\$ 50,251,868</b>	<b>\$ 69,252,676</b>	<b>\$ 77,865,614</b>	<b>\$ 92,923,995</b>	<b>\$ 108,850,925</b>
<b>All other governmental funds</b>					
<b>Capital projects</b>					
Nonspendable fund balance	-	-	-	-	-
Restricted fund balance	\$ 13,850,238	\$ 6,700,412	\$ 6,204,653	\$ 2,120,162	\$ 10,540,990
Committed fund balance	-	25,767,947	29,334,330	35,033,087	35,484,683
Assigned fund balance	-	2,831,713	2,861,521	4,794,059	12,636,228
Unassigned fund balance	(427,643)	-	-	-	-
<b>Debt service</b>					
Nonspendable fund balance	36,649,518	28,689,051	24,333,551	-	15,073,885
Restricted fund balance	-	-	-	19,695,091	647,125
Committed fund balance	-	-	-	-	-
Assigned fund balance	-	597,237	2,513,082	7,390,087	9,742,256
Unassigned fund balance	(471,532)	-	-	-	-
<b>Other Governmental</b>					
Nonspendable fund balance	-	-	-	-	-
Restricted fund balance	2,412,224	2,644,330	3,800,507	3,381,544	20,354,498
Committed fund balance	-	-	-	-	-
Assigned fund balance	4,178,176	6,304,712	6,672,514	8,338,128	8,808,418
Unassigned fund balance	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 56,190,981</b>	<b>\$ 73,535,402</b>	<b>\$ 75,720,157</b>	<b>\$ 80,752,158</b>	<b>\$ 113,288,083</b>

Fund Balances of Governmental Funds

Charles County, Maryland

Table 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year							
2020		2021		2022		2023	
\$ 2,508,902	\$ 2,724,503	\$ 2,485,410	\$ 5,610,370	\$ 5,672,379			General fund
110,670	125,131	139,469	158,841	180,904			Nonspendable fund balance
107,865,627	138,751,719	185,677,785	175,450,234	178,020,972			Restricted fund balance
8,017,227	8,654,804	9,558,227	10,240,398	10,889,338			Committed fund balance
1,592,158	2,309,099	3,675,406	4,068,193	4,180,084			Assigned fund balance
<u>\$ 120,094,585</u>	<u>\$ 152,565,256</u>	<u>\$ 201,536,297</u>	<u>\$ 195,528,036</u>	<u>\$ 198,943,676</u>			Unassigned fund balance
							Total general fund
							All other governmental funds
							Capital projects
\$ 13,064,398	\$ 6,107,831	\$ 18,302,845	\$ 10,612,825	\$ 7,827,530			Nonspendable fund balance
33,909,616	31,964,160	43,052,490	49,691,914	51,849,321			Restricted fund balance
21,482,371	19,856,593	23,860,786	43,827,725	45,655,577			Committed fund balance
-	-	-	-	-			Assigned fund balance
12,220,897	1,883,754	1,692,000	7,263,427	4,902,275			Unassigned fund balance
-	-	-	-	-			Debt service
11,977,223	20,847,236	19,346,617	13,515,713	15,889,724			Nonspendable fund balance
-	-	-	-	-			Restricted fund balance
25,242,457	29,687,913	14,013,324	14,316,324	17,230,514			Committed fund balance
-	-	-	174,900	107,000			Assigned fund balance
5,823,273	10,194,598	6,036,106	5,720,425	5,057,085			Unassigned fund balance
<u>\$ 123,720,235</u>	<u>\$ 120,542,086</u>	<u>\$ 126,304,168</u>	<u>\$ 145,123,253</u>	<u>\$ 148,519,026</u>			Total all other governmental funds

