

**THE COUNTY COMMISSIONERS  
OF KENT COUNTY, MARYLAND  
AGENDA**

**November 6, 2024**

THIS MEETING WAS CANCELED!!

6:00 PM Call to Order/Pledge of Allegiance/Moment of Silence

Meeting Announcements - Time Is Allotted At The End Of Each Meeting For The Commissioners To Receive Comments From The Public

Consent Items

#1 - Regular Session Minutes, October 29, 2024

#2 - Liquor Minutes, October 29, 2024

#3 - Public Hearing Minutes, October 29, 2024

#4 - Closed Session Minutes, October 29, 2024

Special Class C Licenses

2024 PD-48 Chestertown Volunteer Fire Company, Beer and Wine, November 8, 2024

Proclamation

Robyn Brayton, The Old Kent Chapter of the Daughters of the Revolution

Appointments

James Cook, Mayor, and Robert S. Resele, Town Manager, Town of Rock Hall  
Legislative Bond Initiative

Departmental Appointments

Patricia Merritt, Chief Finance Officer, Office of Finance and Chris Lehman, Engagement Partner, SB and Company

FY2024 Audited Financial Statements

Scott Boone, Director, Information Technology

State & Local Cybersecurity Grant Program (SLCGP)  
2022 Sub-Recipient Agreement

County Administrator

Kent Family Center

Fifth Amendment to Lease - Renewal

2025 MACo Legislative Committee Nominations- Member and Alternate

2025 MACo Legislative Committee Nominations

Public Comment/Media Review

Procedures For Public Comment

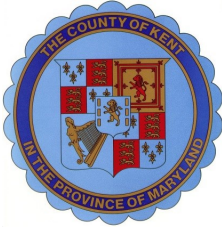
## American Rescue Plan Act Funds

### American Rescue Plan Act (ARPA) Funds Spend Plan

## Contingency Fund

### Contingency and Use of Fund Balance Report

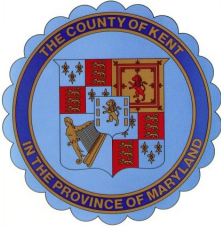
(Meetings are conducted in Open Session unless otherwise indicated. All or part of County Commissioners' meetings can be held in closed session under the authority of the MD Open Meetings Law by vote of the Commissioners. Breaks are at the call of the President. Please note that times listed for specific items on the agenda are only estimates, and that the order of agenda items may change as time dictates or allows. Meetings are subject to audio and video recordings.)



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**#1 - Regular Session Minutes, October 29, 2024  
11/6/2024  
County Commissioners Meeting**

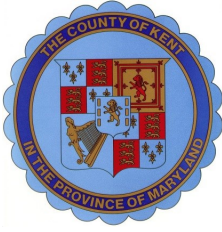
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Description



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**#2 - Liquor Minutes, October 29, 2024  
11/6/2024  
County Commissioners Meeting**

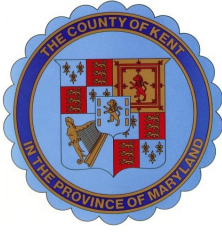
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**#3 - Public Hearing Minutes, October 29, 2024  
11/6/2024  
County Commissioners Meeting**

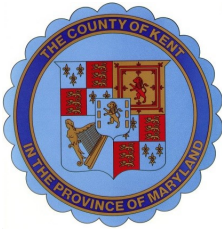
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**#4 - Closed Session Minutes, October 29, 2024  
11/6/2024  
County Commissioners Meeting**

ATTACHMENTS:  
Description



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**2024 PD-48 Chestertown Volunteer Fire Company, Beer and Wine,  
November 8, 2024**

**11/6/2024**

**County Commissioners Meeting**

ATTACHMENTS:

Description

2024 PD-48 Chestertown Volunteer Fire Company, Beer and Wine, November 8, 2024, Application

2024 PD-48

**APPLICATION FOR A SPECIAL CLASS "C" (PER DIEM) LICENSE**

Application is made by the undersigned under the provisions of Sections 4-1202, 4-1208, 4-1209, 24-503, 24-1301, 24-1307 and 24-1308 of the Alcoholic Beverages Article, for a Special Class C (Per Diem) License.

Check One:  Beer  **Beer and Wine**  ~~Beer, Wine, and Liquor~~

We submit and certify to the following information and statements as required.

1. The club, society or association on behalf of which the license is desired:

Chestertown Volunteer Fire Co

Address 211 Maple Ave, Chestertown MD 21620

Type of Function Spaghetti Dinner

Location of Function Chestertown Firehouse

2. This function is operated exclusively for a religious, fraternal, civic, veterans', or charitable organization, association, club, or society; or hospital supporting organization.

3. The applicants are citizens of the United States, not less than twenty-one years of age, and have never been convicted of a felony.

4. The applicants have not had a license for the sale of alcoholic beverages revoked.

5. Have the applicants ever been adjudged guilty of violating the laws for the prevention of gambling in the State of Maryland and/or adjudged guilty of violating the laws governing the sale of alcoholic beverages in the State of Maryland or the United States?  Yes or  No

6. The applicants will, if granted a license, conform to all laws and regulations relating to the business with respect to which such license is desired.

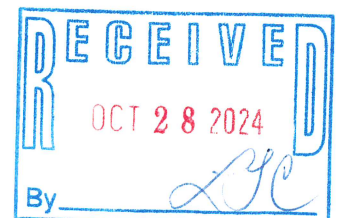
7. The applicants submit herewith a statement duly executed and acknowledged by the owner of the premises in which the business is to be conducted, assenting to the granting of the license applied for, authorizing the Comptroller, his duly authorized deputies, inspectors and clerks, the Board of License Commissioners (if any) for the aforesaid County, its duly authorized agents and employees, and any peace officer of said county, to inspect and search, without warrant, the premises upon which the business is to be conducted, and any and all parts of the premises where said business is to be conducted, at any and all hours.

8. The license for which this application is made is to be for the following day(s) Nov 8, 2024.  
Begin at: 5 pm End at: 8 pm and the applicant tenders herewith the sum of (\$ \_\_\_\_\_ Per Diem) (\$ 15) in payment for the license.

Please Select One:

**Pick Up**

Mail Permit (will be mailed to above address)





STATEMENT OF OWNER/AUTHORIZED AGENT FOR ENTITY OF PREMISES REQUIRED IN CONNECTION WITH ALCOHOLIC BEVERAGES LAWS OF MARYLAND

I HEREBY CERTIFY That I am the owner OR I have been given authorization by the Entity to act on their behalf of the property as an authorized agent named with the submission of this application under the Alcoholic Beverages Laws of Maryland and agree to the issuance of the license. This statement does hereby authorize a warrantless inspection and search of the premises at any time in any part of the building in which the business is to be conducted by the Comptroller, the Commission, the Board of License Commissioners of Kent County, and its authorized agents and employees, or a peace officer of the county or municipality where the business is located.

NAME OF ENTITY: Chesterton Volunteer Fire Co.

OWNER/AUTHORIZED AGENT:

SIGNATURE: Cindy Morris PRINT NAME: Cindy S Morris

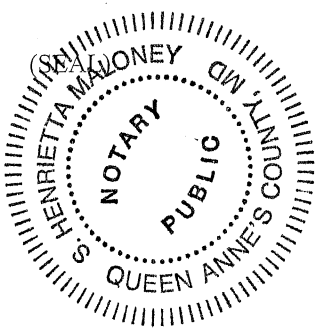
TITLE OF AUTHORIZED AGENT: Secretary

NOTARY  
OWNER/AUTHORIZED AGENT FOR ENTITY OF PREMISES

STATE OF MARYLAND, COUNTY OF Kent

THIS CERTIFIES, That on the 28th day of October, 2024, before the subscriber, a Notary of the State of Maryland, personally appeared Cindy Morris and acknowledged the execution of the foregoing statement to be a true act.

WITNESS my hand and official seal.



S. Henrietta Maloney 2/12/26

9. Applicants

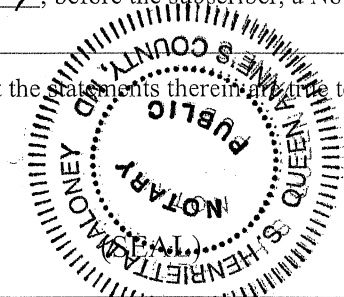
(1) Steven Bilinski 403 N Kent St Chestertown MD 21620  
 Name Residence  
1.8 yrs President 410 3577574  
 Length of Residence in Kent Co. Committee Title Phone No. (Signature of Applicant)

STATE OF MARYLAND

This certifies, that on the 28th day of October, 2024, before the subscriber, a Notary of the State of Maryland, personally appeared Steven Bilinski the applicant(s) named in the foregoing application and made oath in the due form of law that the statements therein are true to the best of (his, their) knowledge and belief.

WITNESS my hand and official seal.

