



Baltimore County Maryland

**Annual Comprehensive Financial Report
For The
Fiscal Year Ended June 30, 2023**

Baltimore County, Maryland



Annual Comprehensive Financial Report

For The Fiscal Year Ended June 30, 2023

Prepared By The Office Of Budget and Finance

INTRODUCTORY



SECTION

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BALTIMORE COUNTY, MARYLAND
FOR THE YEAR ENDED JUNE 30, 2023
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JOHN A. OLSZEWSKI, JR.
County Executive

KEVIN D. REED, Director
Office of Budget and Finance

April 30, 2024

Honorable County Executive
Members of The Baltimore County Council

Dear County Executive and Council Members:

The Annual Comprehensive Financial Report (ACFR) of Baltimore County, Maryland (the “County”) for the fiscal year ended June 30, 2023 is submitted herewith in accordance with the requirements of Section 516 of the Baltimore County Charter. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that all disclosures are included that are necessary to enable the reader to gain the maximum understanding of the County’s financial affairs.

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles as applicable to governmental entities in the United States (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The County’s financial statements have been audited by CliftonLarsonAllen LLP, Independent Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the County’s financial statements for the fiscal year ended June 30, 2023 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 the County’s financial statements as of and for the fiscal year ended June 30, 2023, are fairly presented in all material respects in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section.

The County is required to undergo a federally mandated annual audit called “The Single Audit” which is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County’s separately issued Single Audit report.

GAAP 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 read in conjunction with it. The County’s MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE COUNTY

The Reporting Entity and Its Services

The County is a corporate polity which performs all local governmental functions within its jurisdiction, as there are no incorporated towns, villages, municipalities or other political subdivisions with separate taxing authority. Under home rule charter since 1957, the County is governed by an elected County Executive and a seven-member County Council with each serving separate executive and legislative functions, respectively. Services provided by the County include the provision of water and sewer; public safety including police, fire, sheriff, corrections, and 911 services; public works; waste hauling and landfill, recreation and parks; and health and human services.

The County is situated in the geographic center of Maryland, almost entirely surrounding the City of Baltimore. The County is the largest jurisdiction by population in a metropolitan area with more than 2.8 million people. The City of Baltimore and the County are entirely separate political units.

The County has the third largest land area of any political subdivision in the State of Maryland. Within its 612 square miles (plus an additional 28 square miles of water with over 200 miles of shoreline) are situated at least 29 identifiable, unincorporated communities which, as of 2010, ranged in population from approximately 4,300 to 63,000. The County’s overall population grew 5.1% from 805,029 in 2010 to 845,986 in 2022. The 2023 population estimate for Baltimore County is 844,703. Today, the County has the third highest population in the State of Maryland.

Component Units

The Community College of Baltimore County, the Board of Education of Baltimore County, and the Board of Library Trustees for Baltimore County are reported as discretely presented component units because they are deemed to be fiscally dependent on the County. The component units are reported separately within the County's financial statements to emphasize that they are legally separate from the County. The County and its component units provide the full range of municipal services contemplated by statute or charter. This includes education, police and fire protection, sanitation, health and social services, public improvements, planning and zoning, recreational and cultural activities, and general administrative services.

BUDGET PROCESS

The annual budget serves as the foundation for the County's financial planning and control. Pursuant to County Charter, the County Executive presents the capital and operating budgets to the County Council during April of each year. The Council holds a series of public hearings on the proposed budget including in-depth agency specific hearings for certain Departments as requested. The County Council may decrease or delete any items in the budget except those required by the public laws of the State of Maryland, and except any provision for debt service on outstanding obligations or for estimated cash deficits. In its deliberations, the Council considers the recommendations of the Spending Affordability Committee consisting of three members of the County Council and two other members from an area of specialty, such as finance, organized labor, etc. On or before February 15 in each year, the Committee submits to the County Council and County Executive a report with recommendations on fiscal goals or growth in the County budget to a level that does not exceed the rate of growth of the County's economy. The budget must be adopted by the affirmative vote of no less than four members of the County Council on or before June 1 each year. The adopted budget becomes effective July 1 and provides the spending authority at the program level for the County's operations.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management. A budget-to-actual comparison is provided for the General Fund on page 22 as part of the basic financial statements for the governmental funds. Additional information regarding the County's budget can be found in Note 1 of the notes to the basic financial statements and in schedules provided in the other supplementary information section.

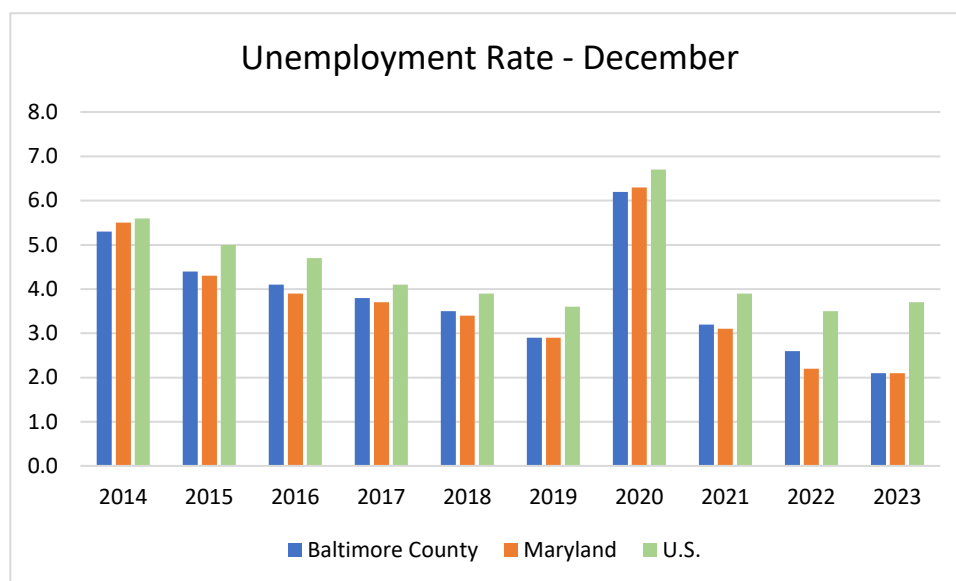
As part of the annual operating budget process, the County develops a six-year Capital Improvement Program (CIP) consisting of the upcoming fiscal year's appropriations (the "Budget Year") and the succeeding five-year program. The CIP is divided into two areas: the Metropolitan District, for all water and sewer projects, and the Consolidated Public Improvements for all other capital projects. A major source of funding for the CIP is borrowed funds. CIP bond appropriations appearing in the Budget Year represent an authorization to borrow money. The cost to service this debt impacts the General Fund and the Metropolitan District Fund and increases with the amount of outstanding debt.

INFORMATION USEFUL IN ASSESSING THE GOVERNMENT’S ECONOMIC CONDITION

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.

Economic Condition

Baltimore County is supported by a diverse employer base leading to a strong and stable workforce. The County is represented by approximately 23,000 employers employing nearly 365,000 workers. The County’s unemployment rate largely remains consistent with the State’s and runs below the U.S. rate. As of June 2023, Baltimore County’s and Maryland’s unemployment rate sat at 2.0%, below the national rate of 3.6%.

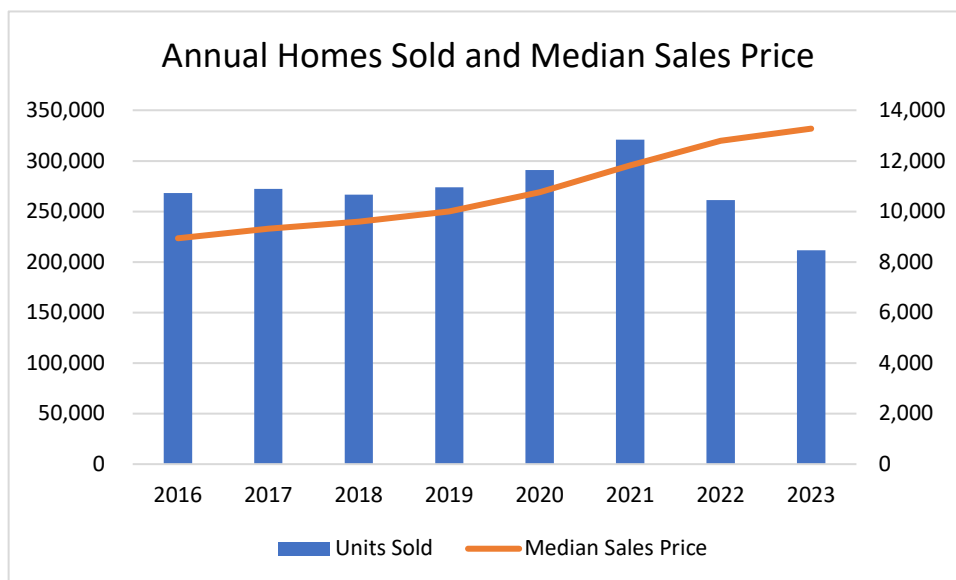


Healthcare and education, the sectors that generally report job stability and growth despite economic downturns, are well represented in the County by five regional medical centers and five major colleges and universities. BD Diagnostic Systems shares a zip code with one of the largest concentrations of computer game developers on the East Coast. Headquarters for the Social Security Administration and Centers for Medicare and Medicaid Services and a core of IT contractors from the Woodlawn Federal Center, the epicenter of national health care reform implementation, are located in the County. Major operations of T. Rowe Price, Zurich America, Baltimore Life, CareFirst, M&T Bank, and Bank of America form a powerful finance-insurance community. Manufacturing holds its place with Becton, Dickinson and Company, McCormick and Company, Stanley Black & Decker, Textron systems, Whiting Turner, Middle River Aircraft, and Coty (formerly Procter & Gamble Beauty). Other major firms with headquarters in the County include Johnson, Mirmiran & Thompson, Dunbar Security Solutions, KCI Technologies, Kelly Benefits, and USA Lacrosse.

The County also maintains a strong residential and commercial assessable property tax base. The State’s Department of Assessment and Taxation’s triennial assessment process, in which only one-third of the County’s properties are reassessed each year with increases phased in over three years, helps to stabilize the tax base and maintain ongoing growth in property tax revenues. FY 2023 property tax revenues increased by 1.4% over FY 2022, and are expected to increase by nearly 5.0% in each of the next three fiscal years.

The County’s other main revenue source is local income taxes. Local income tax collections increased by 8.5% in FY 2023. This increase was driven by strong wage growth and underlying strength in the County’s employment sector in addition to other, more one-time, events derived from changes in the State’s tax code. These revenues are expected to moderate in the near-term, before resuming modest, consistent growth in the out years.

Baltimore County continues to have a desirable housing market. Following national trends, and primarily due to surging mortgage interest rates and dwindling available inventory, the number of homes sold in the County fell in 2023, to 8,463. Conversely, the median sales price continues to rise, increasing by 3.4%, to \$332,000 in FY 2023.



LONG TERM FINANCIAL PLANNING

Debt and Financial Management Policies

The County’s debt and financial management policies as set forth by the County Executive were recognized by all major rating agencies with the continuation of the County’s triple-A credit rating. Less than one percent of all jurisdictions in the nation receive this rating. The policies include target ratios to be met, and ceiling or floor ratios. The County will take appropriate

corrective action to ensure that ratios do not go above or drop below their respective desired ceiling or floor. The County updates its debt affordability study each year in conjunction with the capital budget process.

Surplus and Revenue Stabilization and Reserve Account

To protect the County from unforeseen emergencies and future economic downturns, the County took the fiscally prudent step of raising its target level for unreserved General Fund balances. Rather than the long-term policy level of 5% of the revenue budget, effective in FY 2018, the County Council approved an amount equal to 10% of the revenue budget be transferred to the Revenue Stabilization Reserve Account (RSRA) with limited access for withdrawals. The County plans to maintain unreserved General Fund balances in excess of 10% of General Fund's revenues each year. Also, effective in FY 2018, there is established a minimum level of reserves in the RSRA equal to 7% of the budgeted general fund revenue for the current fiscal year. Funds in the RSRA may not remain 7% for more than two consecutive years.

The County will ensure that any unreserved fund balance in excess of the target level of revenues will be retained to provide only short-term tax stabilization. Excess reserves well above the target level will be eliminated through dedicated one-time items such as PAYGO contributions in order to reduce the level of programmed borrowing in support of the capital budget.

Pension Management

The County's pension management program oversees investments, manages funding, serves as a liaison between the Pension Board and the investment consultants and managers, and prepares an Annual Comprehensive Financial Report of the Retirement system. The system has been awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) every year since 1994.

Spending Affordability Committee

The Spending Affordability Committee was established by the County Council in March 1990 to ensure that growth in County spending does not exceed growth in the County's economy. Each fiscal year, the Committee establishes both spending and debt guidelines; the spending guideline is a recommendation for the maximum level of General Fund spending for ongoing purposes and the debt guidelines are based on two commonly utilized debt affordability indicators. The County's FY 2023 Adopted Budget adheres to all guidelines established by the Committee.

MAJOR INITIATIVES

The following are some selected highlights and budget priorities for FY 2023 that are expected to affect future financial position:

Education – The FY 2023 budget for Baltimore County Public Schools (BCPS) is an increase of \$202 million or 9.8% over the FY 2022 budget. With the exception of FY 2021, when fiscal constraints resulting from the COVID-19 pandemic necessitated a Maintenance of Effort (MOE) level budget, the County has funded the school system over the MOE level by an average of over 2.0% in the past eight fiscal years. In FY 2023, the County funded the school system 3.2%, or \$28.7 million, over the required MOE level.

The FY 2023 capital budget and capital improvement program continues the County Executive’s focus on strategic goals related to educational excellence. The County has fully funded its Schools for Our Future Program; the FY 2023 budget includes \$96.6 million for schools’ projects and an additional \$600 million in the six-year program. FY 2023 capital funding for schools includes \$17.0 million for security vestibules and cameras at all schools, \$15.2 million for a replacement Red House Run Elementary School, \$13.5 million for an addition to Dundalk High School, and \$10 million in design funding for Dulaney High School.

The Community College of Baltimore County’s (CCBC) FY 2023 operating budget totals \$297 million, which represents a \$4.8 million increase in county funding. This FY 2023 Operating Budget continues to reflect CCBC’s Economic Stabilization and Enrollment Stabilization initiatives, which were implemented to address enrollment declines that typically occur during an improving economy. Although the preferred revenue model for community colleges is 1/3 support provided by local government, 1/3 support provided by state government and 1/3 support provided by student tuition and fees, CCBC’s primary revenue stream comes directly from student tuition and fees which comprises \$71 million of CCBC’s Operating budget (CCBC’s FY 2023 budget is boosted by a one-time infusion of federal stimulus funds). During the development of the FY 2023 Operating budget, CCBC continued to build on the Economic and Enrollment Stabilization agendas which were formalized as cornerstones in the CCBC 2023 Strategic Plan, “Rethink What’s Possible: Unleashing the Power of Potential”. The Enrollment Stabilization priority will provide enhanced customer service to students in order to recruit and retain diverse audiences. In addition, CCBC will continue to expand CCBC online through active marketing and communication campaigns.

Public Safety – The Baltimore County Police Department continues to lead the evolution of the profession, and the FY 2023 budget priorities support the Department’s ability to meet the needs and expectations of the public. The FY 2023 budget includes funding for four additional School Resource Officers (SROs) who serve as coaches, teachers, role models, mentors, and mediators to the many students they serve; nine additional Data Scientists, a Supervisor, and two Business Intelligence Report Writers to continue to develop public-facing data dashboards in an effort to promote transparency; six additional Crime Scene Technicians and one Firearms and Toolmark Examiner to reduce case backlogs; a Wellness Director to support personnel and their families; and funding for a take home car pilot program.

Community Health and Wellness – The Department of Health and Human Services is the largest provider of social safety net activities for the County. Its mission is to promote the well-being of

individuals and families through the provision of quality health and social services. The FY 2023 Adopted Budget includes more than \$217 million in its Health and Human Services Agencies' budgets. Although this amount includes a significant amount of federal and state funding, the County's overall commitment across all agencies includes more than \$40 million in County funds towards these worthy endeavors.

With over 20% of the County's population over 60 years old, the County recognizes the need to provide for not only the most basic needs of this population but also providing it with a means to stay vibrant, engaged, and productive in County life. This is accomplished through the operation of an extensive network of Senior Centers, assistance and referral programs, assisted transportation efforts, and programs designed to offer seniors the ability to volunteer or remain active in the employment world. Nearly \$4.4 million of County funds in FY 2023 is included in its overall commitment toward Social Safety Net activities funding senior related activities and programs.

Physical Infrastructure and Public Works – County roadways are of vital importance to its livability, commerce, and connectivity. Substantial progress has been in resurfacing over the past several years. The County's commitment is on-going with nearly \$70 million in the six-year capital program FY 2023 - 2028 to resurface County roadways. In addition to these impressive efforts to repair and replace infrastructure, the County continues the Resiliency and Sustainability Project in the Capital Improvement Plan. Funded with nearly \$4.8 million in the six-year capital program FY 2023 - 2028, the project will support activities to build and enhance resilience of infrastructure and natural features to promote long term sustainability, safeguarding of County assets and resources and the identification and implementation of strategies to address climate changes and its current and potential impacts on the County.

Parks and Preservation – The parks, preservation and greenways portion of the Adopted Fiscal Year 2023 operating budget includes \$15.3 million in funding to maintain a wide variety of parks and recreational facilities and to provide resources that aid in the delivery of excellent customer service to County residents and visitors. New investments include a Public Information Specialist and Systems Analyst to improve information sharing with the public; additional lifeguards, cashiers, managers, and a naturalist to improve the experience for guests at facilities and parks; and an increase in the minimum wage.

In addition, \$45.5 million in funding was included in the FY 2023 capital budget; these funds are used to develop new parks, enhance existing parks and recreation sites, address unmet recreational needs, and improve the experience to park visitors. FY 2023 funding includes \$7.3 million for the Greens Lane Park and STEAM Center, \$5.4 million (including State funds) for enhancements to Oregon Ridge Park, and an additional \$3.0 million to support the \$21 million investment in the development of the Sparrows Point Park.

Retiree Benefits – The County remains committed to increasing the funding status of its Other Post-Employment Benefits (OPEB) obligations following a period of reduced contributions

beginning in FY 2015. The County contributed \$87 million to the fund in FY 2023 and remains committed to a restoration schedule as advised by its consultants.

AWARDS AND ACKNOWLEDGEMENTS

The GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its ACFR for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This ACFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The County has received a Certificate of Achievement for the last 44 consecutive years (fiscal years ended June 30, 1979 – 2022). We believe that our current report continues to conform to the Certificate of Achievement Program’s requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Operations Division. I would like to express my appreciation to them for their dedication to ensuring the financial integrity of the County and in the preparation of this report.

Credit also must be given to the County Executive and the County Council for their support in maintaining the highest standards of professionalism in the management of the County’s finances.

Respectfully,



Kevin D. Reed,
Director of Budget and Finance



COUNTY RESIDENTS

LEGISLATIVE BRANCH

COUNTY COUNCIL

BOARD OF APPEALS

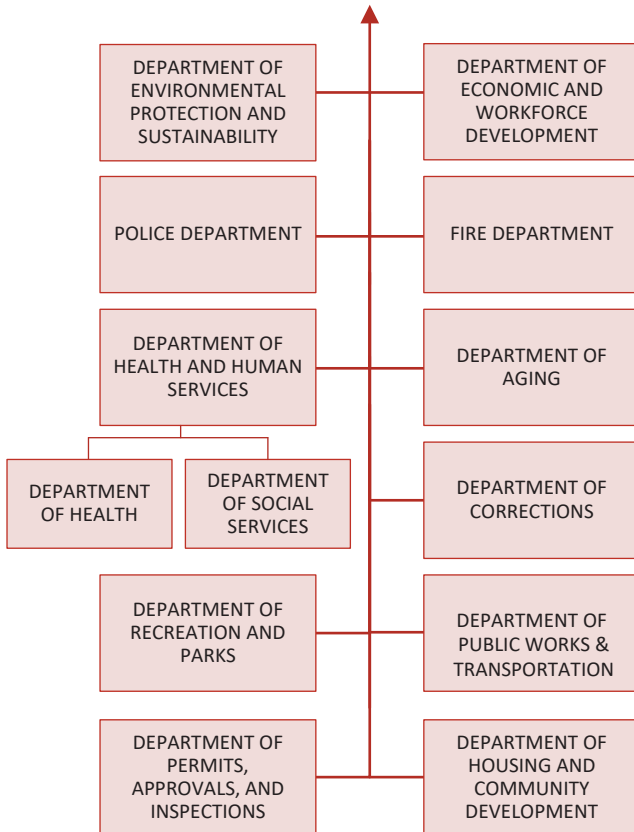
COUNTY AUDITOR

EXECUTIVE BRANCH

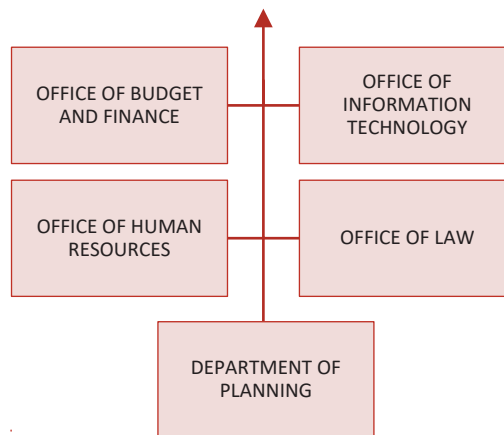
COUNTY EXECUTIVE

COUNTY ADMINISTRATIVE OFFICER

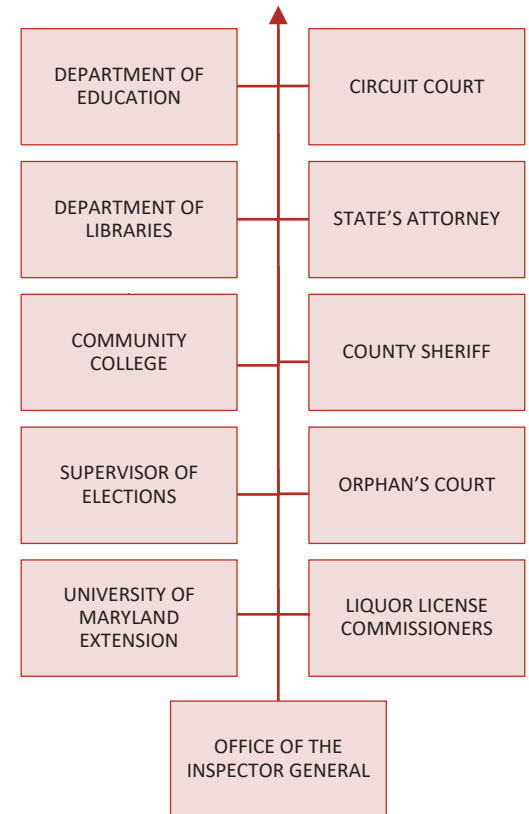
OPERATING AGENCIES



STAFF AGENCIES



AGENCIES SUBJECT TO CONTROL BY CHARTER AND/OR COUNTY FUNDING





LIST OF PRINCIPAL OFFICIALS JUNE, 2023

County Executive John A. Olszewski, Jr. 410-887-2450

County Council

Pat Young, 1st. District	410-887-0896
Izzy Patoka, 2nd. District	410-887-3385
Wade Kach, 3rd. District	410-887-3387
Julian E. Jones, Jr., 4th. District, Chair	410-887-3389
David Marks, 5th. District	410-887-3384
Mike Ertel, 6th. District	410-887-3388
Todd K. Crandell, 7th. District	410-887-3383

Administrative Officials

County Administrative Officer	Stacy L. Rodgers	410-887-2460
Director of Budget and Finance	Kevin D. Reed	410-887-3313
County Attorney	James R. Benjamin Jr.	410-887-4420
County Auditor	Lauren Smelkinson	410-887-3193
Director of Public Works and Transportation	D'Andrea L. Walker	410-887-3300
Chief of Police	Robert McCullough	410-887-2214
Fire Chief	Joanne Rund	410-887-4500
Director of Corrections	Walt J. Pesterfield	410-512-3200
Director of Aging	Laura Riley	410-887-2109
Director of Economic and Workforce Development	Jennifer Lynch (Acting)	410-887-8000
Director of Environmental Protection and Sustainability	Dave Lykens	410-887-3733
Director of Information Technology	Michael Fried	410-887-2441
Director of Health and Human Services	Dr. Gregory Wm. Branch	410-887-2243
Director of Housing and Community Development	Terry Hickey	410-887-8383
Director of Permits, Approvals and Inspections	C. Pete Gutwald	410-887-3353
Director of Human Resources	Rhoda Benjamin	410-887-3135
Director of Planning	Stephen Lafferty	410-887-3211
Director of Recreation and Parks	Bob Smith	410-887-3871
Superintendent of Schools	Dr. Miriam Rogers	443-809-4554
President of the Community College	Dr. Sandra L. Kurtinitis	443-840-1015
Director of Libraries	Sonia Alcántara-Antoine	410-887-6121

State Charter Agencies

Chief Judge of the Circuit Court	Dennis M. Robinson, Jr.	410-887-6810
Chief Judge of the Orphans Court	William R. Evans	410-887-6516
County Sheriff	R. Jay Fisher	410-887-3151
States' Attorney	Scott D. Shellenberger	410-887-6600



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Baltimore County
Maryland**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



FINANCIAL



SECTION



INDEPENDENT AUDITORS' REPORT

The Honorable County Executive and
Members of the County Council
Baltimore County, Maryland
Towson, 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 Baltimore county, Maryland (the County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund 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 Community College of Baltimore County, which represent 10 percent, 20 percent, and 10 percent, respectively of the assets and deferred outflows, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023 and the respective changes in financial position for the year then ended. Those statements were audited by the other auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Community College of Baltimore County, is based solely on the report of the other auditor.

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.

The Honorable County Executive
And Members of the County Council
Baltimore County, Maryland

Emphasis of Matter

Change in Accounting Principal

As discussed in Note 1 to the financial statements, effective July 1, 2022, the County adopted new accounting guidance for subscription-based technology arrangements (SBITA). The guidance required SBITA's to recognize a right-to-use subscription asset and corresponding subscription liability for all subscription-based information technology arrangements with terms greater than twelve months. Our opinion is not modified with 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.

The Honorable County Executive
And Members of the County Council
Baltimore County, Maryland

- 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 on pages 5-16 and required supplementation information, as listed in the table of contents on pages 87-94 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 combining and individual fund statements and schedules 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 combining and individual fund statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section 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.

The Honorable County Executive
And Members of the County Council
Baltimore County, Maryland

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2024, 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

Baltimore, Maryland
April 30, 2024

BALTIMORE COUNTY, MARYLAND MANAGEMENT'S DISCUSSION AND ANALYSIS

Baltimore County, Maryland management is providing this narrative overview and analysis of the financial activities of the primary government (the County) as of and for the fiscal year ended June 30, 2023. Readers are to consider the data presented here in conjunction with the information presented in the transmittal letter at the front of this report and with all the County's financial statements and accompanying notes to those financial statements, which follow this section.

Financial Highlights

Government-wide:

- The County's assets and deferred outflows of resources were \$8.378 billion and its liabilities and deferred inflows were \$9.856 billion, resulting in negative net position of \$1.478 billion.
- The County's total net position increased by \$405.971 million.

Fund Level:

- The County's governmental funds have combined fund balances of \$948.787 million.
- The General Fund's fund balance is \$836.480 million of which \$681.201 million is unassigned fund balance inclusive of \$249.612 million in a Revenue Stabilization account.

Long-term Debt:

- The County's GO Debt decreased by \$49.957 million during the current year. The key factors in this decrease were the issuance of \$255.000 million in general obligation bonds and \$42.258 million draw on the Maryland Water Quality Revolving Loan Fund. These issuances and draws were offset by principal payments of \$347.215 million.

Overview of the Financial Statements

This discussion and analysis is an introduction to the County's basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Statements (Reporting the County as a Whole)

The *Statement of Net Position* and the *Statement of Activities* are two financial statements that report information about the County's activities that should serve as a useful indicator of whether the County, as a whole, is better or worse off as a result of this year's activities. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The *Statement of Net Position* on page 17 presents all of the County's non-fiduciary assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position measure whether the County's financial position is improving or deteriorating.

The *Statement of Activities* on page 18 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 events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The focus of the statements is clearly on the primary government and the presentation allows the user to address the relative relationship with the component units. Both statements report three activities, which include the governmental activities and business-type activities of the primary government and separate reporting for the County's component units.

- *Governmental Activities* – Most of the County's basic services are reported under this category. Taxes and intergovernmental revenues generally fund these services. The general government, public safety, public works, health and human services, culture and leisure services, economic and community development, and education functions fall within the governmental activities.
- *Business-type Activities* – The County charges fees to customers to help it cover all or most of the costs of certain services it provides. The Metropolitan District water and sewer services are the only business-type activity reported.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the primary government is financially accountable or for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County reports three component units that are described in the notes to the basic financial statements.

This report includes two summary reconciliations (pages 19 and 21) between the governmental fund financial statements (modified accrual accounting) and the governmental activities (full accrual accounting) reflected on the government-wide financial statements. Note 2 of the notes to the basic financial statements also provides more detail as to the transactions that impact the conversion from the modified accrual basis of accounting to the full accrual basis of accounting.

Fund Financial Statements (Reporting the County's Major Funds)

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the County uses to keep track of specific sources of funding and spending for a particular purpose. The County's funds are divided into three categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

- *Governmental funds* – Most of the County's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The County reports the General Fund, Gifts and Grants Fund, and the Consolidated Public Improvement Construction Fund as major funds.
- *Proprietary funds* – When the County charges customers for the services it provides, whether to outside customers or to other agencies within the County, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. The County reports the Metropolitan District and Recreational Facilities Fund as major funds. Internal service funds report activities that provide supplies and services to the County's other programs and activities. Internal service funds are primarily reported as governmental activities on the government-wide statements.
- *Fiduciary funds* – The County is the trustee for its employee pension plans and the post employment healthcare benefits plan. These funds are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the County to finance its operations.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 30.

Other Information

Required supplementary information includes schedules concerning the County's pension plans and its post-employment healthcare benefits provided to its employees. These schedules can be found starting on page 88. Other supplementary information includes combining and individual fund financial statements and schedules for the General Fund, Liquor License Fund, Owings Mills Tax District, Neglected Property, Development Impact Surcharge, internal service funds and fiduciary funds. These statements and schedules can be found starting on page 96.

Financial Analysis of the County as a Whole

The County's combined net position increased \$405.971 million in FY 2023. The net position of the governmental activities increased \$357.624 million and business-type activities increased \$48.347 million. The schedule on page 8 presents the net position of the County's governmental and business-type activities as of June 30, 2023.

The largest component of the County's net position reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) net of accumulated depreciation and amortization, less any related outstanding debt used to acquire the assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not liquid or available for future spending or liquidation of any liabilities. The liabilities associated with the County's net pension and net OPEB liabilities along with debt used to finance capital projects, are the main cause of the County's negative unrestricted net position balance for both Governmental and Business-type Activities. It is important to note that counties in the State of Maryland issue debt for the construction of schools, yet the school buildings are owned by each public school system. The County also funds projects for the Community College of Baltimore County. Therefore, the County's financial statements include this outstanding debt, without the addition of the corresponding assets, which is a major reason for the governmental activities negative unrestricted net position. The County has a similar situation where it issues debt to finance capital contributions for Baltimore City owned assets. This is what causes the negative unrestricted net position in the business-type activities. These situations are described in more detail in Note 8.

Net Position as of June 30 (in thousands)

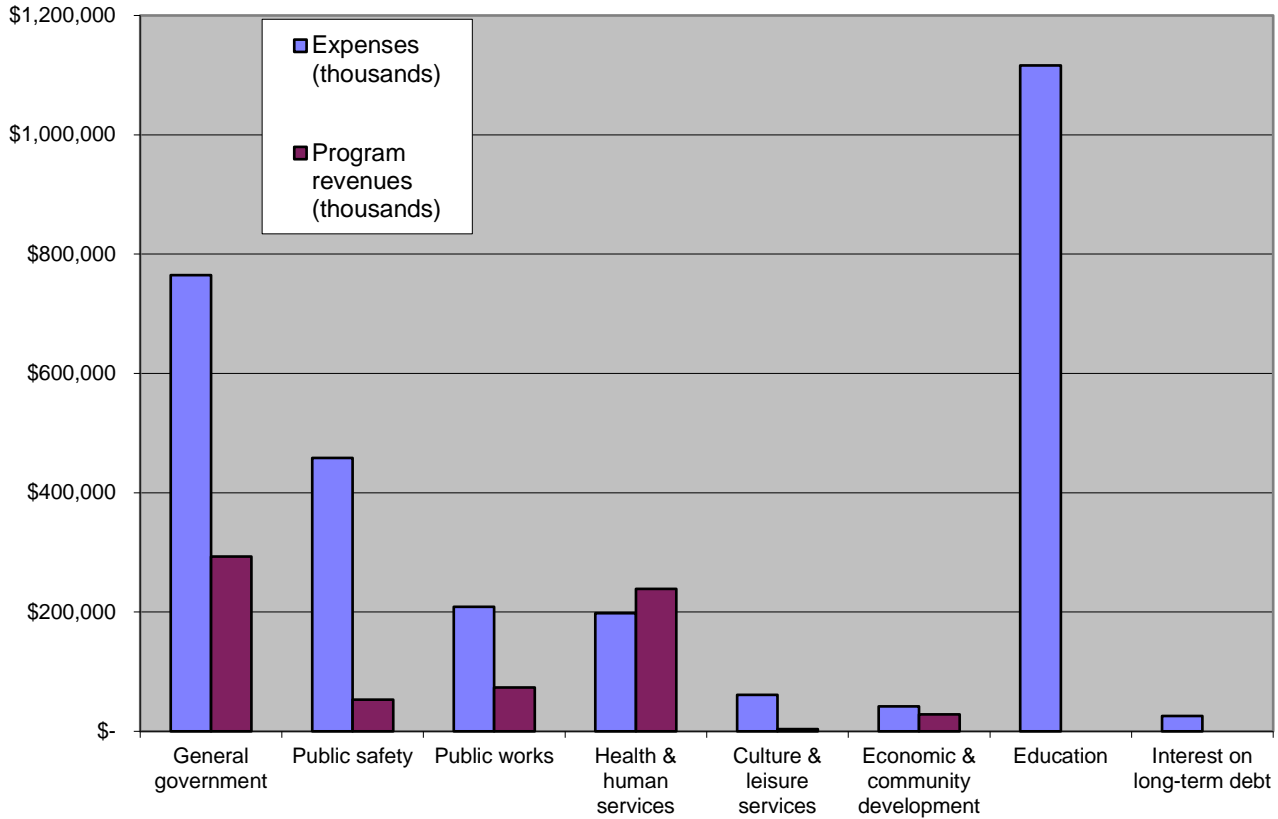
	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets:						
Current and other non-current assets	\$ 1,974,310	\$ 1,824,990	\$ 282,092	\$ 236,417	\$ 2,256,402	\$ 2,061,407
Capital assets	<u>2,948,504</u>	<u>2,694,106</u>	<u>1,810,320</u>	<u>1,738,157</u>	<u>4,758,824</u>	<u>4,432,263</u>
Total assets	<u>4,922,814</u>	<u>4,519,096</u>	<u>2,092,412</u>	<u>1,974,574</u>	<u>7,015,226</u>	<u>6,493,670</u>
Total deferred outflow of resources	<u>1,292,172</u>	<u>1,312,436</u>	<u>70,501</u>	<u>80,328</u>	<u>1,362,673</u>	<u>1,392,764</u>
Liabilities:						
Current liabilities	625,896	642,698	176,472	320,938	802,368	963,636
Long-term liabilities	<u>5,915,324</u>	<u>5,948,230</u>	<u>2,210,592</u>	<u>2,013,385</u>	<u>8,125,916</u>	<u>7,961,615</u>
Total liabilities	<u>6,541,220</u>	<u>6,590,928</u>	<u>2,387,064</u>	<u>2,334,323</u>	<u>8,928,284</u>	<u>8,925,251</u>
Total deferred inflow of resources	<u>885,077</u>	<u>809,539</u>	<u>42,305</u>	<u>35,382</u>	<u>927,382</u>	<u>844,921</u>
Net position:						
Net investment in capital assets	1,998,973	1,751,819	573,912	537,181	2,572,885	2,289,000
Restricted	77,503	59,117	-	-	77,503	59,117
Unrestricted (deficit)	<u>(3,287,787)</u>	<u>(3,379,871)</u>	<u>(840,368)</u>	<u>(851,984)</u>	<u>(4,128,155)</u>	<u>(4,231,855)</u>
Total net position	<u><u>\$ (1,211,311)</u></u>	<u><u>\$ (1,568,935)</u></u>	<u><u>\$ (266,456)</u></u>	<u><u>\$ (314,803)</u></u>	<u><u>\$ (1,477,767)</u></u>	<u><u>\$ (1,883,738)</u></u>

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the County's net position changed during the fiscal year.