Changes in Fund Balances of Governmental Funds

Charles County, Maryland

Table 4

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Revenues</b>					
Taxes:					
Local property	\$ 211,791,533	\$ 219,110,622	\$ 222,772,838	\$ 230,447,289	\$ 239,338,210
Income	109,709,956	123,429,876	119,349,494	124,654,098	136,665,163
Other local	30,960,062	33,025,233	33,346,032	37,038,419	34,887,063
State shared	931,891	962,397	952,802	973,650	1,017,386
Charges for services	16,232,415	20,599,217	17,359,957	19,344,815	15,560,632
Intergovernmental	33,248,914	33,541,513	24,060,252	25,239,941	27,230,800
Interest income	2,531,265	2,505,628	3,152,433	4,423,854	8,479,063
Other income	12,303,303	7,400,377	5,900,260	5,610,431	5,303,292
Total revenues	417,709,339	440,574,863	426,894,066	447,732,497	468,481,609
<b>Expenditures</b>					
Education	192,397,107	196,273,015	196,689,241	222,423,055	216,182,784
Public safety	103,994,700	108,328,753	109,642,022	116,276,377	121,054,866
Other general government	23,391,485	31,082,318	25,153,331	24,653,635	29,292,027
Public facilities	28,737,956	23,877,006	26,698,499	28,326,834	25,681,616
Financial administration	8,838,756	9,235,420	9,616,305	10,344,746	10,580,720
Community services	21,761,226	19,885,283	20,159,645	20,081,078	20,496,493
Recreation, Parks & Tourism			7,822,957	9,419,003	9,145,108
Judicial	6,475,100	6,639,733	7,014,417	6,360,387	6,727,282
Planning and growth management	4,973,410	4,028,641	4,317,582	4,761,182	3,940,891
Health services	4,322,514	4,482,033	5,186,537	5,446,454	5,319,197
Economic development	8,896,249	1,572,945	1,957,525	1,924,597	1,870,182
Social services	2,007,057	1,959,157	2,267,949	2,632,030	2,773,565
Legislative	1,570,445	1,626,209	1,690,457	1,908,831	2,193,784
Law	1,150,014	952,254	894,539	1,119,063	1,235,056
Conservation of natural resources	637,079	646,436	650,295	666,831	657,855
Elections	1,028,910	1,171,314	1,288,076	1,269,380	1,471,085
Debt service:					
Principal	17,851,976	11,527,876	10,026,845	8,906,999	10,602,076
Interest	10,318,581	10,184,584	10,039,960	10,086,578	10,899,707
Total expenditures	438,352,565	433,472,976	441,116,181	476,607,061	480,124,292
Excess (deficiency) of revenues over (under) expenditures	(20,643,227)	7,101,887	(14,222,116)	(28,874,565)	(11,642,683)
<b>Other financing sources (uses):</b>					
GASB 87 Leases issued	-	-	-	-	-
GASB 96 SBITA issued	-	-	-	-	-
Issuance of debt-cap asset financing	-	-	-	-	-
Issuance of debt-bonds	33,239,500	34,079,100	23,287,500	47,033,285	41,418,800
Premium on issuance of debt	6,739,644	2,727,531	2,474,574	8,190,150	4,441,258
Bond Proceeds from debt refunding	26,597,764	-	-	-	-
Defeased Bonds	(29,712,075)	-	-	-	-
Transfers in	10,770,318	5,993,407	6,980,910	7,753,622	11,505,042
Transfers out	(11,234,786)	(6,872,543)	(7,723,177)	(8,296,535)	(12,893,479)
Total other financing sources	36,400,366	35,927,496	25,019,809	54,680,522	44,471,622
Extraordinary loss from natural disasters, net of income	-	-	-	-	-
Net change in fund balances	\$ 15,757,139	\$ 43,029,383	\$ 10,797,693	\$ 25,805,957	\$ 32,828,937
Debt service as a percentage of noncapital expenditures	7.110%	5.006%	4.691%	4.190%	4.566%

Changes in Fund Balances of Governmental Funds  
 Charles County, Maryland  
 Table 4  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Fiscal Year										
	2020		2021		2022		2023		2024	
<u>Revenues</u>										
Taxes:										
\$	244,075,920	\$	257,879,510	\$	262,539,537	\$	269,138,716	\$	283,076,280	
139,535,615		159,808,519		171,197,766		165,720,600		173,607,605	Local property	
38,572,833		42,872,626		66,474,525		41,448,321		43,262,029	Income	
2,066,341		-		-		-		-	Other local	
14,926,894		18,946,065		20,403,001		18,826,889		18,128,773	State shared	
29,098,481		39,819,570		44,870,411		51,178,354		40,208,582	Charges for services	
6,865,201		2,335,789		1,943,179		14,891,943		25,175,677	Intergovernmental	
5,790,819		9,915,707		11,316,878		16,257,773		11,158,800	Interest income	
<u>480,932,104</u>		<u>531,577,787</u>		<u>578,745,297</u>		<u>577,462,597</u>		<u>594,617,746</u>	Other income	
Total revenues										
<u>Expenditures</u>										
Education										
229,251,472		244,696,548		237,800,198		251,318,540		275,680,295	Public safety	
124,939,143		143,501,533		167,909,505		157,774,465		175,959,378	Other general government	
28,976,295		34,824,985		34,977,962		12,709,368		15,262,360	Public facilities	
25,381,518		21,853,847		24,777,760		26,087,290		25,382,612	Financial administration	
10,986,986		12,118,803		14,594,460		18,737,679		16,916,672	Community services	
20,135,918		19,527,814		28,824,780		24,637,744		25,577,791	Recreation, Parks & Tourism	
8,700,620		8,770,046		13,422,721		14,021,304		12,507,834	Judicial	
7,036,491		7,006,128		7,765,262		10,331,113		10,545,088	Planning and growth management	
5,193,180		6,706,205		6,606,988		7,490,130		6,446,519	Health services	
9,048,939		14,367,322		4,309,983		5,587,536		5,209,860	Economic development	
1,999,155		1,753,428		2,387,082		2,731,112		2,384,120	Social services	
2,893,192		2,969,712		3,194,220		3,774,689		4,122,783	Legislative	
2,237,486		2,353,171		2,611,742		2,682,260		3,137,215	Law	
1,346,594		1,100,283		1,058,320		2,002,772		2,229,196	Conservation of natural resources	
703,904		706,528		680,759		762,694		885,371	Elections	
1,355,802		1,793,145		2,390,185		2,674,662		2,300,773	Debt service:	
10,257,488		10,474,059		10,719,447		33,947,519		31,590,420	Principal	
<u>11,581,681</u>		<u>11,217,828</u>		<u>10,994,752</u>		<u>10,810,846</u>		<u>10,569,336</u>	Interest	
<u>502,025,865</u>		<u>545,741,385</u>		<u>575,026,125</u>		<u>588,081,721</u>		<u>626,707,625</u>	Total expenditures	
Excess (deficiency) of revenues over (under) expenditures										
Other financing sources (uses):										
-		-		1,923,042		426,168		1,429,169	GASB 87 Leases issued	
-		-		-		5,557,006		1,316,096	GASB 96 SBITA issued	
-		-		2,255,888		2,579,200		2,361,800	Issuance of debt-cap asset financing	
37,582,000		40,724,995		41,000,000		23,100,000		30,700,000	Issuance of debt-bonds	
6,684,673		5,299,123		6,568,706		2,044,370		3,214,303	Premium on issuance of debt	
-		20,438,213		-		-		-	Bond Proceeds from debt refunding	
-		(21,634,343)		-		-		-	Defeased Bonds	
12,111,702		11,389,243		13,347,880		27,357,614		26,718,963	Transfers in	
(13,608,800)		(12,761,109)		(14,081,569)		(37,634,408)		(26,839,038)	Transfers out	
<u>42,769,576</u>		<u>43,456,124</u>		<u>51,013,948</u>		<u>23,429,951</u>		<u>38,901,293</u>	Total other financing sources	
Extraordinary loss from natural disasters, net of income										
Net change in fund balances										
\$	<u>21,675,814</u>	\$	<u>29,292,525</u>	\$	<u>54,733,121</u>	\$	<u>12,810,825</u>	\$	<u>6,811,413</u>	Debt service as a percentage of noncapita expenditures
	4.456%		4.277%		3.992%		8.133%		7.159%	