[Signature]  
2/12/26



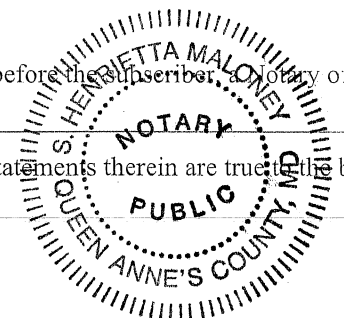
(2) Cindy Morris 108 Walnut St Church Hill MD  
 Name Residence  
QA Secretary 410-708-6357  
 Length of Residence in Kent Co. Committee Title Phone No. (Signature of Applicant)

STATE OF MARYLAND

This certifies, that on the 28th day of October, 2024, before the subscriber, a Notary of the State of Maryland, personally appeared Cindy Morris the applicant(s) named in the foregoing application and made oath in the due form of law that the statements therein are true to the best of (his, their) knowledge and belief.

WITNESS my hand and official seal.

[Signature]  
2/12/26



(SEAL)

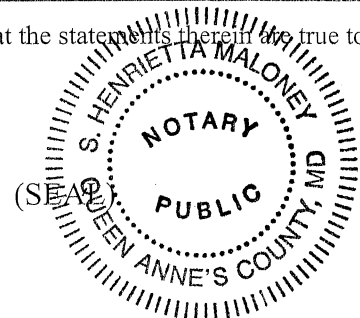
(3) Brad Russum 123 Philosophers Ter Trlr 2 Chestertown, MD  
 Name Residence 21620  
35 years Deputy Chief 410-708-5371  
 Length of Residence in Kent Co. Committee Title Phone No. (Signature of Applicant)

STATE OF MARYLAND

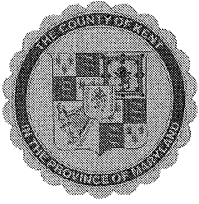
This certifies, that on the 28th day of October, 2024, before the subscriber, a Notary of the State of Maryland, personally appeared Brad Russum the applicant(s) named in the foregoing application and made oath in the due form of law that the statements therein are true to the best of (his, their) knowledge and belief.

WITNESS my hand and official seal.

[Signature]  
2/12/26



(SEAL)



# Board of License Commissioners

Ronald H. Fithian, President | Albert H. Nickerson, Member | John F. Price, Member  
Shelley L. Heller, County Administrator | Thomas N. Yeager, County Attorney

## SPECIAL CLASS "C" (PER DIEM) LICENSE AFFIDAVIT

In applying for this Special Class "C" (Per Diem) License it is important that you realize the responsibility that goes with the issuance of the license. All persons or groups using this license as authorized under Sections 4-1202, 4-1208, 4-1209, 24-503, 24-1301, 24-1307, and 24-1308 of the Alcoholic Beverages Article of the Annotated Code of Maryland are covered by all the laws regarding the sale and consumption of alcoholic beverages. Special care should be taken to be sure the following edicts are adhered to:

1. All persons must be 21 years of age or older to sell, purchase, or consume an alcoholic beverage.
2. All sales and the consumption of alcohol must stop promptly at 2:00 a.m.
3. No intoxicated person shall be served any alcoholic beverages.
4. No unnecessary noise or disturbance that could be a nuisance to the community shall occur.
5. The person(s) responsible for the function must see that order and decorum are kept at all times.
6. The application must be completed by three committee members; one member must be a Kent County resident.
7. License must be prominently displayed at the location where alcohol is being served. Failure to comply with the laws of the State of Maryland may make the responsible person(s) subject to a fine.

~~This license may be issued to a religious, fraternal, civic, veterans', or charitable organization, association, club, or society; or hospital supporting organization. This license shall not be transferred or reassigned.~~

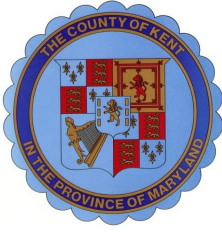
Cost of a Special Class "C" Per Diem License: **Beer \$5.00, Beer and Wine \$15.00, and Beer, Wine, and Liquor \$25.00.** Make checks payable to: **The County Commissioners of Kent County**, along with the completed application.

Name of organization, club, etc. Chestertown Volunteer Fire Co.

Address 211 Maple Ave. PO Box 296 Chestertown, MD 21620

Name Cindy S Morris C. J. Smith  
 (Please Print) (Signature)

Phone # 410-708-6357 Date 10/25/21



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**Robyn Brayton, The Old Kent Chapter of the Daughters of the  
Revolution  
11/6/2024  
County Commissioners Meeting**

**ATTACHMENTS:**

**Description**

11.06.24 Proclamation, National American Indian Heritage Month - November

# *Kent County, Maryland*



## *Proclamation*

### **American Indian Heritage Month November 2024**

- WHEREAS,** The history and culture of our great nation have been significantly influenced by American Indians and Indigenous peoples, and
- WHEREAS,** The contributions of American Indians have enhanced the freedom, prosperity, and greatness of America today; and
- WHEREAS,** Their customs and traditions are respected and celebrated as part of a rich legacy throughout the United States; and
- WHEREAS,** Native American Awareness Week began in 1976, and Congress expanded recognition and was approved by President George Bush in August 1990, designating November as National American Indian Heritage Month.
- NOW, THEREFORE, WE, THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND,** do hereby proclaim November 2024, “**AMERICAN INDIAN HERITAGE MONTH**”.

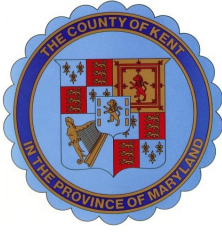
THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND

Ronald H. Fithian, President

Albert H. Nickerson, Member

John F. Price, Member

November 6, 2024



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**James Cook, Mayor, and Robert S. Resele, Town Manager, Town of  
Rock Hall  
11/6/2024  
County Commissioners Meeting**

**Item Summary:**

Legislative Bond Initiative

**ATTACHMENTS:**

**Description**

LBI Process Briefing

Bond Request Fiteration Project 394595

Bond Request Match 375250

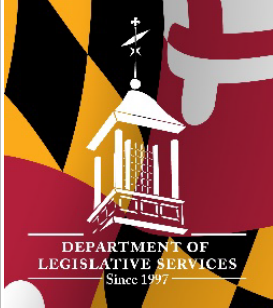
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# How to Request a Legislative Bond Initiative

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**Updated 2022**



# What Is a Legislative Bond Initiative?

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Legislative Bond Initiatives (LBI), formerly referred to as bond bills, are bond authorization requests filed by members of the Maryland General Assembly (MGA) to support specific local or non-State-owned capital projects.

Although not submitted as part of the Governor's capital budget, the authorization to fund an LBI is provided in the State's annual capital budget bill.

The Department of Legislative Services (DLS) reviews LBI requests in accordance with the rules and procedures established by MGA.





# Project Eligibility

## A project must

### 1. be capital in nature (land and/or structures),

such as

Real Property Acquisition  
Project Planning & Design  
Construction & Renovation

### 2. have a State or local public purpose,

like a

Community Center  
Health Facility  
Museum  
Recreational Facility

### 3. have a 15-year service life

**Additionally,** a Grantee must own the property to be improved with the grant funds or have a long-term lease of at least 15 years. Otherwise, the State will require the property owner either be a co-grantee or agree to be a beneficiary in the grant agreement with the State.

## Funds may not be used for:

Religious/sectarian purposes  
Operating expenses  
Certain Non-Capital Equipping  
or Furnishings



# Project Prioritization

- **Project Readiness**

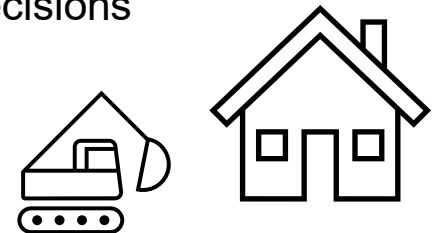
- 🕒 Adequate funding plan that demonstrates the availability and commitment of sufficient non-State funding sources to complete the project
- 🕒 Project schedule that supports the expeditious use of State grant funds. Project requests that can demonstrate that State grant funds will be expended within two years of authorization are given priority
- 🕒 Encumbrance and expenditures deadlines can be met within seven years of authorization unless otherwise specified in an act of the General Assembly)

- **Alternative funding sources**

- 🕒 Applicants that can demonstrate the availability of non-State funding sources are given priority in making funding decisions

- **Employment creation/retention**

- **Delegation support**





# LBI Process: Request Form

## Initiation of the Process

- Organizations must arrange legislative sponsorship.
- Members must complete an LBI Request Form and submit the form via email to [LegislativeBondInitiative@mlis.state.md.us](mailto:LegislativeBondInitiative@mlis.state.md.us)
- Members receive an email receipt upon submission of the Request Form.
- The Request Form is available on the MGA website under the Budget tab, then Bond Initiatives and then Documents, or on the members' floor system.
- **The name of the grantee must match the name that is on record with the State Department of Assessments and Taxation (SDAT).** Legal entity information can be found at <https://egov.maryland.gov/BusinessExpress/EntitySearch>

**Maryland General Assembly Legislative Bond Initiative Request Form**  
Click here for [Guidelines](#)

**Project Information**

Project Name: \_\_\_\_\_  
 Project Location County: \_\_\_\_\_  
 Project Location Address: \_\_\_\_\_ (Street)  
 \_\_\_\_\_ (City, MD Zip)

Please list the year of any previous bond bills or initiatives for this project:  
 \_\_\_\_\_

Total Amount Requested: \$ \_\_\_\_\_

Briefly describe the purpose and reason for the project:  
 \_\_\_\_\_

**Applicant Information**

Legal Name of Grantee: \_\_\_\_\_  
(If a corporation or non-profit organization, give name exactly as registered with the State Department of Assessments and Taxation: <https://egov.maryland.gov/BusinessExpress/EntitySearch>. If a local government, give legal name as chartered.)