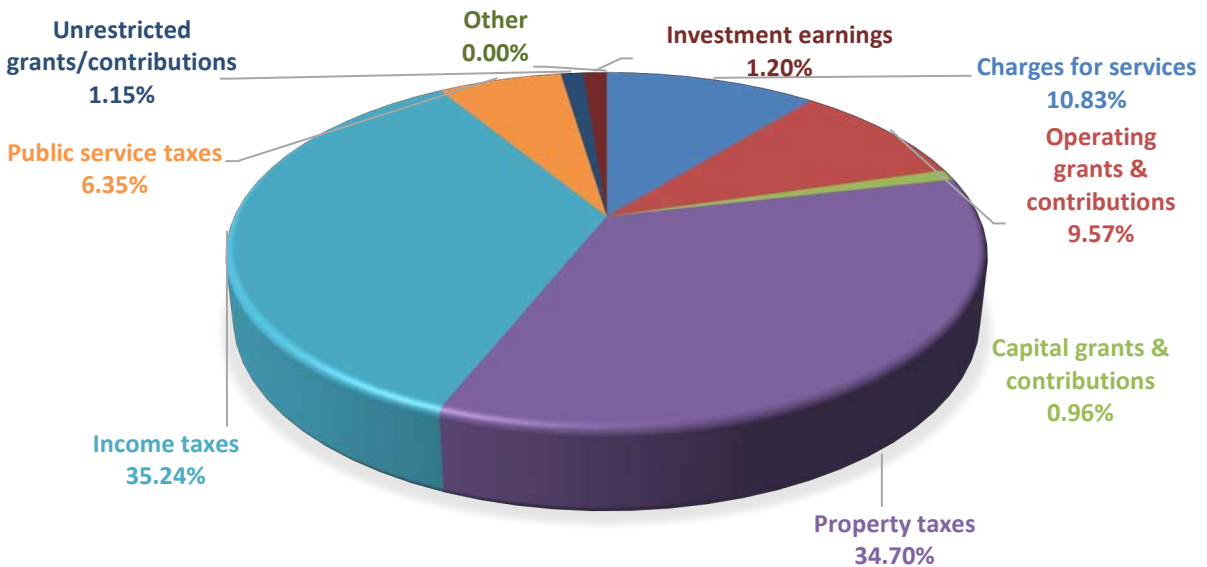
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 350,140	\$ 393,528	\$ 330,651	\$ 371,770	\$ 680,791	\$ 765,298
Operating grants	309,385	297,206	33,053	1,230	342,438	298,436
Capital grants	30,945	27,858	31,858	36,238	62,803	64,096
General revenues						
Property taxes	1,121,424	1,081,273	-	-	1,121,424	1,081,273
Income taxes	1,138,990	1,140,085	-	-	1,138,990	1,140,085
Public service taxes	205,170	246,735	-	-	205,170	246,735
Unrestricted grants and contributions	37,063	6,426	-	-	37,063	6,426
Investment earnings	38,728	1,109	9,263	234	47,991	1,343
Other	130	-	-	-	130	-
Total revenues	3,231,975	3,194,220	404,825	409,472	3,636,800	3,603,692
Expenses						
General government	764,692	948,731	-	-	764,692	948,731
Public safety	458,019	429,693	-	-	458,019	429,693
Public works	208,829	221,290	-	-	208,829	221,290
Health and human services	197,995	237,594	-	-	197,995	237,594
Culture and leisure services	61,024	66,408	-	-	61,024	66,408
Economic and community development	41,734	67,423	-	-	41,734	67,423
Education	1,116,208	1,028,629	-	-	1,116,208	1,028,629
Interest on long-term debt	25,867	20,512	-	-	25,867	20,512
Water and sewer services	-	-	356,151	366,202	356,151	366,202
Recreational services	-	-	310	-	310	-
Total expenses	2,874,368	3,020,280	356,461	366,202	3,230,829	3,386,482
Increase(decrease) in net position before reversion and transfers	357,607	173,940	48,364	43,270	405,971	217,210
Transfers between Governmental and Business Type Activities	17	-	(17)	-	-	-
Reversion of fund balance from component units	-	789	-	-	-	789
Increase(decrease) in net position	357,624	174,729	48,347	43,270	405,971	217,999
Net position - beginning	(1,568,935)	(1,743,664)	(314,803)	(358,073)	(1,883,738)	(2,101,737)
Net position - ending	\$ (1,211,311)	\$ (1,568,935)	\$ (266,456)	\$ (314,803)	\$ (1,477,767)	\$ (1,883,738)

The following graphs and charts depict the expenses and revenues of the governmental activities and business-type activities for the fiscal year which are derived from the government-wide Statement of Activities.

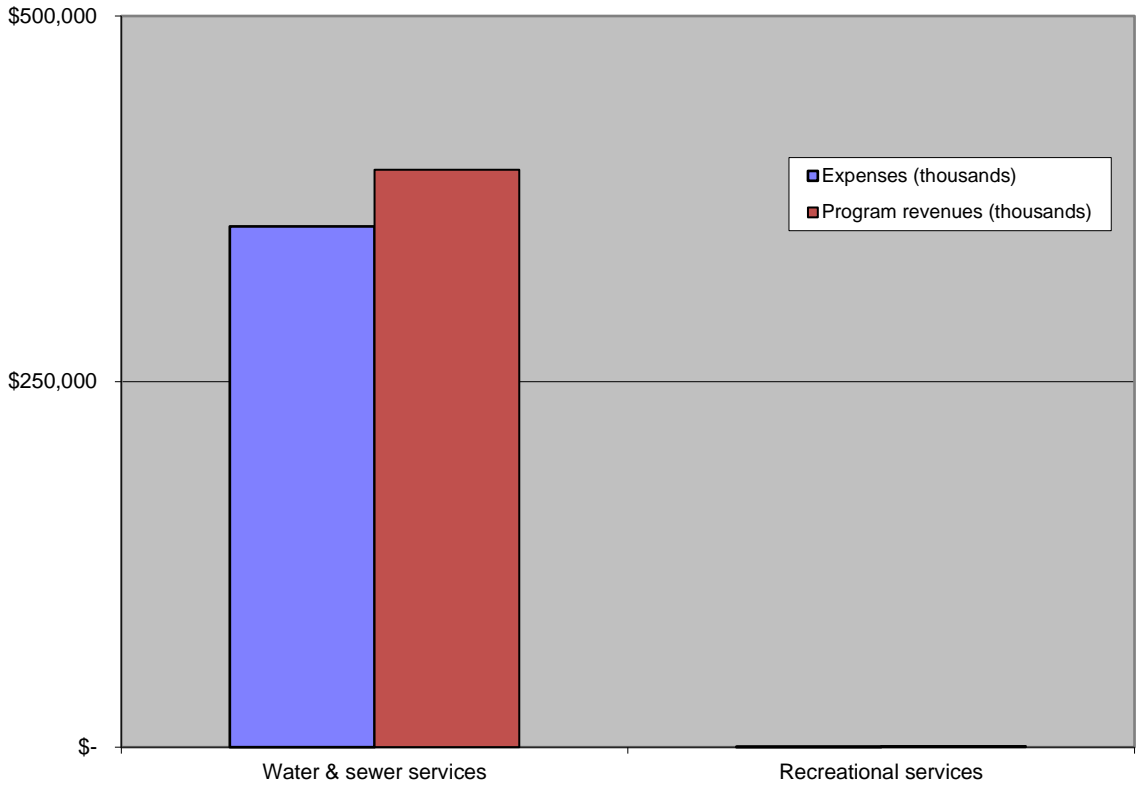
Expenses & Program Revenues-Governmental Activities



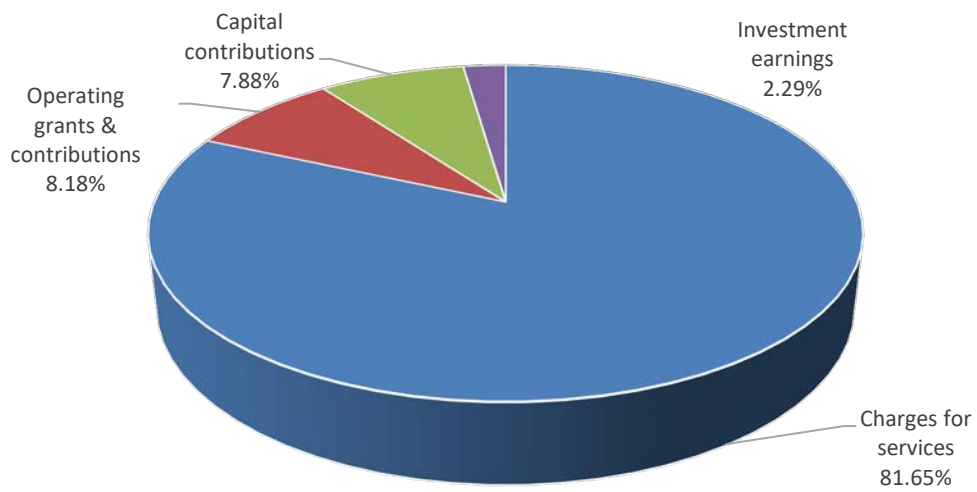
Revenues by Source- Governmental Activities



Expenses and Program Revenues-Business-type Activities



Revenues by Source- Business-Type Activities



Governmental Activities

The net position of governmental activities increased \$357.624 million during FY23. Key elements affecting the net position include:

- General revenues increased \$65.877 million over the prior fiscal year. Income tax revenue decreased \$1.095 million after adjusting for the County's portion of income tax reserves held by the State that was recognized under full accrual accounting. Property taxes provided 34.69% of total revenue with an increase of \$40.151 million primarily due to new construction county-wide and from higher assessed values of homes.
- Expenses decreased by \$145.912 million, primarily due to the decrease in public works expenses by \$268.062 million.
- Education expenses increased \$87.579 million over the prior fiscal year.

Business-type Activities

The net position of business-type activities increased \$48.347 million during FY23. The key elements of the Metropolitan District operations that affect net position are as follows:

- Intergovernmental revenue increased \$30.313 million from FY 22 to FY 23, due to the settlement of Water and Sewer receivables from prior fiscal years. Interest on investments increased by 9.029 from FY 22 to FY 23 due to an increase in interest rates.
- Capital Contributions to Other Subdivisions decreased \$16.381 from FY 22 to FY 23 due to a decrease in payments for City/County Jointly owned facilities. This reduction comes from the timing of job completion and the frequency of Capital related repairs due to aging infrastructure.
- Charges for services decreased by \$31.429 million in FY 2023.

Financial Analysis of the County's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The governmental funds provide data on near-term inflows, outflows and balances of spendable resources. This data is useful in assessing the County's financing requirements. The unassigned fund balance serves as a useful measure of the County's financial resources available for appropriation at the end of the fiscal year.

The County's governmental funds reported combined ending fund balances of \$948.787 million as of June 30, 2023, a decrease of \$3.755 million. Unassigned fund balance of the General Fund, as stated below, is available at the County's discretion. The remaining positive fund balance of \$238.672 million is not available for new spending because of varying constraints set on them.

The General Fund is the County's chief operating fund. At the end of FY23, unassigned fund balance of the General Fund was \$681.201 million, while total fund balance was \$836.480 million. Unassigned fund balance represents 28.40% of total budgetary expenditures, while total fund balance represents 34.87% of total budgetary expenditures. These ratios are typically useful as a measure of the General Fund's liquidity. The County has \$249.612 million in a Revenue Stabilization account.

The General Fund fund balance decreased by \$86.508 million during the current fiscal year. Tax revenue increased by \$81.602 million, which is due to several factors, including the County received an increase in income tax collected from delinquent filers as well as late filed returns, for which compliance efforts were effectively paused during the pandemic and has since resumed. Funding provided to the Board of Education increased by \$31.056 million attributable to increased operating funding levels in FY23.

The Gifts and Grants Fund fund balance of \$59.806 million consists primarily of \$35.914 million of earned revenue in excess of grant expenditures restricted for various grant activities administered by the County. Specifically, the Housing Choice Voucher, Opioid Abatement, and Environmental Protection grants

amounted to a combined \$12.308 million in excess revenue. In addition, \$15.286 million of earned revenue was assigned for the Affordable Housing Program.

On March 11, 2021, the American Rescue Plan (ARP) Act was signed into law by the President. Title VI, Section 602 of the Social Security Act establishes the Coronavirus State Fiscal Recovery Fund, and section 603 establishes the Coronavirus State and Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds). The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents, and businesses. The Fiscal Recovery Funds expand the support provided to these governments over the last year, including through the Coronavirus Relief Fund (CRF). In general, this funding may be used to respond to the public health emergency with respect to COVID-19 or its negative economic impacts.

Baltimore County received \$160.7 million directly from the U.S. Treasury through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The fund expenditures must be obligated during the period that begins on March 3, 2021, and ends on December 31, 2024, with all work completed and funding spent by December 31, 2026. As of June 30, 2023, the County utilized \$61 million in ARP funding to continue the County-wide response and recovery effort.

The County created an Economic Recovery Subcabinet, led by Director of Economic and Workforce Development. Comprised of department and programmatic leaders across County government, the Subcabinet has been tasked with information gathering, examining nationwide best practices, and hosting listening forums with community stakeholders to develop recommendations on SLFRF spending. In addition to prioritizing communities that were disproportionately impacted by the COVID-19 pandemic, the Subcabinet is focused on integrating a data-driven approach.

The County's SLFRF blueprint of spending covers the following seven "Impact Areas":

Impact Area 1 – Public Health

Impact Area 2 – Addressing Negative Economic Impacts

Impact Area 3 – Public Health- Negative Economic Impact: Public Sector Capacity

Impact Area 4 – Premium Pay

Impact Area 5 – Infrastructure

Impact Area 6 – Revenue Replacement

Impact Area 7 – Administrative

The Consolidated Public Improvement Construction Fund fund balance increased by \$62.515 million. Major fluctuations in fund balance are primarily the result of the timing of cash inflows from bond sale proceeds and capital expenditure outflows. The County issued \$30 million in new debt to fund capital projects in FY23. Capital expenditures for various County projects increased \$27.765 million to \$132.476 million.

Proprietary Funds

The County's proprietary funds provide more detailed data of the information reported in the government-wide financial statements.

The Metropolitan District Fund net position increased \$48.679 million during FY23. The main factors concerning this increase have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The County did not have any supplemental appropriations in FY23.

Significant differences between the final budget and actual amounts are summarized as follows:

- A favorable revenue variance of \$97.285 million in County income tax revenue was due to actual income tax collections being more positive than anticipated. Budgeted revenues were set lower because of the pandemic, but income tax revenues were higher than anticipated due to several factors. Prior year reconciliation for tax year 2021 exceeded budgeted levels by \$83.1 million. There also was an increase in estimated payments originating from Pass-Through-Entities due to the passage of CH 641 by the Maryland General Assembly during the 2020 season. Finally, the County received an increase in income tax collected from delinquent filers as well as late filed returns, for which compliance efforts were effectively paused during the pandemic and has since resumed.
- Title transfer tax and recordation tax revenues declined by \$52.3 million in FY 23. These taxes rose to peak levels in FY22 after low interest rates combined with low housing supply drove high demand and home prices following the pandemic. Rapid gains in mortgage interest rates stemming from the Federal Reserve's battle against inflation has made the cost of housing drastically more expensive for the prospective home buyer and a continued lack of housing supply has caused a decline in recordation and tax collections for FY23

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities totaled \$4.75 billion net of accumulated depreciation and amortization. The investment in capital assets includes land, buildings, machinery, vehicles and infrastructure assets.

Capital Assets as of June 30, net of accumulated depreciation (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 424,142	\$ 303,653	\$ 1,317	\$ 1,317	\$ 425,459	\$ 304,970
Buildings and improvements	311,367	327,174	59,591	81,600	370,958	408,774
Vehicles and equipment	103,817	121,553	140,731	5,056	244,548	126,609
Leased assets	16,914	16,022	-	-	16,914	16,022
Subscription assets	31,408	-	1,220	-	32,628	-
Infrastructure	994,691	1,089,714	992,183	1,137,601	1,986,874	2,227,315
Construction in progress	1,066,165	835,990	615,278	512,583	1,681,443	1,348,573
Total	<u>\$ 2,948,504</u>	<u>\$ 2,694,106</u>	<u>\$ 1,810,320</u>	<u>\$ 1,738,157</u>	<u>\$ 4,758,824</u>	<u>\$ 4,432,263</u>

Additional capital asset information can be found in Note 7.

Long-term Debt

At the end of the current fiscal year, the County had general obligation debt outstanding of \$4.023 billion. This includes Consolidated Public Improvement bonds and notes of \$1.702 billion, Pension Funding bonds of \$.332 billion and Metropolitan District bonds and notes of \$1.989 billion. The bonds and notes are backed by the full faith and credit of the County.

Outstanding General Obligation Debt as of June 30 (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 2,020,476	\$ 2,119,005	\$2,002,438	\$1,803,866	\$ 4,022,914	\$ 3,922,871
General obligation BANs	-	-	-	150,000	-	150,000
Total	<u>\$ 2,020,476</u>	<u>\$ 2,119,005</u>	<u>\$2,002,438</u>	<u>\$1,953,866</u>	<u>\$ 4,022,914</u>	<u>\$ 4,072,871</u>

The County’s general obligation debt decreased in 2023 by \$49.957 million (considering new borrowing and debt retirement).

The County maintains an “AAA” rating from both Standard & Poor’s and Fitch Investor’s Service, and a “Aaa” rating from Moody’s Investor’s Service for general obligation bonds.

The County Charter limits the amount of general obligation debt that the County may issue for Consolidated Public Improvements to 4% of the County’s assessable property base. Metropolitan District debt may be issued up to debt limit of 3.2% of the District’s assessable property base. The County’s debt is significantly below the respective limits of \$3.936 billion and \$2.835 billion. Additional information on the County’s long-term debt can be found in Note 8.

Economic Factors and Next Years Budgets and Rates

- The Spending Affordability Committee’s consultant, Sage Policy Group predicts that Baltimore County personal income will grow 3.8% in FY 2023, slightly below its Maryland personal income growth forecast of 4%.
- Unemployment rates in Baltimore County and Maryland averaged 4% for all of Calendar Year 2022. Sage Policy Group predicts employment will grow by 2.7% and 1.5%, respectively, for Calendar Year 2023.
- The County’s labor market continues to perform well, and has mostly recovered the jobs lost during the pandemic. The abundance of government, health care, and education jobs lessened the impact in Baltimore County versus other areas with a larger reliance on Leisure and Hospitality industries. However, the County’s current low unemployment rate masks underlying issues with the labor force participation and this continues to result in a lack of available workers.
- The County is expected to continue experiencing moderate levels of growth as the economy rebounds from the COVID-19 pandemic. The short-term impacts to the local economy include continued supply chain issues, labor shortages, rising interest rates and inflation. Although the local economy was greatly impacted by the pandemic, the economy has progressed in a rapid “V” shaped recovery compared to that of the great recession. This is due to primarily to the economic crisis generated by the pandemic being one of supply shock versus demand. As vaccines became more widely available, closures were reversed, and supply chains improved, consumers were eager to make a return to normal.
- The pandemic facilitated a rise in the demand for remote work which may result in long term impacts to commercial real estate locally as well as nationally. On the residential real estate side, the County’s housing market surged shortly after the beginning of the pandemic, driven by historically low interest rates, excess household savings, and families’ desire for more space, resulting in rapid gains in home values and a dwindling supply of available housing. Housing is expected to be more constrained in the future as interest rates rise.
- In the long-term, the effects of mounting national debt will remain a concern in the coming years in addition to ongoing threats of a federal shutdown. Likewise, long term impacts in the labor markets resulting from Baby Boomer retirements are expected. A wave of millennial and Gen Z generations of employees will cause short term losses of productivity but in the long term will contribute to lower employment growth rates as the number of employees available for the workforce levels off.

The FY 2024 General Fund budget is \$2.710 billion, an increase of \$48.3 million or 1.8% over the FY 2023 adjusted budget. For FY 2024, the Total Operating Budget (which includes the General Fund, the Gifts & Grants Fund, direct State aid to the public schools and the community college, etc.) totals \$4.469 billion. It reflects a 1.5% increase above the adjusted FY 2023 appropriation. The Government-wide Total (Total Operating Budget plus Enterprise Funds) is \$4.885 billion, an 1.7% increase above the adjusted FY 2023 level. The FY 2024 total operating budget for the Baltimore County Public School system includes an increase of \$37.6 million over the FY 2023, and is \$70.6 million or 8.1% over the required Maintenance of Effort (MOE) funding.

There were no new taxes levied to fund the FY23 budget. The income tax rate is 3.2% and the real property tax rate will remain at \$1.10 per \$100 of assessed value. The personal property rate remains at \$2.75 and the Homestead Assessment Growth Cap continues at 4%.

Information Requests

This financial report is designed to provide a general overview of Baltimore County's finances for all those with an interest in good government. The report seeks to demonstrate the County's accountability for the monies it receives and for the services it provides. Requests for information regarding this report or additional financial information can be sent to the Baltimore County Office of Budget and Finance, 400 Washington Avenue, Room 149 Towson, Maryland 21204-4665.

The County's component units issue their own separately audited financial statements. These statements may be obtained by directly contacting the component unit (see Note 1).



Basic Financial Statements

Government-wide financial statements combine all of Baltimore County's governmental and business-type activities, as well as its discretely presented components.

Fund financial statements show the financial position and the operating results by fund.

Notes to the Basic Financial Statements are an integral part of the financial statements.

Baltimore County, Maryland
Statement of Net Position
June 30, 2023
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments (Note 3)	\$ 1,020,276	\$ 167,531	\$ 1,187,807	\$ 325,312
Receivables, net (Note 5)	850,375	109,925	960,300	136,817
Due from primary government (Note 6)	-	-	-	50,384
Inventories	11,217	639	11,856	1,808
Prepaid costs	1,135	-	1,135	2,511
Restricted assets:				
Cash and investments (Note 3)	91,307	3,997	95,304	19,289
Capital assets (Note 7)				
Not being depreciated	1,488,822	616,595	2,105,417	438,621
Depreciable (net of accumulated depreciation)	1,411,360	1,192,505	2,603,865	1,959,578
Leased assets (net of accumulated amortization)	16,914	-	16,914	41,920
Subscription assets (net of accumulated amortization)	31,408	1,220	32,628	14,007
Total assets	<u>4,922,814</u>	<u>2,092,412</u>	<u>7,015,226</u>	<u>2,990,247</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	15,299	14,915	30,214	-
Retirement and OPEB plans	1,276,873	55,586	1,332,459	733,362
Total deferred outflows of resources	<u>1,292,172</u>	<u>70,501</u>	<u>1,362,673</u>	<u>733,362</u>
LIABILITIES				
Accounts payable	73,874	69,621	143,495	86,413
Accrued payroll	12,865	450	13,315	50,387
Accrued interest payable	29,671	24,032	53,703	-
Internal balances	2,017	(2,017)	-	-
Due to component units (Note 6)	42,457	-	42,457	-
Other liabilities	34,592	6,198	40,790	10,427
Unearned revenue (Note 5)	132,670	-	132,670	12,867
Liabilities payable from restricted assets	-	-	-	19,289
Noncurrent liabilities (Note 8)				
Due within one year	297,750	78,188	375,938	67,463
Due in more than one year	5,915,324	2,210,592	8,125,916	1,796,178
Total liabilities	<u>6,541,220</u>	<u>2,387,064</u>	<u>8,928,284</u>	<u>2,043,024</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred lease revenue	42,850	-	42,850	-
Retirement and OPEB plans	842,227	42,305	884,532	1,000,302
Total deferred inflows of resources	<u>885,077</u>	<u>42,305</u>	<u>927,382</u>	<u>1,000,302</u>
NET POSITION				
Net investment in capital assets	1,998,973	573,912	2,572,885	2,249,812
Restricted for:				
Public works	22,223	-	22,223	-
Economic development	8,606	-	8,606	-
Education	-	-	-	35,269
Grant projects	35,914	-	35,914	-
Debt service	10,760	-	10,760	-
Unrestricted (deficit)	(3,287,787)	(840,368)	(4,128,155)	(1,604,798)
Total net position (deficit)	<u>\$ (1,211,311)</u>	<u>\$ (266,456)</u>	<u>\$ (1,477,767)</u>	<u>\$ 680,283</u>

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

Baltimore County, Maryland
Statement of Activities
For the Year Ended June 30, 2023
(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT								
Governmental activities:								
General government	\$ 764,692	\$ 272,493	\$ 20,485	\$ -	\$ (471,714)	\$ -	\$ (471,714)	\$ -
Public safety	458,019	44,221	8,936	-	(404,862)	-	(404,862)	-
Public works	208,829	29,623	12,673	30,945	(135,588)	-	(135,588)	-
Health and human services	197,995	-	239,001	-	41,006	-	41,006	-
Culture and leisure services	61,024	3,372	124	-	(57,528)	-	(57,528)	-
Economic and community development	41,734	431	28,166	-	(13,137)	-	(13,137)	-
Education	1,116,208	-	-	-	(1,116,208)	-	(1,116,208)	-
Interest on long-term debt	25,867	-	-	-	(25,867)	-	(25,867)	-
Total governmental activities	<u>2,874,368</u>	<u>350,140</u>	<u>309,385</u>	<u>30,945</u>	<u>(2,183,898)</u>	<u>-</u>	<u>(2,183,898)</u>	<u>-</u>
Business-type activities:								
Water and sewer services	356,151	329,913	33,053	31,858	-	38,673	38,673	-
Recreational services	310	738	-	-	-	428	428	-
Total business-type activities	<u>356,461</u>	<u>330,651</u>	<u>33,053</u>	<u>31,858</u>	<u>-</u>	<u>39,101</u>	<u>39,101</u>	<u>-</u>
Total primary government	<u>\$ 3,230,829</u>	<u>\$ 680,791</u>	<u>\$ 342,438</u>	<u>\$ 62,803</u>	<u>(2,183,898)</u>	<u>39,101</u>	<u>(2,144,797)</u>	<u>-</u>
COMPONENT UNITS								
Board of Education	\$ 2,330,910	\$ 8,023	\$ 638,956	\$ 199,139	-	-	-	(1,484,792)
Community College	245,990	56,016	118,764	15,871	-	-	-	(55,339)
Board of Library Trustees	48,832	9,005	2,816	-	-	-	-	(37,011)
Total component units	<u>\$ 2,625,732</u>	<u>\$ 73,044</u>	<u>\$ 760,536</u>	<u>\$ 215,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,577,142)</u>
General revenues:								
Taxes:								
Property taxes					1,121,424	-	1,121,424	-
Income taxes					1,138,990	-	1,138,990	-
Public service taxes					205,170	-	205,170	-
Grants and contributions not restricted to specific programs:								
Baltimore County					-	-	-	995,659
State of Maryland					37,063	-	37,063	612,333
Unrestricted investment earnings					38,728	9,263	47,991	3,173
Other					130	-	130	21,468
Transfers between Governmental and Business Type Activities					17	(17)	-	-
Total general revenues and transfers					<u>2,541,522</u>	<u>9,246</u>	<u>2,550,768</u>	<u>1,632,633</u>
Change in net position					357,624	48,347	405,971	55,491
Net position (deficit) at beginning of the year					(1,568,935)	(314,803)	(1,883,738)	624,792
Net position (deficit) at end of the year					<u>\$ (1,211,311)</u>	<u>\$ (266,456)</u>	<u>\$ (1,477,767)</u>	<u>\$ 680,283</u>

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

Baltimore County, Maryland
Balance Sheet
Governmental Funds
June 30, 2023
(In Thousands)

	General	Gifts and Grants	Consolidated Public Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 668,356	\$ 133,209	\$ 140,931	\$ 2,006	\$ 944,502
Cash and investments - restricted	91,307	-	-	-	91,307
Receivables, net	665,646	181,747	238	-	847,631
Due from other funds	7,367	-	-	-	7,367
Inventories	10,368	-	-	-	10,368
Total assets	<u>\$ 1,443,044</u>	<u>\$ 314,956</u>	<u>\$ 141,169</u>	<u>\$ 2,006</u>	<u>\$ 1,901,175</u>
LIABILITIES					
Accounts payable	\$ 23,975	\$ 15,566	\$ 25,617	\$ 629	\$ 65,787
Accrued expenditures	11,798	983	-	13	12,794
Due to component units	-	-	42,457	-	42,457
Other liabilities	12,381	1,067	21,145	-	34,593
Unearned revenue - other (Note 5)	156	132,514	-	-	132,670
Total liabilities	<u>48,310</u>	<u>150,130</u>	<u>89,219</u>	<u>642</u>	<u>288,301</u>
DEFERRED INFLOWS OF RESOURCES					
Related to Leases (Note 5)	38,195	4,655	-	-	42,850
Unavailable revenue (Note 5)	520,059	100,365	813	-	621,237
Total deferred inflows of resources	<u>558,254</u>	<u>105,020</u>	<u>813</u>	<u>-</u>	<u>664,087</u>
FUND BALANCES (DEFICITS) (NOTE 14)					
Nonspendable	10,368	-	-	-	10,368
Restricted	87,814	44,520	22,223	-	154,557
Assigned	57,097	15,286	28,914	1,364	102,661
Unassigned	681,201	-	-	-	681,201
Total fund balances (deficit)	<u>836,480</u>	<u>59,806</u>	<u>51,137</u>	<u>1,364</u>	<u>948,787</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,443,044</u>	<u>\$ 314,956</u>	<u>\$ 141,169</u>	<u>\$ 2,006</u>	

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.	2,928,345
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows in the funds.	639,298
Internal service funds are used by management to charge the costs of self insurance, fleet management and reproduction to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(40,643)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 2).	(6,121,744)
The net effect of the deferred outflows and deferred inflows of resources recorded in conjunction with the recognition of the County pension liability and OPEB liability is shown in the governmental activities but not included in the governmental statements.	434,646
Net deficit of governmental activities	<u>\$ (1,211,311)</u>

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

Baltimore County, Maryland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023
(In Thousands)

	General	Gifts and Grants	Consolidated Public Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 2,383,532	\$ -	\$ -	\$ 378	\$ 2,383,910
Licenses and permits	5,050	-	-	1,159	6,209
Intergovernmental	14,229	244,658	23,386	-	282,273
Repayment of loans	-	418	-	-	418
Charges for services	107,759	9,619	1,000	650	119,028
Assessments	-	-	4,819	-	4,819
Fines and forfeitures	4,428	-	-	-	4,428
Investment income	38,850	1,439	423	-	40,712
Miscellaneous	43,724	(486)	1,498	-	44,736
Total revenues	<u>2,597,572</u>	<u>255,648</u>	<u>31,126</u>	<u>2,187</u>	<u>2,886,533</u>
EXPENDITURES					
Current:					
General government	172,033	31,062	-	2,145	205,240
Public safety	426,083	12,119	-	-	438,202
Public works	137,402	10,083	-	-	147,485
Health and human services	49,126	151,270	-	-	200,396
Culture and leisure services	19,550	3,222	-	-	22,772
Economic and community development	2,454	35,584	-	-	38,038
Pension plan contributions	200,451	-	-	-	200,451
Healthcare contributions	161,161	-	-	-	161,161
Miscellaneous	23,846	14,810	-	-	38,656
Capital projects	-	-	132,476	-	132,476
Lease expenditures	-	-	1,897	-	1,897
Payments to component units	1,109,361	-	96,440	-	1,205,801
Debt service:					
Principal retirement	112,930	4,698	458	-	118,086
Interest	54,510	264	17	-	54,791
Fiscal charges	67	-	-	-	67
Issuance costs	90	-	-	-	90
Total expenditures	<u>2,469,064</u>	<u>263,112</u>	<u>231,288</u>	<u>2,145</u>	<u>2,965,609</u>
Excess (deficiency) of revenues over expenditures	<u>128,508</u>	<u>(7,464)</u>	<u>(200,162)</u>	<u>42</u>	<u>(79,076)</u>
OTHER FINANCING SOURCES (USES)					
Bonds issued	-	-	30,000	-	30,000
Lease proceeds	2,769	1,636	-	-	4,405
SBITA proceeds	30,762	3,515	2,372	-	36,649
Premiums on debt	4,090	-	-	-	4,090
Transfers in	906	23,265	242,036	-	266,207
Transfers out	(253,543)	(306)	(11,731)	(450)	(266,030)
Total other financing sources (uses)	<u>(215,016)</u>	<u>28,110</u>	<u>262,677</u>	<u>(450)</u>	<u>75,321</u>
Net change in fund balances	<u>(86,508)</u>	<u>20,646</u>	<u>62,515</u>	<u>(408)</u>	<u>(3,755)</u>
Fund balances (deficit) at beginning of the year	922,988	39,160	(11,378)	1,772	952,542
Fund balances (deficit) at end of the year	<u>\$ 836,480</u>	<u>\$ 59,806</u>	<u>\$ 51,137</u>	<u>\$ 1,364</u>	<u>\$ 948,787</u>

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

Baltimore County, Maryland
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023
(In Thousands)

Net change in fund balances-total governmental funds	\$ (3,755)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period (Note 2).</p>	344,952
<p>The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position (Note 2).</p>	(78,774)
<p>Some revenues will not be collected for several months after the fiscal year ends. As such these revenues are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows increased this year.</p>	121,328
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items (Note 2).</p>	123,780
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (Note 2).</p>	(171,338)
<p>The net effect of the expenses for recording the County's pension liability from employee retirement plans.</p>	(1,267)
<p>Internal service funds are used by management to charge the costs of self insurance, fleet management, and reproduction services to individual funds. The net income of these internal service funds is reported with governmental activities.</p>	20,084
<p>The payment of a long-term liability for disputed taxes that was not reported in the governmental funds increases net position.</p>	2,614
<p>Change in net position of governmental activities</p>	\$ 357,624

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

Baltimore County, Maryland
Budgetary Comparison Statement - General Fund (Non GAAP Budgetary Basis)
For the Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,278,769	\$ 2,278,769	2,385,661	\$ 106,892
Licenses and permits	5,001	5,001	6,066	1,065
Intergovernmental	50,131	50,131	17,697	(32,434)
Charges for services	86,330	86,330	107,827	21,497
Fines and forfeitures	3,864	3,864	4,437	573
Reimbursement from other funds	7,392	7,392	14,078	6,686
Interest on investments	17,339	17,339	35,780	18,441
Miscellaneous	47,289	47,289	44,341	(2,948)
Total revenues	<u>2,496,115</u>	<u>2,496,115</u>	<u>2,615,887</u>	<u>119,772</u>
EXPENDITURES				
Current:				
General government	164,070	167,770	153,913	13,857
Public safety	431,467	432,067	423,656	8,411
Public works	129,082	125,382	120,671	4,711
Health and human services	51,807	51,807	48,707	3,100
Culture and leisure services	21,984	21,984	19,535	2,449
Economic and community development	2,980	2,980	2,498	482
Pension plan contributions	200,457	200,457	200,451	6
Healthcare contributions	163,030	162,780	161,152	1,628
Miscellaneous	24,682	24,332	22,108	2,224
Payments to component units	1,101,292	1,101,292	1,101,287	5
Debt service:				
Principal retirement	106,301	106,301	106,301	-
Interest	38,973	38,973	38,252	721
Fiscal charges	105	105	67	38
Total expenditures	<u>2,436,230</u>	<u>2,436,230</u>	<u>2,398,598</u>	<u>37,632</u>
Excess of revenues over expenditures (budgetary basis)	<u>59,885</u>	<u>59,885</u>	<u>217,289</u>	<u>157,404</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(225,453)	(225,453)	(225,453)	-
Total other financing sources (uses)	<u>(225,453)</u>	<u>(225,453)</u>	<u>(225,453)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	<u>\$ (165,568)</u>	<u>\$ (165,568)</u>	<u>\$ (8,164)</u>	<u>\$ 157,404</u>
Adjustments required under generally accepted accounting principles:				
Net change during year in reserve for encumbrances			6,092	
Unbudgeted equipment financing activity			(36,529)	
Unbudgeted bond escrow payment			1,945	
Net change in reserve for inventories, imprest funds and other programs			(47,420)	
Prior year encumbrances liquidations			(2,432)	
Net change in fund balance-GAAP			(86,508)	
Fund balance at beginning of the year			922,988	
Fund balance at end of the year			<u>\$ 836,480</u>	

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

Baltimore County, Maryland
Statement of Net Position
Proprietary Funds
June 30, 2023
(In Thousands)