Assessed Value and Estimated Actual Value of Taxable Property

Charles County, Maryland

Table 5

Last Ten Fiscal Years

Fiscal Year Ending June 30	Real Property		Business Personal Property	Railroads & Public Utilities	Ordinary Business Corporations
	Full Year	1/4, 1/2, 3/4 Yr.			
2015	15,406,621,549	210,168,374	7,504,070	304,401,370	621,082,550
2016	15,692,752,105	169,790,559	9,183,690	317,477,720	645,642,220
2017	16,258,683,269	191,816,634	9,541,520	313,993,400	221,587,700 1
2018	16,800,788,225	191,280,438	9,750,090	329,489,630	220,855,150 1
2019	17,424,002,372	163,026,797	9,664,600	334,601,020	247,061,400 1
2020	18,105,807,509	175,819,336	9,091,840	332,771,760	232,315,530 1
2021	18,756,740,379	203,135,128	8,330,760	392,121,410	237,161,180 1
2022	19,421,428,630	271,832,216	18,758,880	411,354,500	245,947,150 1
2023	20,606,739,985	231,204,980	15,774,970	429,537,130	250,401,030 1
2024	22,029,815,168	257,097,419	5,373,270	388,985,424	199,999,920 1

Source: Maryland State Department of Assessments and Taxation/Charles County Treasurer's Office

<sup>1</sup> Total assessed value excludes the County Payment in Lieu of Tax (PILOT) agreements.

**Assessed Value and Estimated Actual Value of Taxable Property**

Charles County, Maryland  
Table 5  
Last Ten Fiscal Years

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Fiscal Year Ending June 30
16,549,777,913	1.14	16,549,777,913	100.00%	2015
16,834,846,294	1.14	16,834,846,294	100.00%	2016
16,995,622,523	1.14	16,995,622,523	100.00%	2017
17,552,163,533	1.14	17,552,163,533	100.00%	2018
18,178,356,189	1.14	18,178,356,189	100.00%	2019
18,855,805,975	1.14	18,855,805,975	100.00%	2020
19,597,488,857	1.14	19,597,488,857	100.00%	2021
20,369,321,376	1.14	20,369,321,376	100.00%	2022
21,533,658,095	1.14	21,533,658,095	100.00%	2023
22,881,271,201	1.14	22,881,271,201	100.00%	2024

Property Tax Rates for Direct and Overlapping Governments

Charles County, Maryland

Table 6

Last Ten Fiscal Years  
(Per \$100 of Assessed Value)

Fiscal Year	General County (Including Education)	Fire and Rescue Tax	State	Town of La Plata	Town of Indian Head
2015	1.1410	0.064	0.112	0.186	0.246
2016	1.1410	0.064	0.112	0.185	0.255
2017	1.1410	0.064	0.112	0.190	0.259
2018	1.1410	0.064	0.112	0.181	0.262
2019	1.1410	0.064	0.112	0.185	0.262
2020	1.1410	0.064	0.112	0.185	0.262
2021	1.1410	0.064	0.112	0.181	0.262
2022	1.1410	0.064	0.112	0.178	0.261
2023	1.1410	0.064	0.112	0.178	0.261
2024	1.1410	0.064	0.112	0.178	0.261