Legal Status of Grantee:  Corporation  Non-profit  Local government  Other  
 If other, please explain: \_\_\_\_\_

Grantee is governed by:  Board of Directors  Board of Trustees  Other  
 If other, please explain: \_\_\_\_\_

Does the project, project property or recipient have any religious affiliation or involvement?  Yes  No

**Project Contact Information:**

Project Contact Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 Project Contact Email: \_\_\_\_\_  
 Project Contact Phone: \_\_\_\_\_

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**Sponsor Information – TO BE FILLED-IN BY SPONSOR STAFF ONLY**

Lead Sponsor  Senator or  Delegate  
 Lead Sponsor Name: \_\_\_\_\_ Email: \_\_\_\_\_

**Co-Sponsors Information (2 max)**

Co-Sponsor 1 Name: \_\_\_\_\_ Email: \_\_\_\_\_  
 Co-Sponsor 2 Name: \_\_\_\_\_ Email: \_\_\_\_\_

(Opposite Chamber)

Cross-File Sponsor Name: \_\_\_\_\_ Email: \_\_\_\_\_  
 Cross-File Sponsor 2 Name: \_\_\_\_\_ Email: \_\_\_\_\_  
 Cross-File Sponsor 3 Name: \_\_\_\_\_ Email: \_\_\_\_\_


**Please submit this form from sponsor's email to [LegislativeBondInitiative@mlis.state.md.us](mailto:LegislativeBondInitiative@mlis.state.md.us).**




# LBI Process: Request

- An LBI Request Form internally generates the next document, the Legislative Bond Initiative Request Document (the “Green Sheet”).
- A set of four copies of each Request Document is provided to the sponsor for introduction.
- Sponsor will deliver signed Documents to the Secretary of the Senate/Chief Clerk of the House for introduction during a floor session. (Only “clean” Request Documents are accepted – no handwritten changes.)
- LBIs must be requested by the 27th day (Senate) and the 31st day (House) as “guarantee” dates. As with Bills, the 55th day is the final day for introduction without suspension of the rules.

Appendix 4  
2020 Legislative Bond Initiative





The following Legislative Bond Initiative is submitted for the General Assembly’s consideration for funding.

<b>Sponsor</b>	Delegate Kirill Reznik	
<b>Synopsis</b>	Requesting the creation of a State Debt in the amount of \$400,000, the proceeds to be used as a grant to the Board of Directors of Residential Continuum, Inc. for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of RCI group homes, located in Montgomery County.	
	<u>Name</u>	<u>Signature</u>
<b>Sponsor</b>	Delegate Kirill Reznik	_____
<b>Co-Sponsor</b>	Co-sponsor1	_____
<b>Co-Sponsor</b>	Co-Sponsor2	_____

**Instructions:** This is an official Legislative Bond Initiative (LBI) document.  
Please sign where indicated and obtain the signatures of any cosponsors.  
Please note there is a maximum of three sponsors per LBI.  
Once all signatures have been obtained, the document can be delivered to the Secretary of the Senate/Chief Clerk for formal introduction.

**NOTE:** If you need changes made to the LBI document before it is introduced, the **changes must be approved** and entered into the LBI System by the **Department of Legislative Services (DLS)**. The Secretary of the Senate/Chief Clerk will **NOT** accept a document for introduction that includes changes not approved by DLS. To have any necessary changes approved, please email Valerie Kwiatkowski at: [valk@mlis.state.md.us](mailto:valk@mlis.state.md.us). Once changes have been made a new LBI document will be printed and delivered to the sponsor.



# LBI Process: Introduction

- Upon submission of an LBI, an introductory LBI letter is created to be read across the desk during a floor session and entered into the proceedings
- Once an LBI is entered into the proceedings, it is made available in a report on the MGA website under the Budget tab by selecting Bond Initiatives
  - The report displays all member LBIs but can be filtered by individual member. Each member's bill page also contains a link to the LBI report
- When an LBI is read across the desk and entered the proceedings, an email is sent to the requesting lead sponsor contact with instructions for completing an LBI Fact Sheet. The sponsor is responsible for sending the Fact Sheet to the requestor – designated grantee contact
- The email provides a PDF copy of the *Guidelines for the Submission of Legislative Bond Initiative Requests to the General Assembly of Maryland*. These guidelines are also available on the MGA website under the Budget tab by selecting Bond Initiatives and then Documents



# LBI Process: Fact Sheet

- **After** the LBI is introduced, the Fact Sheet is submitted electronically by **March 7<sup>th</sup>** through the fact sheet system
- It provides information to the legislature to make funding decisions – failure to submit a Fact Sheet may result in a decision not to fund a project
- **Sponsors** will receive an email from DLS that provides a link and access to the applicant's Fact Sheet; this email should be forwarded to the grantee. Information in fields one through nine are locked and cannot be changed by the applicant.
- Brevity is as important as accuracy

State Of Maryland Bond Initiative Fact Sheet		
1. Name Of Project		
2. Senate Sponsor		3. House Sponsor
4. Jurisdiction (County or Baltimore City)		5. Requested Amount
6. Purpose of Bond Initiative		
the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of		
7. Matching Fund		
Requirements:		Type:
Grant		
8. Special Provisions		
<input type="checkbox"/> Historical Easement		<input checked="" type="checkbox"/> Non-Sectarian
9. Contact Name and Title		Contact Ph#
10. Description and Purpose of Organization (Limit length to visible area)		



# LBI Process: Tracking

- LBI status can be tracked from the MGA website:  
<https://mgaleg.maryland.gov/mgawebsite/Budget/BondInitiatives>
- As each LBI is introduced and entered into the proceedings, the *Introduction of Legislative Bond Initiatives Report* is populated (available on the Budget tab by selecting Bond Initiatives). This report is also linked to each sponsor's bill page
- LBI Fact Sheets can be accessed and viewed and funding decisions tracked
- Prior session versions of the *Introduction of Legislative Bond Initiatives Report* can be accessed from the MGA website under the Search & Archives tab, selecting Bond Initiatives, and using the dropdown menu to select a year



# LBI Process: Tracking (Cont.)

Legislative Services | Legislative Audits

Search

MEMBERS
COMMITTEES
MEETINGS
LEGISLATION
BUDGET
LAWS
FLOOR ACTIONS
SEARCH & ARCHIVES

Charts

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Analyses

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Legislation

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Bond Initiatives

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Publications

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Related Links

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About

## Bond Initiatives

Funding

Documents

Sponsors

Print

Filter:

Showing 1 to 50 of 241 entries

Project Name	Status	House Sponsors	Senate Sponsors	County	Amount Requested	House Initiative	Senate Initiative	Other Funding	Total Funding
600 Frederick Road Facility	Introduced	Hill	Lam	Baltimore	\$200,000	\$200,000			\$200,000
A Wider	Introduced	Solomon	Waldstreicher	Montgomery	\$50,000	\$50,000			\$50,000





# Legislative Schedule

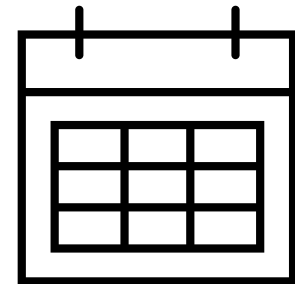
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- **December 1 Until the First Day of Session**
  - Sponsors may begin to request LBIs. All LBIs requested before the first day of session will be available to the sponsor on the first day of session
- **First Day of Session Until Bill Introduction Date**
  - LBIs must be requested by the 27<sup>th</sup> day (Senate) and the 31<sup>st</sup> day (House) as “guarantee” dates
- **Bill Introduction Date Until the Last Day of Session**
  - DLS guarantees the sponsor will have what they need by the 55<sup>th</sup> day to drop signed LBI Request Forms with the clerks for introduction. After the 55<sup>th</sup> day, the clerk will accept LBI’s, but introduction will require the suspension of the rules



# Legislative Schedule (Cont.)

- **Mid-March**
  - Senate Budget and Taxation Committee and House Appropriations Committee hold hearings on LBIs
- **March/April**
  - Budget committees vote on LBIs
  - Both chambers vote on the final package of LBIs as part of the capital budget
- **June 1**
  - Effective date for LBIs