	Metropolitan District Fund	Recreational Facilities Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 167,082	\$ 449	\$ 167,531	\$ 75,774
Cash and investments - restricted	3,997	-	3,997	-
Receivables, net (Note 5)	39,289	-	39,289	2,744
Inventories	639	-	639	849
Prepaid costs	-	-	-	1,135
Total current assets	<u>211,007</u>	<u>449</u>	<u>211,456</u>	<u>80,502</u>
Noncurrent assets:				
Assessments receivable (Note 5)	70,636	-	70,636	-
Capital assets: (Note 7)				
Non-depreciable	616,595	-	616,595	705
Depreciable (net of accumulated depreciation)	1,192,505	-	1,192,505	19,100
Leased assets (net of accumulated amortization)	-	-	-	177
Subscription assets (net of accumulated amortization)	1,220	-	1,220	-
Total noncurrent assets	<u>1,880,956</u>	<u>-</u>	<u>1,880,956</u>	<u>19,982</u>
Total assets	<u>2,091,963</u>	<u>449</u>	<u>2,092,412</u>	<u>100,484</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	14,915	-	14,915	-
Retirement and OPEB plans	55,586	-	55,586	-
Total deferred outflows of resources	<u>70,501</u>	<u>-</u>	<u>70,501</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	69,615	6	69,621	5,090
Accrued payroll	435	15	450	71
Accrued interest payable	24,032	-	24,032	-
Due to other funds	-	-	-	7,367
Compensated absences (Note 8)	1,796	-	1,796	271
Claims and judgments (Note 8)	-	-	-	42,637
General obligation debt (Note 8)	74,034	-	74,034	-
Pension funding bonds (Note 8)	445	-	445	-
Certificates of participation (Note 8)	1,679	-	1,679	-
Lease payable (Note 8)	234	-	234	157
Other liabilities	6,198	-	6,198	-
Total current liabilities	<u>178,468</u>	<u>21</u>	<u>178,489</u>	<u>55,593</u>
Noncurrent liabilities (Note 8):				
Compensated absences	52	-	52	-
Claims and judgments	-	-	-	63,513
General obligation debt	2,040,931	-	2,040,931	-
Pension funding bonds	12,814	-	12,814	-
Net pension and OPEB liability	144,356	-	144,356	-
Certificates of participation	11,456	-	11,456	-
Lease payable	983	-	983	21
Total noncurrent liabilities	<u>2,210,592</u>	<u>-</u>	<u>2,210,592</u>	<u>63,534</u>
Total liabilities	<u>2,389,060</u>	<u>21</u>	<u>2,389,081</u>	<u>119,127</u>
DEFERRED INFLOWS OF RESOURCES				
Retirement and OPEB plans	42,305	-	42,305	-
Total deferred inflows of resources	<u>42,305</u>	<u>-</u>	<u>42,305</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	573,912	-	573,912	19,982
Unrestricted (deficit)	(842,813)	428	(842,385)	(38,625)
Total net position (deficit)	<u>(268,901)</u>	<u>428</u>	<u>(268,473)</u>	<u>\$ (18,643)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	2,017	-	2,017	
Net position (deficit) of business-type activities	<u>\$ (266,884)</u>	<u>\$ 428</u>	<u>\$ (266,456)</u>	

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

Baltimore County, Maryland
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023
(In Thousands)

	Metropolitan District Fund	Recreational Facilities Fund	Total	Internal Service Funds
OPERATING REVENUES				
Licenses and permits	\$ 782	\$ 738	\$ 1,520	\$ -
Charges for services	330,223	-	330,223	416,937
Assessments	320	-	320	-
Intergovernmental	33,043	-	33,043	-
Miscellaneous	(1,412)	-	(1,412)	4
Total operating revenues	<u>362,956</u>	<u>738</u>	<u>363,694</u>	<u>416,941</u>
OPERATING EXPENSES				
Personal services	28,701	114	28,815	3,933
Business and travel	53	-	53	-
Contractual services	45,722	11	45,733	267
Rents and utilities	3,214	-	3,214	124
Supplies and maintenance	75,056	106	75,162	16,094
Insurance claims and expenses	-	-	-	373,771
Equipment	27,560	44	27,604	-
Fringe benefits and overhead	24,564	-	24,564	-
Depreciation and amortization expense	36,693	-	36,693	4,519
Other	636	35	671	876
Total operating expenses	<u>242,199</u>	<u>310</u>	<u>242,509</u>	<u>399,584</u>
Operating income	<u>120,757</u>	<u>428</u>	<u>121,185</u>	<u>17,357</u>
NONOPERATING REVENUES (EXPENSES)				
Interest on investments	9,263	-	9,263	2,127
Interest expense	(53,224)	-	(53,224)	(3)
Capital contributions to other subdivisions	(59,968)	-	(59,968)	-
Total nonoperating revenues (expenses)	<u>(103,929)</u>	<u>-</u>	<u>(103,929)</u>	<u>2,124</u>
Income/(loss) before transfers and capital contributions	16,828	428	17,256	19,481
Capital contributions from external parties	31,868	-	31,868	-
Transfers out	(17)	-	(17)	(160)
Change in net position	48,679	428	49,107	19,321
Net position at beginning of the year	(317,580)	-	-	(37,964)
Net position at end of the year	<u>\$ (268,901)</u>	<u>\$ 428</u>	<u>\$ -</u>	<u>\$ (18,643)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(760)	
Change in net position of business-type activities			<u>\$ 48,347</u>	

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

Baltimore County, Maryland
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023
(In Thousands)

	Metropolitan District Fund	Recreational Facilities Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from external customers	\$ 344,741	\$ 738	\$ 345,479	\$ 321,025
Receipts for interfund services	-	-	-	129,169
Payments to suppliers	(147,015)	(111)	(147,126)	(16,972)
Payments to employees	(43,896)	(100)	(43,996)	(3,984)
Payment for interfund services used	-	(78)	(78)	(731)
Claims paid	-	-	-	(364,492)
Other receipts	-	-	-	-
Net cash provided by operating activities	<u>153,830</u>	<u>449</u>	<u>154,279</u>	<u>64,015</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	(17)	-	(17)	(160)
Other financing sources	1,217	-	1,217	-
Advances from other funds	-	-	-	7,367
Contributions paid to other subdivisions	(4,568)	-	(4,568)	-
Net cash (provided by) noncapital financing activities	<u>(3,368)</u>	<u>-</u>	<u>(3,368)</u>	<u>7,207</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	144,404	-	144,404	-
Capital contributions from external parties	28,728	-	28,728	-
Acquisition and construction of capital assets	(122,527)	-	(122,527)	(6,774)
Principal paid on capital debt	(70,730)	-	(70,730)	-
Interest paid on capital debt	(68,549)	-	(68,549)	-
Sales of capital assets	-	-	-	671
Payments for leases	-	-	-	(91)
Net cash used in capital and related financing activities	<u>(88,674)</u>	<u>-</u>	<u>(88,674)</u>	<u>(6,194)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	9,263	-	9,263	2,127
Net cash provided by investing activities	<u>9,263</u>	<u>-</u>	<u>9,263</u>	<u>2,127</u>
Net increase in cash and cash equivalents	71,051	449	71,500	67,155
Cash and cash equivalents at beginning of the year	100,028	-	100,028	8,619
Cash and cash equivalents at end of the year	<u>\$ 171,079</u>	<u>\$ 449</u>	<u>\$ 171,528</u>	<u>\$ 75,774</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 120,757	\$ 428	\$ 121,185	\$ 17,357
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	36,693	-	36,693	4,519
Miscellaneous income	-	-	-	6,584
Effect of changes in operating accounts				
Receivables, net	(18,459)	-	(18,459)	26,669
Inventories	282	-	282	(267)
Deferred outflows	8,062	-	8,062	-
Accounts and other payables	5,135	6	5,141	111
Accrued expenses and deferred inflows	1,360	15	1,375	(50)
Claims and judgements	-	-	-	9,092
Net cash provided by operating activities	<u>\$ 153,830</u>	<u>\$ 449</u>	<u>\$ 154,279</u>	<u>\$ 64,015</u>
NONCASH CAPITAL AND NONCAPITAL FINANCING ACTIVITIES				
Capital assets acquired through contributions from developers.	\$ 2,766	\$ -	\$ 2,766	\$ -

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

Baltimore County, Maryland
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023
(In Thousands)

	Benefit Funds
ASSETS	
Cash and cash equivalents (Note 3)	\$ 61,085
Collateral for loaned securities (Note 3)	11,253
Receivables:	
Accrued interest & dividend income	3,150
Receivable for investments sold	34,424
Receivables other	3,006
Total receivables	40,580
Investments, at fair value (Note 3):	
U.S. Government and Agency securities	147,301
Foreign bonds	27,459
Corporate bonds	129,662
Stocks	391,993
Bond mutual funds	496,904
Stock mutual funds	1,282,357
Real estate equity funds	182,779
Private equity funds	327,942
Private debt funds	100,707
Global asset allocation	144,791
Total investments	3,231,895
Total assets	3,344,813
LIABILITIES	
Cash overdraft	12,830
Securities lending payable	11,253
Investments purchased	54,758
Investment expenses payable	1,924
Refunds payable	6,444
Withholdings	3,210
Other	7,635
Total liabilities	98,054
NET POSITION	
Net position restricted for pensions	2,948,727
Net position restricted for OPEB	298,032
Total net position	\$ 3,246,759

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

Baltimore County, Maryland
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023
(In Thousands)

	Benefit Funds
ADDITIONS	
Contributions:	
Employer	\$ 302,571
Employees	90,776
Other	9,078
Total contributions	402,425
Investment earnings:	
Net increase in the fair value of plan assets	181,589
Interest and dividends	52,127
Investment expenses	(18,020)
Net investment gain	215,696
Net income from securities lending:	
Securities lending income	429
Borrower rebates	(352)
Agent fees	(25)
Net income from securities lending	52
Total net investment gain	215,748
Total additions	618,173
DEDUCTIONS	
Benefits	502,605
Refunds	10,067
Administrative expense	1,648
Total deductions	514,320
Change in net position	103,853
Net position at beginning of the year	3,142,906
Net position at end of the year	\$ 3,246,759

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

Baltimore County, Maryland
Statement of Net Position
Component Units
June 30, 2023
(In Thousands)

	<u>Board of Education</u>	<u>Community College</u>	<u>Board of Library Trustees</u>	<u>Total</u>
ASSETS				
Cash and investments (Note 3)	\$ 217,138	\$ 89,460	\$ 18,714	\$ 325,312
Receivables	120,436	16,016	365	136,817
Due from primary government	47,787	2,597	-	50,384
Inventories	1,730	-	78	1,808
Prepaid costs and other assets	1,693	812	6	2,511
Cash restricted for lease purchase	19,289	-	-	19,289
Capital assets (Note 7)	-	-	-	-
Non-depreciable	419,099	19,522	-	438,621
Depreciable (net of accumulated depreciation)	1,763,912	189,500	6,166	1,959,578
Leased assets (net of accumulated amortization)	35,584	6,336	-	41,920
Subscription assets (net of accumulated amortization)	9,201	4,806	-	14,007
Total assets	<u>2,635,869</u>	<u>329,049</u>	<u>25,329</u>	<u>2,990,247</u>
DEFERRED OUTFLOWS OF RESOURCES				
Retirement and OPEB plans	<u>666,748</u>	<u>55,500</u>	<u>11,114</u>	<u>733,362</u>
LIABILITIES				
Accounts payable	65,632	18,691	2,090	86,413
Accrued payroll	41,804	7,192	1,391	50,387
Other liabilities	10,395	32	-	10,427
Unearned revenue	9,490	3,227	150	12,867
Liabilities payable from restricted assets	19,289	-	-	19,289
Noncurrent liabilities (Note 8)				
Due within one year	58,775	7,398	1,290	67,463
Due in more than one year	1,638,440	135,019	22,719	1,796,178
Total liabilities	<u>1,843,825</u>	<u>171,559</u>	<u>27,640</u>	<u>2,043,024</u>
DEFERRED INFLOWS OF RESOURCES				
Retirement and OPEB plans	<u>906,817</u>	<u>75,610</u>	<u>17,875</u>	<u>1,000,302</u>
NET POSITION				
Net investment in capital assets	2,041,468	202,178	6,166	2,249,812
Restricted for:				
Education	13,928	20,547	794	35,269
Unrestricted (deficit)	(1,503,421)	(85,345)	(16,032)	(1,604,798)
Total net position (deficit)	<u>\$ 551,975</u>	<u>\$ 137,380</u>	<u>\$ (9,072)</u>	<u>\$ 680,283</u>

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

Baltimore County, Maryland
Statement of Activities
Component Units
For the Year Ended June 30, 2023
(In Thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Board of Education	Community College	Board of Library Trustees	Total
BOARD OF EDUCATION								
Public education	\$ 2,056,929	\$ 185	\$ 572,712	\$ 198,113	\$ (1,285,919)	\$ -	\$ -	\$ (1,285,919)
Facilities operations	216,311	-	13,337	1,026	(201,948)	-	-	(201,948)
Food service	57,670	7,838	52,907	-	3,075	-	-	3,075
Total Board of Education	<u>2,330,910</u>	<u>8,023</u>	<u>638,956</u>	<u>199,139</u>	<u>(1,484,792)</u>	<u>-</u>	<u>-</u>	<u>(1,484,792)</u>
COMMUNITY COLLEGE								
Educational and general expenses	212,377	55,508	118,764	-	-	(38,105)	-	(38,105)
Facilities operations	32,637	-	-	15,871	-	(16,766)	-	(16,766)
Auxiliary enterprises	976	508	-	-	-	(468)	-	(468)
Total Community College	<u>245,990</u>	<u>56,016</u>	<u>118,764</u>	<u>15,871</u>	<u>-</u>	<u>(55,339)</u>	<u>-</u>	<u>(55,339)</u>
BOARD OF LIBRARY TRUSTEES								
Culture and leisure services	48,832	9,005	2,816	-	-	-	(37,011)	(37,011)
Total component units	<u>\$ 2,625,732</u>	<u>\$ 73,044</u>	<u>\$ 760,536</u>	<u>\$ 215,010</u>	<u>(1,484,792)</u>	<u>(55,339)</u>	<u>(37,011)</u>	<u>(1,577,142)</u>
General Revenues:								
Baltimore County					893,023	64,222	38,414	995,659
State of Maryland					612,333	-	-	612,333
Unrestricted investment earnings					-	3,173	-	3,173
Other					21,202	-	266	21,468
Total general revenues					<u>1,526,558</u>	<u>67,395</u>	<u>38,680</u>	<u>1,632,633</u>
Change in net position					41,766	12,056	1,669	55,491
Net position (deficit) at beginning of the year					510,209	125,324	(10,741)	624,792
Net position (deficit) at end of the year					<u>\$ 551,975</u>	<u>\$ 137,380</u>	<u>\$ (9,072)</u>	<u>\$ 680,283</u>

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

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting and reporting policies of the County conform in all material respects to generally accepted accounting principles as applicable to governmental entities in the United States (GAAP). The following is a summary of significant policies.

Financial Reporting Entity

Baltimore County, Maryland (the "County") is a corporate polity, performing all local governmental functions within its jurisdiction. Under home rule charter since 1957, the County is governed by an elected County Executive and a seven-member County Council, with each serving executive and legislative functions, respectively.

In accordance with GAAP, the accompanying financial statements include the various departments and agencies governed by the County Executive and County Council (the primary government) and the County's component units. Discretely presented component units are reported separately from the primary government to emphasize that they are legally separate from the County. The component units are included as part of the County's reporting entity because of the significance of their operational or financial relationships with the County. The component units are fiscally dependent on the County because the County approves budget requests providing a significant amount of funding for each of these units, levies taxes to provide the majority of their fiscal support, and issues debt for construction of their capital facilities.

Discretely Presented Component Units

The discretely presented component units are all governed by individual boards. The Board of Education of Baltimore County and the Board of Trustees of the Community College of Baltimore County are appointed by the Governor of Maryland. The Board of Library Trustees is appointed by the County Executive. A brief description of the component units follows.

1. The Board of Education of Baltimore County operates all public schools (grades K through 12) within the County.
2. The Board of Library Trustees operates all public libraries within the County.
3. The Board of Trustees of the Community College of Baltimore County operates a two-year college program at three campuses: Catonsville, Dundalk and Essex.

Annual financial reports can be obtained from the respective administrative offices listed below:

Baltimore County Public Schools
Department of Fiscal Services
6901 N. Charles St.
Towson, Maryland 21204

Community College of Baltimore County
Office of Finance
7200 Sollers Point Road
Baltimore, Maryland 21222

Board of Library Trustees
320 York Road
Towson, Maryland 21204

Related Organizations

The County Executive is also responsible for appointing the members of numerous boards, but the County's accountability for these organizations does not extend beyond making appointments. These boards include:

Administrative Charging Committee
Advisory Commission on Environmental Quality
Agricultural Land Preservation Advisory Board
Board of Appeals
Board of Health

Adult Public Guardianship Review Board
Advisory Arbitration Panel
Animal Hearing Board
Board of Architectural Review
Board of Liquor License Commissioners

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Board of Recreation and Parks	Board of Social Services
Child Protection Panel	Commission for Women
Commission on Aging	Commission on Arts and Sciences
Commission on Disabilities	Commission on Veterans' Affairs
Conference and Tourism Advisory Council	Criminal Justice Coordinating Council
Design Review Panel	Drug and Alcohol Abuse Advisory Council
Electrical Administrative Board	Ethics Commission
Ethnic Diversity Advisory Council	Human Relations Commission
Landmarks Preservation Commission	Library Board of Trustees
Local Management Board	Mental Health Advisory Council
Minority and Women Business	Pedestrian and Bicycle Advisory Committee
Enterprise Commission	Personnel and Salary Advisory Board
Planning Board	Plumbing Board
Professional Services Selection Committee	Revenue Authority
Soil Conservation District Board	Workforce Development Council

The amounts that the County appropriated to these organizations during the fiscal year ended June 30, 2023 were immaterial to the basic financial statements taken as a whole.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferrals and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Government-Wide Financial Statements

The statement of net position and statement of activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Interfund activity within the governmental activities and within the business-type activities have been eliminated/and or reclassified from these statements.

The **Statement of Net Position** presents the reporting entity's non-fiduciary assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position which does not meet the definition of the two preceding categories. Unrestricted net position often is assigned to indicate that management does not consider it to be available for general operations. Unrestricted net position often has constraints on resources which are imposed by management, but can be removed or modified.

The **Statement of Activities** demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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. Taxes and other items not meeting the definition of program revenues are reported as general revenue.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds, major individual proprietary funds and four combined nonmajor governmental (Liquor License, Owings Mills Tax District, Neglected Property, and Development Impact Surcharge) funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The General Fund is the County's general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

The Gifts and Grants Fund accounts for a number of gifts and grants awarded to the County that are not accounted for in another fund.

The Consolidated Public Improvement Construction Fund accounts for the acquisition or construction and related financing sources for capital facilities of the primary government and for capital contributions made to the County's component units for their capital facilities.

The County reports the following major enterprise funds:

The Metropolitan District Fund accounts for the operation of the Metropolitan District, which provides water supply and sewerage systems to County residents within the District.

The Recreational Facilities Fund accounts for the support of the operation of the county recreational facilities and activities, which enrich the lives of County residents.

The County also reports the following fund types:

Internal Service Funds account for the operation of a motor pool of passenger vehicles and light duty trucks, a printing facility and a self-insurance program for workers' compensation; general and auto liability insurance; and employee health insurance.

Benefit Funds, which include the following:

Pension Funds account for the accumulation of assets to be used for pension benefit payments to qualified employees.

Other Post-Employment Benefits Fund accounts for the accumulation of assets to be used for healthcare and life insurance benefit payments to qualified employees.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

The governmental funds financial statements are reported using the modified accrual basis of accounting. The measurement focus of these funds is the determination of financial position and changes in financial position ("current financial resources" focus). Under the modified accrual basis of accounting, revenues are recorded when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon thereafter to pay liabilities of the current period. The County considers sales and income taxes, interest income and various intergovernmental revenues available if they are collected within 60 days after year-end. Property tax revenue is recognized on receipts within 30 days of year-end. Revenue related to expenditure driven grants is recognized when the applicable eligibility requirements have been met and to the extent that cash is expected to be received within one year of year-end. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Expenditures, other than principal and interest on long-term debt and compensated absences as described below, are recorded when the liability is incurred. Principal and interest on general long-term debt are recorded in the governmental funds as liabilities when due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of Enterprise and Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses

The pension funds and the other post-employment benefits fund use the accrual basis of accounting. Member contributions are recognized in the period when due. Employer contributions are recognized when due and a formal contribution commitment has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. These transactions are not finalized until settlement date, which occurs approximately three business days after the trade date.

The County reports unearned revenue in the government-wide, governmental funds and proprietary fund financial statements when cash is received prior to being earned. Deferred inflows are recognized in the governmental fund statements when revenue is unavailable.

Budgetary Data

As required by Article VII of the Baltimore County Charter, the annual operating budget and the capital budget are prepared by the County Executive and submitted to the County Council for adoption. Such budgets are generally prepared on the modified accrual basis of accounting described above and reflect encumbrance accounting. Prior to adoption of the budgets, the County Council may decrease or delete any item with the exception of those required by the general laws of the State of Maryland, provisions for debt service on outstanding obligations and provisions to eliminate any estimated cash deficits. Requests for supplementary and emergency appropriations may be prepared during the year by the County Executive and adopted by the County Council. There were no supplementary and emergency appropriations adopted for the General Fund operating budget during fiscal year 2023.

Annual budgets are adopted for the General Fund and the nonmajor Special Revenue Funds - Liquor License Fund. The nonmajor Special Revenue Funds – Owings Mills Tax District Fund, Neglected Property, and Development Impact Surcharge had no adopted budget. All other governmental funds have an adopted project-length budget. The operating budget reflects appropriations for the General Fund and the Special Revenue Funds on a function/agency/program basis. Expenditures and encumbrances of such funds may not legally exceed appropriations at the program level. Inter-program transfers of no more than ten percent of appropriations may be authorized by the County Administrative Officer. Inter-program transfers in excess of ten percent of appropriations require the approval of the County Executive and the County Council. Inter-agency transfers between County offices, departments or agencies may be made during the last quarter of the fiscal year only on the recommendation

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

of the County Executive with the approval of the County Council. All unencumbered appropriations of annual budgets lapse at the end of the fiscal year.

The County presents its General Fund budgetary comparison statement as part of the basic financial statements. Unbudgeted equipment financing activity in the General Fund comparison consists \$3.391 million of interest income. Additionally, equipment purchases decreased by \$39.920 million. The unspent equipment financing proceeds of \$77.054 million are reported as a restriction of fund balance at fiscal year-end.

The capital budget reflects appropriations for the Consolidated Public Improvement Construction Fund at the individual project level. Expenditures and encumbrances may not legally exceed appropriations at that level and unencumbered appropriations lapse at the completion or abandonment of individual projects. Transfers of appropriations between projects must be approved by the County Executive and the County Council.

Pooled Cash, Cash Equivalents and Investment Income

The County maintains a cash and investment income pool for all funds except for the fiduciary funds. Based on the availability of cash in various funds, marketable securities are purchased and income on investments is credited to the General, Metropolitan District, and Self-Insurance Program Funds.

For purposes of the statements of cash flows, the County defines cash equivalents to include the following: all highly liquid, unrestricted investments with an original maturity of three months or less when purchased; all cash and investment pools that are used essentially as demand accounts; all cash with fiscal agents; and all restricted cash and investments that have been determined to be cash equivalents.

Debt Retirement

Debt retirements for general obligation long-term debt, net pension liability and the net liability for Other Post Employee Benefits (OPEB) are paid from the General and Metropolitan District Funds. Other long-term obligations of the County include compensated absences, general and workers compensation claims and landfill closing costs, the liquidation procedures for these liabilities are described below. The Metropolitan District Fund includes \$55.75 million of receivables for future billings of assessments for water and sewer lateral pipe abutting properties within the District. These assessments, which are levied on individual properties for a period of forty years from the date of installation, represent a significant cash stream that is designated to retire the Metropolitan District long-term debt.

Investments

Money market investments and participating interest-earning investment contracts that have a remaining maturity of one year or less are carried at amortized cost, which approximates fair value. Other investment securities are carried at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at the prevailing exchange rates as of June 30, 2023. The fair value of mutual funds is based on the fair values of the underlying securities. The fair value of real estate equity funds is based on independent appraisals. Private equity funds and hedge funds are valued based on information provided by the respective fund managers.

Inventories

Inventories are valued at cost and consist of materials and supplies. They are accounted for using the purchases method in the General Fund. Under the purchases method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets. Non-spendable fund balance for the amount of General Fund inventories has been reported in the governmental fund statements to reflect the non-availability of those amounts for appropriation or expenditure.

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Capital Assets

Capital assets of governmental funds are recorded in the statement of net position at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the acquisition value at the date of donation. The County's capitalization levels are \$5,000 for individual vehicles, machinery and equipment, and \$25,000 for buildings and infrastructure. The costs of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life are not capitalized. An allowance for depreciation and amortization has been provided using the straight-line method over the estimated useful life. The estimated useful lives range from two to fifteen years for vehicles, machinery and equipment, twenty to fifty years for buildings, twenty to seventy-five years for infrastructure and five to twenty-five years for right to use assets. Major outlays for the construction of buildings and infrastructure are capitalized as constructed.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until the future period. At June 30, 2023, the County had deferred outflows of resources for deferred charges on bond refundings and for changes in proportion, experience, assumptions and contributions related to the County Employees Retirement System and for the differences between projected and actual experience and assumptions in addition to changes in proportion and contributions related to the County's Other Post-Employment Benefits (OPEB) plan.

A deferred inflow of resources represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2023, the County had deferred inflows of resources related to the difference between actual and expected experience, assumptions, changes in proportion and the difference between projected and actual earnings on investments of the County pensions and OPEB plans, as well as deferred amounts related to leases.

Outstanding Claims

The outstanding claims liability includes estimates for all known workers' compensation, personal injury, property damage and health claims and an estimate for claims incurred but not reported at June 30, 2023.

Compensated Absences

County employees are granted vacation, personal, and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and personal leave days up to a certain maximum depending on employment classification. Employees are not reimbursed for accumulated sick leave. Payments made to terminated employees for accumulated leave are charged as expenditures/expenses, primarily in the General Fund, Special Revenue Funds, and Proprietary Funds, when paid. Accumulated vacation, personal leave and compensatory time benefits at year-end are recorded as obligations in the statement of net position and proprietary fund statements.

Leases

The County implemented GASB Statement No. 87, *Leases* for the fiscal year 2022. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, the County as a lessee recognizes a lease liability and an intangible right-to-use lease asset, and as a lessor recognizes a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result, the County has \$17.574 million of lease liability, and \$16.914 million of leased assets, net of accumulated amortization. It also has \$43.772 million in lease receivable and \$42.850 million for deferred inflow of resources.

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Subscription-Based Information Technology Arrangement (SBITA)

The County implemented GASB 96, Subscription-Based Information Technology Arrangements (SBITA) for the fiscal year 2023. This new GASB standard required an evaluation of all SBITA contracts to determine if they qualified as a liability. As a result of this new evaluation method, all subscription-based IT arrangements over \$5,000 were recorded as Right to Use- SBITA assets with a corresponding liability. Accordingly, Baltimore County has recognized \$32.628 million in SBITA assets and \$31.021 million in SBITA liabilities, net of accumulated amortization.

Restricted Net Position

The government-wide statement of net position reports \$77,503 million of restricted net position, of which \$22,223 million is restricted by enabling legislation, \$44,520 is restricted for loans, guarantees and grants, and \$10,760 is restricted for school construction bond escrow payments.

Governmental Funds' Fund Balance

Fund balance classifications comprise a hierarchy based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance amounts are properly reported within one of the fund balance categories listed below:

Non-spendable – Includes fund balance amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact, such as a permanent fund. Not in spendable form includes items that are not expected to be converted to cash, such as inventories and prepaid items.

Restricted – Includes amounts that are restricted to a specific purpose when constraints are placed on the use of resources by constitution, external resource providers, or through enabling legislation.

Committed – Includes fund balance amounts that can be used only for the specific purposes determined by formal action of the County's highest level of decision-making authority. The County Council is the highest level of decision-making authority for the County that can commit fund balance by adoption of a Council bill prior to fiscal year end. Similar action of the County Council is required to modify or rescind such commitments.

Assigned – Includes fund balance amounts that are intended to be used by the County for specific purposes as determined by the County Executive or County Administrative Officer in accordance with County Charter. Additionally, in accordance with Section 715 of the County Charter on certification of funds availability, the Director of Budget & Finance may assign fund balance for contractual commitments encumbered prior to year-end. Constraints imposed on the use of assigned amounts do not rise to the level required to be classified as either restricted or committed.

Unassigned – Represents the residual classification for the County's funds and includes all spendable amounts not contained in the four classifications described above. Unassigned fund balance can only be used in the General fund or, if negative, in other governmental funds.

There are fund balance deficits in two of the internal service funds: Central Printing Service and Self Insurance program. The General Fund will absorb Central Printing which will resolve the fund balance deficit. The County will also continue to monitor and transfer funds as appropriate to alleviate the fund balance deficit in the Self-Insurance Fund.

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Order of Fund Balance Spending Policy

The County has established a fund balance spending policy for those instances where an expenditure is incurred for a purpose for which amounts in any of the restricted or unrestricted fund balance classifications (committed, assigned, or unassigned) could be used. The County will apply expenditures against restricted amounts first, followed by the committed, assigned and unassigned amounts.

Amounts reported as encumbrances may be classified as either restricted, committed or assigned depending on the constraints and approval in place at year end. Encumbrances outstanding at year-end are reported as assignments of fund balance in the General Fund and Special Revenue Funds and do not constitute expenditures or liabilities because the obligation will be honored during the subsequent year.

Revenue Stabilization Account

Section 10-8-101 of the County Code gives the County the authority to establish and maintain a Revenue Stabilization Reserve Account (RSRA) to provide financial resources for unanticipated decreases in revenues, primarily intergovernmental revenues. The County plans to maintain unassigned General Fund balances in excess of 10% of General Fund's revenues each year. Effective FY18, the County established a minimum level of reserves in the RSRA equal to 7% of the budgeted general fund revenue for the current fiscal year. Funds in the RSRA may not remain 7% for more than two consecutive years.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the County's pension plans (Employees' Retirement System Plan and Police, Fire and Widows' Pension Plan) and additions to/deductions from their respective fiduciary net position have been determined on the same basis as they are reported by each pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the County's OPEB Plan. For this purpose, the County's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Adoption of New Accounting Standards

In May 2020, the Government Accounting Standards Board (GASB) issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). This statement requires a government to recognize a right-to-use subscription asset and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources in subsequent financial reporting periods. The County did not restate the Financial Statement for this implementation.

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2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (expressed in thousands):

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of the reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$6,121,744 difference are as follows:

General obligation debt	\$ 2,020,476
Certificates of participation and loan payable	165,429
Add: Issuance premium (to be amortized as a reduction to interest)	184,347
Less: Issuance discount (to be amortized as interest expense)	(432)
Less: Deferred charge on refunding (to be amortized as interest expense)	(15,299)
Accrued interest payable	29,671
Compensated absences	101,488
Net other post employment benefits liability	1,452,445
Net pension liability	2,062,181
Disputed taxes	45,749
Lease liability	17,751
SBITA liability	29,804
Estimated landfill closing costs	<u>28,134</u>
Net adjustment to reduce fund balance - total funds to arrive at net position of governmental activities	<u><u>\$ 6,121,744</u></u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.” The details of this \$344,952 difference are as follows:

Capital outlay	\$ 394,547
Lease outlay	49,203
Depreciation expense	(88,763)
Amortization expense	<u>(10,035)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 344,952</u></u>

Another element of the reconciliation states that “The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.” The details of this \$78,774 difference are as follows:

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In the statement of activities, only the gain/(loss) on the sale or disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.

\$ (78,774)

Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.

\$ (78,774)

Another element of the reconciliation states that "The issuance of long-term debt (e.g., bonds, certificates of participation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$123,780 difference are as follows:

Debt issued or incurred:

General obligation debt \$ (30,000)

Add: premium (4,090)

Principal repayments:

General obligation debt 128,529

Certificates of participation and loans 29,341

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities

\$ 123,780

Another element of the reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$171,338 difference are as follows:

Increase in compensated absences \$ (12,861)

Decrease in accrued interest 1,108

Increase in net other post employment benefits liability (147,849)

Increase in landfill closure and post-closure costs (2,028)

Increase in lease liability (1,261)

Increase in SBITA liability (36,649)

Amortization of deferred charge on refunding (2,504)

Amortization of premiums 30,881

Amortization of discounts (175)

Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities

\$ (171,338)

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3. CASH, INVESTMENTS AND SECURITIES LENDING:

The County maintains a cash and investment pool that is available for use by all funds, except for the fiduciary funds. Each fund's portion of this pool is reported on the statement of net position as "Cash and investments." The fiduciary funds investments are held and managed separately from those of other County funds.

Deposits

The County maintains cash balances, which are covered by FDIC insurance and collateral held at the Federal Reserve in the County's name. The component units' cash in banks are covered either by FDIC insurance or the County's blanket collateral coverage. At June 30, 2023, the carrying amounts of cash for the primary government and its component units were \$(30.888) million and \$37.203 million respectively.

Investments

Internal Investment Pool (the "Pool") - The County has adopted an investment policy to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the County and conforming to all state and local statutes governing the investment of public funds. Permissible investments include U.S. Government obligations, U.S. Government agency obligations, money market mutual funds, repurchase agreements, banker's acceptances, commercial paper (no more than 10% of the portfolio) and the Maryland Local Government Investment Pool (MLGIP) that is administered by the State Treasurer. Repurchase agreements are collateralized according to Maryland State Investment Code and marked to market daily.

The MLGIP was established under the Annotated Code of Maryland and is rated AAAM by Standard and Poors, their highest rating for money market funds. MLGIP is a 2a7 like pool, which is not registered with the Securities and Exchange Commission (SEC), but generally operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 (Rule 2a7). Unit value is computed using the amortized cost method and maintains a \$1 per share value.

Pension Trust Funds and Other Post Employment Benefits ("OPEB Plan") – As provided in Article 5, Title 1 and § 10-14-106 of the Baltimore County Code, the Board of Trustees of the Employees' Retirement System (the "System") is empowered to invest the System's and the OPEB Plan's assets jointly and to take appropriate action regarding the investment, management and custodianship of the System's and the OPEB Plan's assets. The System's and the OPEB Plan's investment policy targets 33% in U.S. equities, 19% in international equities, 22% in core-plus fixed income investments, 7% in real estate equity, 9% in private equities, 5% in private debt and 5% in Global Asset Allocation Funds. Certain System and the OPEB Plan's investment managers have invested in the following types of instruments: asset backed securities, warrants, variable rate securities and interest rate swaps, U.S. Treasury interest and principal strips, U.S. Treasury futures and options, and collateralized mortgage obligations. The System's and the OPEB Plan's fixed income managers primarily acquire these types of instruments to increase investment yield and/or decrease investment risk. As of June 30, 2023, the asset allocation of Police, Fire and Widows' Pension Plan (the "Pension Plan") was 94.0% in fixed income securities and 6.0% in equities.

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Investments for the primary government as of June 30, 2023 are as follows (in thousands):

Primary Government Investments	<u>The System</u>				Pension Plan	Total Primary Government
	The Pool	Plan A	Plan B	OPEB Plan		
U.S. securities and agencies						
Not on securities loan	\$ 10,760	\$ 116,505	\$ 11,670	\$ 13,832	\$ -	\$ 152,767
On securities loan for securities or cash collateral	-	4,343	435	516	-	5,294
MLGIP	1,192,695	-	-	-	-	1,192,695
Foreign bonds	-	18,666	1,870	2,216	4,707	27,459
Corporate bonds						
Not on securities loan	-	101,909	10,208	12,100	-	124,217
On securities loan for securities or cash collateral	-	4,468	447	530	-	5,445
Bond mutual funds	-	407,667	40,835	48,402	-	496,904
Money market funds	86,898	34,280	3,434	4,070	5,886	134,568
Real estate equity funds	-	149,955	15,020	17,804	-	182,779
Stocks						
Not on securities loan	-	301,147	30,165	35,755	-	367,067
On securities loan for securities or cash collateral	-	20,450	2,048	2,428	-	24,926
Stock mutual funds - domestic	-	558,102	55,903	66,263	403	680,671
Stock mutual funds - international	-	397,349	39,801	47,177	275	484,602
Comm. Funds - Emg. Mkt. Equity	-	96,058	9,622	11,404	-	117,084
Private equity funds	-	269,048	26,950	31,944	-	327,942
Private debt funds	-	82,622	8,276	9,809	-	100,707
Global Asset Allocation fund	-	118,788	11,899	14,104	-	144,791
Securities lending short-term collateral investment pool	-	9,232	925	1,096	-	11,253
Total	\$ 1,290,353	\$ 2,690,589	\$ 269,508	\$319,450	\$ 11,271	\$ 4,581,171

Component units' investments of \$307.399 million include \$170.693 million of MLGIP and \$136.706 million of money market funds.

Securities Lending Transactions - The System's, the OPEB Plan's and the Pension Plan's policies authorize the lending of their securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The System's, the OPEB Plan's and the Pension Plan's custodian may lend U.S. government and agency securities, corporate bonds and stocks for collateral in the form of cash, other securities and irrevocable bank letters of credit. Collateral securities, letters of credit and cash are initially pledged at 102% of the fair value of the securities lent. Additional collateral is to be provided by the next business day if the collateral value falls to less than 100% of the fair value of the securities lent. The System, the OPEB Plan and the Pension Plan did not impose any restrictions during the fiscal year on security loans the custodian made on its behalf. The System, the OPEB Plan and the Pension Plan at year-end had no credit risk exposure to borrowers because the amounts owed to borrowers exceed the amounts the borrowers owe. The System, the OPEB Plan, the Pension Plan or the borrower can terminate securities loans on demand. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end had a weighted average maturity of 3.24 days. The System, the OPEB Plan and the Pension Plan cannot pledge or sell collateral securities received unless the borrower defaults. The collateral held and the fair value of securities on loan as of June 30, 2023 totaled \$36.4 million and \$35.7 million, respectively.