Information Source: Charles County Treasurer's Office

## Principal Taxpayers

Charles County, Maryland

Table 7

Current Year and Ten Years Ago

### Ten Leading Taxpayers (For period ending June 30, 2024)

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed</u>	<u>County Taxes<sup>1</sup></u>
Southern Maryland Electric Cooperative	\$ 194,819,670	0.90%	\$ 5,557,231
CPV Maryland, LLC	259,176,830 <sup>2,3</sup>	1.20%	2,388,187
Dominion Cove Point LNG, LP	82,095,880	0.38%	2,341,785
SCG Atlas Westchester, LLC	118,421,967	0.55%	1,351,195
Washington Gas Light Company	40,110,260	0.19%	1,144,145
NRG Energy, Inc. (formerly GenOn Mid-Atlantic LLC)	28,062,880 <sup>2,3</sup>	0.13%	1,049,536
Verizon Maryland Inc.	30,344,450	0.14%	865,575
Potomac Electric Power Company	26,643,430	0.12%	760,004
Madison Waldorf LLC	58,880,900	0.27%	671,831
LH Waldorf LLC	56,623,533	0.26%	646,075
	<u>\$ 700,360,130</u>	<u>3.25%</u>	<u>\$ 11,218,333</u>
Total Taxable Assessed Value		<u>\$ 21,533,658,095</u>	

### Ten Leading Taxpayers (For period ending June 30, 2015)

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed</u>	<u>County Taxes<sup>1</sup></u>
NRG Energy, Inc. (formerly GenOn Mid-Atlantic LLC)	\$ 528,235,890 <sup>2</sup>	3.19%	\$ 13,376,512
Southern Maryland Electric Cooperative	142,246,430	0.86%	4,057,579
Charles Mall Company LTD Partnership	140,600,000	0.85%	1,604,246
Dominion Cove Point LNG, LP	55,836,520	0.34%	1,592,737
Verizon Maryland, Inc	42,231,590	0.26%	1,204,656
API Town Center	73,980,367	0.45%	844,116
Washington Gas Light Company	26,765,070	0.16%	763,474
Madison Waldorf, LLC	52,738,400	0.32%	601,745
Potomac Electric Power Company	20,781,810	0.13%	592,801
SVF Waldorf LLC	46,343,833	0.28%	528,783
	<u>\$ 1,129,759,910</u>	<u>6.83%</u>	<u>\$ 25,166,649</u>
Total Taxable Assessed Value		<u>\$ 16,549,777,913</u> <sup>3</sup>	

Source: Maryland State Department of Assessment and Taxation/Charles County Treasurer's Office

1 2024 Based on County Tax of \$2.8525 per \$100 assessed and 2015 based on County Tax of \$2.85 per \$100 assessed value

2 FY17 start of PILOT agreements with these two taxpayers

3 Based on Department of Fiscal Services projected assessment values (from table 5)

## Property Tax Levies and Collections

Charles County, Maryland

Table 8

Last Ten Fiscal Years

Fiscal Year Ending June 30	Total Tax Levy Local Property <sup>1</sup>	Collected within the Fiscal Year of the Levy		Collection In Subsequent Years	Total Collections		Outstanding Delinquent Tax		
		Amount	Percent		To Date				
					Amount	Percent			
2015	203,588,665	202,252,138	99.34%	1,075,071	202,513,594	99.47%	261,456		
2016	207,718,986	206,927,720	99.62%	482,053	207,236,933	99.77%	309,213		
2017	202,074,697	200,633,185	99.29%	821,206	201,253,491	99.59%	620,306		
2018	208,859,514	207,797,166	99.49%	1,062,348	208,419,597	99.79%	622,431		
2019	216,532,932	215,322,319	99.44%	1,210,613	216,532,932	100.00%	1,210,613		
2020	224,009,919	221,438,033	98.85%	2,571,886	224,009,919	100.00%	2,571,886		
2021	233,302,985	232,176,212	99.52%	1,126,773	233,302,985	100.00%	1,126,773		
2022	242,337,352	241,015,297	99.45%	1,321,655	242,336,952	100.00%	1,321,655		
2023	256,205,207	254,910,419	99.49%	1,294,788	256,205,207	100.00%	1,294,788		
2024	269,877,875	268,718,237	99.57%	1,159,638	269,877,893	100.00%	1,159,656		

Information Source: Audited financial statements of the County for the fiscal years 2015-2024

1 Includes all Real Property, Personal Property, & Ordinary Business Taxes

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## Ratios of Outstanding Debt by Type

Charles County, Maryland

Table 9

Last Ten Fiscal Years

Fiscal Year Ending June 30	Governmental Activities				Business-type Activities	
	General Obligation Bonds	Capital Asset Financing	Notes Payable	Lease & SBITA Liabilities	General Obligation Bonds	
2015	252,157,320	8,528,693	1,418,832	-	80,135,326	
2016	254,571,190	11,986,956	1,367,078	-	80,608,468	
2017	248,961,935	11,603,309	13,235	-	84,333,406	
2018	268,977,982	11,349,443	2,769	-	94,682,422	
2019	280,510,590	9,817,956	-	-	108,887,222	
2020	289,916,315	8,446,732	-	-	125,083,237	
2021	294,421,229	12,705,198	-	-	137,388,435	
2022	307,025,967	11,670,007	-	2,309,143	158,838,218	
2023	294,050,794	11,079,806	-	6,167,459	177,866,856	
2024	289,230,959	10,607,512	-	5,803,699	193,375,802	

1 See Table 13 for personal income and population data.

These ratios are calculated using personal income and population.