# Post Authorization Grant Process



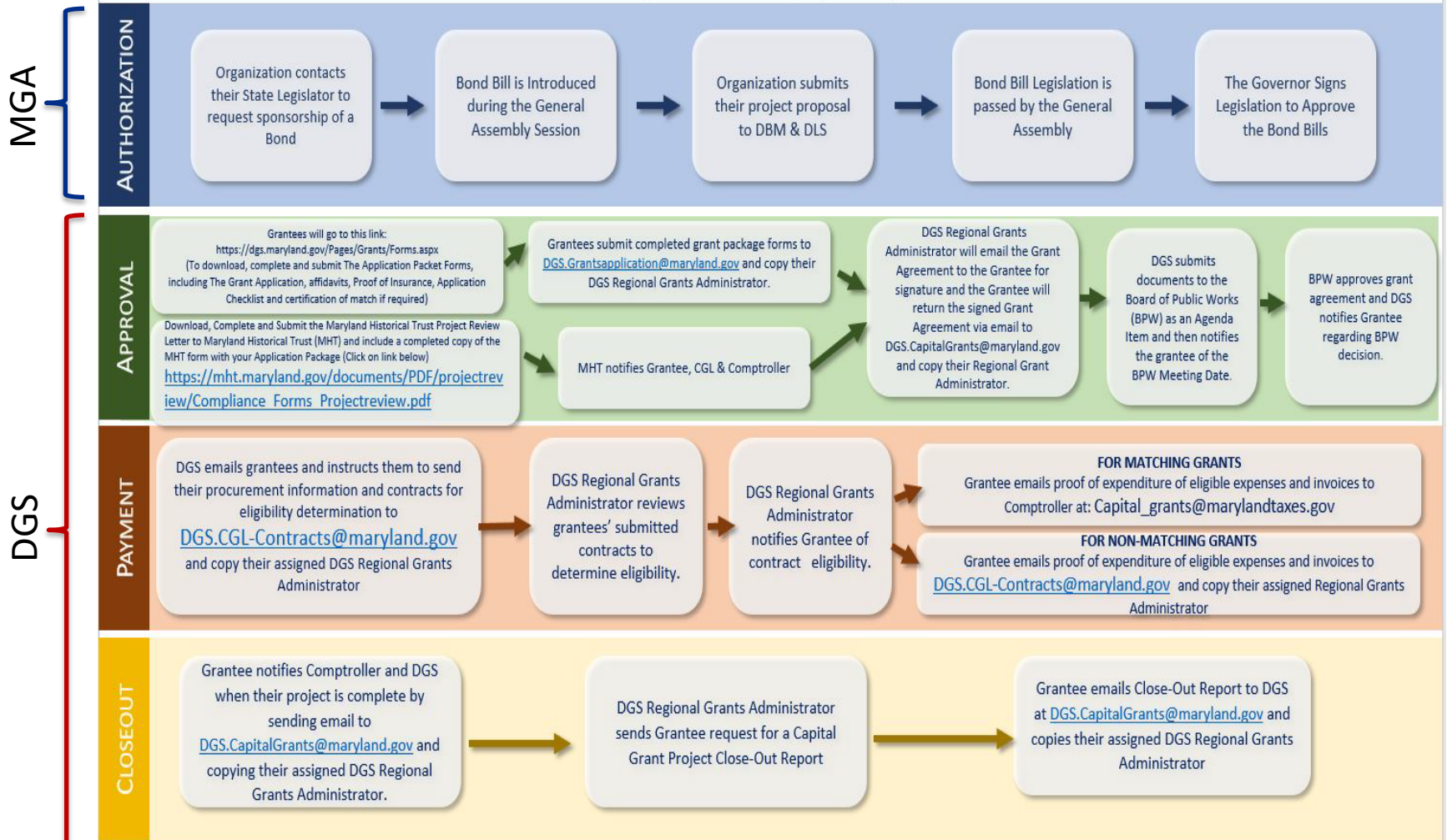
- Following official designation of an LBI as a State capital grant, grantees work with the Department of General Services (DGS) to obtain grant funds
- Grantees must enter into a grant agreement with the State – administered by DGS
- Although the Board of Public Works (BPW) ultimately determines whether a grantee has met all grant requirements, DGS is the point of contact for grantees post legislative authorization

Information regarding the DGS grant process is available from their website at:

<https://dgs.maryland.gov/Pages/Grants/index.aspx>



# Flow Chart of Process





# Termination Provisions

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- Authorizations may terminate in whole or in part
  - if the grantee fails to enter into a grant agreement with the State within two years
  - if the grantee fails to certify a matching fund, if required, within two years
  - if funds remain unencumbered and unexpended seven years after authorization unless otherwise specified in an act of the General Assembly
- Termination notification
  - DGS sends notification letters to the grantee contacts and any legislative sponsor each January and again approximately 30 days prior to any BPW actions to terminate



# Important Publications and Links

- Guidelines for the Submission of Legislative Bond Initiative Requests to the General Assembly of Maryland:  
<http://mgaleg.maryland.gov/pubs-current/current-bond-initiative-submission-guidelines.pdf>
- Legislative Bond Initiative Request Form:  
<https://mgaleg.maryland.gov/pubs-current/current-bond-initiative-info-sheet.pdf>
- Submit the completed request form to:  
[LegislativeBondInitiative@mlis.state.md.us](mailto:LegislativeBondInitiative@mlis.state.md.us)
- Department of General Services Grants Guide:  
<https://dgs.maryland.gov/Pages/Grants/index.aspx>
- Maryland Capital Grants Projects Information for State of Maryland Capital Grant Recipients:  
[https://dgs.maryland.gov/Documents/grants/CGL\\_Booklet.pdf](https://dgs.maryland.gov/Documents/grants/CGL_Booklet.pdf)



# Maryland General Assembly Legislative Bond Initiative Request Form

Click here for [Guidelines](#)

## Project Information

Project Name: Water Treatment Plant Filtration  
Project Location County: Kent  
Project Location Address: 5768 Liberty Street (Street)  
Rock Hall, Md 21661 (City, MD Zip)

Please list the year of any previous bond bills or initiatives for this project:  
none

Total Amount Requested: \$ 394,595.00

Briefly describe the purpose and reason for the project:

Rock Hall's Water Treatment Plant filtration process failed. Town invested \$97,782.00 to install temporary filtration system until inspection of current filters. Current filters were not able to be repaired and upgraded. Quotes (3) were received to demo and replace filtration system.

## Applicant Information

Legal Name of Grantee: Town of Rock Hall - U07894470  
*(If a corporation or non-profit organization, give name exactly as registered with the State Department of Assessments and Taxation: <https://egov.maryland.gov/BusinessExpress/EntitySearch>. If a local government, give legal name as chartered.)*

Legal Status of Grantee:  Corporation  Non-profit  Local government  Other  
If other, please explain: \_\_\_\_\_

Grantee is governed by:  Board of Directors  Board of Trustees  Other  
If other, please explain: Mayor and Council of Rock Hall

Does the project, project property or recipient have any religious affiliation or involvement?  Yes  No

## Project Contact Information:

Project Contact Name: Robert S Resele Address: PO Box 367  
Project Contact Email: \_\_\_\_\_  
Project Contact Phone: 443-480-1297 Rock Hall, Md  
21661

## Sponsor Information – TO BE FILLED-IN BY SPONSOR STAFF ONLY

Sponsor  Senator or  Delegate

Sponsor Name: \_\_\_\_\_ Email: \_\_\_\_\_

### Co-Sponsors Information (2 max)

Co-Sponsor 1 Name: \_\_\_\_\_ Email: \_\_\_\_\_

Co-Sponsor 2 Name: \_\_\_\_\_ Email: \_\_\_\_\_

### (Opposite Chamber)

Cross-File Sponsor Name: \_\_\_\_\_ Email: \_\_\_\_\_

Cross-File Sponsor 2 Name: \_\_\_\_\_ Email: \_\_\_\_\_

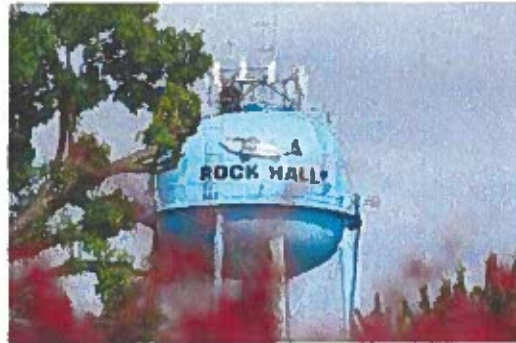
Cross-File Sponsor 3 Name: \_\_\_\_\_ Email: \_\_\_\_\_

Please submit this form from sponsor's email to [LegislativeBondInitiative@mlis.state.md.us](mailto:LegislativeBondInitiative@mlis.state.md.us).