The following is a listing of the Pool's, the OPEB Plan's and the Pension Trust Funds' fixed income investments of bonds, short-term investments and related maturity schedule (in thousands):

BALTIMORE COUNTY, MARYLAND
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Investment Type	Fair Value	Investment Maturities (in years)					
		Less than 1	1 - 4.9	5 - 9.9	10 - 19.9	20 - 30	More than 30
The Pool							
U.S. Government Obligations	\$ 10,760	\$ -	\$ 10,704	\$ 56	\$ -	\$ -	\$ -
MLGIP	1,192,695	1,192,695	-	-	-	-	-
Total	1,203,455	1,192,695	10,704	56	-	-	-
The System- Plan A							
U.S. Government Obligations	48,074	1,714	12,200	14,055	3,254	16,661	190
U.S. Agency Securities	72,774	18,330	7,626	4,920	13,920	25,912	2,066
Corporate Debt	106,377	4,601	56,049	15,533	5,243	9,537	15,414
Bond Mutual Funds	407,667	-	92,839	314,828	-	-	-
Foreign Debt	18,666	7,594	9,763	532	702	75	-
Total	653,558	32,239	178,477	349,868	23,119	52,185	17,670
The System- Plan B							
U.S. Government Obligations	4,815	171	1,222	1,408	326	1,669	19
U.S. Agency Securities	7,290	1,836	764	493	1,394	2,596	207
Corporate Debt	10,655	461	5,614	1,556	525	955	1,544
Bond Mutual Funds	40,835	-	9,300	31,535	-	-	-
Foreign Debt	1,870	761	978	53	70	8	-
Total	65,465	3,229	17,878	35,045	2,315	5,228	1,770
OPEB Plan							
U.S. Government Obligations	5,708	204	1,448	1,669	386	1,978	23
U.S. Agency Securities	8,640	2,176	905	584	1,653	3,077	245
Corporate Debt	12,630	546	6,655	1,844	623	1,132	1,830
Bond Mutual Funds	48,402	-	11,023	37,379	-	-	-
Foreign Debt	2,216	902	1,159	63	83	9	-
Total	77,596	3,828	21,190	41,539	2,745	6,196	2,098
Pension Plan							
Foreign Debt	4,707	1,479	999	-	-	2,229	-
Total	4,707	1,479	999	-	-	2,229	-
Total Primary Government	\$2,004,781	\$1,233,470	\$ 229,248	\$ 426,508	\$ 28,179	\$ 65,838	\$ 21,538

Interest Rate Risk – To the extent possible, the Pool attempts to match investments with anticipated cash flow requirements. Unless matched to specific cash flow, the Pool will not directly invest in securities maturing more than one year from the date of purchase. The Pension Trust Funds' and the OPEB Plan's policy guidelines do not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Pool's, the Pension Trust Funds' and the OPEB Plan's investment policies are to apply the prudent-person rule; investments are made as a prudent person would be expected to act with discretion and intelligence, to seek reasonable income, preserve capital and in general, avoid speculative investments. As of June 30, 2023, the Pension Trust Funds' and the OPEB Plan's fixed income investments had the following risk characteristics:

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Moody's Rating or Comparable	The System - Plan A		The System - Plan B		OPEB Plan		Pension Plan	
	Percent of Total Investments	Fair Value (in thousands)	Percent of Total Investments	Fair Value (in thousands)	Percent of Total Investments	Fair Value (in thousands)	Percent of Total Investments	Fair Value (in thousands)
AAA	21.7%	\$ 141,816	21.7%	\$ 14,205	21.7%	\$ 16,838	0.0%	\$ -
AA	1.1%	6,824	1.1%	684	1.1%	810	0.0%	-
A	6.0%	39,327	6.0%	3,939	6.0%	4,669	0.0%	-
BBB	3.8%	24,981	3.8%	2,502	3.8%	2,966	0.0%	-
BB	0.6%	3,980	0.6%	399	0.6%	473	0.0%	-
B	0.1%	889	0.1%	89	0.1%	105	0.0%	-
CCC	0.0%	91	0.0%	9	0.0%	11	0.0%	-
CC	0.0%	49	0.0%	5	0.0%	6	0.0%	-
Not Rated	66.7%	435,601	66.7%	43,633	66.7%	51,718	100.0%	4,707
Total	100.0%	\$ 653,558	100.0%	\$ 65,465	100.0%	\$ 77,596	100.0%	\$ 4,707

The Pool's (MLGIP) fixed income investments of \$1,192,695 were invested 100% in AAAM rated investments, and the remaining \$97,658 were invested in high quality money market portfolios that comprises of U.S Government and U.S. Treasury securities including bills, bonds, notes and repurchase agreements.

Foreign Currency Risk – The System's and the OPEB Plan's exposure to foreign currency risk is derived from its positions in foreign currency-denominated common stock and fixed asset investments. Managers are allowed to use derivatives to hedge out foreign currency, however, there is no formal policy regarding foreign currency risk. The System's and the OPEB Plan's exposure to foreign currency risk is as follows:

Currency	Fair Value (in thousands)			
	The System			Total
	Plan A	Plan B	OPEB Plan	
Australian Dollar	\$ 2	\$ -	\$ -	\$ 2
Brazil Real	8	1	1	10
Canadian Dollar	1	-	-	1
Danish Krone	69	8		84
Euro Currency Unit	515	52	61	628
Japanese Yen	77	8	9	94
Norwegian Krone	3	-	-	3
Pound Sterling	4	-	1	5
South African Rand	15	1	2	18
Swiss Franc	237	24	28	289
	\$ 931	\$ 94	\$ 102	\$ 1,134

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Derivative Policy:

As permitted by guidelines established by the Board of Trustees the System may invest in Derivatives.

A derivative is a security or contractual agreement, which derives its value from some underlying security, commodity, currency, or index.

1. Types of derivative contracts
 - a. Forward-based derivatives, including forward contracts, futures contracts, swaps, and similar instruments, and
 - b. Option-based derivatives, including put options, call options, interest rate caps and floors, and similar instruments.
2. Types of Derivative Securities
 - a. Collateralized Mortgage Obligations (CMOs)
 - b. Structured Notes
3. Domestic Debt Securities are permitted and may include U.S. Government and Agency obligations, corporate bonds, asset backed securities, agency guaranteed mortgage pass-through securities and low risk collateralized mortgage obligations of comparable or lower risk, such as Planned Amortizations Class Level 1 and Sequentials, commercial paper, and certificates of deposit. Managers may also invest in U.S. dollar denominated issues of international agencies, foreign governments and foreign corporations (i.e., Eurodollar and Yankee bonds).
4. Futures and Options strategies may be employed, upon specific authorization of the Board, on equity and fixed income investments to provide volatility protection or enhance the rate of return over time.
5. Where appropriate, managers may use derivative contracts for the following reasons:
 - a. Hedging. To the extent that the portfolio is exposed to clearly defined risks and there are derivative contracts that can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross hedging of currency exposures.
 - b. Creation of Market Exposures. Managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class provided that the guidelines for the Manager allow for such exposures to be created with the underlying assets themselves.
6. The following two uses of derivative contracts and securities are strictly prohibited:
 - a. Leverage. Derivatives shall not be used to magnify overall portfolio exposure to an asset, asset class, interest rate, or any other financial variable beyond that which would be allowed by a portfolio's investment guidelines if derivatives were not used.
 - b. Unrelated speculation. Derivatives shall not be used to create exposures to securities, currencies, indices, or any other financial variable unless such exposures would be allowed by a portfolio's investment guidelines if created with non-derivative securities.

The System and the OPEB Plan utilizes certain derivative instruments for the purpose of obtaining income or profit. The derivatives are subject to credit risks, interest rate risk, and foreign currency risk. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2023, classified by type and the changes in fair value of such derivative instruments for the year then ended are as follows:

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Investment Derivatives	Changes in Fair Value (expressed in thousands)		Fair Value as of June 30, 2023 (expressed in thousands)	
	Classification	Amount	Amount	Notional Value
<u>The System - Plan A</u>				
Futures	Investment revenue	\$ 42	\$ 42	\$ 8,908
Options	Investment revenue	(3)	(50)	627
Sw aps	Investment revenue	157	308	308
TBA Transactions	Investment revenue	(68)	15,054	15,054
<u>The System - Plan B</u>				
Futures	Investment revenue	\$ 4	\$ 4	\$ 892
Options	Investment revenue	-	(5)	63
Sw aps	Investment revenue	16	31	31
TBA Transactions	Investment revenue	(7)	1,508	1,508
<u>OPEB Plan</u>				
Futures	Investment revenue	\$ 5	\$ 5	\$ 1,058
Options	Investment revenue	-	(6)	74
Sw aps	Investment revenue	19	37	37
TBA Transactions	Investment revenue	(8)	1,787	1,787

Fair Value Measurement - Investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets for identical assets or liabilities.

Level 2 – Investments reflect prices that are observable for the asset or liability, whether directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources, where there is little, if any market activity.

The following table presents the primary government's recurring fair value measurements as of June 30, 2023:

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<u>Investments by Fair Value Level</u>	Fair Value	Level 1	Level 2	Level 3
Fixed Income:				
U.S. Government Obligations	\$ 68,832	\$ 63,670	\$ 5,162	\$ -
U.S. Securities and Agencies	69,606	-	69,606	-
Corporate debt	130,662	-	127,181	3,481
Foreign debt	27,368	-	18,112	9,256
Total Debt Securities	<u>296,468</u>	<u>63,670</u>	<u>220,061</u>	<u>12,737</u>
Equity Securities:				
Domestic	391,994	391,994	-	-
Total Equity Securities:	<u>391,994</u>	<u>391,994</u>	<u>-</u>	<u>-</u>
Securities Lending Cash Collateral	11,253	-	11,253	-
<u>Investments Derivative Instruments:</u>				
Futures	51	51	-	-
Options	(61)	(61)	-	-
Swaps	376	-	376	-
TBAs	18,349	-	18,349	-
Total Investments Derivative Instruments	<u>18,715</u>	<u>(10)</u>	<u>18,725</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 718,430</u>	<u>\$ 455,654</u>	<u>\$ 250,039</u>	<u>\$ 12,737</u>
<u>Investments Measured at the Net Asset Value (NAV):</u>				
Commingled Fixed Income Funds	496,904			
Commingled Domestic Equity	680,671			
Commingled International Equity	484,602			
Commingled Emerging Market Equity	117,084			
Real Estate Funds	182,779			
Private Equity Funds	327,942			
Private Debt Funds	100,707			
Global Asset Allocation	144,790			
Total Investments Measured at the NAV	<u>2,535,479</u>			
Total Investments and Collateral for Loaned Securities	<u>\$ 3,253,909</u>			

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Debt, equities, and investment derivatives classified in Level 1 of the fair value hierarchy are valued based on prices quoted in active markets for those securities, such as the New York Stock Exchange or the Nasdaq stock market. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique, which is based on the securities' relationship to benchmark quoted prices. Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates. Securities classified in Level 3 of the fair value hierarchy are valued using unobservable inputs for the asset or liability.

Investments in Entities That Calculate Net Asset Value Per Share - The fair values of investments in certain equity, fixed income, and marketable alternatives funds are based on the investments' net asset value (NAV) per share (or its equivalent) of the Pool's, the System's and the OPEB Plan's ownership interest in the partners' capital provided by the investee. The fair values of investments in certain private equity funds have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments.

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The following table presents the primary government's unfunded commitments, redemption terms and investments measured at the NAV as of June 30, 2023.

Investments Measured at the NAV (expressed in thousands)	Fair Value	Strategy Type	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Blackrock Govt Bond Index Fund	\$ 122,578	Government Bonds	-	Daily	3 days
Blackrock US TIPS Fund	99,482	US TIPS Index Funds	-	Daily	3 days
Guggenheim Investments	67,642	Bank Loans	-	Monthly	21 days
Pacific Asset Management	45,520	Bank Loans	-	Monthly	30 days
Pimco Diversified Income	161,682	Global, High Yield, Emg. Mkt.	-	Daily	1 day
(a) Commingled Fixed Income Funds	<u>496,904</u>				
Benchmark	40,019	Portable Alpha	-	Annually	90 days
Blackrock US Equity	568,432	Wilshire 5000 Index	-	Daily	3 days
Blackrock Russell 1000 Value	72,220	Russell 1000 Value Index	-	Daily	3 days
(b) Commingled Domestic Equity	<u>680,671</u>				
Arrowstreet Capital	112,403	International Equity - EAFE Inde:	-	Daily	1 day
Ativo International Equity Fund	37,158	MSCI AC World Ex US Index	-	Monthly	10 days
Blackrock International Fund	162,681	MSCI AC World Ex US Index	-	Daily	5 days
Strategic Global Advisors	38,250	MSCI AC World Ex US Small Cap	-	Daily	5 days
Silchester International Inv.	101,082	MSCI EAFE Index	-	Monthly	10 days
Metis Intl. Small Cap	33,028	MSCI AC World Ex US Small Cap	-	Monthly	30 days
(c) Commingled International Equity	<u>484,602</u>				
Mondrian Emerging Markets	117,084	Emerging Market Equity	-	Monthly	15 days
(d) Emerging Market Equity	<u>117,084</u>				
JP Morgan	63,619	Value Added Real Estate	-	Monthly	15 days
Clarion Lion	66,752	Core Real Estate	-	Quarterly	90 days
UBS Real Estate	52,408	Core Real Estate	-	Quarterly	60 days
(e) Real Estate Funds	<u>182,779</u>				
(f) Private Equity	<u>327,942</u>	Private Equity	182,664	N/A	N/A
(f) Private Debt	<u>100,707</u>	Private Debt	28,940	N/A	N/A
Bridgewater All Weather	144,790	Risk Parity	-	Monthly	5 days
(g) Global Asset Allocation	<u>144,790</u>				
Total Investments Measured at NAV	<u>\$ 2,535,479</u>				

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Investments measured at the NAV above comprise of the following:

- (a) Commingled Fixed Income Funds – This type includes investments in five funds, utilizing a variety of strategies which include High Yield Debt, Government Bond Index Fund, US TIPs and Bank Loans. Three of the funds may be redeemed daily, and the other two funds may be redeemed monthly. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (b) Commingled Domestic Equity Funds – This type includes three funds with investments in U.S. common stocks. The strategy type employed are Portable Alpha and the Wilshire 5000 index. The fund utilizing the Portable Alpha strategy may only be redeemed annually with a redemption notice period of ninety days. The fund utilizing the Wilshire 5000 index strategy may be redeemed daily with a redemption notice period of three days. The fund utilizing the Russell 1000 Value Index strategy may be redeemed daily, with a redemption notice period of three days. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (c) Commingled International Equity Funds – This type includes six funds. Three of the funds of the funds utilize the MSCI World Ex US Small Cap Index. One of these funds has a daily redemption frequency and a redemption notice period of five days; the other two funds have a monthly redemption frequency and a redemption period of 10 and 30 days respectively. Two funds utilize the MSCI EAFE International Equity index strategy with a daily redemption frequency and a redemption notice period of one day, and a monthly redemption frequency and a redemption notice period of 10 days, respectively. The other fund utilizes the MSCI AC World Ex US Index strategy with a daily redemption frequency and a redemption notice period of 5 days. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (d) Emerging Market Equity – This type includes one fund. The fund utilizes an Emerging Market Equity strategy with a monthly redemption frequency and a redemption notice period of fifteen days. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (e) Real Estate Funds – This type includes three funds that invest primarily in U.S. commercial real estate. The strategy type for two of these funds is Core Real Estate and the third fund employs a Value Added Real Estate strategy. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.
- (f) Private Equity and Private Debt Funds – This type includes forty-seven private equity funds and fourteen private debt funds whose investments are not publicly traded on a stock exchange. These investments cannot be redeemed with the funds. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is expected that the underlying assets of the fund would be generally liquidated over ten years. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.
- (g) Global Asset Allocation – This type includes one fund. The fund utilizes the Risk Parity strategy and may be invested in global equities, bonds and commodities. The fund allows only monthly redemptions. The redemption notice period is five days. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.

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4. PROPERTY TAX:

The major portion of the County's property tax is levied each July 1 on the assessed value listed as of that date for all real and personal property located in the County.

Assessed values are established by the Maryland Department of Assessments and Taxation at one hundred percent of estimated market value. The assessed value of taxable real and personal property in the County for fiscal year 2023 was \$98.4 billion.

The property tax rate for the year ended June 30, 2023 was \$1.10 for real property and \$2.75 for personal property per \$100 of assessed valuation. The current tax collections for the year were 96.6% of the tax levied. Property taxes are recorded as receivables in the General Fund at the levy date with appropriate allowances for estimated uncollectible amounts as described in Note 5.

The full year property tax calendar is as follows:

July 1 - Full year levy assessed for current fiscal year.

July 31 - Bills paid during July are granted a 1% discount.

August 31 - Bills paid during August are granted a ½% discount.

September 30 - First semiannual installment is due if eligible property owners elect the semiannual payment option for real property taxes. Gross amount of levy is due on all other real and personal property taxes.

October-April - Delinquent taxes accrue interest at the rate of 1% a month from October 1 to date of payment

December 1 - Second installment due on real property taxes if paying on a semiannual basis.

June - Delinquent real properties are sold at the annual tax sale.

5. RECEIVABLES (in thousands):

Receivables as of June 30, 2023 for the County's major funds and Internal Service Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities					Total Receivables
	General	Gifts and Grants	Consolidated Public Improvement Construction	Internal Service	Metropolitan District	
Property taxes	\$ 57,847	\$ -	\$ -	\$ -	\$ -	\$ 57,847
Accounts	17,215	-	-	2,744	23,957	43,916
Intergovernmental	555,730	128,469	(575)	-	259	683,883
Assessments	57	-	813	-	85,709	86,579
Loans	53	74,927	-	-	-	74,980
Interest	-	-	-	-	-	-
Lease	38,795	4,978	-	-	-	43,773
Total receivables	669,697	208,374	238	2,744	109,925	990,978
Allowance for uncollectible accounts	(4,051)	(26,627)	-	-	-	(30,678)
Net total receivables	<u>\$ 665,646</u>	<u>\$ 181,747</u>	<u>\$ 238</u>	<u>\$ 2,744</u>	<u>\$ 109,925</u>	<u>\$ 960,300</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ 51,614</u>	<u>\$ 645</u>	<u>\$ -</u>	<u>\$ 70,636</u>	<u>\$ 122,895</u>

At June 30, 2023, the County has recorded \$79,905 million of outstanding loans receivable in the Gifts and Grants Fund. Of these receivables, \$50,450 million are for loans made to residents and developers to acquire, rehab, or repair low-income housing units or to provide funds for settlement costs to qualified first-time home buyers under various federally funded financial assistance programs. Approximately \$26,627 million of these loans are offset by

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an allowance for uncollectible accounts because collections are highly uncertain. In many cases, the loan repayment is forgiven if the resident/developer complies with certain federal requirements, which may include residing in the property for a stated number of years.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. The various components of deferred inflows and unearned revenue reported in the governmental funds as of June 30, 2023 were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes	\$ 46,788	\$ 156	\$ 46,944
Income taxes	472,703	-	472,703
Interest subsidy	460	-	460
Leases	42,850	-	42,850
Economic and community development loans	100,417	-	100,417
Special assessments not yet due	869	-	869
Grant funds received prior to meeting all eligibility requirements	-	132,514	132,514
Total	<u>\$ 664,087</u>	<u>\$ 132,670</u>	<u>\$ 796,757</u>

Lease Receivable

The County leases out some of its buildings, fiber optics system, and cell towers. The property leases have initial terms between 3 and 25 years, with most being five years in length. The fiber optics leases all have initial terms of five years. Finally the cell tower leases have initial terms between 24 to 50 years. The County has included renewal periods in the lease terms when they are both noncancellable and reasonably certain to be exercised. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County uses its incremental borrowing rate to discount the lease payments. Although the County is exposed to changes in the residual value at the end of the current leases, the County typically enters into new leases and therefore will not immediately realize any reduction in residual value at the end of these leases.

At June 30, 2023, the principal and interest requirements to maturity for the lease receivable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 2,904	\$ 1,306	\$ 4,210
2025	3,048	1,225	4,273
2026	2,935	1,133	4,068
2027	3,036	1,039	4,075
2028	3,254	938	4,192
2029-2033	16,201	3,054	19,255
2034-2038	7,647	1,271	8,918
2039-2043	3,451	353	3,804
2044-2048	1,297	77	1,374
	<u>\$ 43,773</u>	<u>\$ 10,396</u>	<u>\$ 54,169</u>

For the year ended June 30, 2023, the total revenue and interest earned related to lease agreements was \$2,826 and \$796, respectively. The total amount of deferred inflows related to deferred lease revenue is \$42,850.

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6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (in thousands):

The composition of interfund balances as of June 30, 2023 is as follows:

Receivable fund	Payable fund	Purpose	Amount
General	Vehicle Operations and Maintenance	Deficit cash balance	\$ 7,272
General	Central Printing Service	Deficit cash balance	95
		Total	<u>\$ 7,367</u>

Interfund transfers for the fiscal year ended June 30, 2023 were as follows:

Transferred from	Transferred to			
	General	Gifts and Grants	Consolidated Public Improvement Construction	Total
General	\$ -	\$ 11,507	\$ 242,036	\$ 253,543
Gifts and Grants	306	-	-	306
Consolidated Public Improvement Construction	423	11,308	-	11,731
Nonmajor Governmental Funds	-	450	-	450
Metropolitan District	17	-	-	17
Internal Service Funds	160	-	-	160
Total transfers	<u>\$ 906</u>	<u>\$ 23,265</u>	<u>\$ 242,036</u>	<u>\$ 266,207</u>

The transfers of \$242,036 million from the General Fund to the Consolidated Public Improvement Construction Fund (CPI) are pay-as-you-go funding for capital projects. Net transfers of \$11,201 million between the General Fund and the Gifts and Grants Fund are County matching funds for grant funded programs. Transfers totaling \$11,308 million from CPI to the Gifts and Grants Fund are contributions for loans and grants. The remaining transfers are various funding contributions for designated grant programs.

As of June 30, 2023, receivable and payable balances remained between the primary government and its discretely presented component units. These balances and transactions are a result of the primary government's ongoing funding of the component units' capital and operating costs. Receivables and payables between the primary government and the component units do not equal due to timing differences.

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7. CAPITAL ASSETS (in thousands):

A summary of the primary government's changes in capital assets for the year ended June 30, 2023 is reported below:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 303,653	\$ 120,523	\$ (34)	\$ 424,142
Construction in progress	835,990	265,626	(36,936)	1,064,680
Total capital assets not being depreciated	<u>1,139,643</u>	<u>386,149</u>	<u>(36,970)</u>	<u>1,488,822</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	619,873	28,894	(45,532)	603,235
Machinery and equipment	134,742	6,236	(13,046)	122,336
Vehicles	185,494	10,935	(25,608)	170,821
Infrastructure	2,743,307	7,465	(469,343)	2,287,025
Leased assets	18,481	4,546	(317)	22,710
Subscription assets	-	37,953 *	-	37,953
Total capital assets being depreciated/amortized	<u>3,701,897</u>	<u>96,029</u>	<u>(553,846)</u>	<u>3,244,080</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(292,699)	(15,724)	17,765	(290,658)
Machinery and equipment	(102,088)	(9,560)	19,452	(92,196)
Vehicles	(96,595)	(16,793)	10,648	(102,740)
Infrastructure	(1,653,593)	(51,876)	419,006	(1,286,463)
Leased assets	(2,459)	(3,578)	241	(5,796)
Subscription assets	-	(6,545)	-	(6,545)
Total accumulated depreciation/amortization	<u>(2,147,434)</u>	<u>(104,076)</u>	<u>467,112</u>	<u>(1,784,398)</u>
Total capital assets being depreciated/amortized, net	<u>1,554,463</u>	<u>(8,047)</u>	<u>(86,734)</u>	<u>1,459,682</u>
Governmental activities capital assets, net	<u>\$ 2,694,106</u>	<u>\$ 378,102</u>	<u>\$ (123,704)</u>	<u>\$ 2,948,504</u>

* This amount includes GASB 96 implementation and new leases entered into throughout the year.

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	Beginning			Ending
	Balance	Increases	Decreases	Balance
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 1,317	\$ -	\$ -	\$ 1,317
Construction in progress	512,583	105,641	(2,946)	615,278
Total capital assets not being depreciated	<u>513,900</u>	<u>105,641</u>	<u>(2,946)</u>	<u>616,595</u>
Capital assets being depreciated:				
Buildings and improvements	206,256	-	-	206,256
Machinery and equipment	1,600	137,450	(185)	138,865
Vehicles	12,720	-	(4,461)	8,259
Infrastructure	1,681,128	2,961	(175,722)	1,508,367
Subscription assets	-	1,593 *	-	1,593
Total capital assets being depreciated	<u>1,901,704</u>	<u>142,004</u>	<u>(180,368)</u>	<u>1,863,340</u>
Less accumulated depreciation for:				
Buildings and improvements	(124,656)	(22,009)	-	(146,665)
Machinery and equipment	(1,102)	(99)	111	(1,090)
Vehicles	(8,162)	(787)	3,646	(5,303)
Infrastructure	(543,527)	(25,079)	52,422	(516,184)
Subscription assets	-	(373)	-	(373)
Total accumulated depreciation	<u>(677,447)</u>	<u>(48,347)</u>	<u>56,179</u>	<u>(669,615)</u>
Total capital assets being depreciated, net	<u>1,224,257</u>	<u>93,657</u>	<u>(124,189)</u>	<u>1,193,725</u>
Business-type activities capital assets, net	<u>\$ 1,738,157</u>	<u>\$ 199,298</u>	<u>\$ (127,135)</u>	<u>\$ 1,810,320</u>

* This amount includes GASB 96 implementation and new leases entered into throughout the year.

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Depreciation or amortization expense was charged to primary government functions as follows:

Governmental activities:	
General government	\$ 30,904
Public safety	7,884
Public works, which includes the depreciation of infrastructure assets	60,433
Health and human services	79
Culture and leisure services	140
Economic and community development	117
Capital assets held by the County's internal service funds is charged to the various activities based on their usage of the assets.	<u>4,519</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 104,076</u>

Business-type activities:

Water and sewer services, which include the depreciation of infrastructure assets	<u>\$ 48,347</u>
Total depreciation expense - business-type activities	<u>\$ 48,347</u>

A summary of the component units' changes in capital assets is reported below:

	Beginning Balance	Increases	Decreases	Ending Balance
Board of Education of Baltimore County				
Capital assets not being depreciated:				
Land	\$ 32,051	\$ -	\$ -	\$ 32,051
Construction in progress	254,424	193,013	(60,389)	387,048
Total capital assets not being depreciated	<u>286,475</u>	<u>193,013</u>	<u>(60,389)</u>	<u>419,099</u>
Capital assets being depreciated/amortized:				
Buildings	2,676,392	63,636	(4,377)	2,735,651
Improvements other than buildings	103,009	38	-	103,047
Equipment and vehicles	226,371	70,920	(15,612)	281,679
Leased assets	40,560	9,110	(1,219)	48,451
Subscription assets	-	14,233	-	14,233
Total capital assets being depreciated/amortized	<u>3,046,332</u>	<u>157,937</u>	<u>(21,208)</u>	<u>3,183,061</u>
Less accumulated depreciation/amortization	<u>(1,258,899)</u>	<u>(135,170)</u>	<u>19,705</u>	<u>(1,374,364)</u>
Total capital assets being depreciated/amortized, net	<u>1,787,433</u>	<u>22,767</u>	<u>(1,503)</u>	<u>1,808,697</u>
Total capital assets, net	<u>\$ 2,073,908</u>	<u>\$ 215,780</u>	<u>\$ (61,892)</u>	<u>\$ 2,227,796</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
The Community College of Baltimore County				
Capital assets not being depreciated:				
Land	\$ 4,798	\$ -	\$ -	\$ 4,798
Construction in progress	6,093	15,649	(7,018)	14,724
Total capital assets not being depreciated	<u>10,891</u>	<u>15,649</u>	<u>(7,018)</u>	<u>19,522</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	323,598	5,684	-	329,282
Infrastructure	37,077	1,334	-	38,411
Equipment and vehicles	26,475	1,252	(95)	27,632
Leased assets	10,234	1,672	-	11,906
Subscription assets	-	5,639	-	5,639
Library materials	525	68	(167)	426
Total capital assets being depreciated/amortized	<u>397,909</u>	<u>15,649</u>	<u>(262)</u>	<u>413,296</u>
Less accumulated depreciation/amortization	<u>(198,781)</u>	<u>(16,204)</u>	<u>2,331</u>	<u>(212,654)</u>
Total capital assets being depreciated/amortized, net	<u>199,128</u>	<u>(555)</u>	<u>2,069</u>	<u>200,642</u>
The Community College of Baltimore County capital assets, net	<u>\$ 210,019</u>	<u>\$ 15,094</u>	<u>\$ (4,949)</u>	<u>\$ 220,164</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Board of Library Trustees for Baltimore County				
Capital assets being depreciated:				
Equipment and vehicles	\$ 8,992	\$ 313	\$ -	\$ 9,305
Circulation materials	11,039	3,764	(3,949)	10,854
Total capital assets being depreciated	<u>20,031</u>	<u>4,077</u>	<u>(3,949)</u>	<u>20,159</u>
Less accumulated depreciation	<u>(14,185)</u>	<u>(3,757)</u>	<u>3,949</u>	<u>(13,993)</u>
Board of Library Trustees for Baltimore County capital assets, net	<u>\$ 5,846</u>	<u>\$ 320</u>	<u>\$ -</u>	<u>\$ 6,166</u>

8. LONG-TERM OBLIGATIONS:

The County's principal long-term obligations are general obligation bonds and bond anticipation notes (BANs) issued to finance the construction of county-wide public capital projects and water and sewer facilities within the County's Metropolitan District. The County also issued taxable general obligation bonds for the Plan A of the Employees' Retirement System and pension obligation bonds for police officers and firefighters hired prior to October 1959 and their spouses. The County's full faith, credit and unlimited taxing power are irrevocably pledged to the payment of the principal and interest of these bonds and notes.

Other long-term obligations include the accrued liability for vested compensated absences, estimated landfill closing costs, and certificates of participation. The County considers all non-proprietary funds vested compensated

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

absences to be long-term debt. Of the primary government's general long-term debt, only the redemption of the BANs and the liability for landfill closing costs are expected to be paid with bond proceeds.

The County Charter authorizes the County Council by appropriate resolution to issue bonds, other than metropolitan district bonds, up to a debt limit of 4% of the County's assessable property base, and metropolitan district bonds up to a debt limit of 3.2% of the District's assessable property base. Information related to these limitations are as follows:

	(in thousands)	
	General Bonds	Metropolitan District
Legal limitation for the borrowing of funds and issuance of bonds	\$ 3,936,024	\$ 2,835,184
General obligation debt outstanding applicable to debt limit	2,020,476	2,002,438

General obligation debt issuances require approval by voter referendum. Approved and unissued general obligation bonded debt totaled \$1,131,665,347 as of June 30, 2023, comprised of \$645,262,881 for public schools, \$455,462,896 for public facilities and \$30,939,570 for the Community College. Appropriated and unissued Metropolitan District bonded debt totaled \$1,030,486,666 as of June 30, 2023.

General Obligation Bonds

On March 24, 2023, the County sold \$255,000,000 General Obligation Bonds, consisting of \$225,000,000 Metropolitan District Bonds – 84th Issue, for the payment of \$150,000,000 Baltimore County Metropolitan District Bond Anticipation Notes and \$75,000,000 for the design, purchase or acquisition of the water supply, sewerage and drainage systems; and \$30,000,000 Consolidated Public Improvement Bonds 2023 Series, for the purpose of providing public works projects, community college projects and waterway improvement projects. The Metropolitan District Bonds are due March 1, in each of the years 2024 to 2049, inclusive, and 2053; and bear a true interest cost of 4.06% The Consolidated Public Improvement Bonds are due March 1, in each of the years 2024 to 2043, inclusive, and bear a true interest cost of 3.56%.

Maryland Water Infrastructure Financing Agreement

During fiscal year 2023, the County issued \$42,257,646 in Metropolitan District Bonds through the Maryland Water Infrastructure Revolving Loan Fund. The Fund subsidizes the interest rate on sewer and water projects. As of June 30, 2023, the balance outstanding was \$389,858,981.

Other

The County issues debt to finance the construction of certain capital facilities of its component units and for major water and sewer projects done in conjunction with the City of Baltimore (the "City"), which decreases the "Unrestricted" net position component in the statement of net position. The following summarizes these situations where the County is reporting the debt in its financial statements, while the corresponding assets are reported by the other reporting entity.

- The Board of Education and the Community College have no authority to issue bonded debt. That authority rests with the County subject to voter approval. The County had \$959.789 million of its net Consolidated Public Improvement general obligation debt outstanding (net of unamortized premiums and deferred charges) that is related to capital facilities of the component units as of June 30, 2023.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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- The Metropolitan District Act requires the City to provide water to the County's Metropolitan District. The City also treats sewage from the Metropolitan District at cost. The County has agreed to pay the City on a pro-rata basis for construction of certain City owned sewer and water capital projects that serve the Metropolitan District. The County's contributions towards these City owned facilities are funded primarily with bond proceeds. The County estimates 41.56% of its net Metropolitan District general obligation bonds outstanding or \$167.536 million is related to these facilities as of June 30, 2023.

At June 30, 2023, the County has accrued \$28.13 million of estimated closure and postclosure care costs for its one active landfill. State and federal laws require the County to place a final cover on its open landfill when it stops accepting waste in approximately 2027 and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure costs generally will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these costs as a liability in the Governmental Activities of the Statement of Net Position based on the landfill capacity used as of the end of the fiscal year. The amount included in the landfill closure and postclosure care costs liability at June 30, 2023 represents the cumulative unspent amount reported to date based on the use of 74.6% of the estimated landfill capacity. The County will recognize the remaining estimated cost of closure and postclosure care of \$9.58 million as the remaining estimated capacity is filled. The actual cost may differ due to inflation, changes in technology, or changes in regulations. The County intends to finance these costs primarily with bond proceeds in its Consolidated Public Improvement Construction Fund.

Financial assurance provisions of federal regulations require owners and operators of municipal solid waste landfills to demonstrate that adequate funds will be readily available for the costs of closure, post closure care, and corrective action associated with their facilities. The County had demonstrated that it met the local government financial test assurance mechanism as of December 31, 2023 and has placed appropriate documents in the operating record of its active landfill.

The County has participated in the issuance of economic development revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities. The County is not obligated in any manner for repayment of the bonds, and therefore they are not reported as liabilities in the financial statements. The aggregate outstanding principal amount as of June 30, 2023 for bonds issued prior to July 1, 1996 was \$81.37 million. The aggregate principal amount payable for bonds issued after July 1, 1996 was \$105.95 million at June 30, 2023.

The State of Maryland allows Maryland residents who earn personal income in jurisdictions outside Maryland to take a credit against their Maryland State income taxes for the income taxes paid to other jurisdictions. In prior years, Maryland had not allowed this credit against Maryland County or Municipal income taxes. A suit was brought against the State, the Wynne Case, asserting that this unequal treatment violated the Federal Commerce Clause. The State lost the case before the Maryland Court of Appeals and the U.S. Supreme Court has upheld that ruling. As a result, the State must allow credits against county income taxes. The impact to the County will be a loss of current revenues, as well as refunds of overpayments for the prior tax years which the state will recoup from income tax revenue distributions to the County over 80 quarters starting May 2021. As of June 30, 2023, the state has recouped \$6.535 million from the County for the Wynne Case. The County has recognized a \$45.749 million liability in its government-wide statements for the balance due and has assigned \$25.427 million of its General Fund fund balance for these refunds.