## Ratios of Outstanding Debt by Type

Charles County, Maryland

Table 9

Last Ten Fiscal Years

Business-type Activities						Fiscal Year Ending
Capital Asset	Notes Payable	Lease & SBITA Liabilities	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>	June 30
8,340,406	8,556,098	-	359,136,675	4.40%	2,300.42	2015
7,331,830	7,823,827	-	363,689,349	4.30%	2,306.14	2016
6,025,256	7,082,769	-	358,019,910	4.06%	2,241.83	2017
4,911,964	6,332,818	-	386,257,398	4.26%	2,392.04	2018
3,624,435	5,573,868	-	408,414,071	4.33%	2,501.66	2019
3,189,119	4,805,813	-	431,441,216	4.28%	2,614.19	2020
4,809,758	4,028,539	-	453,353,159	4.20%	2,687.37	2021
4,036,960	3,241,937	-	487,122,232	4.55%	2,863.71	2022
3,584,293	2,445,897	-	495,195,105	4.32%	2,879.49	2023
4,058,455	1,640,304	162,559	504,879,289	4.41%	2,935.81	2024

Ratios of General Bonded Debt Outstanding

Charles County, Maryland

Table 10

Last Ten Fiscal Years

Fiscal Year Ending June 30	Governmental Activities		Business Activities		Percentage of Estimated Actual Taxable Value of Property <sup>2</sup>	
	General Obligation Debt	Less: Amounts Available in Debt	General Obligation Debt	Total	Per Capita <sup>3</sup>	
		Service Fund <sup>1</sup>				
2015	252,157,320	750,000	80,135,326	331,542,646	2.00%	2,123.67
2016	254,571,190	1,474,000	80,608,468	333,705,658	1.98%	2,116.01
2017	248,961,935	497,000	84,333,406	332,798,341	1.96%	2,083.90
2018	268,977,982	1,998,407	94,682,422	361,661,997	2.06%	2,239.73
2019	280,510,590	647,125	108,887,222	388,750,687	2.14%	2,381.22
2020	289,916,315	1,238,450	125,083,237	413,761,102	2.19%	2,507.07
2021	294,421,229	1,883,754	137,388,435	429,925,910	2.19%	2,548.49
2022	307,025,967	1,692,000	158,838,218	464,172,185	2.28%	2,751.50
2023	294,050,794	2,252,148	177,866,856	469,665,502	2.18%	2,761.08
2024	289,230,959	1,002,651	193,375,802	481,604,110	2.10%	2,800.46

1 Restricted for debt service principal payments. In FY2024, these numbers were restated to reflect the amount of net position reserved for debt service in each fiscal year. In the fiscal years prior to FY2021, this restricted net position amount was not broken out in the net position of the government wide statements. For FY2020 and FY2019, it was part of the debt service fund. For FY2015 to FY2018, this was part of the General Fund.

2 See Table 5 for total taxable assessed value. This ratio is calculated using total taxable assessed value.

3 See Table 13 for personal income and population data. This ratio is calculated using personal income and population.

Debt Capacity: Computation of Net Direct and Overlapping Debt

Charles County, Maryland

Table 11

Name of Jurisdiction	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Towns <sup>2</sup>			
La Plata	\$ -	100%	\$ -
Indian Head	670,279	100%	<u>670,279</u>
Subtotal overlapping debt			670,279
Charles County Government direct debt <sup>1</sup>			<u>305,642,170</u>
Total direct and overlapping debt			<u>\$ 306,312,449</u>

1 Net direct debt of the County includes Governmental Activities general obligation bonds, notes payable, subscriptions and capital asset financing. See Table 9

2 All entities are wholly located in Charles County. Debt information reported by municipalities.

Sources: Towns of La Plata and Indian Head, Table 9 data

Legal Debt Margin Information

Charles County, Maryland

Table 12

Because Charles County has adopted the Code Home Rule form of Government within the State of Maryland, there is no statutory limit on general obligation and revenue bond debt.

This Table is therefore not applicable.

Demographic and Economic Statistics

Charles County, Maryland

Table 13

Last Ten Fiscal Years

Fiscal Year	Population <sup>1</sup>	Personal Income	Per Capita Personal Income <sup>3</sup>	Median Age	School <sup>4</sup> Enrollment	Unemployment Rate <sup>2</sup>
2015	156,118	8,155,991	52,308	37	25,413	5.40%
2016	157,705	8,451,874	53,593	37	25,471	4.60%
2017	159,700	8,820,414	55,231	37	25,521	4.30%
2018	161,476	9,061,892	56,119	38	26,085	4.20%
2019	163,257	9,432,032	57,774	38	26,315	3.90%
2020	165,038	10,083,878	61,324	37	26,508	8.10%
2021	168,698	10,786,420	63,939	37	26,029	5.60%
2022	170,102	10,706,536	62,942	39	25,986	3.40%
2023	171,973	11,460,543	66,642	39	26,635	2.20%
2024	not available	not available	not available	39	26,723	3.50%

1 U.S. Census Bureau, 2015 - 2023 population figures

2 Bureau of Labor Statistics, Local Area Unemployment Statistics (not seasonally adjusted) updated data as of November 2024