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An EXIGENT Company



## Yardley Water Filter Final Installation

Installation of a permanent water filter solution for the Town of Rock Hall

**Submitted Date:** 0/00/00

**Prepared By:**  
John Davis

**Office Location:**

**Prepared For:**  
The Town of Rock Hall Maryland

**o:** 240.241.5060  
**c:** 240.517.4186  
**e:** [jdavis@jpgservicesinc.com](mailto:jdavis@jpgservicesinc.com)

**Maryland:**  
8280 Stayton Dr. Ste M  
Jessup, MD 20794

**Virginia:**  
7072 Tech Circle  
Manassas, VA 20109

**Organization:**

**Address:**

**POC:**

**Phone**

**Email**

Rock Hall, MD  
21447 Rock Hall Ave, P.O. Box  
367, Rock Hall, MD 21661  
Robert Resele  
410-639-7611  
[rresele@rockhallmd.gov](mailto:rresele@rockhallmd.gov)





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October 8, 2024

Town of Rock Hall  
Robert S. Resele, Town Manager  
21447 Rock Hall Ave  
Rock Hall, MD 21661

Re: Installation of a permanent water filter solution for the Town of Rock Hall

Bob,

At JPG Services, providing excellence in customer service is our number one goal. We are your go-to for full-service HVAC, plumbing, mechanical, and industrial VAC services with responsive, safe, sophisticated, and reliable solutions. We invest in new technology and a highly trained workforce to resolve complex issues. In an emergency or for ongoing maintenance, JPG Services' seamless integration of expertise, safety, and customer service ensures your business continues to run and provides critical services.

Thank you for allowing JPG Services the opportunity to earn your business. Please review the scope of work and pricing and contact us with any questions or changes in scope.

**John L. Davis** *Industrial VAC Director*

c 240.517.4186

e [jdavis@jpgservicesinc.com](mailto:jdavis@jpgservicesinc.com) w [jpgservicesinc.com](http://jpgservicesinc.com)

24/7 Emergency Service 240.241.5060 d x114



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**Summary Description (Scope of Work):**

**Value**

**Stabilization Phase:**

S.1. LOTO valves at the water tower and drain the discharge pipe within the plant.

S.2. Disconnect the 8" discharge pipe, install a stainless steel 8×6" flange reducer with a 6" shut-off valve and a 6×4" T Fitting, then assemble a 4" shut-off valve and isolation valve on each leg of the T Fitting.

S.3. Abandon the existing black steel pipe beyond the new fitting (for demolition).

S.4. Restore maximum water storage in the tower.

S.5. Shut down the plant pumps and disconnect the 3" flange fittings on the pump manifold above the existing check valves. Then, assemble a new 4" stainless steel manifold with isolation valves and a 3×4" stainless flange fitting for connection to the filter vessel.

S.6. Reconnect the temporary filter system to the new flange connections and restore flow within the plant.

**Demolition Phase:**

D.1. Issue a Hot Work Permit and establish fire watch and fire suppression measures. Review the AHA for the Demolition Phase with all team members and customer representatives.

D.2. Cut the existing black steel pipe, anchors, and supports and remove all pipe and valves from the pump house as soon as possible.

D.3. Clean the existing tanks to remove water and media and dispose of all materials at the customer's lagoon facility as directed by the customer representative.

D.4. Cut an access area into each tank for confined space entry and final cleaning.

D.5. Issue a confined space entry permit and make safe entry into any tank requiring entry for final cleaning.

D.6. Transfer all demolition spoils with a suitable mechanical loader to a 30-yard roll-off container outside the plant at the side gate area.

D.7. Remove the large sand filter tank from the plant wall penetration (others will remove the wooden surround) and dispose of the material.

D.8. Clean the trash and debris from the demolition work and prepare the pump house's interior to install the new filter vessel.

**Installation Phase:**

I.1. Mobilize the lifting equipment to receive the filter vessel and associated media and fittings.

I.2. Move the filter vessel into the pump house through the opening at the back of the building left by the removed tank.

I.3. Fill the filter vessel with media and connect to the 4" flange fittings using the existing 4" stainless steel flexible hose.

I.4. Operate the filter to stabilize the media and backwash before taking water samples for safety testing.

I.5. Once water quality is certified by testing (the customer will provide the testing), remove the temporary equipment from the site, clean the work area, and demobilize the temporary filter.

The construction of an overhead door from the existing lintel to close the opening at the back of the building will be completed by others.

**THE TOTAL INVESTMENT FOR THIS PROJECT**

**\$394,595.00**

**Our price is calculated on the following conditions:**

- All work will be performed during regular working hours. This proposal does not include the cost of overtime work. Regular working hours are Monday through Friday, 6 am - 5 pm, with one full day calculated off 8 hours in any working day.
- If the client or its agent requests that more than eight (8) hours be worked in any one day, overtime rates will be applied.

**The following are excluded:**

- Permits
- Water Quality and Safety Testing
- Any labor not explicitly mentioned above.
- Insulating water piping
- Unforeseen conditions
- Painting, patching, ceiling work, roof work, core boring, and or any type of concrete cutting
- Inoperable valves within the water plant.
- Performance bond
- Engineered Design and or drawings.
- Structural analysis/ modifications of any kind
- Fluctuation of commodities prices such as steel, copper, refrigerant, etc...
- Repairs to pumps, piping or panels, or pit components.
- Handling of any Regulated Hazardous Materials
- Asbestos removal/abatement and containment.
- Delays, interruptions, or lack of access (including lack of access to locked areas).

**Terms:**

Any changes to the proposal and this scope of work by a Regulatory Agency Owner or Owner's Authorized Representative will alter this price.

This proposal includes applicable sales tax, necessary labor, miscellaneous materials, trade coordination, and project management to complete this project.

This pricing does not include any additional labor not mentioned above that is necessary because of non-functioning valves, fires, accidents, unforeseen conditions, or any delays beyond JPG's reasonable control will be billed on a Time and Material (T&M) basis.

It is further understood that: (A) At its sole discretion, JPG Services, Inc. reserves the right to issue a progress invoice to the Customer for any accrued labor, services, equipment, and material costs after any billing period, notwithstanding the completion percentage regarding the agreed upon scope of work, and (B) This proposal is good for 30 days from the above-referenced date.

The agreement will have a one (1) year term and can be canceled with thirty (30) days' notice by either party. Payment terms are net 30.

Authorized Signature: Robert S. Resele Date: 9-31-2024

Print Name: Robert S. Resele

***We look forward to working with you on this project.  
Please feel free to call if you have any questions  
or need further information.***



10/28/2024

Town of Rock Hall  
21447 Rock Hall Ave  
Rock Hall, MD 21661

Via Email to Robers S. Resele, Town Manager

Re: Town Sand Filter (domestic water) condition report

Thank you for the opportunity to provide industrial VAC solutions and services for your facilities. We are pleased to submit the following report of findings from our September 4, 2024 Maintenance Investigation.

Summary of Intended Scope: Bypass the town water filter ("Horizontal Filter") with a modular temporary filter ("Yardley") and clean the sand bed media from the Horizontal Filter to prepare it for media replacement.	
Date of the Maintenance Investigation	September 4-5, 2024
Conclusion of the Maintenance Investigation (final assessment)	Horizontal Filter has structurally failed

Comments:

A team of JPG technicians bypassed the Horizontal Filter to allow it to be opened for inspection and to remove the existing (spent) media. On inspection, the sand media was found to be fused with significant amounts of iron deposits, preventing the media bed from being fully removed.



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In addition, significant iron deposits accumulated on the interior surfaces of the filter vessel, and some portions of the vessel baffles have deteriorated and broken away from the tank wall, rendering them ineffective.

As a result of these conditions, the Horizontal Filter could not be rehabilitated without cutting the tank open, rebuilding the baffles, and restoring the media. The condition of the steel that comprises the tank is so deteriorated that a proper repair could not be guaranteed.

For this reason, JPG recommended removing the Horizontal Filter and the associated steel pipes that supply water to and from the vessel and installing a permanent filter system consistent with the Yardly unit.

Photos of the tank condition(s) are attached.