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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Long-term liability activity for the year ended June 30, 2023 is as follows (in thousands):

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Due Within One Year
Primary Government:					
Governmental activities:					
General obligation debt					
Consolidated public improvement bonds	\$ 1,790,345	\$ 30,000	\$ (118,080)	\$ 1,702,265	\$ 123,435
Pension funding bonds	328,660	-	(10,449)	318,211	10,675
	2,119,005	30,000	(128,529)	2,020,476	134,110
Add remaining original issue premium	185,108	4,090	(25,303)	163,895	-
Less remaining original issue discount	(607)	-	175	(432)	-
Total general obligation debt	2,303,506	34,090	(153,657)	2,183,939	134,110
Certificates of participation	194,770	-	(29,341)	165,429	22,081
Add remaining original issue premium	26,030	-	(5,578)	20,452	-
Total certificates of participation	220,800	-	(34,919)	185,881	22,081
Other long-term liabilities					
Compensated absences	88,333	65,345	(52,461)	101,217	95,435
Claims payable	97,058	9,660	(568)	106,150	37,947
Net other post employment benefits liability	1,893,057	-	(440,612) *	1,452,445	-
Net pension liability	1,543,958	518,223	-	2,062,181	-
Disputed taxes	48,363	-	(2,614)	45,749	2,614
Estimated landfill closing costs	26,106	2,028	-	28,134	-
Lease liability	16,338	4,405	(3,169)	17,574	3,118
SBITA liability	-	36,649	(6,845)	29,804	2,445
Total other long-term liabilities	3,713,213	636,310	(506,269)	3,843,254	141,559
Total governmental activities long-term liabilities	<u>\$ 6,237,519</u>	<u>\$ 670,400</u>	<u>\$ (694,845)</u>	<u>\$ 6,213,074</u>	<u>\$ 297,750</u>
Business-type activities:					
General obligation debt					
Metropolitan District bonds	\$ 1,790,171	\$ 267,258	\$ (68,250)	\$ 1,989,179	\$ 74,034
Pension funding bonds	13,695	-	(436)	13,259	445
Bond anticipation notes	150,000	-	(150,000)	-	-
	1,953,866	267,258	(218,686)	2,002,438	74,479
Add remaining original issue premium	115,804	27,146	(17,163)	125,787	-
Total general obligation debt	2,069,670	294,404	(235,849)	2,128,225	74,479
Certificates of participation	13,865	-	(2,044)	11,821	1,679
Add remaining original issue premium	1,701	-	(387)	1,314	-
Total certificates of participation	15,566	-	(2,431)	13,135	1,679
Compensated absences	2,511	1,175	(1,838)	1,848	1,796
Net pension liability	48,243	18,001	-	66,244	-
Net other post employment benefits liability	100,468	-	(22,356) *	78,112	-
SBITA liability	-	1,587	(370)	1,217	234
Total business-type activities long-term liabilities	<u>\$ 2,236,458</u>	<u>\$ 315,167</u>	<u>\$ (262,844)</u>	<u>\$ 2,288,781</u>	<u>\$ 78,188</u>

*Net increase (decrease) is shown

BALTIMORE COUNTY, MARYLAND
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JUNE 30, 2023

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Due Within One Year
Component Units:					
Board of Education:					
Compensated absences	\$ 39,188	\$ 23,152	\$ (21,931)	\$ 40,409	\$ 22,058
Leases payable	34,622	9,110	(7,549)	36,183	6,665
Claims payable	10,528	4,129	(3,173)	11,484	4,128
Notes payable	110,662	59,664	(40,482)	129,844	20,987
Net OPEB Liability	1,746,250	-	(403,001)	1,343,249	-
Net Pension Liability	98,387	28,610	-	126,997	-
Subscriptions payable	-	14,201	(5,152)	9,049	4,937
Total Board of Education	<u>2,039,637</u>	<u>138,866</u>	<u>(481,288)</u>	<u>1,697,215</u>	<u>58,775</u>
Community College:					
Compensated absences	7,882	4,491	(4,920)	7,453	4,218
Leases/SBITA payable	8,165	8,413	(3,253)	13,325	3,180
Net OPEB Liability	148,691	-	(32,679)	116,012	-
Net Pension Liability	4,272	1,355	-	5,627	-
Total Community College	<u>169,010</u>	<u>14,259</u>	<u>(40,852)</u>	<u>142,417</u>	<u>7,398</u>
Board of Library Trustees:					
Compensated absences	1,299	-	(8)	1,291	1,290
Net OPEB Liability	27,999	-	(6,322)	21,677	-
Net Pension Liability	634	-	407	1,041	-
Total Board of Library Trustees	<u>29,932</u>	<u>-</u>	<u>(5,923)</u>	<u>24,009</u>	<u>1,290</u>
Total component unit long-term liabilities	<u>\$ 2,238,579</u>	<u>\$ 153,125</u>	<u>\$ (528,063)</u>	<u>\$ 1,863,641</u>	<u>\$ 67,463</u>

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

General long-term debt currently outstanding as of June 30, 2023 is as follows:

Governmental Activities
(in thousands)

General Obligation Debt:

Bonds

Dated	Original Maturity Range	Interest Rate Range	Issue Amount	Balance 6/30/2023	Unamortized Premium (Discount)	Carrying Value 6/30/2023
11/5/2009	2010-2025	6.150 - 6.150	\$ 19,400	\$ 19,400	\$ (432)	\$ 18,968
11/10/2009	2010-2029	0.650 - 5.560	155,570	11,900	23	11,923
11/9/2010	2012-2029	3.110 - 4.900	19,950	19,950	-	19,950
11/9/2010	2018-2030	4.970 - 4.970	177,000	107,000	-	107,000
12/13/2012	2014-2042	0.416 - 3.739	246,077 **	193,857	-	193,857
2/20/2014	2016-2034	3.000 - 5.000	140,000	83,000	1,018	84,018
7/15/2014	2015-2025	3.000 - 4.500	48,235 *	14,255	178	14,433
12/23/2014	2015-2038	2.000 - 5.000	116,000	69,600	6,143	75,743
6/30/2015	2016-2027	2.000 - 5.000	69,130 *	36,805	1,821	38,626
3/8/2016	2018-2036	5.000 - 5.000	112,000	76,000	8,590	84,590
8/3/2016	2017-2036	0.600 - 3.303	144,000 **	124,354	-	124,354
3/15/2017	2019-2037	4.000 - 5.000	99,800	73,300	3,719	77,019
11/16/2017	2020-2030	3.000 - 4.000	60,130 *	41,895	1,450	43,345
3/16/2018	2020-2038	4.000 - 5.000	121,000	103,920	7,341	111,261
3/18/2019	2020-2039	4.000 - 5.000	246,000	213,935	20,330	234,265
3/19/2020	2022-2040	4.000 - 5.000	246,000	229,485	41,898	271,383
3/22/2021	2022-2041	3.000 - 5.000	145,000	136,010	24,293	160,303
3/22/2021	2022-2032	0.240 - 1.930	219,440 ***	217,615	-	217,615
3/23/2022	2023-2042	4.000 - 5.000	225,000	218,195	43,099	261,294
3/24/2023	2024-2043	5.000 - 5.000	30,000	30,000	3,992	33,992
Total General Obligation Debt			\$ 2,639,732	\$ 2,020,476	\$ 163,463	\$ 2,183,939

Certificates of Participation

9/27/2016	2017-2026	5.000 - 5.000	59,810	26,284	1,478	27,762
3/26/2019	2020-2029	5.000 - 5.000	77,960	51,240	4,678	55,918
3/23/2022	2023-2032	5.000 - 5.000	95,500	87,905	14,296	102,201
Total Certificates of Participation			\$ 233,270	\$ 165,429	\$ 20,452	\$ 185,881

*Refunding issue

** Taxable issue

*** Refunding & taxable issue

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Business-type Activities:

(in thousands)

General Obligation Debt:

Bonds

Dated	Original Maturity Range	Interest Rate Range	Issue Amount	Balance 6/30/2023	Unamortized Premium	Carrying Value 6/30/2023
9/12/2005	2006-2024	1.000 - 1.000	\$ 21,146	\$ 57	-	\$ 57
7/31/2007	2008-2027	1.000 - 1.000	16,794	3,667	-	3,667
12/18/2009	2011-2032	1.000 - 1.000	15,625	7,431	-	7,431
11/9/2010	2019-2040	2.000 - 5.050	93,900	76,700	-	76,700
5/31/2012	2014-2032	1.800 - 1.800	44,326	23,600	-	23,600
12/12/2012	2013-2042	2.000 - 5.000	60,000	20,000	-	20,000
12/12/2012	2013-2032	2.250 - 5.000	18,005	8,215	31	8,246
12/13/2012	2015-2042	0.416 - 3.739	10,213 **	8,078	-	8,078
9/10/2013	2013-2034	2.200 - 2.200	9,198	4,553	-	4,553
2/20/2014	2016-2034	3.000 - 5.000	60,000	43,200	200	43,400
2/20/2014	2015-2020	4.000 - 5.000	30,325 *	17,790	241	18,031
7/15/2014	2015-2025	3.000 - 4.500	26,370 *	8,700	89	8,789
12/23/2014	2015-2038	2.000 - 5.000	84,000	61,600	6,776	68,376
6/30/2015	2016-2027	2.000 - 5.000	101,765 *	68,160	1,906	70,066
9/25/2015	2016-2035	1.600 - 1.600	86,311	51,429	-	51,429
3/8/2016	2017-2046	5.000 - 5.000	88,000	67,000	8,559	75,559
3/8/2016	2017-2038	2.000 - 4.000	65,705 *	64,655	769	65,424
7/29/2016	2017-2046	1.300 - 1.300	15,606	12,001	-	12,001
8/3/2016	2017-2036	0.600 - 3.303	6,000 **	5,181	-	5,181
3/15/2017	2019-2047	4.000 - 5.000	99,300	81,800	3,774	85,574
11/16/2017	2019-2029	5.000 - 5.000	31,035 *	21,960	1,965	23,925
11/17/2017	2018-2047	0.700 - 0.700	52,452	48,349	-	48,349
3/16/2018	2019-2047	4.000 - 5.000	225,000	209,440	12,136	221,576
10/25/2018	2019-2048	0.800 - 0.800	145,700	135,947	-	135,947
3/18/2019	2020-2049	2.000 - 5.000	245,000	234,470	13,799	248,269
8/6/2019	2020-2039	3.000 - 5.000	32,365 *	32,350	2,715	35,065
3/19/2020	2021-2050	4.000 - 5.000	42,000	40,005	7,148	47,153
3/31/2021	2021-2051	0.800 - 0.800	111,713	102,825	-	102,825
7/29/2020	2022-2030	5.000 - 5.000	41,460 *	38,060	5,371	43,431
3/22/2021	2022-2041	1.650 - 2.350	78,665 ***	78,660	1,030	79,690
3/22/2021	2023-2051	3.000 - 5.000	205,000	201,555	32,566	234,121
3/24/2023	2024-2053	5.000 - 5.000	225,000	225,000	26,712	251,712
Total General Obligation Debt			\$ 2,387,979	\$ 2,002,438	\$ 125,787	\$ 2,128,225

Certificates of Participation

9/27/2016	2017-2026	5.000 - 5.000	3,905	\$ 1,716	96	\$ 1,812
3/26/2019	2020-2029	5.000 - 5.000	9,065	5,960	544	6,504
3/23/2022	2023-2032	5.000 - 5.000	4,500	4,145	674	4,819
Total Certificates of Participation			\$ 17,470	\$ 11,821	\$ 1,314	\$ 13,135

*Refunding issue

** Taxable issue

*** Refunding & taxable issue

BALTIMORE COUNTY, MARYLAND
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The following is a schedule of the primary government's debt service payments for certain long-term debt as of June 30, 2023:

Fiscal Year Ended June 30	Governmental Activities					
	General Obligation Debt		COPs & Other Long-term Debt		Total Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 134,110	\$ 67,364	\$ 22,081	\$ 3,712	\$ 156,191	\$ 71,076
2025	137,940	72,857	22,851	3,007	160,791	75,864
2026	151,038	67,988	23,666	5,861	174,704	73,849
2027	132,425	63,052	24,521	4,677	156,946	67,729
2028	130,358	57,959	18,845	3,615	149,203	61,574
2029-2033	595,272	213,833	53,465	6,096	648,737	219,929
2034-2038	456,616	105,416	-	-	456,616	105,416
2039-2043	255,030	26,256	-	-	255,030	26,256
2044-2048	27,687	1,866	-	-	27,687	1,866
Total	<u>\$ 2,020,476</u>	<u>\$ 676,591</u>	<u>\$ 165,429</u>	<u>\$ 26,968</u>	<u>\$ 2,185,905</u>	<u>\$ 703,559</u>

Fiscal Year Ended June 30	Business-type Activities					
	General Obligation Debt		COPs		Total Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 74,479	\$ 70,199	\$ 1,679	\$ 373	\$ 76,158	\$ 70,572
2025	77,464	68,307	1,744	308	79,208	68,615
2026	80,732	65,415	1,809	409	82,541	65,824
2027	81,767	62,482	1,879	319	83,646	62,801
2028	81,889	59,555	1,520	235	83,409	59,790
2029-2033	416,955	254,010	3,190	321	420,145	254,331
2034-2038	381,817	184,281	-	-	381,817	184,281
2039-2043	352,529	119,817	-	-	352,529	119,817
2044-2048	330,053	59,367	-	-	330,053	59,367
2049-2053	124,753	12,748	-	-	124,753	12,748
Total	<u>\$ 2,002,438</u>	<u>\$ 956,181</u>	<u>\$ 11,821</u>	<u>\$ 1,965</u>	<u>\$ 2,014,259</u>	<u>\$ 958,146</u>

Leases

The County has entered into various lease agreements as lessee for office space and equipment. Most of the property leases have initial term from 5 to 25 years with an average length of 10 years, and contain one or more renewals at the County's option, generally for five-year periods, but some being 2 or 25 year renewal 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 equipment leases have initial terms of three or five year, with an average length of three years. 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 expenses 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 readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments which ranges from 3.03% to 4.49%.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

At June 30, 2023, the statement of net position included the following amounts relating to leases:

Leased assets:	
Buildings	\$ 20,803
Equipment	1,907
Total leased assets	22,710
Less accumulated amortization:	
Leased assets:	
Buildings	4,906
Equipment	890
Total accumulated amortization	5,796
Total leased assets, net	
Buildings	15,897
Equipment	1,017
Total	\$ 16,914
Lease payable	
Current	3,118
Non-current	14,456
Total	\$ 17,574

The future and interest lease payments as of June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total Payments
2024	\$ 3,118	\$ 299	\$ 3,417
2025	2,193	255	2,448
2026	1,958	218	2,176
2027	1,856	185	2,041
2028	1,940	153	2,093
2029-2033	4,899	381	5,280
2034-2038	821	199	1,020
2039-2043	789	55	844
	\$ 17,574	\$ 1,745	\$ 19,319

For the year ended June 30, 2023, the total principal and interest incurred related to lease agreements was \$3,232 and \$332, respectively.

Component Units- Leases

The Board of Education of Baltimore County leases equipment as well as certain school and office facilities for various terms under long-term lease agreements. The leases expire at various dates through 2037 and provide for renewal options ranging from three to five years.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

At June 30, 2023, the statement of net position for the Board of Education included the following amounts relating to leases:

Leased assets	\$ 48,451
Total accumulated amortization	<u>(12,867)</u>
Total leased assets, net	<u>\$ 35,584</u>

The future and interest lease payments as of June 30, 2023 for the Board of Education are as follows:

Fiscal Year	Principal	Interest	Total Payments
2024	\$ 6,665	\$ 900	\$ 7,565
2025	6,209	713	6,922
2026	5,207	537	5,744
2027	4,781	375	5,156
2028	2,453	256	2,709
2028-2033	7,522	623	8,145
2034-2037	3,346	61	3,407
	<u>\$ 36,183</u>	<u>\$ 3,465</u>	<u>\$ 39,648</u>

The Community College of Baltimore County (CCBC) leases equipment as well as office facilities and land for various terms under long-term lease agreements. They also are a lessor on certain capital contracts for campus facilities and antenna space.

At June 30, 2023, the statement of net position for CCBC included the following amounts relating to leases:

Leased assets	\$ 11,906
Total accumulated amortization	<u>(5,570)</u>
Total leased assets, net	<u>\$ 6,336</u>

The future and interest lease payments as of June 30, 2023 for CCBC are as follows:

Fiscal Year	Principal	Interest	Total Payments
2024	\$ 1,057	\$ 183	\$ 1,240
2025	1,884	341	2,225
2026	1,315	355	1,670
2027	407	137	544
2028	367	139	506
2029-2031	641	280	921
	<u>\$ 5,671</u>	<u>\$ 1,435</u>	<u>\$ 7,106</u>

Subscription-Based Information Technology Arrangements

The County has adopted GASB 96, Subscription-Based Information Technology Arrangement (SBITA), effective July 1, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving the accounting and financial reporting for subscription-based information technology arrangements. This Statement increases the usefulness of governments' financial statements by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments.

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This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

The County has evaluated all SBITA contracts to determine if they qualified as a liability. As a result of this new evaluation method, all subscription-based IT arrangements over \$5,000 were reclassified as Right to Use- SBITA Assets with a corresponding liability.

The County used the interest rate implicit in the Subscription Base Software Arrangements (SBITA) when the rate was available or readily determinable to discount the SBITA. All County's SBITA arrangements either have an implicit interest rate or are readily determinable. The discount interest rate averages 5% for the fiscal year 2023.

On June 30, 2023, the Statement of Net Position included the following amounts relating to SBITAs:

Subscription Assets:	
SBITA Assets	\$ 39,546
Total SBITA Assets	<u>39,546</u>
Less Accumulated Amortization:	
SBITA Assets Amortization	6,918
Total SBITA Amortization	<u>6,918</u>
Total SBITA Assets, net	<u>\$ 32,628</u>
SBITA Payable:	
Current	2,679
Non-Current	28,342
Total SBITA Payable	<u>\$ 31,021</u>

The future Principal and Interest of SBITA payments as of June 30, 2023, are as follows:

Fiscal Year	Principal	Interest	Total Payments
2024	\$ 2,679	\$ 1,987	\$ 4,666
2025	5,902	1,638	7,540
2026	5,084	1,272	6,356
2027	4,505	951	5,456
2028	4,433	649	5,082
2029-2033	8,315	599	8,914
2034	103	5	108
	<u>\$ 31,021</u>	<u>\$ 7,101</u>	<u>\$ 38,122</u>

For the year ended June 30, 2023, the total principal and interest incurred related to SBITA were \$7,220 and \$384, respectively.

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9. COMMITMENTS AND CONTINGENCIES:

Contracts and Commitments

Contract commitments in the Consolidated Public Improvement Construction Fund, the Metropolitan District Enterprise Fund, and the Gifts and Grants Fund amounted to approximately \$134.5 million, \$204.9 million, and \$73.4 million, respectively, at June 30, 2023. Such amounts will be funded by future bond proceeds, approved federal and state grants, and future assessments.

Federal Grants

Under the American Rescue Plan (ARP) Act, the County was awarded \$160.7 million from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The County received half of this funding during FY 2021, and the remaining funding during FY 2022. As of June 30, 2023, the County has \$99.3 million remaining to be spent. The funds are anticipated to be fully utilized on allowable expenses by December 31, 2024, however, any monies unspent at that time will revert back to the U.S. Treasury.

Other Contingencies

The County receives significant financial assistance from the U. S. Government and the State of Maryland in the form of grants. Entitlement to grant resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal and state regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits in accordance with grantor requirements. Any disallowances as a result of these audits become a liability of the County. The County estimates that no material liabilities will result from such audits. The County is contingently liable for loans guaranteed in the Gifts & Grants Fund that aggregate approximately \$0.849 million as of June 30, 2023. A restriction of fund balance has been made for this amount.

10. LITIGATION:

The County is a defendant in various suits claiming damages for personal injury and property damage in automobile and general liability cases, and various personnel actions. In addition, there are various other tort suits alleging violations of individual civil rights pending against the County as well as miscellaneous other litigation, mostly contract claims. Amounts claimed in some of these matters are substantial. In the opinion of the County Attorney, the County should prevail in most of said various tort suits, suits alleging violations of individual civil rights and in miscellaneous other litigation (although the outcome of litigation cannot be predicted with certainty). It is the further opinion of the County Attorney that the likelihood of the County incurring aggregate liability arising from such litigation in an amount that would be material in relation to its financial position is remote.

Litigation against the Employees' Retirement System of Baltimore County is addressed in its separate Annual Comprehensive Financial Report (ACFR). See note 12 for ACFR availability.

11. RISK MANAGEMENT:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident; and natural disasters. The County manages its risks internally and sets aside assets for claims settlement in an Internal Service Fund, the Self-Insurance Program Fund (SIPF). The County services all claims for risk of loss to which the County is exposed except as noted below. The SIPF allocates County claims payments by charging a "premium" to each fund, or component unit, based on the actuarially determined liability and SIPF net position.

The County purchases commercial insurance for claims that exceed 120% of projected health care claims and associated administrative expenses, and for real and personal property losses subject to policy deductibles. Settled claims have not exceeded this commercial health care excess coverage for the past three fiscal years.

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SIPF liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Since actual claim liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing claim liability results in an estimate. Certain liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their actual value and are not discounted.

Changes in the balances of claim liabilities during fiscal years 2022 and 2023 were as follows (in thousands):

Fiscal Year	Balance at Beginning of Year	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2022	\$ 83,361	\$ 390,817	\$ (377,120)	\$ 97,058
2023	97,058	373,771	(364,679)	106,150

12. BENEFIT PLANS:

Employees' Retirement System

Plan Description: The Employees' Retirement System of Baltimore County (the "System") is a cost-sharing multiple-employer defined benefit public employee retirement system that acts as a common investment and administrative agent serving five entities including the County and certain employees of the Baltimore County Board of Education, Baltimore County Board of Library Trustees, the Community College of Baltimore County and the Baltimore County Revenue Authority. The System is not an employer. The System provides retirement and disability benefits, cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and maintain the System is specified in Section 5-1-101 of the Baltimore County Code (the "Code").

On October 15, 2012, the County Council passed Bill No. 65-12 that formally closed the System for members hired prior to July 1, 2007, now known as members of "Plan A". Members hired on or after July 1, 2007 are considered members of "Plan B". Plan A and Plan B are unitized plans of the System. The System is considered part of the County's reporting entity and its financial statements are included in the County's basic financial statements as a benefit trust fund. Separate Plan A and Plan B financial statements are included in the combining fiduciary fund statements in the supplementary information section of this report. The County is obligated for the payment of all pensions, annuities, retirement allowances, refunds, reserves and other benefits. The System is fiscally dependent on the County by virtue of the legislative and executive controls exercised with respect to its operations, policies and administrative budget. In accordance with Section 5-1-238 of the Code, responsibility for the proper operation of the System is vested in an eight-member Board of Trustees (the "Board"), the majority of which are appointed by the County Executive. The general administration of the System is vested in the Director of Budget and Finance.

The System issues a separately prepared Annual Comprehensive Financial Report that includes financial statements, note disclosures and required supplementary information. The report may be obtained by writing to the Office of Budget and Finance, Mezzanine, Historic Court House, 400 Washington Avenue, Towson, Maryland 21204, or online at <http://www.baltimorecountymd.gov>.

Funding Policy: Per Section 5-1-203 of the County Code, contribution requirements of the plan members and the participating employers are established and may be amended by the Board. System members contribute a percentage of their salary to the System. The contribution rates for members hired prior to July 1, 2007 are actuarially determined based on the member's age at enrollment and employee classification. Contribution rates for members hired after July 1, 2007 are fixed based on employee classification.

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Participating employers are required to make contributions on an actuarially determined basis. Level percentages of payroll employer contribution rates are determined using the projected unit credit actuarial funding method. The employer contributions to the System for the fiscal years ended June 30, 2023, 2022 and 2021, were \$215,571, \$160,572 and \$151,903, respectively, which were equal to the required contributions for each year. The primary government's contributions for the three aforementioned fiscal years were \$205,105, \$150,652 and \$142,441, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability: At June 30, 2023, the County reported a liability of \$2,124,644 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all the participating agencies, actuarially determined. At June 30, 2022, the County's proportion was 93.91 percent, which is an increase of 0.21 percent from its proportion as of June 30, 2021.

There have been no changes in the benefit terms that would affect the measurement of the total pension liability since the last measurement date.

Pension Expense: For the year ended June 30, 2023, the County recognized pension expense of \$210,693. At June 30, 2023 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ 67,892	\$ 6,421
Changes in assumptions	4,944	6,640
Net difference between projected and actual earnings on pension plan investments	164,624	-
Changes in proportion and differences between County contributions and proportionate share of contributions	9,776	11,833
County contributions subsequent to the measurement date	205,105	-
Total	\$ 452,341	\$ 24,894

Deferred outflows of \$205,105 are reported as resources related to pensions resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:		
2024	\$	81,893
2025		28,894
2026		(2,800)
2027		102,630
2028		1,067
Thereafter		10,658

Actuarial Assumptions: The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3 percent
Salary increases	Rates vary by participant service
Investment rate of return	6.375 percent, net of pension plan investment expense, including inflation
Actuarial cost method	Entry Age Normal
Asset valuation method	Five-year smoothed market

Mortality rates were based on RP-2000 Combined Mortality Table for males and females, as appropriate, with adjustments for mortality improvements based on Scale AA. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. As a result of this experience study the following actuarial assumptions and method changes were made:

- Salary increase assumptions were updated to reflect recent experience.
- The mortality tables for health and disabled pensioners were updated to reflect future expected increases in life expectancy.
- The rates of withdrawal from active service due to termination of employment, death and accidental death, ordinary disability, and accidental disability were updated to reflect recent plan experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are summarized in the table below:

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Schedule of Long-term expected rate of return

Asset Class	Long-Term Expected Rate of Return	Target asset Allocation
Large Cap Equities	4.17%	24.00%
Small/Mid Cap Equities	4.75%	9.00%
International Equities (Unhedged)	4.26%	14.00%
Emerging International Equities	6.76%	5.00%
U.S. TIPS	0.89%	3.00%
Core Bonds	1.32%	5.00%
Core Bonds (Short)	1.07%	4.00%
Bank Loans	3.57%	3.00%
EMD (Blended)	3.54%	0.00%
Diversified Fixed Income	3.04%	7.00%
Private Debt	5.87%	5.00%
Private Equity	7.46%	9.00%
Real Estate (Core)	2.52%	7.00%
Risk Parity	3.32%	5.00%

Discount Rate: The discount rate used to measure the total pension liability was the funding valuation interest rate of 6.375 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate: The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.375 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.375 percent) or 1-percentage-point higher (7.375 percent) than the current rate:

	1.00% Decrease (5.375%)	Current Discount Rate (6.375%)	1.00% Increase (7.375%)
County's proportionate share of the net pension liability	\$ 2,695,955	\$ 2,124,644	\$ 1,650,394

Pension Plan Fiduciary Net Position: Detail information about the System's fiduciary net position is available in its separately issued financial report.

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Police, Fire and Widows' Pension Plan

Plan Description: The County administers the Police, Fire, and Widow's Pension Plan (Pension Plan) which is a single-employer defined benefit pension plan that provides pensions for policemen and firemen hired prior to October 1, 1959 and for their widows. The Pension Plan has been closed and frozen. The Pension Plan valuation was based on the plan provisions as described in the Baltimore County Code for Pensions and Retirements, Article III for Fire and Police Departments, Section 23-141 through Section 23-204. The pension allowance for retired firefighters and police officers is one-half of the salary of a current employee with the same rank the pensioner held at the time of his retirement. The pension allowance to a widow of a deceased pensioner is one-fourth of the base salary of an active member of the County Police and Fire departments. The Pension Plan does not issue a separately prepared Annual Comprehensive Financial Report.

Funding Policy: The County intends to fund the Pension Plan on a pay-as-you-go basis if Pension Plan assets are depleted. Management of the Pension Plan is vested in an eight-member Board of Trustees, comprised of ex-officio and elected representatives. The general administration of the Pension Plan is vested in the Director of Budget and Finance.

GASB 68 – Accounting and Financial Reporting for Pension Plans

At June 30, 2022, pension plan membership consisted of 94 inactive plan members or beneficiaries currently receiving benefits with no other inactive members or beneficiaries entitled to receive benefits.

Investments: For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -0.34%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability: At June 30, 2023, the County reported a liability of \$3,781 for the Pension Plan. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability of the County at June 30, 2023, were as follows:

Total pension liability	\$ 17,915
Plan fiduciary net position	<u>(14,134)</u>
County's net pension liability	<u>\$ 3,781</u>

Plan fiduciary net position as a percentage of the total pension liability	78.89%
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Actuarial Assumptions: The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	Not applicable
Investment rate of return	4.33% blended rate
Health Mortality	RP-2000 projected by Scale AA.
Cost of living adjustments	3.0%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan

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investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the table below.

Schedule of Long-term expected rate of return

Asset Class	Long-Term Expected Rate of Return	Target asset Allocation
Large Cap Equities	4.17%	24.00%
Small/Mid Cap Equities	4.75%	9.00%
International Equities (Unhedged)	4.26%	14.00%
Emerging International Equities	6.76%	5.00%
U.S. TIPS	0.89%	3.00%
Core Bonds	1.32%	5.00%
Core Bonds (Short)	1.07%	4.00%
Bank Loans	3.57%	3.00%
EMD (Blended)	3.54%	0.00%
Diversified Fixed Income	3.04%	7.00%
Private Debt	5.87%	5.00%
Private Equity	7.46%	9.00%
Real Estate (Core)	2.52%	7.00%
Risk Parity	3.32%	5.00%

Discount Rate: The discount rate used to measure the total pension liability was 4.33%. The projection of cash flows used to determine the discount rate assumed that County contributions will continue to follow the current funding policy. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members until the year 2029. A municipal bond rate of 3.69% was used in the development of the blended GASB discount rate after that point. The 3.69% rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2022. Based on the long-term rate of return of 5.00% and the municipal bond rate of 3.69%, the blended GASB discount rate would be 4.33%. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 67.

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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/21	\$ 23,411	\$ 10,564	\$ 12,847
Changes for the year:			
Interest	489	-	489
Differences between expected and actual experience	(385)	-	(385)
Changes of assumptions	(1,693)	-	(1,693)
Contributions- employer	-	7,500	(7,500)
Net investment income	-	(32)	32
Benefit payments, including refunds of member contributions	(3,907)	(3,907)	-
Other	-	9	(9)
Net Changes	<u>(5,496)</u>	<u>3,570</u>	<u>(9,066)</u>
Balances at 6/30/22	<u>\$ 17,915</u>	<u>\$ 14,134</u>	<u>\$ 3,781</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability, calculated using the discount rate of 4.33%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.33%) or 1-percentage-point higher (5.33%) than the current rate:

	1.00% Decrease (3.33%)	Current Discount Rate (4.33%)	1.00% Increase (5.33%)
County's net pension liability	\$ 4,569	\$ 3,781	\$ 3,057

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense: For the year ended June 30, 2023, the County recognized pension expense of (\$2,416). At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 57
Total	<u>\$ -</u>	<u>\$ 57</u>

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Deferred outflows and deferred inflows of resources resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	(74)
2025		(29)
2026		(84)
2027		130

GASB 67 – Financial Reporting for Pension Plans

At June 30, 2023, pension plan membership consisted of 81 inactive plan members or beneficiaries currently receiving benefits with no other inactive members or beneficiaries entitled to receive benefits.

Net Pension Liability: At June 30, 2023, the County reported a liability of \$4,469 for the Pension Plan. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability of the County at June 30, 2023, were as follows:

Total pension liability	\$	15,822
Plan fiduciary net position		<u>(11,353)</u>
County's net pension liability	<u>\$</u>	<u>4,469</u>

Plan fiduciary net position as a percentage of the total pension liability	71.75%
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Actuarial Assumptions: The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	Not applicable
Investment rate of return	4.24% blended rate
Health Mortality	RP-2000 projected by Scale AA.
Cost of living adjustments	3.0%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the table below.

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Asset Class	Long-Term Expected Rate of Return	Target asset Allocation
Cash	0.73%	0.00%
Large Cap Equities	3.94%	24.00%
Small/Mid Cap Equities	4.74%	9.00%
International Equities (Unhedged)	3.76%	14.00%
Emerging International Equities	6.60%	3.00%
U.S. TIPS	1.66%	3.00%
Core Bonds	1.94%	9.00%
Core Bonds - Short	1.61%	4.00%
Bank Loans	4.02%	3.00%
Diversified Fixed Income	3.30%	5.00%
Private Debt	6.24%	5.00%
Private Equity	7.33%	9.00%
Real Estate (Core)	3.09%	7.00%
Risk Parity	3.41%	5.00%

Discount Rate: The discount rate used to measure the total pension liability was 4.24%. The projection of cash flows used to determine the discount rate assumed that County contributions will continue to follow the current funding policy. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members until the year 2028. A municipal bond rate of 3.86% was used in the development of the blended GASB discount rate after that point. The 3.86% rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023. Based on the long-term rate of return of 5.00% and the municipal bond rate of 3.86%, the blended GASB discount rate would be 4.24%. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 67.

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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/22	\$ 17,915	\$ 14,134	\$ 3,781
Changes for the year:			
Interest	703	-	703
Differences between expected and actual experience	518	-	518
Changes of assumptions	60	-	60
Contributions- employer	-	-	-
Net investment income	-	583	(583)
Benefit payments, including refunds of member contributions	(3,374)	(3,374)	-
Other	-	10	(10)
Net Changes	<u>(2,093)</u>	<u>(2,781)</u>	<u>688</u>
Balances at 6/30/23	<u>\$ 15,822</u>	<u>\$ 11,353</u>	<u>\$ 4,469</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability, calculated using the discount rate of 4.24%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.24%) or 1-percentage-point higher (5.24%) than the current rate:

	1.00% Decrease (3.24%)	Current Discount Rate (4.24%)	1.00% Increase (5.24%)
County's net pension liability	\$ 5,142	\$ 4,469	\$ 3,849

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The condensed financial statements as of and for the year ended June 30, 2023 are as follows:

Statement of Fiduciary Net Position
Police, Fire, and Widows' Pension Plan
As of June 30, 2023

Assets	
Cash and cash equivalents	\$ 5,936
Investment securities	5,385
Interest and dividends receivable	63
Total assets	11,384
Liabilities	
Withholdings payable	31
Total liabilities	31
Net position restricted for pensions	\$ 11,353

Statement of Changes in Fiduciary Net Position
Police, Fire and Widows' Pension Plan
For the year ended June 30, 2023

Additions	
Contributions:	
Other	\$ 10
Total contributions	10
Investment earnings:	
Net increase in the fair value of plan assets	204
Interest and dividends	381
Investment expenses	(2)
Net investment loss	583
Total additions	593
Deductions	
Benefits	3,374
Total deductions	3,374
Net increase in net position	(2,781)
Net position restricted for pensions	
Beginning of the year	14,134
End of the year	\$ 11,353

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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Total Net Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Pension Expense- ERS and PFW

Below are aggregate amounts of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the ERS and PFW plans:

	<u>ERS</u>	<u>PFW</u>	<u>Total</u>
Net pension liability	\$ 2,124,644	\$ 3,781	\$ 2,128,425
Deferred outflows of resources	\$ 452,341	\$ -	\$ 452,341
Deferred inflows of resources	\$ 24,894	\$ 57	\$ 24,951
Pension expense	\$ 210,693	\$ (2,416)	\$ 208,277

Other Pension Plans

The County provides supplemental pension benefits through General Fund appropriations to certain judges, judges' widows and families of members of volunteer fire and ambulance companies killed in the line of duty. The respective costs and related net pension liability of these plans are not significant.

Substantially all employees of the component units who do not participate in the System participate in the State of Maryland Teachers' Retirement and Pension Systems. Employer contributions to these systems for the years ended June 30, 2023, 2022, 2021, of approximately \$96,267, \$105,555 and \$102,221, respectively, were made directly by the State of Maryland on behalf of the component units according to State statute. The contributions have been recognized as a revenue and an expense in the component unit statement of activities. Additionally, some professional employees of the Community College participate in an optional private retirement system.

13. OTHER POST EMPLOYMENT BENEFIT PLAN:

Plan Description and Contribution Information

Plan Description: The County's Other Post Employment Benefit Plan (OPEB Plan) is a cost sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of the primary government, the Baltimore County Board of Education, the Community College of Baltimore County, the Board of Library Trustees for Baltimore County and the Baltimore County Revenue Authority. The OPEB Plan was established and is maintained by the County as a fund as specified in Article 10, Title 14 of the County Code. The fund is included in these financial statements as an Other Post-Employment Benefits Fund. Separate financial statements are not issued for the OPEB Plan. The OPEB Plan provides healthcare and life insurance benefits to eligible retirees and their beneficiaries who receive retirement benefits either from the Employees' Retirement System of Baltimore County under Article 5, Title 1 of the County Code or the State Retirement and Pension System of Maryland. Retiree benefits are in accordance with bargaining unit agreements negotiated between each employer's governing body/board and each employee's representative labor organization. At November 1, 2021 the date of the latest available valuation, the OPEB Plan covered a projected 32,676 members; 19,246 active plan members and 13,430 retirees receiving benefits. County employees covered at November 1, 2021 included a projected 13,746 members; 6,213 active plan members, 5,218 inactive plan members receiving benefits and 2,315 inactive plan members entitled to but not receiving benefits.

Contributions: Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward healthcare based on their hire date, years of active service, the medical plan chosen and whether they are Medicare eligible (age 65). The County receives Prescription Drug Plan reimbursements on Medicare eligible retirees. The OPEB Plan does not have any required contributions from active

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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employees.

Funding Policy: There are no statutory or contractual requirements for County contributions to the plan. The funding of the plan is determined by the Director of Budget and Finance after reviewing the actuarial GASB 74 and 75 reports.

GASB 74 – Financial Reporting for Postemployment Benefits Other Than Pensions

Investments: Per Section 10-14-106 of the County Code, Other Post-Employment Benefits Fund money identified by the Director of Budget and Finance as available for investment shall be jointly invested with retirement funds as per Section 5-1-247. Pursuant to Section 5-1-247 of the Baltimore County Code, the Board of Trustees utilizes the “prudent person” standard for managing the assets of the System. The Board has established the following policies:

- 1) Assure that the System’s investment policy has been designed to provide broad diversification among asset classes in order to maximize return at an appropriate level of risk and minimize the risk of large losses to the System.
- 2) Employ a diversity of investment managers with different investment styles on how to obtain their investment objective.
- 3) Closely monitor the performance of all investment managers not only in relation to specific objectives, but also in relation to other fund managers following the same investment objectives.

The System is currently invested in stocks (domestic and foreign), fixed income securities, private equity funds, real estate funds, and global asset allocation funds. The Code provides for full power to hold, purchase, sell, assign, transfer and dispose of any of the securities and investments in any of the System’s funds. For the year ended June 30, 2023, the System has operated in all material respects in accordance with the System’s investment policy.