3 Bureau of Economic Analysis, 2023, updated data as of November 2024

4 Charles Co. Board of Education Student Services

## Principal Employers

Charles County, Maryland

Table 14

Current Year and Ten Years Ago

Employer	Fiscal Year 2024	
	Number of Employees <sup>1</sup>	Percentage of Total County Employment
Charles County Board of Education	4,612	5.41%
Naval Department of Defense at Indian Head	4,272	5.01%
Charles County Government	2,035	2.39%
UM Charles Regional Medical Center	841	0.99%
College of Southern Maryland	711	0.83%
Walmart/Sam's Club	638	0.75%
Southern Maryland Electric Cooperative (SMECO)	527	0.62%
Waldorf Chevy/Cadillac, Honda, Ford, Toyota/Scion, Dodge	527	0.62%
Safeway	466	0.55%
Target	400	0.47%
MedStar Shah	400	0.47%
Lowe's	310	0.36%
Amazon	300	0.35%
Chick-fil-A	253	if you
Genesis Health Care Waldorf/La Plata Center	211	0.25%
Darden Restaurants	201	0.24%
<b>Total</b>	<b>16,704</b>	
<b>Total County Employment<sup>2</sup></b>	<b>85,256</b>	
Employer	Fiscal Year 2015	
	Number of Employees <sup>1</sup>	Percentage of Total County Employment
Charles County Board of Education	3,453	4.61%
Naval Department of Defense at Indian Head	2,973	3.96%
Charles County Government	1,433	1.91%
UM Charles Regional Medical Center	673	0.90%
The Facchina Group of Companies	555	0.74%
Naval Support Facility Indian Head Contractors	550	0.73%
College of Southern Maryland	490	0.65%
BJ's Wholesale Club	452	0.60%
Southern Maryland Electric Cooperative (SMECO)	434	0.58%
Target	400	0.53%
McDonald's	396	0.53%
Safeway	391	0.52%
Wal-Mart/Sam's Club	349	0.47%
Bloomin' Brands (formerly OSI Restaurant Partners)	300	0.40%
Genesis Health Care	295	0.39%
Waldorf Ford	250	0.33%
<b>Total</b>	<b>13,394</b>	
<b>Total County Employment<sup>2</sup></b>	<b>74,982</b>	

<sup>1</sup> Charles County Economic Development Department as of 2024 (top) and 2015 (bottom)

<sup>2</sup> State of Maryland, Maryland Department of Labor, Licensing and Regulation County employment tables

Full-time Equivalent County Employees by Function

Charles County, Maryland

Table 15

Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Budget 2025	Actual Increase over period
<u>County Commissioners</u>	5	5	5	5	5	5	5	5	5	5	5	
<u>Governmental Departments</u>												
Animal Control Services	20	20	24	24	24	24	24	25	25	25	29	28%
Central Services	0	0	0	1	7	8	8	9	10	11	11	Not meaningful
Community Services	55	55	50	49	55	57	57	57	59	59	62	7%
County Commissioners' Office Staff	24	22	25	25	21	25	24	24	25	26	26	9%
County Attorney's Office	10	10	10	10	10	11	11	11	12	12	12	25%
Economic Development	6	9	9	11	11	11	11	11	12	13	14	98%
Emergency Services	122	122	128	134	134	148	161	162	172	198	214	62%
Fiscal and Administrative Services	71	72	72	72	73	75	77	80	82	87	90	23%
Human Resources	8	8	10	12	13	13	14	14	16	17	19	106%
Internal Audit	0	0	2	2	2	2	2	2	2	2	2	Not meaningful
Planning & Growth Mgmt	66	66	69	70	73	78	79	82	86	95	102	43%
Public Works	308	313	321	332	337	350	363	339	346	354	361	15%
Capital Project Management	0	0	0	0	0	0	0	26	26	26	33	Not meaningful
Recreation, Parks, & Tourism	123	125	132	134	143	143	144	145	149	152	160	24%
Subtotal County Departments	812	821	851	874	902	943	973	986	1020	1075	1135	32%
<u>Other Agencies</u>												
Circuit Court	22	22	25	25	26	27	27	28	32	32	32	42%
Detention Center	156	156	156	156	160	159	159	159	159	159	159	2%
Sheriff's Office	488	485	493	495	502	510	512	516	530	540	557	11%
Soil Conservation	5	5	5	5	5	5	5	5	6	6	6	12%
State's Attorney Office	54	54	58	48	50	53	52	58	64	64	70	19%
<b>TOTAL</b>	<b>1541</b>	<b>1548</b>	<b>1592</b>	<b>1608</b>	<b>1650</b>	<b>1702</b>	<b>1732</b>	<b>1756</b>	<b>1814</b>	<b>1880</b>	<b>1962</b>	<b>22%</b>

Footnote: This table presents the County's actual and budgeted full-time, part-time I, and part-time II positions converted to full-time equivalents.

Data from Budget Division, Charles County Fiscal and Administrative Services Department.