**John L Davis** *Industrial VAC Director*

c 240.517.4186 d x114

e [jdavis@jpgservicesinc.com](mailto:jdavis@jpgservicesinc.com) w [jpgservicesinc.com](http://jpgservicesinc.com)

24/7 Emergency Service 240.241.5060



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HVAC  
Industrial VAC**



PACP, MACP, LACP  
Certificate U-0519-070304881

Headquarters  
8260 Patuxent Range Rd  
Jessup, MD 20794

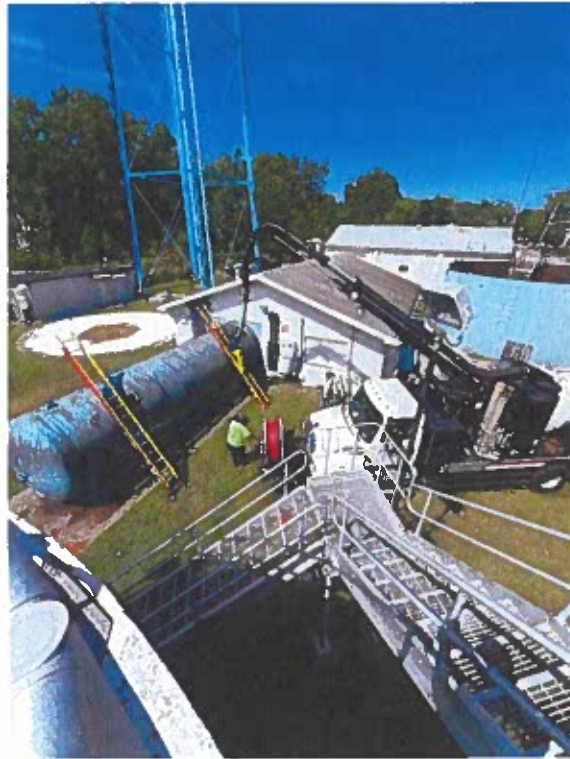
Virginia Office  
7072 Tech Circle  
Manassas, VA 20109

**John Davis**

**JPG Plumbing and Mechanical, Inc.**

**10/29/2024 | 16 Photos**

# Photos of Horizontal Filter Investigation



# Tank and Media Conditions

General Conditions are noted in comments

1



Shows the deterioration of the distribution header at the top of the horizontal tank

Project: Rock Hall Water Filter Rebuild

Date: 9/4/2024, 11:16am

Creator: John Davis

2



Media and iron flake

Project: Rock Hall Water Filter Rebuild

Date: 9/4/2024, 11:19am

Creator: John Davis

3



distribution header

Project: Rock Hall Water Filter Rebuild

Date: 9/4/2024, 11:38am

Creator: John Davis



4



Distribution header - the pipe is brittle to the touch

Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 11:55am  
Creator: John Davis

5



Media conditions

Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 11:57am  
Creator: John Davis

6



Cracks in the interior black-steel pipes inside the Horizontal Filter

Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 11:57am  
Creator: John Davis



Interior conditions

Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 11:59am  
Creator: John Davis

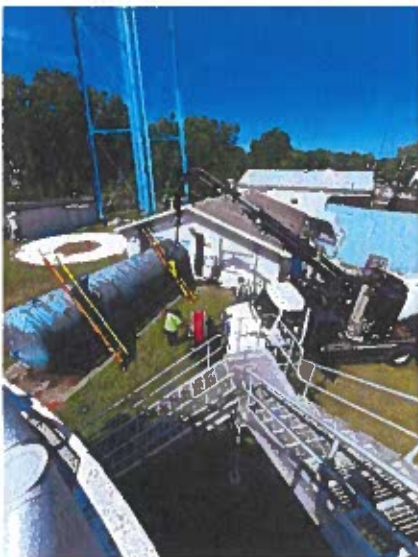
8



Interior conditions

Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 12:01pm  
Creator: John Davis

9



Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 1:37pm  
Creator: John Davis

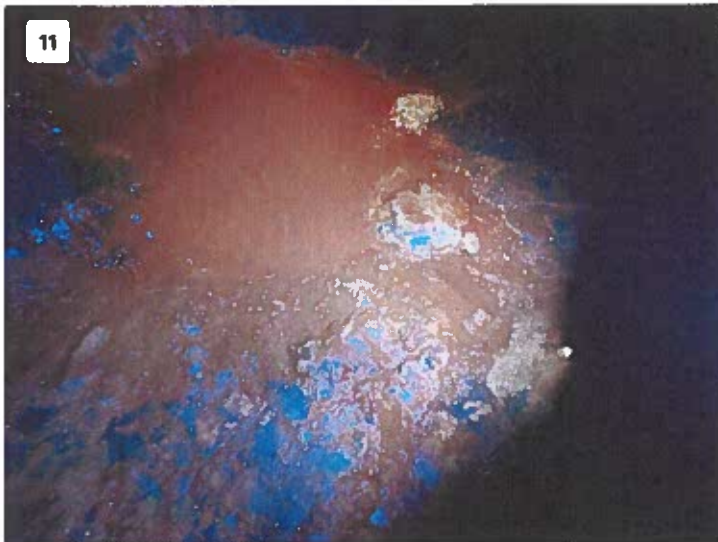
10



Accumulated Iron

Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 2:10pm  
Creator: John Davis

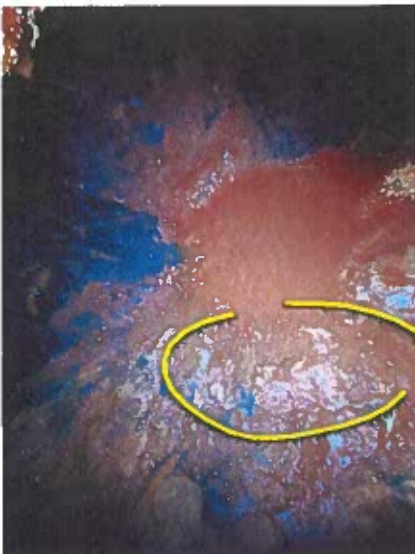
11



Media bed

Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 2:14pm  
Creator: John Davis

12



Media bed with large iron accumulation

Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 2:14pm  
Creator: John Davis

13



Flakes of solidified iron sediment and flaking steel from the tank walls

Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 2:24pm  
Creator: John Davis

14



Removing water from the Horizontal Filter

Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 3:29pm  
Creator: John Davis

15



The back of the final baffle wall

Project: Rock Hall Water Filter Rebuild  
Date: 9/4/2024, 3:31pm  
Creator: John Davis

16



A portion of the baffle that has broken free

Project: Rock Hall Water Filter Rebuild

Date: 9/4/2024, 3:31pm

Creator: John Davis



June 10, 2024

Via Email: rresele@rockhallmd.gov

Robert S. Resele, Town Manager  
21447 Rock Hall Ave  
Rock Hall, MD 21661

Re: Proposal - 54" Water Filtration Unit for Bypass and filter media removal and investigation of existing sand filter vessel.

Thank you for the opportunity to provide industrial water quality and VAC solutions and for your municipality. We are pleased to submit the following proposal, including our Scope of Work and comments for a next-step strategy.

<b>Summary Description of PHASE ONE: Provide a 54" sand-filter to bypass the town's original sand-filter vessel; allow for media removal and investigation of vessel conditions; provide sand-filter bypass during investigation and rebuilding of the original vessel.</b>	
Provide all labor, equipment, and materials to complete PHASE ONE	\$97,782.00

Scope of work:

1. Coordinate with the customer-designated point of contact to schedule all service.
2. Prefabricate NSF61 Approved Hoses and fittings for connecting temporary equipment.
3. Prefabricate and 3X rinse a Yardley 4-Pod 54-inch Diameter Sand filter (hereafter referred to as, "Yardley") for installation.
4. Deliver the Yardley for installation on customer's site outside of the pump room.
5. Conduct an onsite Safety Review and complete a JHA and review with the team.
6. Prepare the Yardley for installation and verify proper functionality and readiness.
7. Disconnect the inlet and outlet pipes from the town's existing sand filter vessel by disconnecting the flange fittings on each leg of the system.

8. Cut the 6" steel inlet header pipe and weld a flange in place, allowing for reconnection with the inlet pipe when the bypass has been completed.
9. "Blind" the 6' flange during the bypass to protect the interior of the pipe.
10. Make new flange connections at each leg and assemble copper pipe to and through the window of the pump room for connection(s) to the Yardley.
11. Connect the inlet and outlet pipes via CAM fittings to NSF61 approved flexible hoses for connection to the Yardley filter.
12. Construct cribbing as needed to support pipe and construct a wooden ramp over the flexible hoses and power cable(s) in pedestrian traffic areas near the pump room doorway to protect against tripping hazards.
13. Stabilize all new piping with pipe hangers/supports.
14. Temporarily close the window area around the pipe penetrations with plywood.
15. Operate the Yardley and begin water quality testing and data collection.
16. After the Yardley has demonstrated a suitable water quality level is maintained by its operation, mobilize the appropriate VAC equipment to the customer site to remove the sand filter media from the original vessel.
17. Establish a safe work area around all equipment and mark the area with safety cones.
18. Conduct an on-site safety review and JHA (ladder safety and confined-space-entry awareness; chemicals stored on site).
19. Evacuate the media and debris from the original sand-filter vessel.
20. Spent media disposal will be on-site or at such other location as designated by the authorized customer representative.
21. Use (customer-supplied) hose-bib water connection to clean the vessel thoroughly for inspection and structural evaluation.
22. Inspect the vessel to look for any defects or structural issues with CCTV if possible.
23. Render the vessel safe and complete a service report for Phase ONE.

#### Notes on the intent for Phase TWO:

1. There are conditions within the original sand-filter vessel and in the associated steel pipes that can not be ascertained until Phase ONE of the project has begun.
2. Provided that the original sand-filter vessel is intact and interior conditions support rebuilding that unit, the volume, and composition of media will be proposed under a separate document, within one (1) day of the final determination of condition(s).
3. The proposal for rebuilding the original sand-filter will include all replacement media and media installation, as well as the reconnection of the 6" steel inlet header.
  - a. The condition of the steel pipe and the amount of pipe deterioration will not be known until the pipe is cut as part of the bypass installation.