The System’s investment policy as of June 30, 2023, is shown below for the broad investment categories:

Asset Class	Allocation Target	Allocation Range
U. S. Equities	33%	27 - 39%
International Equities	17%	11 - 23%
Private Equities	9%	0 - 12%
Private Debt	5%	0 - 10%
Fixed Income	24%	18 - 30%
Real Estate	7%	4 - 10%
Global Asset Allocation	5%	2 - 8%
Cash and Cash equivalents	<u>0%</u>	0 - 5%
Total	<u>100%</u>	

Rate of Return: For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB investment expense, was 7.06%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Net OPEB Liability (including component units): At June 30, 2023, the Plan has a net OPEB liability of \$3,011,496. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The components of the net OPEB liability at June 30, 2023, were as follows:

Total OPEB liability	\$ 3,368,223
Fiduciary net position	<u>(298,046)</u>
Plan's net OPEB liability	<u>\$ 3,070,177</u>

Plan fiduciary net position as a percentage of the total OPEB liability	8.78%
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Actuarial Assumptions: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	0%-6.55%
Investment rate of return	6.375%
Health Mortality	RP 2000 projected by scale AA
Cost of living adjustments	N/A
Healthcare cost trend rates	3.94%-6.0%

The long-term expected rate of return on OPEB investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the table below.

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JUNE 30, 2023

Asset Class	Long-Term Expected Rate of Return	Target asset Allocation
Cash	0.73%	0.00%
Large Cap Equities	3.94%	24.00%
Small/Mid Cap Equities	4.74%	9.00%
International Equities (Unhedged)	3.76%	14.00%
Emerging International Equities	6.60%	3.00%
U.S. TIPS	1.66%	3.00%
Core Bonds	1.94%	9.00%
Core Bonds - Short	1.61%	4.00%
Bank Loans	4.02%	3.00%
Diversified Fixed Income	3.30%	5.00%
Private Debt	6.24%	5.00%
Private Equity	7.33%	9.00%
Real Estate (Core)	3.09%	7.00%
Risk Parity	3.41%	5.00%

Discount Rate: The discount rate used to measure the total OPEB liability was the funding valuation interest rate of 3.89% as of June 30, 2023. The projection of cash flow used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy. Based on those assumptions, the Plan's fiduciary net position was projected to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB investments was applied to all periods of projected benefit payments to determine the total OPEB liability, in accordance with the method prescribed by GASB Statement No. 74. In the event of benefit payments not covered by the Plan's fiduciary net position, a municipal bond rate of 4.13% for FY23 would be used to discount the benefit payments not covered by the Plan's fiduciary net position. The 4.13% rate equals the S&P Municipal Bond 20-Year High Grade Rate index at June 30, 2023. In determining the discount rate, the actuary estimated future contributions based on the average of the County contributions over the 5 year period between fiscal years 2019-2023.

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability, calculated using the discount rate of 3.89%, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89%) or 1-percentage-point higher (4.89%) than the current rate:

	Decrease (2.89%)	Discount Rate (3.89%)	Increase (4.89%)
Net OPEB Liability	\$ 3,608,903	\$ 3,070,177	\$ 2,633,977

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability, calculated using the healthcare trend rate of 3.94% and a trend rate that is 1-percentage-point lower (2.94%) and 1-percentage-point higher (4.94%) than the current rate:

	1.00% Decrease (2.94%)	Healthcare Cost Trend Rate (3.94%)	1.00% Increase (4.94%)
Net OPEB Liability	\$ 2,614,813	\$ 3,070,177	\$ 3,651,323

GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

Net OPEB Liability: At June 30, 2023, the County reported a net OPEB liability of \$1,530,557 which was measured as of June 30, 2022 and total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The components of the net OPEB liability at June 30, 2023, were as follows:

Total OPEB liability	\$ 1,677,940
Fiduciary net position	(147,383)
County's net OPEB liability	\$ 1,530,557

Plan fiduciary net position as a percentage of the total OPEB liability	8.78%
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Actuarial Assumptions: The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	0%-6.55%
Investment rate of return	6.375% blended rate
Health Mortality	RP-2000 projected by Scale AA.
Cost of living adjustments	N/A

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are summarized in the table below:

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Schedule of Long-term expected rate of return

Asset Class	Long-Term Expected Rate of Return	Target asset Allocation
Large Cap Equities	4.17%	24.00%
Small/Mid Cap Equities	4.75%	9.00%
International Equities (Unhedged)	4.26%	14.00%
Emerging International Equities	6.76%	5.00%
U.S. TIPS	0.89%	3.00%
Core Bonds	1.32%	5.00%
Core Bonds (Short)	1.07%	4.00%
Bank Loans	3.57%	3.00%
EMD (Blended)	3.54%	0.00%
Diversified Fixed Income	3.04%	7.00%
Private Debt	5.87%	5.00%
Private Equity	7.46%	9.00%
Real Estate (Core)	2.52%	7.00%
Risk Parity	3.32%	5.00%

Discount Rate: The discount rate used to measure the total OPEB liability was the funding valuation interest rate of 3.72% as of June 30, 2022. The projection of cash flow used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB investments was applied to all periods of projected benefit payments to determine the total OPEB liability, in accordance with the method prescribed by GASB Statement No. 74. In the event of benefit payments not covered by the System's fiduciary net position, a municipal bond rate of 4.09% for FY22, would be used to discount the benefit payments not covered by the System's fiduciary net position. The 4.09% rate equals the S&P Municipal Bond 20-Year High Grade Rate index at June 30 2022.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/21	\$ 2,148,906	\$ 155,381	\$ 1,993,525
Changes for the year:			
Service Cost	62,460	-	62,460
Interest	41,312	-	41,312
Changes of Benefit Terms	-	-	-
Experience Losses	1,186	-	1,186
ER Contribution	-	63,022	(63,022)
Net Investment Income (Loss)	-	(15,441)	15,441
Changes in Assumptions	(517,317)	-	(517,317)
Changes in Proportion	(3,264)	(236)	(3,028)
Benefit Payments	(55,343)	(55,343)	-
Administrative Expense	-	-	-
Net Changes	<u>(470,966)</u>	<u>(7,998)</u>	<u>(462,968)</u>
Balances at 6/30/22	<u>\$ 1,677,940</u>	<u>\$ 147,383</u>	<u>\$ 1,530,557</u>

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Sensitivity of the County's proportionate share of the OPEB liability to changes in the discount rate: The following presents the County's proportionate share of the OPEB liability calculated using the discount rate of 3.72 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72 percent) or 1-percentage-point higher (4.72 percent) than the current rate:

	1.00% Decrease (2.72%)	Current Discount Rate (3.72%)	1.00% Increase (4.72%)
County's proportionate share of the OPEB liability	\$ 1,798,167	\$ 1,530,557	\$ 1,313,462

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability, calculated using the healthcare trend rate of 3.94% and a trend rate that is 1-percentage-point lower (2.94%) and 1-percentage-point higher (4.94%) than the current rate:

	1.00% Decrease (2.94%)	Healthcare Cost Trend Rate (3.94%)	1.00% Increase (4.94%)
Net OPEB Liability	\$ 1,305,946	\$ 1,530,557	\$ 1,817,831

OPEB Expense: For the year ended June 30, 2023 the County recognized OPEB expense of \$176,990. At June 30, 2023 the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ 111,736	\$ 361,388
Changes in assumptions	519,410	459,838
Net difference between projected and actual earnings on OPEB plan investments	10,664	-
Change in proportion	189,503	38,355
County contributions subsequent to the measurement date	48,805	-
Total	\$ 880,118	\$ 859,581

Deferred outflows of \$48,800 are reported as resources related to OPEB resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ 84,104
2025	82,854
2026	26,590
2027	31,448
2028	(48,158)
Thereafter	(205,126)

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

The condensed financial statements as of and for the year ended June 30, 2023 are as follows (in thousands):

Statement of Fiduciary Net Position
OPEB Plan
As of June 30, 2023

Assets	
Cash and cash equivalents	\$ -
Investments, at fair value	314,284
Collateral for loaned securities (net of unrealized loss)	1,096
Receivables:	
Accrued interest & dividend income	301
Receivable for investments sold	3,353
Other	1,338
Total assets	<u>320,372</u>
Liabilities	
Cash overdraft	12,830
Payable for collateral for loaned securities	1,096
Investments purchased	5,334
Investment expenses payable	157
Other	2,923
Total liabilities	<u>22,340</u>
Net position	
Net position restricted for benefits	<u>\$ 298,032</u>

Statement of Changes in Fiduciary Net Position
OPEB Plan
For the year ended June 30, 2023

Additions	
Contributions:	
Employer	\$ 87,000
Employee	34,088
On-behalf	9,068
Total contributions	<u>130,156</u>
Investment earnings:	
Net increase in the fair value of plan assets	16,499
Interest and dividends	4,754
Securities lending net income	5
Investment expenses	(1,679)
Net investment loss	<u>19,579</u>
Total additions	<u>149,735</u>
Deductions	
Benefits	<u>144,799</u>
Total deductions	<u>144,799</u>
Change in net position	4,936
Net position at beginning of the year	<u>293,096</u>
Net position at end of the year	<u>\$ 298,032</u>

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

14. INDIVIDUAL FUND DISCLOSURES:

Details of Fund Balances

The details of the Governmental Funds balances at June 30, 2023 are shown as follows (in thousands):

	<u>General</u>	<u>Gifts and Grants</u>	<u>Consolidated Public Improvement Construction</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances					
Nonspendable:					
Inventories	\$ 10,368	\$ -	\$ -	\$ -	\$ 10,368
Total Nonspendable	<u>10,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,368</u>
Restricted for:					
Equipment financing	77,054	-	-	-	77,054
Bond escrow	10,760	-	-	-	10,760
Loans, guarantees and grants	-	44,520	-	-	44,520
In lieu of fee arrangements	-	-	22,223	-	22,223
Total Restricted	<u>87,814</u>	<u>44,520</u>	<u>22,223</u>	<u>-</u>	<u>154,557</u>
Assigned to:					
Pre-Encumbrances	7,266	-	-	-	7,266
Encumbrances for:					
Contractual services	3,842	-	-	-	3,842
Supplies & materials	1,530	-	-	-	1,530
Equipment & other	4,830	-	-	-	4,830
Imprest funds	74	-	-	-	74
Loans and grants	-	15,286	-	-	15,286
Retirement of long-term debt	14,128	-	-	-	14,128
Disputed taxes	25,427	-	-	-	25,427
Liquor license regulation	-	-	-	220	220
Neglected property	-	-	-	1,040	1,040
Development impact	-	-	-	104	104
Total Assigned	<u>57,097</u>	<u>15,286</u>	<u>-</u>	<u>1,364</u>	<u>73,747</u>
Unassigned:					
Revenue stabilization	249,612	-	-	-	249,612
Other	431,589	-	28,914	-	460,503
Total Unassigned	<u>681,201</u>	<u>-</u>	<u>28,914</u>	<u>-</u>	<u>710,115</u>
Total fund balance(deficit)	<u>\$ 836,480</u>	<u>\$ 59,806</u>	<u>\$ 51,137</u>	<u>\$ 1,364</u>	<u>\$ 948,787</u>

15. TAX ABATEMENTS:

As of June 30, 2023, the County provides tax abatements through four programs – Payment in Lieu of Taxes (PILOT), Historical Property County Tax Credit, Enterprise Zone Tax Credit, and Conservation Land Tax Credit. The Payment in Lieu of Taxes Program provides property tax abatements to encourage an increase in the number of senior and low income housing and is authorized under Maryland State Law, Tax – Property Article Section 7-502. Abatements are obtained through contract between property owner and the County; under the agreement, the owner pays the County a negotiated amount in lieu of property tax. The amount of abatement is deducted from the recipient’s tax bill.

Historical Property Tax Credit provides property tax abatements to encourage the renovation or rehabilitation of properties listed in a historical register or in a historic district and is authorized under County Code Section 11-2-201. Abatements are obtained through application by the property owner, including proof that the improvements

BALTIMORE COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

have been made. Commercial property tax abatements are based on the increase of the assessed value as a result of the improvements made. Residential property tax abatements are 20% of actual approved renovation or rehabilitation expenses. Both commercial and residential properties must not be altered so that it no longer complies with the rehabilitation standards by which the property obtained eligibility. The amount of abatement is deducted from the recipient's tax bill.

Enterprise Zone Tax Credit provides property tax abatements to encourage economic growth in distressed areas of the County and is authorized under Maryland State Law, Tax – Property Article Section 9-103. Abatements are obtained through an application process. Taxpayer submits application to the Baltimore County Department of Economic and Workforce Development which is forwarded to the Maryland State Department of Commerce for review and approval. Approved applications are returned to the County; award letters are sent to the taxpayer and the State Department of Assessments and Taxation (SDAT). SDAT then certifies the credit base to Baltimore County Office of Budget and Finance. Eligible companies that make improvements to real property in one of the Enterprise Zones can benefit from property tax credits over a 10 year period. For the first 5 years, the tax credit is equal to 80% of the increase in property tax owed resulting from the new investment. The tax credit declines in the remaining five years by 10% annually. The amount of abatement is deducted from the recipient's tax bill. (See page XIII for more information.)

Conservation Land Tax Credit provides property tax abatements to encourage preservation of natural areas and agricultural land under County Code Section 11-2-110. Abatements are obtained through application by the property owner, accompanied by proof that the property meets the definition of "conservation land". Conservation land is defined as real property that is subject to a perpetual conservation easement that was donated to a land trust on or after July 1, 1991. Conservation land also includes real property that is owned in fee by a qualified land trust and was acquired by the trust on or after July 1, 1991. The credit is for 100% of the property tax obligation and has a duration of five years. If the property is transferred to an entity other than a government agency or another qualified trust, the credit will lapse and the property owner will become liable for all the property taxes had the credit not been granted, as well as interest on those taxes. The amount of abatement is deducted from the recipient's tax bill.

Property Taxes Abated
Fiscal Year 2023
(in thousands)

Payment in Lieu of Taxes	\$	4,390
Historical Property Tax Credit		102
Enterprise Zone Tax Credit		6,729
Conservation Land Tax Credit		5
Total	\$	11,226

16. NEW ACCOUNTING PRONOUNCEMENTS:

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, Subscription-Based Information Technology Arrangements. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.



Required Supplementary Information

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

Employees' Retirement System (dollars in thousands):

Schedule of the County's Proportionate Share of the Net Pension Liability and Related Ratios
(Measurement date June 30 of the stated year)

	2022	2021	2020	2019	2018
County's proportionate share of the net pension liability	93.91%	93.70%	93.97%	92.47%	92.40%
County's proportionate share of the net pension liability	\$ 2,124,644	\$ 1,579,354	\$ 2,003,596	\$ 1,818,497	\$ 1,655,035
County's covered payroll	\$ 510,433	\$ 499,158	\$ 490,622	\$ 470,920	\$ 458,692
County's proportionate share of the net pension liability as a percentage of its covered payroll	416.24%	316.40%	408.38%	386.16%	360.82%
Plan fiduciary net position as a percentage of the total pension liability	55.6%	66.1%	55.9%	58.7%	60.9%

Schedule of the County's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
(Measurement date June 30 of the stated year)

	2017	2016	2015	2014
County's proportionate share of the net pension liability	91.81%	92.23%	90.45%	91.96%
County's proportionate share of the net pension liability	\$ 1,546,969	\$ 1,610,549	\$ 1,315,135	\$ 1,088,771
County's covered payroll	\$ 457,327	\$ 435,266	\$ 418,026	\$ 411,453
County's proportionate share of the net pension liability as a percentage of its covered payroll	338.26%	370.02%	314.61%	264.62%
Plan fiduciary net position as a percentage of the total pension liability	61.5%	57.1%	62.8%	68.2%

Notes to the Schedule:

The County implemented GASB 68 in fiscal year 2015. As such, only nine years of information is available.

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

Schedule of County Contributions

The last 10 fiscal years are presented

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 205,105	\$ 150,652	\$ 142,441	\$ 136,000	\$ 127,976	\$ 119,253
Contributions in relation to the actuarially determined contribution	205,105	150,652	142,441	136,000	127,976	119,253
Prefunding of the FY2016 contribution in FY2015	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 528,298	\$ 510,433	\$ 499,158	\$ 490,622	\$ 470,920	\$ 458,692
Contributions as a percentage of covered payroll	38.82%	29.51%	28.54%	27.72%	27.18%	26.00%

Schedule of County Contributions (Continued)

The last 10 fiscal years are presented

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 108,549	\$ 101,927	\$ 93,495	\$ 73,586
Contributions in relation to the actuarially determined contribution	108,549	97,108	93,495	73,586
Prefunding of the FY2016 contribution in FY2015	-	-	4,819	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 4,819</u>	<u>\$ (4,819)</u>	<u>\$ -</u>
Covered payroll	\$ 457,327	\$ 435,266	\$ 418,026	\$ 411,453
Contributions as a percentage of covered payroll	23.74%	22.31%	23.52%	17.88%

Notes to the Schedule:

Valuation date: Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year. Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution:

Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Payroll
Amortization period	24 year layered amortization
Asset valuation method	5-year smoothed market
Inflation	3.0%

**BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

Salary increases	Rates vary by participant age and service
Investment rate of return	6.375%, net of investment expense and gain sharing, and including inflation
Retirement age	Rates vary by participant age and service
Mortality	For healthy participants and beneficiaries: For males 108% of the RP-2000 Combined Healthy male table projected to 2032 by Scale AA and for females 100% of the RP-2000 Combined Healthy female table projected to 2032 by Scale AA. For disabled members, RP-2000 Disabled Annuitant Tables projected to 2032 with Scale AA.

Police, Fire and Widow's Pension Plan (dollars in thousands):

The following schedules are presented for ten years.

Schedule of Changes in County's Net Pension Liability and Related Ratios
(Measurement date June 30 of the stated year)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability					
Interest	703	489	748	1,044	1,447
Differences between expected and actual experience	518	(385)	(2,560)	1,045	(1,016)
Changes of assumptions	60	(1,693)	517	1,110	(2,296)
Benefit payments	<u>(3,374)</u>	<u>(3,907)</u>	<u>(4,790)</u>	<u>(5,434)</u>	<u>(5,908)</u>
Net change in total pension liability	(2,093)	(5,496)	(6,085)	(2,235)	(7,773)
Beginning total pension liability	<u>17,915</u>	<u>23,411</u>	<u>29,496</u>	<u>31,731</u>	<u>39,504</u>
Ending total pension liability: (a)	<u>\$ 15,822</u>	<u>\$ 17,915</u>	<u>\$ 23,411</u>	<u>\$ 29,496</u>	<u>\$ 31,731</u>
Plan fiduciary net position					
Contributions- employer	-	7,500	-	-	-
Net investment income	583	(32)	1,632	517	1,247
Benefit payments	(3,374)	(3,907)	(4,790)	(5,434)	(5,908)
Other income	10	9	7	12	12
Net change in plan fiduciary net position	<u>\$ (2,781)</u>	<u>\$ 3,570</u>	<u>\$ (3,151)</u>	<u>\$ (4,905)</u>	<u>\$ (4,649)</u>
Beginning Plan fiduciary net position	<u>14,134</u>	<u>10,564</u>	<u>13,715</u>	<u>18,620</u>	<u>23,269</u>
Ending Plan fiduciary net position: (b)	<u>\$ 11,353</u>	<u>\$ 14,134</u>	<u>\$ 10,564</u>	<u>\$ 13,715</u>	<u>\$ 18,620</u>
Ending County's net pension liability: (a) - (b)	<u>\$ 4,469</u>	<u>\$ 3,781</u>	<u>\$ 12,847</u>	<u>\$ 15,781</u>	<u>\$ 13,111</u>
Plan fiduciary net position as a percentage of the total pension liability	71.75%	78.89%	45.12%	46.50%	58.68%
Covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Net pension liability as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
County's net pension liability as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

Schedule of Changes in County's Net Pension Liability and Related Ratios (Continued)

(Measurement date June 30 of the stated year)

	2018	2017	2016	2015	2014
Total pension liability					
Interest	1,681	1,735	2,255	2,597	3,341
Differences between expected and actual experience	(1,796)	(2,929)	620	(3,272)	-
Changes of assumptions	(99)	(1,502)	2,356	(186)	3,425
Benefit payments	(6,463)	(7,353)	(8,210)	(8,657)	(9,622)
Net change in total pension liability	(6,677)	(10,049)	(2,978)	(9,518)	(2,856)
Beginning total pension liability	46,181	56,230	59,208	68,726	71,582
Ending total pension liability: (a)	<u>\$ 39,504</u>	<u>\$ 46,181</u>	<u>\$ 56,230</u>	<u>\$ 59,208</u>	<u>\$ 68,726</u>
Plan fiduciary net position					
Net investment income	1,872	3,340	1,017	2,486	4,671
Benefit payments	(6,463)	(7,353)	(8,210)	(8,657)	(9,622)
Other income	11	13	14	15	14
Net change in plan fiduciary net position	\$ (4,580)	\$ (4,000)	\$ (7,179)	\$ (6,156)	\$ (4,937)
Beginning Plan fiduciary net position	27,849	31,849	39,028	45,184	50,121
Ending Plan fiduciary net position: (b)	<u>\$ 23,269</u>	<u>\$ 27,849</u>	<u>\$ 31,849</u>	<u>\$ 39,028</u>	<u>\$ 45,184</u>
Ending County's net pension liability: (a) - (b)	<u>\$ 16,235</u>	<u>\$ 18,332</u>	<u>\$ 24,380</u>	<u>\$ 20,180</u>	<u>\$ 23,542</u>
Plan fiduciary net position as a percentage of the total pension liability	58.90%	60.30%	56.64%	65.92%	65.74%
Covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Net pension liability as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
County's net pension liability as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Schedule of County Contributions

	2023	2022	2021	2020	2019
Actuarially determined contribution	Not calculated	Not calculated	Not calculated	Not calculated	Not calculated
Contributions related to the actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

Schedule of County Contributions (Continued)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	Not calculated	Not calculated	Not calculated	Not calculated	Not calculated
Contributions related to the actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Note to Schedule:

County contributions were not calculated because the Pension Plan has been closed since October 1, 1959 and the County intends to fund the Pension Plan on a pay-as-you-go basis if the Pension Plan assets are depleted. Also, the number of pension recipients was considered insignificant and the recipients' ages are at the higher end of the mortality tables.

Schedule of Investment Returns

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expenses	4.84%	-0.34%	13.34%	3.39%	6.78%

Schedule of Investment Returns (Continued)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses	7.13%	12.04%	3.36%	5.70%	10.31%

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

Schedule of Changes in Total Liability and Related Ratios

Total OPEB Liability

	2023	2022	2021	2020	2019
Service Cost	\$ 77,824	\$ 122,992	\$ 137,482	\$ 110,599	\$ 71,426
Interest Cost	121,093	81,642	117,768	131,864	114,929
Difference of Expected and Actual Experience	(217,894)	11,244	(895,937)	(25,687)	425,827
Change in Benefit Terms	47,551	-	-	-	(425)
Changes in Assumptions	133,859	(1,013,133)	129,060	465,123	820,137
Benefit Payments	(101,629)	(118,040)	(97,327)	(88,966)	(98,501)
Other	(4,731)				
Net Change in Total OPEB Liability	56,073	(915,295)	(608,954)	592,933	1,333,393
Total OPEB Liability - Beginning of Year	3,312,150	4,227,445	4,836,399	4,243,466	2,910,073
Total OPEB Liability - End of Year	<u>\$ 3,368,223</u>	<u>\$ 3,312,150</u>	<u>\$ 4,227,445</u>	<u>\$ 4,836,399</u>	<u>\$ 4,243,466</u>

Plan Fiduciary Net Position

	2023	2022	2021	2020	2019
Contributions Employer	\$ 87,000	\$ 124,289	\$ 100,280	\$ 35,435	\$ 5,727
Net Investment Income	19,579	(30,279)	63,231	(527)	9,473
Benefit Payments	(101,629)	(118,040)	(97,327)	(88,966)	(98,501)
Other	8,901				
Net Change in Fiduciary net Position	13,851	(24,030)	66,184	(54,058)	(83,301)
Fiduciary Net Position - Beginning of Year	284,195	308,225	242,041	296,099	379,400
Fiduciary Net Position - End of Year	<u>\$ 298,046</u>	<u>\$ 284,195</u>	<u>\$ 308,225</u>	<u>\$ 242,041</u>	<u>\$ 296,099</u>

Net OPEB Liability	3,070,177	3,027,955	3,919,220	4,594,358	3,947,367
Fiduciary Net Position as a percentage of Total OPEB Liability	<u>8.78%</u>	<u>8.58%</u>	<u>7.29%</u>	<u>5.00%</u>	<u>6.98%</u>

Covered Payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net OPEB Liability as a percentage of Covered Payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(OPEB benefits do not depend on salary; therefore, salary information is not applicable)

Expected Average Remaining Service Years of All Participants	7	9	9	8	8
Money-Weighted Rate of Return	7.06%	-10.20%	26.96%	0.27%	3.90%

BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

	2018	2017
Service Cost	\$ 37,165	\$ 34,938
Interest Cost	128,366	124,086
Difference of Expected and Actual Experience	13,026	766
Change in Benefit Terms	-	-
Changes in Assumptions	777,119	-
Benefit Payments	(105,352)	(92,979)
Net Change in Total OPEB Liability	850,324	66,811
Total OPEB Liability - Beginning of Year	2,059,749	1,992,938
Total OPEB Liability - End of Year	<u>\$ 2,910,073</u>	<u>\$ 2,059,749</u>

Plan Fiduciary Net Position

	2018	2017
Contributions Employer	\$ 30,672	\$ 65,729
Net Investment Income	32,023	53,408
Benefit Payments	(105,352)	(92,979)
Net Change in Fiduciary net Position	(42,657)	26,158
Fiduciary Net Position - Beginning of Year	422,057	395,899
Fiduciary Net Position - End of Year	<u>\$ 379,400</u>	<u>\$ 422,057</u>

Net OPEB Liability	2,530,673	1,637,692
Fiduciary Net Position as a percentage of Total OPEB Liability	<u>13.04%</u>	<u>20.49%</u>

Covered Payroll	Not Applicable	Not Applicable
Net OPEB Liability as a percentage of Covered Payroll	Not Applicable	Not Applicable

(OPEB benefits do not depend on salary; therefore, salary information is not applicable)

Expected Average Remaining Service Years of All Participants	7	7
Money-Weighted Rate of Return	7.60%	13.60%

Notes to Schedule

Amounts in the schedule represent totals for the County, BCPS, CCBC and BCPL. Individual amounts are not available and therefore not reported. The County implemented GASB 74 during Fiscal Year 2017. Therefore, only seven years information is available.

**BALTIMORE COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

Schedule of the County's Proportionate Share of the OPEB Liability and Related Ratios

(Measurement date June 30 of the stated fiscal year)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportionate share of the OPEB liability	50.82%	50.90%	42.22%	43.03%	45.08%
County's proportionate share of the OPEB liability	\$ 1,530,557	\$ 1,993,525	\$ 1,937,925	\$ 1,696,611	\$ 1,138,022
County's covered payroll	\$ 510,433	\$ 499,158	\$ 492,094	\$ 470,920	\$ 458,692
County's proportionate share of the net OPEB as a percentage of its covered payroll	299.85%	399.38%	393.81%	360.28%	248.10%
Plan fiduciary net position as a percentage of the total OPEB liability	8.78%	7.23%	4.95%	6.93%	13.00%

Schedule of the County's Proportionate Share of the OPEB Liability and Related Ratios (Continued)

(Measurement date June 30 of the stated fiscal year)

	<u>2017</u>
County's proportionate share of the OPEB liability	46.13%
County's proportionate share of the OPEB liability	\$ 755,274
County's covered payroll	\$ 457,327
County's proportionate share of the net OPEB as a percentage of its covered payroll	165.15%
Plan fiduciary net position as a percentage of the total OPEB liability	20.46%

Notes to Schedule

The County implemented GASB 75 during fiscal year 2018 using a measurement date of 6/30/2017. As such, only six years of information is available.



Supplementary Information Schedules & Combining Financial Statements

The schedules provide selected budgetary information concerning the General Fund, the Stormwater Management Fund and the Liquor License Fund. The combining financial statements provide detailed information concerning financial position and results of operations for the Internal Service funds and Fiduciary funds.

Baltimore County
Schedule of Appropriations and Expenditures - General Fund (Budgetary Basis)
For the Year Ended June 30, 2023
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government:				
Legislative:				
County Council	2,937	2,937	2,705	232
Judicial:				
Circuit Court:				
Criminal and civil adjudication	6,176	6,176	6,003	173
Orphans Court:				
Adjudication of estates	354	354	316	38
States Attorney:				
Criminal prosecution	11,209	11,209	10,834	375
County Sheriff:				
Conveying prisoners and serving summonses	6,526	6,526	6,105	421
Total	24,265	24,265	23,258	1,007
Executive:				
Office of the County Executive	1,231	1,231	1,223	8
County Administrative Officer:				
General administration	1,067	1,067	1,005	62
Communications	539	539	510	29
Human relations commission	687	687	671	16
Fair practices	30	30	18	12
Baltimore metropolitan council	175	175	175	-
Government reform and strategic initiatives	1,417	1,417	1,248	169
Total	5,146	5,146	4,850	296
Elections:				
Board of Supervisors of Elections	9,534	9,534	7,314	2,220
Financial Administration:				
Office of Budget and Finance:				
Budget formulation and administration	1,498	1,558	1,498	60
Financial operations	4,742	4,681	4,623	58
Pay systems	261	271	254	17
Investment and debt management	460	477	477	-
Insurance administration	832	866	783	83
Purchasing and disbursements	1,993	1,933	1,907	26
Total	9,786	9,786	9,542	244
County Auditor	1,844	1,844	1,649	195
Office of Law:				
General legal services	6,318	6,308	5,024	1,284
Legislative relations	410	410	382	28
Workers compensation	1,078	1,078	863	215
Liability claims investigation	475	486	479	7
Total	8,281	8,282	6,748	1,534
Other:				
Vehicle Operations and Maintenance	470	470	470	-
Office of Planning and Community Conservation				
General administration	2,549	2,548	2,276	272
Zoning commissioner	647	647	478	169
People's counsel	223	223	222	1
Office of Human Resources:				
Personnel administration	4,929	4,929	3,721	1,208
Human relations	1,045	1,045	716	329

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - General Fund (Budgetary Basis)
For the Year Ended June 30, 2023
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Department of Permits and Development Management:				
General administration	2,137	2,137	2,019	118
Electrical licensing and regulation	20	20	20	-
Plumbing licensing and regulation	33	33	32	1
Development processing	1,033	1,033	960	73
Code inspections and enforcement	5,796	5,796	5,259	537
Permits and licenses	1,059	1,059	881	178
Board of Appeals	392	392	387	5
Cooperative Extension Service	295	295	283	12
Office of Information Technology:				
General administration	3,942	3,982	3,846	136
Applications development	14,949	14,757	14,170	587
Computer and technical services	16,776	17,044	16,823	221
Telecommunications services	3,828	3,688	3,519	169
311 contact center	662	686	643	43
Office of Ethics and Accountability	603	603	538	65
Property Management				
Administration	2,443	2,443	2,227	216
Building maintenance	10,505	10,755	10,005	750
Building operation and management	19,191	22,481	20,575	1,906
Maintenance of grounds and recreation sites	8,750	8,910	7,777	1,133
Total	<u>102,277</u>	<u>105,976</u>	<u>97,847</u>	<u>8,129</u>
General Government Total	<u>164,070</u>	<u>167,770</u>	<u>153,913</u>	<u>13,857</u>
Public Safety:				
Police Department:				
General administration	2,335	1,775	1,545	230
Administrative & technical services	18,175	15,945	15,528	417
Criminal/forensic investigations	35,598	35,848	34,139	1,709
Vice/intelligence/narcotics	11,301	10,611	10,221	390
Patrol/precincts	141,190	141,390	140,418	972
Support operations	20,312	21,132	20,581	551
Human resources	20,015	19,915	19,364	551
School safety	1,418	1,528	1,438	90
Total	<u>250,344</u>	<u>248,144</u>	<u>243,234</u>	<u>4,910</u>
Bureau of Corrections:				
Custodial care of prisoners	47,229	47,829	47,280	549
Fire Department:				
General administration	2,061	1,911	1,911	-
Investigative services	1,866	1,636	1,555	81
Alarm and communication system	772	708	708	-
Field operations	98,892	102,103	101,329	774
Office of emergency preparedness	275	239	236	3
Field operation administration	2,852	2,562	2,222	340
Fire/rescue academy	1,361	1,175	1,135	40
Contributions - volunteer fire companies	10,713	10,658	10,650	8
Total	<u>118,792</u>	<u>120,992</u>	<u>119,746</u>	<u>1,246</u>

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - General Fund (Budgetary Basis)
For the Year Ended June 30, 2023
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Communications:				
Central communications center	15,102	15,102	13,396	1,706
Public Safety Total	<u>431,467</u>	<u>432,067</u>	<u>423,656</u>	<u>8,411</u>
Public Works:				
Office of Director of Public Works:				
General administration	949	949	844	105
Safety office	518	518	495	23
	<u>1,467</u>	<u>1,467</u>	<u>1,339</u>	<u>128</u>
Bureau of Engineering and Construction:				
General administration	464	418	353	65
Structural design	2,115	1,904	1,499	405
General surveying	450	450	418	32
Contracts and construction inspection	2,008	2,008	1,945	63
Total	<u>5,037</u>	<u>4,780</u>	<u>4,215</u>	<u>565</u>
Bureau of Highways & Equipment Management:				
General administration	742	742	650	92
General operations and maintenance	14,506	14,306	13,851	455
Equipment operations and maintenance	7,519	3,519	1,654	1,865
Storm emergencies	8,098	8,509	8,375	134
Total	<u>30,865</u>	<u>27,076</u>	<u>24,530</u>	<u>2,546</u>
Bureau of Solid Waste Management:				
General administration	650	650	541	109
Refuse collection	43,025	45,983	45,952	31
Refuse disposal	23,242	21,442	21,003	439
Recycling	2,263	2,013	1,782	231
MRF operations	6,361	5,961	5,831	130
Total	<u>75,541</u>	<u>76,049</u>	<u>75,109</u>	<u>940</u>
Bureau of Traffic Engineering and Transportation Planning:				
Traffic planning	8,275	8,275	8,206	69
Traffic sign installation and maintenance	2,032	2,162	2,146	16
Traffic signal operation and maintenance	1,095	1,119	1,104	15
Transportation services	1,518	1,368	978	390
County circulator	2,742	2,627	2,585	42
Total	<u>15,662</u>	<u>15,551</u>	<u>15,019</u>	<u>532</u>
Bureau of Utilities:				
Sewer and water maintenance	510	459	459	-
Public Works Total	<u>129,082</u>	<u>125,382</u>	<u>120,671</u>	<u>4,711</u>

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - General Fund (Budgetary Basis)
For the Year Ended June 30, 2023
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health and Human Services:				
Health:				
Department of Health:				
General administration	4,484	4,384	4,200	184
Nursing services	3,592	3,289	3,275	14
Acute communicable disease control	2,057	2,057	1,989	68
Medical environmental health	3,440	3,310	3,104	206
Medical social work service	450	450	392	58
Animal services	3,862	4,220	4,090	130
School Health Services	795	795	711	84
Developmental disabilities	2,105	2,180	2,083	97
Long-term care services	3,050	2,950	2,872	78
Medical assistance and hospital support	1,754	1,849	1,810	39
Dental health services	973	973	896	77
Total	<u>26,562</u>	<u>26,457</u>	<u>25,422</u>	<u>1,035</u>
Department of Environmental Protection and Resource Management	<u>6,981</u>	<u>6,981</u>	<u>6,322</u>	<u>659</u>
Human Services:				
Department of Social Services:				
Adult foster care assistance	145	145	120	25
Welfare to work program	400	400	400	-
Foster parent recruitment	5,149	5,083	4,999	84
Emergency funds/housing for the homeless	800	649	285	364
Battered spouse program	127	127	127	-
Volunteer program	334	334	327	7
Adult services	1,428	1,576	1,571	5
General administration	1,658	1,806	1,797	9
Children's services	601	626	619	7
Income maintenance	1,356	1,356	940	416
Family services	1,876	1,876	1,858	18
Total	<u>13,874</u>	<u>13,978</u>	<u>13,043</u>	<u>935</u>
Aging Programs & Services:				
Department of Aging:				
General administration	919	934	859	75
Senior centers network	2,666	2,651	2,392	259
Special geriatric services	199	200	200	-
Facilities	265	265	232	33
Program and volunteer services	341	341	237	104
Total	<u>4,390</u>	<u>4,391</u>	<u>3,920</u>	<u>471</u>
Health and Human Services Total	<u>51,807</u>	<u>51,807</u>	<u>48,707</u>	<u>3,100</u>

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - General Fund (Budgetary Basis)
For the Year Ended June 30, 2023
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Culture and Leisure Services:				
Department of Recreation and Parks:				
General administration	2,031	2,106	1,926	180
Community & neighborhood recreation, organization, direction and development	13,240	13,165	11,752	1,413
Organization Contributions:				
Organization contributions	2,849	2,849	2,840	9
General grant program	3,864	3,864	3,017	847
Culture and Leisure Services Total	<u>21,984</u>	<u>21,984</u>	<u>19,535</u>	<u>2,449</u>
Economic and Community Development:				
Economic Development Commission	1,680	1,680	1,527	153
Workforce development	258	258	144	114
CDBG	1,042	1,042	827	215
Economic and Community Development Total	<u>2,980</u>	<u>2,980</u>	<u>2,498</u>	<u>482</u>
Pension Plan Contributions:				
Employees' retirement contributions	200,111	200,111	200,107	4
Non-system retirement	346	346	344	2
Pension Total	<u>200,457</u>	<u>200,457</u>	<u>200,451</u>	<u>6</u>
Insurance Contributions				
Employee health & life insurance	163,030	162,780	161,152	1,628
Insurance Total	<u>163,030</u>	<u>162,780</u>	<u>161,152</u>	<u>1,628</u>
Miscellaneous:				
Social Security	22,107	22,357	22,033	324
Reserve for Contingencies	2,500	1,900	-	1,900
Local share - State & Federal	75	75	75	-
Miscellaneous Total	<u>24,682</u>	<u>24,332</u>	<u>22,108</u>	<u>2,224</u>
Payments to Component Units:				
Community College	64,222	64,222	64,222	-
Board of Education	999,038	999,038	999,038	-
Library	38,032	38,032	38,027	5
Total Payments to Component Units	<u>1,101,292</u>	<u>1,101,292</u>	<u>1,101,287</u>	<u>5</u>