## Operating Indicators by Function

Charles County, Maryland

Table 16

Last Ten Fiscal Years

Function	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Public Safety</b>					
1 Sheriff's Calls for Service	271,363	253,984	256,984	235,604	249,863
Emergency Response Team Responses	1,188	1,337	638	234	194
Bookings	10,890	10,194	9,270	8,154	7,485
Drug Screening	692	746	702	1,013	809
Red Light Camera Citations Issued	27,603	29,194	26,343	26,349	26,291
Animal Control Calls for Service	6,157	5,848	6,002	5,759	5,216
Animal Shelter Population	8,730	8,700	8,136	7,171	6,562
Alarm System Registrations	23,570	24,795	26,058	27,592	28,727
False Alarm Calls	8,477	8,283	8,017	8,285	7,946
EMS Responses	13,188	15,375	16,649	18,153	19,628
911 Calls Received	78,790	78,722	81,745	85,000	82,000
<b>Community Services/Planning &amp; Growth Mgmt</b>					
Public Transit Routes	15	15	15	16	16
Service Miles	1,227,005	1,207,500	1,296,005	1,283,362	1,289,625
Senior Program Participation	4,233	4,250	4,286	4,567	4,637
<b>Public Facilities</b>					
Square Footage Maintained	1,285,246	1,300,000	1,326,000	1,351,382	1,300,037
Preventative Maintenance Performed	937	950	6,770	3,980	4,454
Athletic Leagues Maintained	69	70	68	45	46
Scheduled Games	8,115	8,200	7,577	6,431	6,342
Vehicle Maintenance Work Orders	5,378	5,560	4,606	4,765	5,734
Lane Miles Maintained	1,672	1,681	1,684	1,700	1,709
<b>Water and Sewer</b>					
Billing Invoices per year	129,222	133,057	134,674	136,906	135,434
New Accounts Set Up	550	550	725	529	491
Meters Read	129,222	130,000	129,404	131,848	130,709
Holding Tank Program Gallons Pumped	610,707	303,650	557,350	588,900	577,850
<b>County Park Operations</b>					
Rounds of Golf	27,700	28,000	24,130	19,712	24,860
Season Passes	90	100	90	87	62
<b>Solid Waste Management</b>					
1 Recycled Tons	81,868	80,192	76,245	69,225	67,368
1 Recycle Curbside Collection Tons	6,506	7,401	7,727	8,200	8,653
Landfill Tons	84,963	94,901	101,149	101,050	114,669

1 Based on Calendar Year

2 Projected

Source: Budget Division, Charles County Fiscal and Administrative Services Department

County Departments have also provided information not included in the budget document.

Operating Indicators by Function

Charles County, Maryland

Table 16

Last Ten Fiscal Years

Fiscal Year					Function	
2020	2021	2022	2023	2024		
Public Safety						
172,115	198,653	253,799	278,456	282,536	1	Sheriff's Calls for Service
209	179	182	150	105		Emergency Response Team Responses
5,745	4,293	4,795	4,835	5,005		Bookings
541	0	0	0	0		Drug Screening
25,505	29,868	35,076	35,500	37,500		Red Light Camera Citations Issued
5,280	5,900	6,184	6,547	7,683		Animal Control Calls for Service
5,667	5,208	6,360	4,703	4,838		Animal Shelter Population
29,305	30,331	31,328	31,797	31,797		Alarm System Registrations
7,638	6,715	7,507	6,907	6,667		False Alarm Calls
19,500	20,666	21,996	23,000	23,000		EMS Responses
73,700	73,777	77,291	85,000	85,000		911 Calls Received
Community Services/Planning & Growth Mgmt						
15	15	15	16	16		Public Transit Routes
1,767,461	1,300,738	1,900,000	1,749,203	1,352,592		Service Miles
4,726	4,851	4,748	5,030	5,322		Senior Program Participation
Public Facilities						
1,351,382	1,308,221	1,308,221	1,281,621	1,309,097		Square Footage Maintained
5,266	7,164	6,919	6,755	6,706		Preventative Maintenance Performed
27	28	30	50	37		Athletic Leagues Maintained
3,137	3,295	5,300	5,713	2,542		Scheduled Games
5,356	5,271	5,596	5,437	5,669		Vehicle Maintenance Work Orders
1,725	1,735	1,860	2,250	2,260		Lane Miles Maintained
Water and Sewer						
139,762	136,980	135,257	157,095	134,050		Billing Invoices per year
498	459	564	620	622		New Accounts Set Up
135,250	136,980	129,042	136,029	144,769		Meters Read
518,700	623,100	518,950	471,750	467,320		Holding Tank Program Gallons Pumped
County Park Operations						
17,924	22,256	17,815	22,540	25,600		Rounds of Golf
76	74	91	89	84		Season Passes
Solid Waste Management						
60,672	41,091	42,336	64,491	43,621	1	Recycled Tons
8,500	9,422	8,935	8,966	8,244	1	Recycle Curbside Collection Tons
116,854	112,071	132,316	150,498	126,086		Landfill Tons