- b. Pipe segment(s) may need to be replaced for a permanent repair.
- c. Estimates for pipe replacements, as needed, will be included as a separate line-item in the Phase TWO proposal.
4. If the original sand-filter is not a candidate for rebuilding an option will be proposed to install the Yardley on a permanent basis.
5. The intent is to evaluate the original sand-filter vessel and arrive at a decision as quickly as possible and minimize the need for the Yardley as a bypass solution.
6. JPG and its agents will provide any necessary documentation or expert testimony to support the client's internal approval process for any portion of this project.

The following are excluded:

- Repairs to piping or panels.
- Handling of any Regulated Hazardous Materials
- Asbestos removal/abatement and containment.
- Insulation of pipes or sand-filter components.
- Electrical work.
- Delays, interruptions, or lack of access (including lack of access to locked areas).

Any changes to this proposal or the scope of work by the Owner or their Authorized Representative will alter this price. This proposal is valid for thirty (30) days and includes sales tax, trade permits if required, necessary labor, miscellaneous materials, trade coordination, safety planning, and project management. This price does not include the removal of any hazardous materials.

This contract may require the pumping and disposal of regulated waste generated by the customer, known in this case as "Generator." The generator acknowledges that it is fully liable for its generated waste even after JPG has pumped it. If a designated disposal facility refuses to accept any waste from the Generator or, after testing, finds that the Generator's waste contains unacceptable levels of contaminants or toxic materials such as PCB contamination; then, in that case, the Generator shall bear full responsibility for all additional disposal and decontamination charges, including any fines or fees of any kind imposed by the designated disposal facility. Any increase in disposal charges imposed by the disposal facility during the term of this contract shall be added to and increase the per-service event cost.





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This proposal shall become binding only upon your acceptance below. JPG shall not be responsible for the damage or delay due to fires, accidents, or other causes beyond its reasonable control. This Agreement will automatically renew at the end of the original term unless it is canceled as provided for herein. Payment terms are net 30. JPG reserves the right to bill invoices based on the progress of the work.

Authorized Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Thank you again for the opportunity,

**John L Davis** *Industrial VAC Director*

c 240.517.4186 d x114

e [jdavis@jpgservicesinc.com](mailto:jdavis@jpgservicesinc.com) w [jpgservicesinc.com](http://jpgservicesinc.com)

24/7 Emergency Service 240.241.5060



**Plumbing  
HVAC  
Industrial VAC**

Headquarters  
8260 Patuxent Range Rd  
Jessup, MD 20794

Virginia Office  
7072 Tech Circle  
Manassas, VA 20109

# 4-Pod 54-inch Diameter Sandfilter

## Product Description

Skid mounted high rate automatic backwashing sand media filter (4 tanks (pods)) designed for general-purpose water filtration of organic and inorganic solids (Yardney Model # IL5424-4AS3). Powered by 110 V external power supply, or battery with solar cell recharge for remote operation.

### WEIGHTS AND MEASURES

» Capacity:	.....	504 – 756 gpm (Normal flow range) 1000 gpm (Peak flow)
» Design Press:	.....	80 psi maximum
» Temperature:	.....	Limit to ambient. Consult Baker if temperature exceeds 100 degrees.
» Filtration:	.....	To 50 microns
» Height:	.....	7'-7" (overall)
» Width:	.....	5'-0"
» Length:	.....	20'-1" (skid length) 21'-3" (incl. pipe overhang on end of unit)
» Weight:	.....	4,900 lbs. – equipment only 14,500 lbs. – media only 26,900 lbs. - operational
» Backflush:	.....	240 gpm, automatic

### OPERATING REQUIREMENTS

» Compressed Air:	.....	5 cfm minimum at 60 psi supplied by integrally mounted compressor.
» Sand Media:	.....	Crushed silica, 0.47MM (#80 grit)
» Gravel Media:	.....	#3 crushed rock, ½" x ¾"
» Input Power:	.....	Selectable input power of customer supplied 110 V AC, or 12V DC from a unit mounted solar package.
» Output Power:	.....	12V DC

### FEATURES

» System Controller:	.....	Automatic Filter Controller. Flush activation based on elapsed time and/or pressure differential.
» Piping:	.....	Inlet & outlet pipe is 6" A53B, 3/16" wall; weld fittings are A234; flanges are A106. Backflush piping is 4" schedule 40 PVC.
» Solar Panel:	.....	Uni-Solar Model UA-5 (5 watts) module.
» Press. Gauge:	.....	2" face, ½" NPT bottom connection, stainless steel case, plexiglass lens, brass bourdon tube, 0-100 psi range.

### FEATURES – con't

» Flowmeter:	.....	Six-inch propeller type meter, AWWA C704-92 compliant. Instantaneous flowrate indicator and six-digit totalizer. Accuracy is ±2% of reading. Repeatability of 0.25%. Rated at 90-1200 gpm, 150 psi, 160°F. Tube: epoxy-coated carbon steel; Impeller: high-impact plastic.
» Butterfly Valves:	.....	<u>Effluent / Influent:</u> 6" with cast iron body (epoxy coated), EPDM seal, 304 SS stem and aluminum bronze disc. <u>Tank Isolation:</u> 4", grooved ends, EPDM disc coating
» Ball Valves:	.....	Four-inch, bronze body and brass ball; seat is carbon/glass-filled PTFE. ¼ turn open or close.
» Solenoid Valve:	.....	12V DC, normally closed type 7121V (energizing opens valve).
» Differential Press. Switch:	.....	0-30 psid. Two-inch dial, plated steel case, ±3% accuracy.
» Air / Vacuum Release Valve:	.....	2" valve, mounted on backwash, influent and effluent lines
» Battery:	.....	Sealed rechargeable lead-acid, 12V, NP2.6-12
» Battery Charger:	.....	Power-Sonic Model PSC-12500A, 12 volts.
» Tubing:	.....	Pressurized – ½" 304 ss w/ Hoke fittings; Drain - ½" polypropylene; Vent – schedule 80 PVC

### SURFACE DETAILS

» Interior Coating:	.....	3M Skotchkote 134
» Exterior Coating:	.....	High Gloss Polyurethane

### WETTED MATERIALS (for material compatibility check)

Carbon Steel*	.....	Pod shell and heads; piping; flowmeter
304 Stainless Steel	.....	Pressurized tubing
Cast Iron	.....	Butterfly valves
EPDM	.....	Butterfly valve seats & disc coating
Bronze/Brass	.....	Ball valves
PVC	.....	Vent tubing
3M Skotchkote 134	.....	Vessel lining

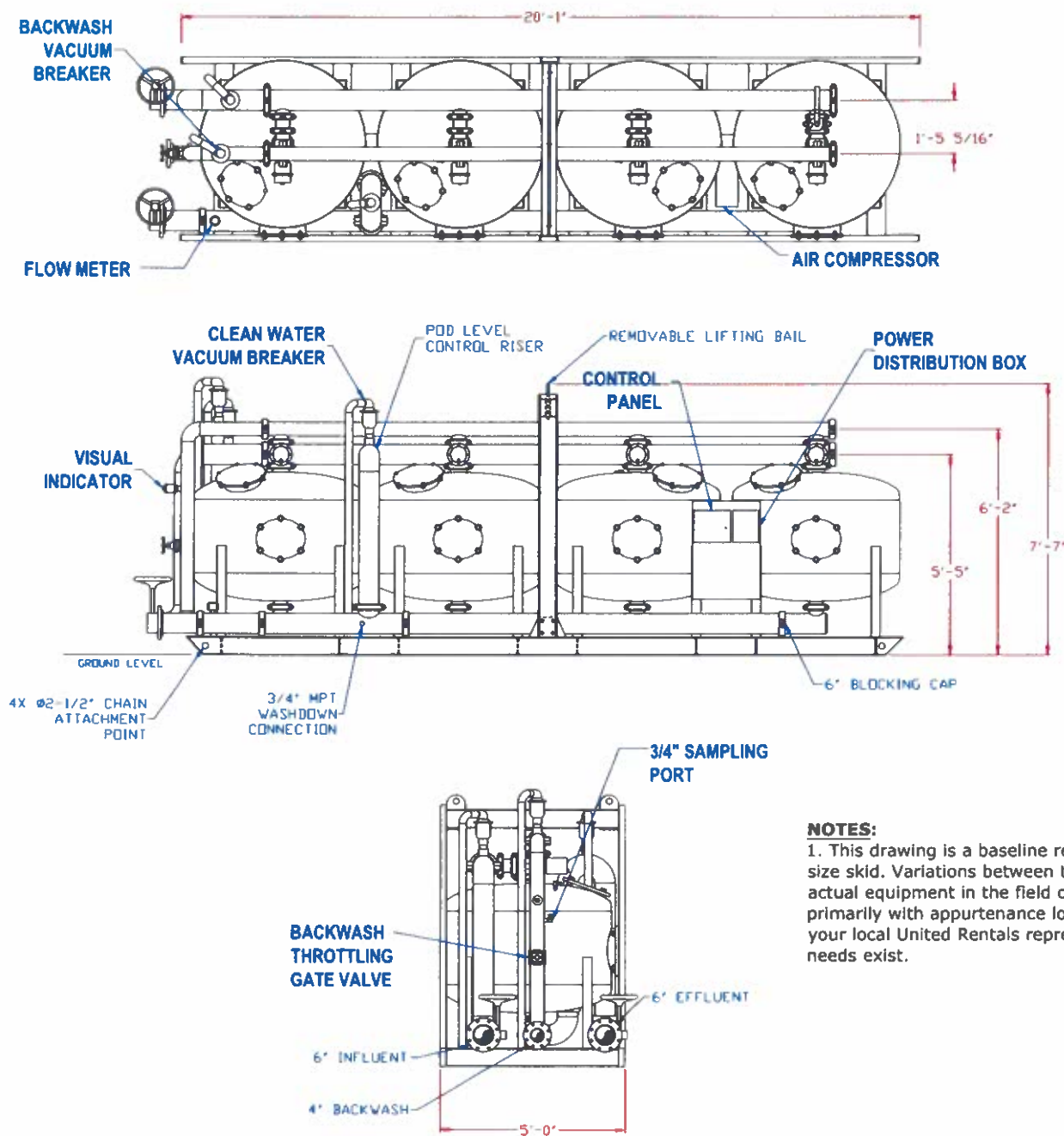
\*Theoretically if the vessel has an interior liner, no carbon steel should be exposed to the liquid. However, if there are areas of thin or missing liner, bare carbon steel will be exposed. It is always a good idea to check compatibility of carbon steel even if the vessel interior is lined.