(continued)

Baltimore County
Schedule of Appropriations and Expenditures - General Fund (Budgetary Basis)
General Fund
For the Year Ended June 30, 2023
(In Thousands)

	<u>Budgeted Amounts</u>		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal retirement:				
General obligation bonds:				
Community College	9,837	9,837	9,837	-
General public facilities	56,674	56,674	56,674	-
Pension funding bonds	10,449	10,449	10,449	-
Non-general obligation debt	29,341	29,341	29,341	-
Total	<u>106,301</u>	<u>106,301</u>	<u>106,301</u>	<u>-</u>
Interest:				
General obligation bonds:				
Community College	3,928	3,928	3,928	-
General public facilities	22,721	22,721	22,721	-
Pension funding bonds	10,646	10,646	10,646	-
Non-general obligation debt	1,678	1,678	957	721
Total	<u>38,973</u>	<u>38,973</u>	<u>38,252</u>	<u>721</u>
Fiscal charges:				
General obligation bonds:				
General public facilities	100	100	67	33
Non-general obligation debt	5	5	-	5
Total	<u>105</u>	<u>105</u>	<u>67</u>	<u>38</u>
Debt Service Total	<u>145,379</u>	<u>145,379</u>	<u>144,620</u>	<u>759</u>
Operating Transfers Out:				
Contribution to capital budget	213,946	213,946	213,946	-
Gifts and Grants	11,507	11,507	11,507	-
Operating Transfers Out Total	<u>225,453</u>	<u>225,453</u>	<u>225,453</u>	<u>-</u>
General Fund Total	<u>\$ 2,661,683</u>	<u>\$ 2,661,683</u>	<u>\$ 2,624,051</u>	<u>\$ 37,632</u>

Baltimore County, Maryland
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023
(In Thousands)

Special Revenue Funds

	Liquor License	Owings Mills Tax District	Neglected Property	Development Impact Surcharge	Total
ASSETS					
Cash and investments	\$ 233	\$ -	\$ 1,669	\$ 104	\$ 2,006
Receivables, net	-	-	-	-	-
Total assets	<u>\$ 233</u>	<u>\$ -</u>	<u>\$ 1,669</u>	<u>\$ 104</u>	<u>\$ 2,006</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 629	\$ -	\$ 629
Accrued expenditures	13	-	-	-	13
Total liabilities	<u>13</u>	<u>-</u>	<u>629</u>	<u>-</u>	<u>642</u>
Fund Balance					
Assigned	220	-	1,040	104	1,364
Total fund balances	<u>220</u>	<u>-</u>	<u>1,040</u>	<u>104</u>	<u>1,364</u>
Total liabilities and fund balances	<u>\$ 233</u>	<u>\$ -</u>	<u>\$ 1,669</u>	<u>\$ 104</u>	<u>\$ 2,006</u>

Baltimore County, Maryland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023
(In Thousands)

	Special Revenue Funds				
	Liquor License	Owings Mills Tax District	Neglected Property	Development Impact Surcharge	Total
REVENUES					
Taxes	\$ -	\$ 378	\$ -	\$ -	\$ 378
Licenses and fees	1,159	-	-	-	1,159
Charges for services		-	650		650
Total revenues	1,159	378	650	-	2,187
EXPENDITURES					
General government	723	378	1,044	-	2,145
Total expenditures	723	378	1,044	-	2,145
Excess of revenues over expenditures	436	-	(394)	-	42
OTHER FINANCING USES					
Transfers out	(450)	-	-	-	(450)
Total other financing uses	(450)	-	-	-	(450)
Net change in fund balances	(14)	-	(394)	-	(408)
Fund balances at beginning of the year	234	-	1,434	104	1,772
Fund balances at end of the year	\$ 220	\$ -	\$ 1,040	\$ 104	\$ 1,364

Baltimore County, Maryland
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Liquor License Fund
For the Year Ended June 30, 2023
(In Thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Licenses and permits	\$ 1,140	\$ 1,159	\$ 19
Charges for services	110	-	(110)
Total revenues	<u>1,250</u>	<u>1,159</u>	<u>(91)</u>
Expenditures:			
General government:			
License sale and control	800	723	77
Total expenditures	<u>800</u>	<u>723</u>	<u>77</u>
Excess of revenues over expenditures	<u>450</u>	<u>436</u>	<u>(14)</u>
Other financing uses:			
Operating transfers out	<u>(450)</u>	<u>(450)</u>	-
Excess of revenues over expenditures, and other uses	<u>\$ -</u>	<u>(14)</u>	<u>\$ (14)</u>
Fund balance at beginning of year		<u>234</u>	
Fund balance at end of year		<u>\$ 220</u>	

Baltimore County, Maryland
Combining Statement of Net Position
Internal Service Funds
June 30, 2023
(In Thousands)

	Vehicle Operations and Maintenance	Central Printing Service	Self-Insurance Program	Total
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ -	\$ 75,774	\$ 75,774
Receivables, net	290	-	2,454	2,744
Inventories	849	-	-	849
Prepaid costs	-	-	1,135	1,135
Total current assets	<u>1,139</u>	<u>-</u>	<u>79,363</u>	<u>80,502</u>
Capital assets:				
Non-depreciable	705	-	-	705
Depreciable (net of accumulated depreciation)	19,097	3	-	19,100
Leased assets (net of accumulated amortization)	-	177	-	177
Total assets	<u>20,941</u>	<u>180</u>	<u>79,363</u>	<u>100,484</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,221	28	1,841	5,090
Accrued payroll	68	3	-	71
Compensated absences	249	22	-	271
Due to other funds	7,272	95	-	7,367
Claims and judgments	-	-	42,637	42,637
Lease payable	-	157	-	157
Total current liabilities	<u>10,810</u>	<u>305</u>	<u>44,478</u>	<u>55,593</u>
Noncurrent liabilities:				
Claims and judgments	-	-	63,513	63,513
Lease payable	-	21	-	21
Total liabilities	<u>10,810</u>	<u>326</u>	<u>107,991</u>	<u>119,127</u>
NET POSITION				
Net investment in capital assets	19,802	180	-	19,982
Unrestricted (deficit)	(9,671)	(326)	(28,628)	(38,625)
Total net position (deficit)	<u>\$ 10,131</u>	<u>\$ (146)</u>	<u>\$ (28,628)</u>	<u>\$ (18,643)</u>

Baltimore County, Maryland
Combining Statement of Revenues, Expenses,
and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023
(In Thousands)

	Vehicle Operations and Maintenance	Central Printing Service	Self-Insurance Program	Total
OPERATING REVENUES				
Charges for services-internal	\$ 9,721	\$ 483	\$ 112,332	\$ 122,536
Charges for services-component units	3,778	-	290,623	294,401
Miscellaneous	-	4	-	4
Total operating revenues	<u>13,499</u>	<u>487</u>	<u>402,955</u>	<u>416,941</u>
OPERATING EXPENSES				
Personal services	3,789	144	-	3,933
Contractual services	61	206	-	267
Rents and utilities	61	63	-	124
Supplies and maintenance	16,027	67	-	16,094
Insurance claims and expenses	-	-	373,771	373,771
Depreciation and amortization	4,426	93	-	4,519
Other expenses	855	21	-	876
Total operating expenses	<u>25,219</u>	<u>594</u>	<u>373,771</u>	<u>399,584</u>
Operating income (loss)	<u>(11,720)</u>	<u>(107)</u>	<u>29,184</u>	<u>17,357</u>
NONOPERATING REVENUES (EXPENSES)				
Interest on investments	-	-	2,127	2,127
Interest expense	-	(3)	-	(3)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(3)</u>	<u>2,127</u>	<u>2,124</u>
Income (loss) before transfers	<u>(11,720)</u>	<u>(110)</u>	<u>31,311</u>	<u>19,481</u>
Transfers out	-	-	(160)	(160)
Changes in net position	<u>(11,720)</u>	<u>(110)</u>	<u>31,151</u>	<u>19,321</u>
Net position at beginning of the year	21,851	(36)	(59,779)	(37,964)
Net position (deficit) at end of the year	<u>\$ 10,131</u>	<u>\$ (146)</u>	<u>\$ (28,628)</u>	<u>\$ (18,643)</u>

Baltimore County, Maryland
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023
(In Thousands)

	Vehicle Operations and Maintenance	Central Printing Service	Self-Insurance Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from external customers	\$ 3,460	\$ -	\$ 317,565	\$ 321,025
Receipts for interfund services	16,354	483	112,332	129,169
Payments to suppliers	(16,637)	(335)	-	(16,972)
Payments to employees	(3,839)	(141)	(4)	(3,984)
Payment for interfund services used	(710)	(21)	-	(731)
Claims paid	-	-	(364,492)	(364,492)
Other receipts	-	-	-	-
Net cash provided by (used in) operating activities	<u>(1,372)</u>	<u>(14)</u>	<u>65,401</u>	<u>64,015</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer out	-	-	(160)	(160)
Advances from other funds	7,272	95	-	7,367
Net cash provided by (used in) noncapital activities	<u>7,272</u>	<u>95</u>	<u>(160)</u>	<u>7,207</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(6,774)	-	-	(6,774)
Sales of capital assets	671	-	-	671
Payments for capital leases	-	(91)	-	(91)
Net cash used for capital and related financing activities	<u>(6,103)</u>	<u>(91)</u>	<u>-</u>	<u>(6,194)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	-	2,127	2,127
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>2,127</u>	<u>2,127</u>
Net increase (decrease) in cash and cash equivalents	(203)	(10)	67,368	67,155
Cash and cash equivalents at beginning of the year	203	10	8,406	8,619
Cash and cash equivalents at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,774</u>	<u>\$ 75,774</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ (11,720)	\$ (107)	\$ 29,184	\$ 17,357
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	4,426	93	-	4,519
Miscellaneous income	6,588	(4)	-	6,584
Effect of changes in operating assets and liabilities:				
Receivables, net	(274)	-	26,943	26,669
Prepaid costs	-	-	-	-
Inventories	(267)	-	-	(267)
Accounts and other payables	(75)	-	186	111
Accrued expenses	(50)	4	(4)	(50)
Claims and judgements	-	-	9,092	9,092
Net cash provided by (used in) operating activities	<u>\$ (1,372)</u>	<u>\$ (14)</u>	<u>\$ 65,401</u>	<u>\$ 64,015</u>

Baltimore County, Maryland
Combining Statement of Fiduciary Net Position
Benefit Funds
June 30, 2023
(In Thousands)

	Employees' Retirement System Plan A	Employees' Retirement System Plan B	Police, Fire, and Widows' Pension Plan	OPEB Plan	Total
ASSETS					
Cash and cash equivalents	\$ 52,864	\$ 2,285	\$ 5,936	\$ -	\$ 61,085
Collateral for loaned securities	9,232	925	-	1,096	11,253
Receivables:					
Accrued interest & dividend income	2,532	254	63	301	3,150
Receivable for investments sold	28,242	2,829	-	3,353	34,424
Receivables other	780	888	-	1,338	3,006
Total receivables	<u>31,554</u>	<u>3,971</u>	<u>63</u>	<u>4,992</u>	<u>40,580</u>
Investments, at fair value:					
U.S. Government and Agency securities	120,848	12,105	-	14,348	147,301
Foreign bonds	18,666	1,870	4,707	2,216	27,459
Corporate bonds	106,377	10,655	-	12,630	129,662
Stocks	321,597	32,213	-	38,183	391,993
Bond mutual funds	407,667	40,835	-	48,402	496,904
Stock mutual funds	1,051,509	105,326	678	124,844	1,282,357
Real estate equity funds	149,955	15,020	-	17,804	182,779
Private equity funds	269,048	26,950	-	31,944	327,942
Private debt funds	82,622	8,276	-	9,809	100,707
Global asset allocation	118,788	11,899	-	14,104	144,791
Total investments	<u>2,647,077</u>	<u>265,149</u>	<u>5,385</u>	<u>314,284</u>	<u>3,231,895</u>
Total assets	<u>2,740,727</u>	<u>272,330</u>	<u>11,384</u>	<u>320,372</u>	<u>3,344,813</u>
LIABILITIES					
Cash overdraft	-	-	-	12,830	12,830
Securities lending payable	9,232	925	-	1,096	11,253
Investments purchased	44,924	4,500	-	5,334	54,758
Investment expenses payable	1,627	140	-	157	1,924
Refunds payable	56	6,388	-	-	6,444
Withholdings	3,170	9	31	-	3,210
Other	4,712	-	-	2,923	7,635
Total liabilities	<u>63,721</u>	<u>11,962</u>	<u>31</u>	<u>22,340</u>	<u>98,054</u>
NET POSITION					
Net position restricted for pensions and OPEB	<u>\$ 2,677,006</u>	<u>\$ 260,368</u>	<u>\$ 11,353</u>	<u>\$ 298,032</u>	<u>\$ 3,246,759</u>

Baltimore County, Maryland
Combining Statement of Changes in Fiduciary Net Position
Benefit Funds
For the Year Ended June 30, 2023
(In Thousands)

	<u>Employees'</u> <u>Retirement</u> <u>System Plan A</u>	<u>Employees'</u> <u>Retirement</u> <u>System Plan B</u>	<u>Police, Fire,</u> <u>and Widows'</u> <u>Pension Plan</u>	<u>OPEB Plan</u>	<u>Total</u>
ADDITIONS					
Contributions:					
Employer	\$ 208,800	\$ 6,771	\$ -	\$ 87,000	\$ 302,571
Employees	25,069	31,619	-	34,088	90,776
Other	-	-	10	9,068	9,078
Total contributions	<u>233,869</u>	<u>38,390</u>	<u>10</u>	<u>130,156</u>	<u>402,425</u>
Investment earnings:					
Net increase in the fair value of plan assets	150,999	13,887	204	16,499	181,589
Interest and dividends	43,018	3,974	381	4,754	52,127
Investment expenses	<u>(14,900)</u>	<u>(1,439)</u>	<u>(2)</u>	<u>(1,679)</u>	<u>(18,020)</u>
Net investment gain	<u>179,117</u>	<u>16,422</u>	<u>583</u>	<u>19,574</u>	<u>215,696</u>
Net income from securities lending:					
Securities lending income	353	35	-	41	429
Borrower rebates	(289)	(29)	-	(34)	(352)
Agent fees	<u>(21)</u>	<u>(2)</u>	<u>-</u>	<u>(2)</u>	<u>(25)</u>
Net income from securities lending	<u>43</u>	<u>4</u>	<u>-</u>	<u>5</u>	<u>52</u>
Total net investment gain	<u>179,160</u>	<u>16,426</u>	<u>583</u>	<u>19,579</u>	<u>215,748</u>
Total additions	<u>413,029</u>	<u>54,816</u>	<u>593</u>	<u>149,735</u>	<u>618,173</u>
DEDUCTIONS					
Benefits	353,132	1,300	3,374	144,799	502,605
Refunds	1,526	8,541	-	-	10,067
Administrative expense	<u>1,503</u>	<u>145</u>	<u>-</u>	<u>-</u>	<u>1,648</u>
Total deductions	<u>356,161</u>	<u>9,986</u>	<u>3,374</u>	<u>144,799</u>	<u>514,320</u>
Change in net position	56,868	44,830	(2,781)	4,936	103,853
Net position at beginning of the year	<u>2,620,138</u>	<u>215,538</u>	<u>14,134</u>	<u>293,096</u>	<u>3,142,906</u>
Net position at end of the year	<u>\$ 2,677,006</u>	<u>\$ 260,368</u>	<u>\$ 11,353</u>	<u>\$ 298,032</u>	<u>\$ 3,246,759</u>

STATISTICAL



SECTION

The Statistical Section presents data to assist users of this report to assess the economic condition of the County. They are intended to provide a broader and more complete understanding of the County and its financial affairs than is possible from the basic financial statements and supporting schedules included in the “Financial Section.” Many of these schedules cover more than two fiscal years and present data from sources other than the accounting records. Therefore, the data contained in the Statistical Section has not been subjected to independent audit. The five categories of information are as follows:

Financial Trends

These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

**Baltimore County, Maryland
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars expressed in thousands)**

	<u>2014</u>	<u>2015*</u>	<u>2016</u>	<u>2017</u>	<u>2018**</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 1,277,986	\$ 1,346,549	\$ 1,529,027	\$ 1,602,876	\$ 1,482,372	\$ 1,498,138	\$ 1,723,439	\$ 1,691,131	\$ 1,751,819	\$ 1,998,973
Restricted	29,053	31,871	42,647	49,922	106,103	110,636	46,272	53,411	59,117	77,503
Unrestricted (deficit)	(363,126)	(1,747,908)	(2,067,561)	(2,425,266)	(2,905,259)	(3,120,901)	(3,473,796)	(3,488,206)	(3,379,871)	(3,287,787)
Total governmental activities net position	<u>\$ 943,913</u>	<u>\$ (369,488)</u>	<u>\$ (495,887)</u>	<u>\$ (772,468)</u>	<u>\$ (1,316,784)</u>	<u>\$ (1,512,127)</u>	<u>\$ (1,704,085)</u>	<u>\$ (1,743,664)</u>	<u>\$ (1,568,935)</u>	<u>\$ (1,211,311)</u>
Business-type activities										
Net investment in capital assets	\$ 526,907	\$ 540,690	\$ 614,609	\$ 538,172	\$ 533,456	\$ 552,407	\$ 455,042	\$ 531,873	\$ 537,181	\$ 573,912
Unrestricted (deficit)	(214,318)	(351,497)	(526,541)	(540,754)	(652,992)	(735,767)	(752,206)	(889,946)	(851,984)	(840,368)
Total business-type activities net position	<u>\$ 312,589</u>	<u>\$ 189,193</u>	<u>\$ 88,068</u>	<u>\$ (2,582)</u>	<u>\$ (119,536)</u>	<u>\$ (183,360)</u>	<u>\$ (297,164)</u>	<u>\$ (358,073)</u>	<u>\$ (314,803)</u>	<u>\$ (266,456)</u>
Primary government										
Net investment in capital assets	\$ 1,804,893	\$ 1,887,239	\$ 2,143,636	\$ 2,141,048	\$ 2,015,828	\$ 2,050,545	\$ 2,178,481	\$ 2,223,004	\$ 2,289,000	\$ 2,572,885
Restricted	29,053	31,871	42,647	49,922	106,103	110,636	46,272	53,411	59,117	77,503
Unrestricted (deficit)	<u>\$ (577,444)</u>	<u>\$ (2,099,405)</u>	<u>\$ (2,594,102)</u>	<u>\$ (2,966,020)</u>	<u>\$ (3,558,251)</u>	<u>\$ (3,856,668)</u>	<u>\$ (4,226,002)</u>	<u>\$ (4,378,152)</u>	<u>\$ (4,231,855)</u>	<u>\$ (4,128,155)</u>
Total primary government net position	<u>\$ 1,256,502</u>	<u>\$ (180,295)</u>	<u>\$ (407,819)</u>	<u>\$ (775,050)</u>	<u>\$ (1,436,320)</u>	<u>\$ (1,695,487)</u>	<u>\$ (2,001,249)</u>	<u>\$ (2,101,737)</u>	<u>\$ (1,883,738)</u>	<u>\$ (1,477,767)</u>

* The amounts for FY15 unrestricted (deficit) net position have been restated to affect the change in the County reporting its net pension liability required by GASB No. 68.

** The amounts for FY18 unrestricted (deficit) net position have been restated to affect the change in the County reporting its OPEB liability required by GASB No. 75.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 507,968	\$ 511,254	\$ 615,205	\$ 864,527	\$ 600,687	\$ 847,073	\$ 964,187	\$ 1,001,291	\$ 948,731	\$ 764,692
Public safety	345,801	346,834	368,337	372,623	373,651	390,366	408,982	412,908	429,693	458,019
Public works	192,092	177,495	178,728	185,743	188,893	176,429	170,854	196,094	221,290	208,829
Health and human services	147,998	158,431	164,430	167,861	173,638	173,462	211,564	303,262	237,594	197,995
Culture and leisure services	65,487	63,742	64,165	64,520	62,790	64,575	64,319	60,059	66,408	61,024
Economic and community development	19,637	13,838	12,449	12,598	9,581	20,543	41,941	54,953	67,423	41,734
Education	852,799	888,832	943,217	956,006	1,046,755	991,165	1,083,287	1,029,875	1,028,629	1,116,208
Interest on long-term debt	26,081	25,257	26,648	33,651	33,044	33,433	31,173	18,488	20,512	25,867
Total governmental activities expenses	2,157,863	2,185,683	2,373,179	2,657,529	2,489,039	2,697,046	2,976,307	3,076,930	3,020,280	2,874,368
Business-type activities:										
Water and sewer services	272,177	302,014	356,593	361,069	386,405	409,220	497,252	414,052	366,202	356,151
Recreational services	-	-	-	-	-	-	-	-	-	310
Total business-type activities expenses	272,177	302,014	356,593	361,069	386,405	409,220	497,252	414,052	366,202	356,461
Total primary government expenses	\$ 2,430,040	\$ 2,487,697	\$ 2,729,772	\$ 3,018,598	\$ 2,875,444	\$ 3,106,266	\$ 3,473,559	\$ 3,490,982	\$ 3,386,482	\$ 3,230,829
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 202,899	\$ 206,918	\$ 253,728	\$ 309,123	\$ 290,376	\$ 299,711	\$ 319,478	\$ 327,352	\$ 350,164	\$ 272,493
Public safety	9,205	10,979	11,210	11,802	10,536	9,163	11,461	11,059	12,126	44,221
Public works	3,681	4,702	7,257	13,920	15,771	16,936	18,612	22,509	22,168	29,623
Health and human services	28,872	28,590	20,251	15,231	3,841	4,401	4,103	3,337	3,801	-
Culture and leisure services	4,018	4,303	3,971	4,260	3,934	4,510	3,239	1,581	3,314	3,372
Economic and community development	585	429	983	457	592	1,033	739	771	1,955	431
Operating grants and contributions:										
General government	3,849	3,210	2,781	2,996	3,148	2,396	3,835	8,167	10,555	20,485
Public safety	16,175	19,602	18,316	18,163	19,453	18,408	23,365	24,265	20,290	8,936
Public works	5,614	4,300	5,033	4,826	6,081	8,733	8,336	9,611	8,646	12,673
Health and human services	114,841	126,609	125,413	129,450	132,523	135,533	167,551	198,955	193,020	239,001
Culture and leisure services	4,124	4,251	4,303	4,294	4,419	4,878	5,019	4,431	3,534	124
Economic and community development	9,524	8,679	11,899	11,220	10,230	11,014	27,356	100,582	60,655	28,166
Interest on long-term debt	5,422	5,255	5,186	5,079	4,992	4,821	4,031	3,302	506	-
Capital grants and contributions	25,843	48,492	35,781	36,021	40,068	28,381	45,829	38,977	27,858	30,945
Total governmental activities program revenues	434,652	476,319	506,112	566,842	545,964	549,918	642,954	754,899	718,592	690,470
Business-type activities:										
Charges for services:										
Water and sewer services	214,154	202,674	237,071	246,175	270,963	311,638	309,305	307,635	371,770	329,913
Recreational services	-	-	-	-	-	-	-	-	-	738
Operating grants and contributions:										
Capital grants and contributions	2,942	2,918	2,893	2,850	2,810	2,774	1,836	1,357	1,230	33,053
Total business-type activities program revenues	214,154	202,674	237,071	246,175	270,963	311,638	309,305	307,635	371,770	329,913
Total primary government program revenues	\$ 666,389	\$ 696,107	\$ 762,262	\$ 837,469	\$ 854,240	\$ 891,478	\$ 1,024,193	\$ 1,107,862	\$ 1,127,830	\$ 1,086,032
									(continued)	(continued)
Net (Expense)/Revenue										
Governmental activities	\$ (1,723,211)	\$ (1,709,364)	\$ (1,867,067)	\$ (2,090,687)	\$ (1,943,075)	\$ (2,147,128)	\$ (2,333,353)	\$ (2,322,031)	\$ (2,301,688)	\$ (2,183,898)
Business-type activities	(40,440)	(82,226)	(100,443)	(90,442)	(78,129)	(67,660)	(116,013)	(61,089)	43,036	39,101
Total primary government net expense	\$ (1,763,651)	\$ (1,791,590)	\$ (1,967,510)	\$ (2,181,129)	\$ (2,021,204)	\$ (2,214,788)	\$ (2,449,366)	\$ (2,383,120)	\$ (2,258,652)	\$ (2,144,797)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 850,367	\$ 866,698	\$ 891,823	\$ 916,768	\$ 944,733	\$ 979,118	\$ 1,017,005	\$ 1,048,412	\$ 1,081,273	\$ 1,121,424

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Income taxes	679,371	736,760	663,510	689,515	718,980	776,555	925,511	1,013,524	1,140,085	1,138,990
Public service taxes	140,032	153,522	174,239	176,124	171,967	174,522	180,376	204,991	246,735	205,170
Grants and contributions not restricted to specific programs:										
State of Maryland	9,063	9,210	8,966	8,926	9,635	9,907	8,363	15,097	6,426	37,063
Unrestricted investment earnings	1,096	749	1,392	2,068	5,537	11,283	10,140	428	1,109	38,728
Other	-	-	-	-	-	-	-	-	-	130
Reversion of fund balance from component units	-	-	-	20,463	600	400	-	-	789	-
Transfers	-	10,213	738	242	3,551	-	-	-	-	17
Total governmental activities	<u>1,679,929</u>	<u>1,777,152</u>	<u>1,740,668</u>	<u>1,814,106</u>	<u>1,855,003</u>	<u>1,951,785</u>	<u>2,141,395</u>	<u>2,282,452</u>	<u>2,476,417</u>	<u>2,541,522</u>
Business-type activities										
Unrestricted investment earnings	192	98	56	34	924	3,906	2,209	180	234	9,263
Transfers	-	(10,213)	(738)	(242)	(3,551)	-	-	-	-	(17)
Total business-type activities	<u>192</u>	<u>(10,115)</u>	<u>(682)</u>	<u>(208)</u>	<u>(2,627)</u>	<u>3,906</u>	<u>2,209</u>	<u>180</u>	<u>234</u>	<u>9,246</u>
Total primary government	<u>\$ 1,680,121</u>	<u>\$ 1,767,037</u>	<u>\$ 1,739,986</u>	<u>\$ 1,813,898</u>	<u>\$ 1,852,376</u>	<u>\$ 1,955,691</u>	<u>\$ 2,143,604</u>	<u>\$ 2,282,632</u>	<u>\$ 2,476,651</u>	<u>\$ 2,550,768</u>
Change in Net Position										
Governmental activities	\$ (43,282)	\$ 67,788	\$ (126,399)	\$ (276,581)	\$ (88,072)	\$ (195,343)	\$ (191,958)	\$ (39,579)	\$ 174,729	\$ 357,624
Business-type activities	(40,248)	(92,341)	(101,125)	(90,650)	(80,756)	(63,754)	(113,804)	(60,909)	43,270	48,347
Total primary government	<u>\$ (83,530)</u>	<u>\$ (24,553)</u>	<u>\$ (227,524)</u>	<u>\$ (367,231)</u>	<u>\$ (168,828)</u>	<u>\$ (259,097)</u>	<u>\$ (305,762)</u>	<u>\$ (100,488)</u>	<u>\$ 217,999</u>	<u>\$ 405,971</u>

Baltimore County, Maryland
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Nonspendable	\$ 5,574	\$ 6,998	\$ 7,489	\$ 9,251	\$ 9,420	\$ 8,724	\$ 10,748	\$ 8,890	\$ 12,391	\$ 10,368
Restricted	34,889	17,490	5,194	61,062	93,015	171,664	74,540	36,765	122,397	87,814
Assigned	108,855	151,283	83,161	53,984	56,575	78,286	95,747	85,272	83,683	57,097
Unassigned	284,664	229,819	239,528	205,391	204,444	217,501	337,068	532,574	704,414	681,201
Total General Fund	<u>433,982</u>	<u>405,590</u>	<u>335,372</u>	<u>329,688</u>	<u>363,454</u>	<u>476,175</u>	<u>518,103</u>	<u>663,501</u>	<u>922,885</u>	<u>836,480</u>
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	18,667	31,285	41,444	48,276	39,160	43,260	40,321	46,057	50,303	66,743
Assigned	16,058	20,789	16,089	15,644	12,134	22,975	12,237	3,544	11,085	45,564
Unassigned	(23,256)	(29,387)	(164,685)	(134,959)	(135,619)	(80,477)	(95,881)	15,296	(31,731)	-
Total all other governmental funds	<u>11,469</u>	<u>22,687</u>	<u>(107,152)</u>	<u>(71,039)</u>	<u>(84,325)</u>	<u>(14,242)</u>	<u>(43,323)</u>	<u>64,897</u>	<u>29,657</u>	<u>112,307</u>
Total governmental funds	<u>\$ 445,451</u>	<u>\$ 428,277</u>	<u>\$ 228,220</u>	<u>\$ 258,649</u>	<u>\$ 279,129</u>	<u>\$ 461,933</u>	<u>\$ 474,780</u>	<u>\$ 728,398</u>	<u>\$ 952,542</u>	<u>\$ 948,787</u>

Baltimore County, Maryland
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 1,645,650	\$ 1,703,481	\$ 1,761,006	\$ 1,776,875	\$ 1,784,245	\$ 1,875,069	\$ 2,042,187	\$ 2,200,391	\$ 2,303,206	\$ 2,383,910
Licenses and permits	30,585	30,747	22,477	17,749	6,530	7,478	6,359	6,099	6,868	6,209
Intergovernmental	177,093	194,620	193,332	202,695	209,376	201,226	258,198	388,162	314,840	282,273
Repayment of loans	2,978	3,042	1,759	1,270	2,099	1,212	1,181	1,243	1,763	418
Charges for services	23,670	26,035	35,050	56,962	59,554	63,726	67,531	66,421	80,189	119,028
Assessments	2,745	2,243	1,645	2,177	2,034	1,761	1,329	1,314	1,261	4,819
Fines and forfeitures	5,066	6,033	7,099	7,056	7,336	5,955	5,101	4,035	4,424	4,428
Interest revenue	1,428	952	1,714	1,525	4,232	8,852	8,732	804	1,235	40,712
Miscellaneous	33,704	43,265	42,564	62,149	46,485	37,434	56,307	38,138	46,338	44,736
Total revenues	1,922,919	2,010,418	2,066,646	2,128,458	2,121,891	2,202,713	2,446,925	2,706,607	2,760,124	2,886,533
Expenditures										
General government	113,669	112,732	111,204	116,215	128,209	126,216	126,331	116,945	139,024	205,240
Public safety	342,776	350,395	359,811	367,595	374,722	389,615	405,607	417,703	443,691	438,202
Public works	116,419	112,565	117,785	117,670	138,218	112,961	124,040	133,300	122,415	147,485
Health and human services	146,612	156,519	163,418	166,968	172,544	172,028	209,746	301,365	237,462	200,396
Culture and leisure services	20,507	20,983	22,128	22,951	20,284	20,571	19,299	15,130	19,907	22,772
Economic and community development	20,921	15,133	19,973	16,405	20,315	25,404	48,420	59,345	70,449	38,038
Pension plan contributions	71,791	95,585	92,550	247,707	114,983	123,512	131,740	138,021	153,498	200,451
Healthcare contributions	99,447	99,924	126,386	102,742	71,568	91,045	86,225	140,018	145,331	161,161
Miscellaneous	16,532	17,571	17,963	18,599	19,026	19,593	19,940	20,485	24,330	38,656
Capital projects	95,334	118,430	131,710	139,167	121,788	104,983	92,201	92,213	104,711	132,476
Lease expenditures	-	-	-	-	-	-	-	-	-	1,897
Payments to component units	911,309	947,156	1,001,289	1,020,500	1,114,973	1,060,560	1,160,917	1,105,973	1,112,979	1,205,801
Debt service:										
Principal retirement	59,631	68,647	77,829	83,421	83,574	94,375	97,752	98,522	109,959	118,086
Interest	49,256	45,664	49,458	49,925	58,318	58,568	60,256	58,406	53,261	54,791
Fiscal charges	1,250	3,150	1,082	2,355	946	1,345	738	1,600	1,057	67
Issuance costs	-	-	-	-	-	-	-	-	-	90
Total expenditures	2,065,454	2,164,454	2,292,586	2,472,220	2,439,468	2,400,776	2,583,212	2,699,026	2,738,074	2,965,609
Deficiency of revenues over expenditures	(142,535)	(154,036)	(225,940)	(343,762)	(317,577)	(198,063)	(136,287)	7,581	22,050	(79,076)
									(continued)	(continued)
Other financing sources (uses)										
Bonds issued	140,000	116,000	112,000	243,800	181,130	246,000	246,000	145,000	225,000	30,000
Bond premium	20,659	44,998	25,010	12,340	19,976	35,393	60,290	31,879	49,064	4,090
Bond anticipation notes issued	116,000	112,000	-	121,000	246,000	246,000	145,000	205,000	-	-
Bond anticipation notes premium	-	-	-	2,592	6,239	5,601	4,629	8,032	-	-
Refunding bonds issued	39,530	-	-	-	-	-	-	232,175	-	-
Bond premium - refunding	-	117,365	-	-	-	-	-	928	-	-
Certificates of participation issued	-	-	-	59,810	-	77,960	-	-	95,500	-
Refunding certificates of participation issued	-	-	-	-	-	-	-	-	-	-
Certificates of participation premium	-	-	-	11,950	-	12,606	-	-	18,205	-
Installment purchase agreement	-	-	-	-	-	-	-	-	-	-
Loans	6,088	-	-	1,091	-	-	-	-	-	-
Bond anticipation notes retired	(140,000)	(116,000)	(112,000)	(99,800)	(121,000)	(246,000)	(246,000)	(145,000)	(205,000)	-
Payment to refunding escrow agent	(44,190)	(137,501)	-	-	-	-	(63,000)	(232,069)	-	-
Lease proceeds	-	-	-	-	-	-	-	-	18,260	4,405
SBITA proceeds	-	-	-	-	-	-	-	-	-	36,649

Baltimore County, Maryland
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Reversion of fund balance from component units	-	-	-	20,463	600	400	-	-	789	-
Transfers in	71,776	87,684	139,543	179,757	54,643	102,376	94,922	78,615	93,701	266,207
Transfers out	<u>(71,798)</u>	<u>(87,684)</u>	<u>(138,670)</u>	<u>(178,812)</u>	<u>(49,531)</u>	<u>(99,469)</u>	<u>(92,707)</u>	<u>(78,523)</u>	<u>(93,425)</u>	<u>(266,030)</u>
Total other financing sources	138,065	136,862	25,883	374,191	338,057	380,867	149,134	246,037	202,094	75,321
Net change in fund balances	<u>\$ (4,470)</u>	<u>\$ (17,174)</u>	<u>\$ (200,057)</u>	<u>\$ 30,429</u>	<u>\$ 20,480</u>	<u>\$ 182,804</u>	<u>\$ 12,847</u>	<u>\$ 253,618</u>	<u>\$ 224,144</u>	<u>\$ (3,755)</u>
Debt service as a percentage of noncapital expenditures	5.49%	5.58%	5.88%	5.68%	6.14%	6.72%	6.37%	6.04%	6.18%	6.72%

Baltimore County, Maryland
Unreserved Fund Balance and Revenue Stabilization Reserve Account Expressed as a Percentage of General Fund Revenues and Transfers In Last Ten Fiscal Years (budgetary basis)
(dollars expressed in thousands)

Fiscal Year	Total General Fund Revenues	Unreserved Fund Balance	Unreserved Fund Balance as a % of General Fund Revenues	Revenue Stabilization Reserve Account ("RSRA")	Undesignated Fund Balance	Undesignated Fund Balance PLUS RSRA as % of G.F. Revenues
2014	1,750,110	387,795	22.2	85,187	199,477	16.3
2015	1,820,656	349,367	19.2	89,341	140,478	12.6
2016	1,887,247	293,192	15.5	93,107	146,421	12.7
2017	1,972,182	227,650	11.5	99,360	106,031	10.4
2018	1,952,908	231,418	11.8	198,995	5,449	10.5
2019	2,042,735	217,501	10.6	207,223	10,278	10.6
2020	2,208,389	337,068	15.3	215,634	121,434	15.3
2021	2,372,920	532,574	22.4	216,171	316,403	22.4
2022	2,475,392	704,414	28.5	225,744	478,670	28.5
2023	2,615,887	681,201	26.0	249,612	431,589	26.0

The General Fund Unassigned Fund Balance includes the Revenue Stabilization Reserve Account (the Account) which is a designation of General Fund fund balance to provide a financial cushion for unanticipated decreases in revenues; primarily intergovernmental revenues. Section 10-8-101 of the County Code gives the County the authority to establish and maintain the Account. Revenues in excess of estimates and any unexpended appropriations at the close of the fiscal year shall be transferred to the Account if the Account balance does not exceed five percent of the current fiscal year General Fund budgeted revenue after interest is credited to the Account. If a deficit exists in the General Fund at the end of any fiscal year, the Director of Budget and Finance shall notify the County Executive and County Council; and request that sufficient monies to the extent available be transferred from the Account to eliminate the deficit. Funds in the Account are not to be used for any other purpose except upon the recommendation of the County Executive and approval of a majority plus one of the County Council.