1 Based on Calendar Year

2 Projected

## Capital Asset Statistics by Function

Charles County, Maryland

Table 17

Last Ten Fiscal Years

Function	Fiscal Year				
	2015	2016	2017	2018	2019
<b>General Government</b>					
Buildings	30	30	29	29	27
Vehicles	254	256	257	242	263
Transportation Service Vehicles	0	0	36	38	38
<b>Public Safety</b>					
Sheriff Stations	7	7	7	7	7
Detention Centers	2	2	2	2	2
Sheriff Patrol Vehicles	474	469	470	467	453
Other Sheriff Vehicles	14	15	15	17	12
K-9 Dogs	13	12	14	13	12
Mobile Communications Center	1	1	1	1	1
Emergency Operations Vehicles	18	18	18	20	21
Hazmat Vehicles	5	5	5	5	5
Animal Control Vehicles	9	11	13	8	8
<b>Community Services</b>					
Transportation Service Vehicles	41	40	0	0	0
Senior / Community Centers	4	4	4	4	5
Community Centers	9	9	9	9	10
Pools	6	6	6	6	6
<b>Public Facilities</b>					
Buildings	8	8	8	8	8
Roadways (miles)	1,672	1,681	1,684	1,697	1,709
Heavy Equipment	32	37	39	34	36
<b>Water and Sewer</b>					
Buildings	17	17	18	18	18
Wastewater Treatment Plants	7	7	7	7	7
Pump Stations	55	55	57	58	58
Wells	66	66	67	67	67
Heavy Equipment	22	24	25	29	28
Vehicles	116	117	123	126	125
Meters	124,580	128,000	129,404	131,848	130,709
<b>County Park Operations</b>					
Parks	33	33	33	33	33
Park Acreage	4,061	4,061	4,061	4,195	4,195
Golf Course	1	1	1	1	1
Skate Park	1	1	1	1	1
Concession Buildings	9	9	9	9	9
Vehicles	2	2	2	2	2
<b>Recreation Programs</b>					
Recreation/ Sports Centers	2	2	3	3	3
<b>Solid Waste Management</b>					
Buildings	6	6	8	8	8
Recycling Stations with Buildings	3	3	4	4	4
Heavy Equipment	29	28	32	26	24
Vehicles	35	36	40	40	41

Source: Risk Management Office, Central Services Division, Charles County Government

Capital Asset Statistics by Function

Charles County, Maryland

Table 17

Last Ten Fiscal Years

Fiscal Year					
2020	2021	2022	2023	2024	Function
General Government					
27	26	26	29	29	Buildings
268	285	258	264	285	Vehicles
42	42	46	45	42	Transportation Service Vehicles
Public Safety					
7	7	7	7	7	Sheriff Stations
2	2	2	2	2	Detention Centers
459	452	455	475	484	Sheriff Patrol Vehicles
20	21	20	18	18	Other Sheriff Vehicles
14	13	10	11	11	K-9 Dogs
1	1	1	1	1	Mobile Communications Center
24	20	33	35	37	Emergency Operations Vehicles
6	6	6	7	7	Hazmat Vehicles
8	8	10	11	11	Animal Control Vehicles
Community Services					
0	0	0	0	0	Transportation Service Vehicles
4	4	4	4	4	Senior / Community Centers
11	11	11	11	11	Community Centers
6	6	6	5	5	Pools
Public Facilities					
8	8	8	8	8	Buildings
1,725	1735	1860	2250	2260	Roadways (miles)
38	36	38	38	51	Heavy Equipment
Water and Sewer					
18	18	19	19	19	Buildings
7	7	7	7	7	Wastewater Treatment Plants
59	61	60	60	60	Pump Stations
63	64	64	64	64	Wells
30	31	35	36	36	Heavy Equipment
130	142	147	143	143	Vehicles
135,250	136,980	135,257	138,250	141,000	Meters
County Park Operations					
35	35	35	35	35	Parks
4,195	4,195	4,212	4,212	4,212	Park Acreage
1	1	1	1	1	Golf Course
1	1	1	1	1	Skate Park
9	9	9	9	9	Concession Buildings
2	2	1	1	1	Vehicles
Recreation Programs					
3	3	3	3	3	Recreation/ Sports Centers
Solid Waste Management					
8	8	8	8	8	Buildings
4	4	4	4	4	Recycling Stations with Buildings
37	48	49	50	52	Heavy Equipment
50	54	53	53	42	Vehicles

# Charles County Commissioners



## *Equal Opportunity County*

### Fiscal & Administrative Services Accounting Division

Jacob D. Dyer, Acting Director

William G. DeAtley, Chief of Accounting

Joan T. Thorp, CPA, Assistant Chief of Accounting

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**Mission Statement:** The mission of the Charles County Government is to provide our citizens the highest quality of service possible in a timely, efficient, and courteous manner. To achieve this goal, our government must be operated in an open and accessible atmosphere, be based on comprehensive long- and short-term planning, and have an appropriate managerial organization tempered by fiscal responsibility. We support and encourage efforts to grow a diverse workplace.

**Vision Statement:** Charles County is a place where all people thrive and businesses grow and prosper; where the preservation of our heritage and environment is paramount; where government services to its citizens are provided at the highest level of excellence; and where the quality of life is the best in the nation.

**Americans with Disabilities:** The Charles County Government welcomes the participation of individuals with disabilities. We comply fully with the Americans with Disabilities Act in making reasonable accommodations to encourage involvement. If you require special assistance and would like to participate in our programs, please contact Charles County Government directly.

It is the policy of Charles County to provide equal employment opportunity to all persons regardless of race, color, sex, age, national origin, religious or political affiliation or opinion, disability, marital status, sexual orientation, genetic information, genetic identity or expression, or any other status protected by law.