**Baltimore County, Maryland
General Fund Revenues
Last Ten Fiscal Years
(budgetary basis)
(dollars expressed in thousands)**

Fiscal Year	Taxes (1)	Licenses and Permits	Inter-Governmental	Charges for Services	Fines and Forfeitures	Interest on Investments and Miscellaneous	Reimbursements and Other Financing Sources	Total
2014	1,645,650	4,925	43,473	11,118	5,066	30,966	8,912	1,750,110
2015	1,703,481	5,306	43,739	12,544	6,033	39,173	10,380	1,820,656
2016	1,759,834	5,194	46,609	22,404	7,099	33,686	12,421	1,887,247
2017	1,775,935	5,767	47,764	43,822	7,056	78,736	13,102	1,972,182
2018	1,783,112	5,453	49,190	47,998	7,336	47,433	12,386	1,952,908
2019	1,873,642	6,180	52,519	52,591	5,955	39,143	37,940	2,067,970
2020	2,040,687	5,548	49,705	54,242	5,101	36,840	27,337	2,219,460
2021	2,199,208	5,670	57,291	54,665	4,035	34,553	17,547	2,372,969
2022	2,301,930	5,722	44,110	64,996	4,424	38,832	15,497	2,475,511
2023	2,385,661	6,066	17,697	107,827	4,437	80,121	14,078	2,615,887

(1) See the General Fund Tax Revenues by Source table for detail

Baltimore County, Maryland
General Fund Tax Revenues by Source
Last Ten Fiscal Years
(budgetary basis)
(dollars expressed in thousands)

Fiscal Year	Total Taxes	General Property Taxes	Income Taxes	Other Local Taxes (1)
2014	1,645,650	853,317	667,924	124,409
2015	1,703,481	870,115	696,335	137,031
2016	1,759,834	892,906	709,377	157,551
2017	1,775,935	919,193	697,694	159,048
2018	1,783,112	947,350	680,282	155,480
2019	1,873,642	980,124	734,948	158,570
2020	2,040,687	1,013,000	862,704	164,983
2021	2,199,208	1,048,322	960,694	190,192
2022	2,301,930	1,075,182	994,855	231,893
2023	2,385,661	1,098,177	1,079,177	208,306

(1) Fiscal year 2023 other local taxes include: title transfer tax - \$88.914 million, recordation tax - \$41.411 million, cable television franchise - \$18.056 million, electricity - \$15.127 million, telephone tax - \$6.252 million, admissions and amusement tax - \$10.453 million, motel and hotel occupancy tax - \$14.003 million, 911 fee - \$9.808 million and cell phone tax - \$3.861 million.

Baltimore County, Maryland
General Fund Expenditures and Transfers by Function
Last Ten Fiscal Years
(budgetary basis)
(dollars expressed in thousands)

Fiscal Year	General Government	Public Safety	Public Works	Health and Human Services	Culture and Leisure Services	Economic and Community Development	Debt Service	Non-Departmental (1)	Payments to Component Units	Interfund Transfers	Total
2014	103,973	324,374	104,495	34,837	17,289	1,170	95,922	187,839	821,274	32,233	1,723,406
2015	109,697	334,171	110,129	36,448	17,940	1,015	109,664	213,177	849,915	57,297	1,839,453
2016	113,437	340,701	113,532	37,936	18,307	1,192	118,692	236,896	862,811	107,568	1,951,072
2017	119,786	352,432	113,328	40,076	19,514	1,285	125,568	225,811	882,629	142,990	2,023,419
2018	127,054	361,101	115,958	41,074	16,765	1,295	129,162	205,504	923,401	38,941	1,960,255
2019	130,212	370,994	108,080	41,880	17,132	1,357	139,403	233,991	956,168	49,195	2,048,412
2020	129,075	392,551	101,345	40,397	16,810	980	139,808	237,769	1,002,861	39,661	2,101,257
2021	129,301	395,086	111,363	44,348	15,024	991	144,701	298,112	1,016,056	31,427	2,186,409
2022	138,293	400,856	115,718	46,877	18,127	2,238	145,565	319,955	1,057,064	63,234	2,307,927
2023	153,913	423,656	120,671	48,707	19,535	2,498	144,620	383,711	1,101,287	225,453	2,624,051

(1) Non-Departmental expenditures include costs incurred for pension plan contributions, social security, workers compensation, general and auto liability insurance, employees health and life insurance and miscellaneous programs.

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

Fiscal Year Ended June 30	Real Property (1)			Personal Property			Total Taxable Assessed Value (1)	Estimated Actual Value	Total Direct Rate (2)
	Residential Property	Commercial Property	Total Real Property	Railroad/Utility Property	Other Business Property	Total Personal Property			
2014	56,661,374	18,887,124	75,548,498	1,245,132	1,741,590	2,986,722	78,535,220	78,535,220	1.162
2015	55,714,387	19,575,325	75,289,712	1,306,763	1,716,549	3,023,312	78,313,024	78,313,024	1.164
2016	56,669,097	19,910,764	76,579,861	1,347,311	1,897,128	3,244,439	79,824,300	79,824,300	1.167
2017	58,287,682	20,479,456	78,767,138	1,424,762	1,909,921	3,334,683	82,101,821	82,101,821	1.167
2018	61,084,509	20,361,503	81,446,012	1,544,456	1,897,163	3,441,619	84,887,631	84,887,631	1.167
2019	56,384,341	27,771,392	84,155,733	1,656,565	1,931,896	3,588,461	87,744,194	87,744,194	1.167
2020	65,216,577	21,738,859	86,955,436	1,684,088	2,060,628	3,744,716	90,700,152	90,700,152	1.168
2021	64,442,344	25,060,912	89,503,256	1,793,085	2,002,525	3,795,610	93,298,866	93,298,866	1.167
2022	67,169,065	24,843,352	92,012,417	1,923,775	2,055,334	3,979,109	95,991,526	95,991,526	1.168
2023	75,218,707	18,942,410	94,161,117	2,094,388	2,145,088	4,239,476	98,400,593	98,400,593	1.168

Note:

(1) Tax exempt properties are not included

(2) Expressed in dollars per \$100 of assessed value

**Baltimore County, Maryland
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	County Direct Rates		
	Real	Personal	Total (a)
2014	1.100	2.7500	1.162
2015	1.100	2.7500	1.164
2016	1.100	2.7500	1.167
2017	1.100	2.7500	1.167
2018	1.100	2.7500	1.167
2019	1.100	2.7500	1.167
2020	1.100	2.7500	1.168
2021	1.100	2.7500	1.167
2022	1.100	2.7500	1.168
2023	1.100	2.7500	1.168

Notes:

- (1) Rates are per \$100 of assessed value.
- (2) Except for the State of Maryland, there is no separate taxing authority that overlaps the County geographically.
- (3) There are no tax limits.
- (a) Weighted average of the individual Real & Personal direct rates.

**Baltimore County, Maryland
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2023		Taxpayer	2014	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Percentage of Total Taxable Assessed Value
BGE	\$ 1,679,327,670	1.71%	BGE	\$ 1,009,687	1.29%
Trade Point Atlantic LLC	309,598,662	0.31%	Verizon	277,192	0.35%
Home Properties	244,072,267	0.25%	Merrit Management Corp.	466,944	0.59%
Towson Town Center	238,526,700	0.24%	Home Properties	256,408	0.33%
Verizon	201,728,650	0.21%	Wal Mart	199,595	0.25%
Merritt Mgt Corp	200,029,000	0.20%	TRP Suburban	170,109	0.22%
White Marsh Mall	133,364,701	0.14%	Towson Town Center	256,894	0.33%
Amazon	122,360,020	0.12%	Comcast	75,776	0.10%
Comcast	101,650,890	0.10%	ISG Sparrows Point Inc	176,953	0.23%
Columbia Gas Transmission LLCx	77,932,800	0.08%	White Marsh Mall	141,108	0.18%
	\$ 3,308,591,360	3.36%		\$ 3,030,666	3.87%

Source: State of Maryland Assessment Files and Baltimore County Office of Budget and Finance Tax Files

Baltimore County, Maryland
Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2014	856,946	854,254	99.69	1,824	856,078	99.90
2015	872,676	869,303	99.61	2,452	871,755	99.89
2016	888,230	886,008	99.75	973	886,981	99.86
2017	921,713	918,421	99.64	134	918,555	99.64
2018	953,533	947,231	99.70	(1,962)	950,641	99.70
2019	987,128	982,261	99.60	963	982,774	99.60
2020	1,022,700	1,012,379	98.99	8,165	1,012,379	98.99
2021	1,051,970	1,041,379	98.99	-	1,049,436	99.76
2022	1,051,430	1,036,886	98.62	6,660	1,043,546	99.25
2023	1,064,942	1,028,499	96.58	21,398	1,049,897	98.59

Baltimore County, Maryland
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year	Governmental Activities			Business-Type Activities			Percentage of Personal Income (2)	Per Capita (2) (3)
	General Obligation Debt (1)	Certificates of Participation (1)	Loan Payable	General Obligation Debt (1)	Certificates of Participation (1)	Total Primary Government		
2014	1,805,692	118,209	18,993	1,085,389	5,361	3,033,644	6.90	3,670.27
2015	1,846,087	104,500	14,496	1,168,797	4,610	3,138,490	6.93	3,784.14
2016	1,762,843	88,566	10,038	1,164,150	3,875	3,029,472	6.39	3,656.06
2017	1,927,873	142,205	5,216	1,399,888	7,743	3,482,925	7.14	4,147.91
2018	2,133,900	123,264	4,375	1,663,290	6,869	3,931,698	7.95	4,621.29
2019	2,286,699	188,919	4,375	1,747,670	16,104	4,243,767	8.09	4,972.57
2020	2,289,667	161,273	4,375	1,947,476	14,140	4,416,931	7.90	5,177.67
2021	2,394,043	133,965	4,375	1,951,734	12,190	4,496,307	7.61	5,294.03
2022	2,303,506	220,800	-	2,069,670	15,566	4,609,542	7.53	5,397.48
2023	2,183,939	185,881	-	2,128,225	13,135	4,511,180	7.12	5,253.39

(1) Presented net of original issuance discounts and premiums.

(2) See the Demographic and Economic Statistics schedule for personal income and population data.

(3) Expressed in dollars

Baltimore County, Maryland
Ratios of Net General Obligation (GO) Debt to
Estimated Actual Value of Property and Net GO Debt Per Capita
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year	Estimated Population (1)	Estimated Actual Value of Real & Personal Property	GO Debt (2)	Less: Amounts Available in Escrow for Debt Service (3)	Net GO Debt	Percent of Net GO Debt to Estimated Actual Value of Property	GO Debt per Capita (4)
2014	826,545	78,535,220	2,891,081	448	2,890,633	3.68	3,497.25
2015	829,379	78,313,024	3,014,884	586	3,014,298	3.85	3,634.40
2016	828,616	79,824,300	2,926,993	1,203	2,925,790	3.67	3,530.94
2017	839,682	82,101,821	3,327,761	1,647	3,326,114	4.05	3,961.16
2018	850,780	84,887,632	3,797,190	103,996	3,693,194	4.47	4,340.95
2019	853,436	87,744,194	4,034,369	103,461	3,930,908	4.60	4,605.98
2020	853,325	90,700,152	4,237,143	5,951	4,231,192	4.67	4,958.48
2021	850,634	93,298,867	4,345,777	7,354	4,338,423	4.66	5,100.22
2022	846,161	95,991,526	4,373,176	8,814	4,364,362	4.56	5,157.84
2023	848,869	98,400,593	4,312,164	10,760	4,301,404	4.38	5,067.22

Notes:

- (1) U.S. Bureau of the Census, Population Estimates Branch
- (2) This is the general obligation debt of both governmental and business-type activities, net of original issuance discounts and premiums
- (3) The County has resources restricted to repaying the principal of outstanding debt
- (4) Expressed in dollars

Baltimore County, Maryland
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Consolidated Public Improvement (CPI)										
General Obligation Debt										
Assessed value										
Real property	\$ 75,548,498	\$ 75,289,712	\$ 76,579,861	\$ 78,767,139	\$ 81,446,013	\$ 84,155,733	\$ 86,955,435	\$ 89,503,256	\$ 92,012,417	\$ 94,161,117
Personal property	2,986,722	3,023,312	3,244,439	3,334,682	3,441,619	3,588,461	3,744,717	3,795,610	3,979,109	4,239,476
Total assessed value	<u>78,535,220</u>	<u>78,313,024</u>	<u>79,824,300</u>	<u>82,101,821</u>	<u>84,887,632</u>	<u>87,744,194</u>	<u>90,700,152</u>	<u>93,298,866</u>	<u>95,991,526</u>	<u>98,400,593</u>
Debt limit (4% of total assessed value)	3,141,409	3,132,521	3,192,972	3,284,073	3,395,505	3,509,768	3,628,006	3,731,955	3,839,661	3,936,024
Debt applicable to limit:										
Consolidated public improvement bonds	1,235,730	1,274,405	1,311,740	1,323,355	1,410,445	1,557,695	1,633,440	1,683,415	1,790,345	1,702,265
Pension liability funding	267,085	249,082	238,928	376,741	368,682	358,895	348,979	338,908	328,660	318,211
CPI commercial paper notes	216,000	211,900	99,800	121,000	246,000	246,000	145,000	205,000	-	-
Total debt applicable to debt limit	<u>1,718,815</u>	<u>1,735,387</u>	<u>1,650,468</u>	<u>1,821,096</u>	<u>2,025,127</u>	<u>2,162,590</u>	<u>2,127,419</u>	<u>2,227,323</u>	<u>2,119,005</u>	<u>2,020,476</u>
Legal debt margin	<u>\$ 1,422,594</u>	<u>\$ 1,397,134</u>	<u>\$ 1,542,504</u>	<u>\$ 1,462,977</u>	<u>\$ 1,370,378</u>	<u>\$ 1,347,178</u>	<u>\$ 1,500,587</u>	<u>\$ 1,504,632</u>	<u>\$ 1,720,656</u>	<u>\$ 1,915,548</u>
Metropolitan District General Obligation Debt										
Assessed value (1)										
Real property	\$ 67,005,625	\$ 64,936,021	\$ 67,958,118	\$ 69,971,527	\$ 72,576,110	\$ 75,003,966	\$ 77,499,206	\$ 79,744,716	\$ 82,847,600	\$ 84,782,281
Personal property	2,648,990	2,607,552	2,879,164	2,962,312	3,066,809	3,198,222	3,337,486	3,381,775	3,582,774	3,817,207
Total assessed value	<u>69,654,615</u>	<u>67,543,573</u>	<u>70,837,282</u>	<u>72,933,839</u>	<u>75,642,919</u>	<u>78,202,188</u>	<u>80,836,692</u>	<u>83,126,491</u>	<u>86,430,374</u>	<u>88,599,488</u>
Debt limit (3.2% of total assessed value)	2,228,948	2,161,394	2,266,793	2,333,883	2,420,573	2,502,470	2,586,774	2,660,048	2,765,772	2,835,184
Debt applicable to limit:										
Metropolitan District (MD) bonds	875,708	928,611	1,003,368	1,107,298	1,334,052	1,615,201	1,646,637	1,824,755	1,803,866	2,002,438
MD commercial paper notes	183,800	187,500	99,300	225,000	245,000	42,000	205,000	-	150,000	-
Total debt applicable to debt limit	<u>1,059,508</u>	<u>1,116,111</u>	<u>1,102,668</u>	<u>1,332,298</u>	<u>1,579,052</u>	<u>1,657,201</u>	<u>1,851,637</u>	<u>1,824,755</u>	<u>1,953,866</u>	<u>2,002,438</u>
Legal debt margin	<u>\$ 1,169,440</u>	<u>\$ 1,045,283</u>	<u>\$ 1,164,125</u>	<u>\$ 1,001,585</u>	<u>\$ 841,521</u>	<u>\$ 845,269</u>	<u>\$ 735,137</u>	<u>\$ 835,293</u>	<u>\$ 811,906</u>	<u>\$ 832,746</u>

Notes:

(1) Assessed value of property in the Metropolitan District.

* The County has \$10.760 million restricted to repaying the principal of outstanding debt as of June 30, 2023.

**Baltimore County, Maryland
Demographic and Economic Statistics
Fiscal Years 2013 - 2022**

Fiscal Year	Estimated Population (1)	Total Personal Income (expressed in thousands)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Formal Schooling (3)	School Enrollment (4)	Unemployment Rate (5)
2013	824,130	42,456,296	51,517	39.2	15.4	107,033	7.3
2014	826,545	44,217,353	55,215	39.2	15.4	108,376	6.5
2015	829,379	45,794,140	56,829	39.2	15.3	109,984	5.9
2016	828,616	47,396,114	57,199	39.1	15.3	111,126	5.4
2017	839,682	48,796,244	58,887	39.1	15.3	112,351	4.4
2018	850,780	49,460,345	58,558	39.4	15.4	113,282	4.2
2019	853,436	52,451,659	61,459	39.5	15.6	113,814	3.7
2020	853,325	55,878,165	65,502	39.5	15.7	115,038	6.8
2021	850,634	59,079,164	69,561	39.4	15.5	111,084	5.7
2022	846,161	61,188,465	71,648	40.0	15.1	111,124	3.3

Notes:

- (1) Population: 2018-2021 U.S. Bureau of Economic Analysis; 2022-2028 projected at 0.5%
- (2) Personal Income (Total and Per Capita): 2018-2020 U.S. Bureau of Economic Analysis; 2021-2028 Office of Budget and Finance
- (3) Baltimore County Office of Planning
- (4) Baltimore County Board of Education
- (5) Maryland Department of Labor and Licensing regulation

**Baltimore County, Maryland
Principal Employers
Current Year and Nine Years Ago**

Employer	2023		Employer	2014	
	Employees	Percentage of Total County Employment		Employees	Percentage of Total County Employment
Baltimore County Public Schools	16,486	4.50	Social Security Administration/CMS	16,000	4.00
Social Security Administration/CMS	15,682	4.28	Baltimore County Public Schools	14,356	3.59
Amazon	9,000	2.46	Baltimore County Government	7,348	1.84
Baltimore County Government	7,419	2.02	Greater Baltimore Medical Center	3,800	0.95
MedStar Franklin Square Hospital	4,799	1.31	Towson University	3,438	0.86
Greater Baltimore Medical Center	3,632	0.99	T. Rowe Price Associates, Inc.	2,835	0.71
T. Rowe Price Associates, Inc.	3,450	0.94	Franklin Square Hospital	2,829	0.71
Towson University	3,199	0.87	University of Maryland, Baltimore County	2,188	0.55
Community College of Baltimore County	2,828	0.77	McCormick & Company, Inc.	2,132	0.53
St. Joseph Medical Center	2,634	0.72	Sheppard Pratt Health Systems	1,913	0.48
Total	69,129	18.86	Total	56,839	14.22

Source: Baltimore County Department of Economic Development

Baltimore County, Maryland
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
GENERAL GOVERNMENT										
County Executive	14	14	14	14	14	12	10	10	9	10
Administrative Office	13	13	13	13	11	10	27	30	31	36
Office of Budget and Finance	123	124	122	121	121	121	121	123	113	129
Office of Law	33	33	29	29	29	30	43	45	67	87
Planning & Community Conservation	41	44	44	44	44	44	44	42	39	41
Office of Human Resources	33	44	49	49	48	48	40	37	47	52
Permits, Approvals and Inspections	184	186	188	188	188	188	190	191	196	169
Property Management	291	288	279	270	245	243	243	243	243	248
County Council	36	36	36	36	36	36	36	36	36	36
County Auditor	18	18	18	18	18	17	17	17	17	17
Board of Appeals	9	9	9	9	9	9	9	9	9	9
Information Technology	173	204	209	216	223	225	231	232	236	237
Internal Service Funds	53	50	50	50	49	49	49	49	50	51
Ethics & Accountability	-	-	-	-	-	-	2	2	3	6
HEALTH & HUMAN SERVICES										
Department of Health	521	541	546	581	599	599	625	655	661	727
Social Services	185	185	197	197	206	209	197	203	197	213
Social Services - State	12	10	10	10	10	10	10	10	10	10
Department of Aging	285	283	283	282	238	238	241	235	235	248
Environmental Protection and Sustainability	97	95	91	83	79	79	80	83	84	90
Local Management Board	5	3	3	3	3	4	4	4	4	4
Housing Office	49	48	59	60	60	60	63	66	69	78
RECREATION & COMM. SERV.										
Recreation & Parks	190	189	174	176	176	176	183	183	188	215
Economic Development	11	11	11	11	14	15	17	19	20	21
Community Development Block Grants	28	27	27	27	27	27	27	27	43	54
Workforce Development	44	46	50	47	46	46	44	43	46	43
Organization Contributions	-	-	-	-	-	-	-	-	-	-
PUBLIC WORKS	867	865	865	871	956	957	957	995	1,009	1,027
SUBTOTAL	3,315	3,366	3,376	3,405	3,449	3,452	3,510	3,589	3,662	3,858

(continued)

PUBLIC SAFETY

Baltimore County, Maryland
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Department of Corrections	463	463	463	472	470	485	482	482	484	486
Communications Center	186	190	190	193	193	205	205	205	206	206
Police Department	2,531	2,519	2,527	2,529	2,543	2,557	2,559	2,608	2,615	2,668
Fire Department	1,062	1,062	1,064	1,076	1,076	1,091	1,087	1,120	1,123	1,128
SUBTOTAL	<u>4,242</u>	<u>4,234</u>	<u>4,244</u>	<u>4,270</u>	<u>4,282</u>	<u>4,338</u>	<u>4,333</u>	<u>4,415</u>	<u>4,428</u>	<u>4,488</u>
STATE MANDATED AGENCIES										
Circuit Court	89	91	91	93	92	92	91	94	96	96
Orphan's Court	5	5	5	5	5	5	5	5	5	5
Board Of Elections	12	12	12	12	12	12	12	12	12	12
Board Of Elections - State	26	26	26	26	26	26	26	26	26	26
State's Attorney	120	120	120	123	133	133	136	137	137	142
County Sheriff	95	95	90	90	90	90	90	94	93	93
Liquor License Commission	24	24	24	24	24	24	24	24	24	24
Cooperative Extension	2	2	2	2	2	2	2	2	2	2
Cooperative Extension - State	8	8	8	8	8	8	8	8	8	8
SUBTOTAL	<u>381</u>	<u>383</u>	<u>378</u>	<u>383</u>	<u>392</u>	<u>392</u>	<u>394</u>	<u>402</u>	<u>403</u>	<u>408</u>
EDUCATION, COMMUNITY										
COLLEGE & LIBRARY										
Community College	1,976	1,936	1,929	1,779	1,752	1,701	1,632	1,694	1,640	1,674
Education	14,472	14,626	14,753	15,015	15,228	15,531	15,770	15,904	15,907	16,486
Library	522	478	485	489	489	493	492	493	463	459
SUBTOTAL	<u>16,970</u>	<u>17,040</u>	<u>17,167</u>	<u>17,283</u>	<u>17,469</u>	<u>17,725</u>	<u>17,894</u>	<u>18,091</u>	<u>18,010</u>	<u>18,619</u>
TOTAL	<u>24,908</u>	<u>25,023</u>	<u>25,165</u>	<u>25,341</u>	<u>25,592</u>	<u>25,907</u>	<u>26,131</u>	<u>26,497</u>	<u>26,503</u>	<u>27,373</u>

Source: Baltimore County Office of Budget and Finance Budget Documents

**Baltimore County, Maryland
Operating Indicators by Function
Fiscal Years 2013 - 2022**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
CIRCUIT COURT										
Cases and Appeals Filed										
Civil	17,116	18,008	17,855	18,190	16,489	16,812	16,700	16,700	-	-
Criminal	10,536	10,159	10,158	11,235	15,140	8,577	8,600	8,300	-	-
Juvenile	3,452	2,980	2,777	2,773	2,773	2,617	2,550	2,600	-	-
Custody Mediation & Investigations	816	859	806	838	838	783	650	850	-	-
OFFICE OF STATE'S ATTORNEY										
Defendants Disposed										
New and Reopened Crime Cases	64,520	65,927	63,970	63,500	75,000	22,315	79,000	22,150	-	-
POLICE DEPT. (calendar year)										
Calls for Service	609,026	571,436	582,894	580,000	600,071	618,072	668,736	620,000	-	-
Patrol Car Posts	118	118	118	118	118	118	118	118	-	-
Accidents	-	-	-	-	-	-	-	30,133	28,419	30,000
Calls for Mobile Crisis Team	-	-	-	-	-	-	-	2,689	2,828	2,800
Cases by Vice/Narcotics	-	-	-	-	-	-	-	1,254	1,040	1,100
Cases cleared	-	-	-	-	-	-	-	707	563	635
Fatalities	-	-	-	-	-	-	-	75	72	70
Traffic stops	-	-	-	-	-	-	-	101,641	54,946	80,000
Body worn cameras devices in service	-	-	-	-	-	-	-	1,387	1,529	1,500
Internal affairs investigations	-	-	-	-	-	-	-	129	130	130
FIRE DEPT. (calendar year)										
Fire Calls	30,084	53,211	51,689	54,970	55,761	57,819	62,424	64,366	-	-
Medical Calls	95,724	103,557	108,643	113,382	119,227	120,465	125,611	128,261	-	-
Responses to incidents, career	-	-	-	-	-	-	-	186,761	200,632	201,275
Responses to incidents, volunteer	-	-	-	-	-	-	-	47,531	48,562	48,725
DEPT. OF PERMITS & DEV. MGT.										
Applications, Permits and Licenses										
Building Permit Applications	23,286	28,155	33,857	35,000	11,418	32,583	17,635	9,176	12,606	13,810
Electrical Licenses	4,329	4,204	150	4,500	4,869	4,925	4,900	4,950	11,313	13,023
Plumbing Licenses	3,002	108	2,843	25	3,130	3,150	3,149	3,164	11,342	16,534
Animal Licenses	18,000	13,000	14,054	17,062	19,207	18,000	18,000	20,488	16,235	13,000
Miscellaneous Permits	8,900	8,391	8,104	7,753	7,132	6,839	5,508	7,500	2,170	2,100

(continued)

Starting in FY2020, the County started moving towards a new outcome based budgeting system. Therefore, new performance data is being collected moving forward.

**Baltimore County, Maryland
Operating Indicators by Function
Fiscal Years 2013 - 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
BUREAU OF CORRECTIONS										
Prisoner Days (daily population x 365 days)	518,300	472,373	457,358	441,102	444,091	438,000	456,615	429,000	-	-
Visitors accommodated	-	-	-	-	-	-	-	29,993	7,305	15,000
Controlled dangerous substances interdictions	-	-	-	-	-	-	-	113	374	450
Inmates completing detox program	-	-	-	-	-	-	-	2,346	1,741	2,450
Inmates provided mental health services	-	-	-	-	-	-	-	2,856	2,561	3,000
Inmates supervised in the community	-	-	-	-	-	-	-	2,894	2,934	3,760
COUNTY SHERIFF										
Summons, Writs Served	45,000	44,213	42,043	33,000	23,500	33,000	23,022	25,000	-	-
Monthly hours on court duty	-	-	-	-	-	-	-	1,998	2,218	2,564
Courtroom/hearing rooms requiring coverage	-	-	-	-	-	-	-	2,430	2,462	3,176
Visitors to courthouse	-	-	-	-	-	-	-	399,854	201,285	314,010
Prisoners transported	-	-	-	-	-	-	-	7,503	2,249	4,800
DEPT. OF SOCIAL SERVICES										
Average Caseload										
Temporary Cash Assistance	3,149	2,962	2,969	2,720	2,720	2,309	3,500	2,200	-	-
Transitional Emergency Assist.	1,293	1,798	1,645	1,682	1,982	1,257	1,200	1,100	-	-
Housing Choice Voucher Unit	73,188	73,488	75,918	76,068	76,068	76,068	76,088	76,068	-	-
COMMUNITY COLLEGE										
Equivalent Full Time Students	19,883	19,628	18,234	18,400	16,704	16,517	29,115	15,649	14,561	14,061
DEPARTMENT OF AGING										
Senior Centers Registered Membership	18,000	19,038	19,081	19,870	17,398	21,142	21,988	22,867	-	-
County Ride Trips	70,229	40,963	44,800	54,068	39,836	38,301	40,217	42,228	-	-
Avg daily weekday attendance for Sr. Centers	-	-	-	-	-	-	-	2,332	-	-
Contacts made through MAP	-	-	-	-	-	-	-	35,925	35,234	36,300
Client cases managed by COS and HCBS	-	-	-	-	-	-	-	1,166	1,201	1,170
Grandparent caregivers serviced	-	-	-	-	-	-	-	42	37	37
Home Team clients	-	-	-	-	-	-	-	215	265	265
Individuals attending senior centers	-	-	-	-	-	-	-	14,296	4,413	15,000
Meals served (Congregate Meals)	-	-	-	-	-	-	-	50,413	14,602	43,530
Meals served (Home-Delivered Meals)	-	-	-	-	-	-	-	385,454	351,152	154,293
Volunteer hours	-	-	-	-	-	-	-	156,615	89,624	189,921
Volunteers	-	-	-	-	-	-	-	1,521	1,041	1,291

(continued)

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**Baltimore County, Maryland
Operating Indicators by Function
Fiscal Years 2013 - 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
DEPARTMENT OF HEALTH										
Center Based Services Visits	12,680	11,829	13,453	12,737	12,737	14,242	13,927	13,000	-	-
W.I.C. Nutrition Program Visits	75,000	78,636	79,570	79,000	76,055	75,997	72,000	68,000	-	-
Home Health Visits	10,444	10,270	7,484	10,449	10,449	9,123	10,750	10,000	-	-
Bed nights utilized in recovery housing	-	-	-	-	-	-	-	13,630	6,628	10,000
Individuals served in recovery housing	-	-	-	-	-	-	-	565	145	400
Naloxone kits distributed	-	-	-	-	-	-	-	1,447	422	600
Animals entering Animal Services shelter	-	-	-	-	-	-	-	4,157	5,968	5,000
Animals live leaving Animal Services shelter	-	-	-	-	-	-	-	3,741	4,778	4,500
Number of disease interventions	-	-	-	-	-	-	-	1,485	2,976	9,000
HIV tests performed	-	-	-	-	-	-	-	1,629	1,812	3,100
Patients evaluated	-	-	-	-	-	-	-	599	282	360
Children immunized at BC Health Clinic	-	-	-	-	-	-	-	1,116	2,341	5,400
DEPT. OF EDUCATION										
Student Enrollment	106,885	108,376	109,984	111,126	111,126	113,282	113,814	114,990	116,188	111,120
BOARD OF LIBRARY TRUSTEES										
Books in Library	1,800,000	1,917,385	1,764,617	1,750,000	1,798,810	1,800,238	1,800,238	1,800,500	-	-
Circulation of Materials	10,437,437	11,287,133	11,212,886	11,200,000	11,188,247	10,701,227	10,917,965	10,500,000	-	-
Requests for Information	1,984,668	1,513,434	1,473,342	1,500,000	1,473,307	1,573,520	1,624,449	1,600,000	-	-
Attendance at library programs	-	-	-	-	-	-	-	180,297	28,711	78,094
Account holders	-	-	-	-	-	-	-	468,470	403,087	1,676,717
Items physical circulation	-	-	-	-	-	-	-	6,354,196	2,998,536	6,725,626
Items virtual circulation	-	-	-	-	-	-	-	1,522,893	1,688,732	1,608,222
DEPT. OF PUBLIC WORKS										
Highways										
Miles of Road Paved	2,684	2,689	2,692	2,692	2,700	2,712	2,712	2,716	-	2,715
Miles of Streets Swept	3,800	3,861	1,598	1,917	1,837	1,837	2,087	2,700	-	-
Miles painted	-	-	-	-	-	-	-	1,514	1,817	1,112
Solid Waste										
Refuse Collection Units Served	330,213	331,287	332,463	333,824	331,795	332,673	333,781	334,581	-	-
Tons of Refuse Collected	341,000	348,730	321,426	322,500	319,807	415,083	417,000	419,000	-	-
Traffic Engineering										
Signs Installed and Repaired	15,500	10,960	11,913	12,000	5,850	5,909	5,131	5,500	5,817	7,815
Signals and Flashers Maintained	406	406	406	350	350	379	395	410	-	-
Number of Street Lights	41,650	41,788	41,900	42,392	41,179	42,640	42,817	43,200	-	43,900
Utilities										
Miles of Sanitary Sewer Lines	3,145	3,160	3,164	3,168	3,170	3,175	3,170	3,184	-	2,260
Miles of Water Main	2,108	2,139	2,143	2,146	2,260	1,437	2,266	1,461	-	2,200
Miles of Storm Drain Lines	900	1,393	1,357	1,364	1,442	1,437	1,462	1,461	-	1,501
Capital construction projects	-	-	-	-	-	-	-	29	27	47

(continued)

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**Baltimore County, Maryland
Operating Indicators by Function
Fiscal Years 2013 - 2022**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
RECREATION AND PARKS										
Community Center Participants	280,000	208,159	200,876	229,703	231,033	206,366	239,074	209,368	-	-
Attendance:										
Beaches	42,000	46,120	38,752	32,030	40,773	40,799	40,851	38,181	-	-
Lodge	188,000	167,204	188,355	184,345	169,059	170,809	171,709	162,614	-	-
Fishing Center	28,000	23,704	22,890	38,103	26,003	26,514	26,514	26,074	-	-
Rec and Parks maintenance authorizations	-	-	-	-	-	-	-	643	1,556	1,556
Pavilion reservations	-	-	-	-	-	-	-	192	914	553
Park acres acquired	-	-	-	-	-	-	-	65	32	60
DEPARTMENT OF PLANNING										
County historic tax credits awarded	-	-	-	-	-	-	-	126,315	145,573	130,000
Tax credits awarded in commercial revitalization districts	-	-	-	-	-	-	-	1,786,343	2,031,524	2,594,124
Permits reviewed	-	-	-	-	-	-	-	1,094	1,512	1,200
Plans reviewed	-	-	-	-	-	-	-	178	122	150
Acres preserved	-	-	-	-	-	-	-	969	387	1,076
CENTRAL COMMUNICATION CENTER										
Calls dispatched	-	-	-	-	-	-	-	925,541	973,931	910,523
EMS dispatched calls	-	-	-	-	-	-	-	115,948	119,942	113,617
Fire dispatched calls	-	-	-	-	-	-	-	60,047	54,424	79,053
Police dispatched calls	-	-	-	-	-	-	-	749,516	798,166	718,432

Starting in FY2020, the County started moving towards a new outcome based budgeting system. Therefore, new performance data is being collected moving forward.

Source: Baltimore County Office of Budget and Finance Budget Documents

**Baltimore County, Maryland
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	2014	2015	2016**	2017***	2018	2019	2020	2021	2022	2023
Public safety										
Police stations	10	10	10	10	10	10	10	10	10	10
Fire stations	25	25	25	25	25	25	25	25	25	25
Public works										
Highways and streets										
Streets (miles)	2,684	2,691	2,692	2,705	2,705	2,706	2,706	2,716	2,716	2,715
Streetlights	42,100	42,240	42,255	42,392	42,817	42,817	42,817	43,670	43,866	43,900
Traffic signals	401	401	401	401	401	401	401	401	401	401
Utilities										
Water mains (miles)	2,110	2,112	2,112	2,146	2,260	2,266	2,270	2,198	2,200	2,200
Fire hydrants	13,357	13,370	14,288	13,873	14,444	14,444	14,452	14,555	14,650	14,650
Sanitary sewers (miles)	3,153	3,160	3,164	3,170	3,170	3,170	3,176	2,257	2,258	2,260
Storm drains (miles)	1,423	1,423	1,462	1,458	1,462	1,462	1,452	1,800	1,495	1,501
Solid waste										
Citizen drop-off centers	3	3	3	3	3	3	3	3	3	3
Culture and leisure										
Parks acreage	16,797	16,873	13,202	13,648	13,862	14,067	17,768	17,905	17,974	18,198
Recreation centers	205	206	206	206	205	205	206	206	206	208
Health and human services										
Senior centers	20	20	20	20	20	20	20	20	20	20
Health centers	7	7	7	7	7	7	7	7	8	8

Source: Baltimore County Office of Budget and Finance Budget Documents and Accounting Records

* The large increase in storm drain pipe miles is due to this being the first year using the GIS as a data source.

** The large decrease in park acreage has occurred because prior to FY 2016 park acreage was estimated based on the Maryland State standard calculation of providing 30 acres of parkland per thousand citizens. The number presented above for FY 2016 is the total acres of County owned and leased parks, undeveloped park sites, greenway reservations, and open spaces.

*** The large decrease in fire hydrants reflects the count less private hydrants and those owned by other jurisdictions. Decrease in sanitary sewers reflects no longer including mileage for laterals extending from sewer mains to users.