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# 4-Pod 54-inch Diameter Sandfilter



**NOTES:**

1. This drawing is a baseline representation for this size skid. Variations between this drawing and the actual equipment in the field can exist, primarily with appurtenance locations. Consult your local United Rentals representative if specific needs exist.



100 First Stamford Place, Ste 700  
Stamford, CT 06902 | USA

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# Maryland General Assembly Legislative Bond Initiative Request Form

Click here for [Guidelines](#)

## Project Information

Project Name: Town of Rock Hall  
Project Location County: Kent  
Project Location Address: 21447 Rock Hall Avenue (Street)  
Rock Hall, 21661 (City, MD Zip)

Please list the year of any previous bond bills or initiatives for this project:

None

Total Amount Requested: \$ 375,250

Briefly describe the purpose and reason for the project:

25 % Match funding for Pump Stations (1,2,3) replacement from Congressional Directed Spending of \$1,501,000

## Applicant Information

Legal Name of Grantee: Town of Rock Hall - U07894470  
*(If a corporation or non-profit organization, give name exactly as registered with the State Department of Assessments and Taxation: <https://egov.maryland.gov/BusinessExpress/EntitySearch>. If a local government, give legal name as chartered.)*

Legal Status of Grantee:  Corporation  Non-profit  Local government  Other

If other, please explain: \_\_\_\_\_

Grantee is governed by:  Board of Directors  Board of Trustees  Other

If other, please explain: Mayor and Council of Rock Hall

Does the project, project property or recipient have any religious affiliation or involvement?  Yes  No

## Project Contact Information:

Project Contact Name: Robert S Resele Address: PO Box 367 Rock Hall, MD 21661  
Project Contact Email: rresele@rockhallmd.gov  
Project Contact Phone: 443-480-1297

## Sponsor Information – TO BE FILLED-IN BY SPONSOR STAFF ONLY

Sponsor  Senator or  Delegate

Sponsor Name: \_\_\_\_\_ Email: \_\_\_\_\_

### Co-Sponsors Information (2 max)

Co-Sponsor 1 Name: \_\_\_\_\_ Email: \_\_\_\_\_

Co-Sponsor 2 Name: \_\_\_\_\_ Email: \_\_\_\_\_

### (Opposite Chamber)

Cross-File Sponsor Name: \_\_\_\_\_ Email: \_\_\_\_\_

Cross-File Sponsor 2 Name: \_\_\_\_\_ Email: \_\_\_\_\_

Cross-File Sponsor 3 Name: \_\_\_\_\_ Email: \_\_\_\_\_

Please submit this form from sponsor's email to [LegislativeBondInitiative@mlis.state.md.us](mailto:LegislativeBondInitiative@mlis.state.md.us).

**AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES—Continued**

[Community Project Funding/Congressionally Directed Spending]

Pursuant to this Act, for contents identified in the "Account" column as "Rural Community Facilities Program Account", the specified amounts will be executed out of the Nonrecurring Expenses Fund under the same authorities and conditions as amounts made available in the second paragraph under the heading "Rural Community Facilities Program Account".

Agency	Account	Project	Recipient	Location	Amount	Requestor(s)		Origination
						House	Senate	
Rural Utilities Service	Rural Water and Wastewater Disposal Grants	Water Infrastructure Improvements	Village of Mill Shoals, IL	IL	3,000,000	Bost		H
Rural Utilities Service	Rural Water and Wastewater Disposal Grants	Elevated Water Tank Rehabilitation	Village of Newark	IL	369,000	Underwood		H
Rural Utilities Service	Rural Water and Wastewater Disposal Grants	Water Infrastructure Improvements	Saline Valley Conservancy District	IL	800,000	Bost		H
Rural Utilities Service	Rural Water and Wastewater Disposal Grants	Muhlenberg County Landfill	Muhlenberg County, KY	KY	2,000,000	Guthrie		H
Rural Utilities Service	Rural Water and Wastewater Disposal Grants	Wastewater Improvements	St. Mary Parish Government	LA	1,750,000	Higgins (LA)		H
Rural Utilities Service	Rural Water and Wastewater Disposal Grants	Water Infrastructure Improvements	Town of Rock Hall, MD	MD	1,501,000	Harris	Cardin, Van Hollen	H
Rural Utilities Service	Rural Water and Wastewater Disposal Grants	Wastewater Improvements	Town of Greensboro, MD	MD	5,000,000	Harris	Cardin, Van Hollen	H

# Rock Hall Sewage Pumping Stations Nos. 1, 2 & 3 Upgrades

## Project Purpose & Summary

### **Proposed Project**

The existing pump stations will be converted from wet well/dry well system to suction lift pump stations. The existing wet wells will be cleaned, repaired, and recoated internally. The mid-level grating platform will be removed. The wet well's ventilation system will be replaced. The existing standby generator will be refurbished. The existing dry well will be decommissioned. A foundation will be built at the appropriate high water level elevation, with input from Maryland Coast Smart C.R.A.B. for a new packaged suction lift pumping station, to be installed and connected to the existing wet well. Piping will be installed to connect the new suction lift pump station to the existing wet well and to the existing force main. A new power service connection will be installed to supply power to the new suction lift pump station. The new packaged suction lift pump station will come with its own control system but will need to be connected to a new SCADA panel for remote monitoring. Bypass pumping will be in service during the upgrade process. A mounted diesel bypass pump will be installed on the site and plumbed into the wet well and force main.

### **Need for Project**

The existing sewage pumps, piping and control systems at these stations are at the end of their usable life and in need of replacement. In addition, the existing dry wells are approximately 20 feet below ground and filled with electrical components, making it very unsafe to enter. The existing dry well's piping is leaking along with the pipe's concrete penetrations. At several of these stations, only one (1) pump is in operation resulting in no redundancy. The stations are routinely bypassed due to

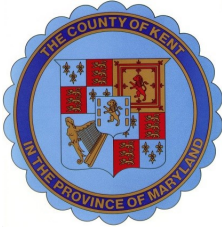
pump failures. The standby generators are not operational at all stations. The control system is basic and there is no connectivity outside the pump station grounds. To continue to operate this way will jeopardize the health of the drainage system directly adjacent to the pump stations since overflows are imminent. Due to the existing sites being within three miles of shellfish waters and a public swimming beach, additional measures will need to be taken for the resiliency of the station to natural disasters and sea level rise.

**ROCK HALL WASTEWATER PS #1, #2, and #3 UPGRADE**  
**ENGINEERS PRELIMINARY PROJECT COST ESTIMATE**



Item/Structure	Quantity		Construction Estimate	
	Number	Unit	Unit Cost	Total
General Conditions (8% Constr. Costs)	1	LS	\$139,200	\$139,200
Mobilization (5% Constr. Costs)	1	LS	\$87,000	\$87,000
Erosion & Sediment Control	1	LS	\$5,000	\$5,000
Temporary Bypass Pumping	90	Days	\$1,500	\$135,000
<b>Subtotal</b>				<b>\$366,200</b>
<b>COMMON IMPROVEMENTS</b>				
Well Well Rehab	3	LS	\$50,000	\$150,000
Generator Rehab	3	LS	\$20,000	\$60,000
Dry Well Decommissioning	3	LS	\$25,000	\$75,000
<b>Subtotal</b>				<b>\$285,000</b>
<b>MECHANICAL</b>				
New Packaged Pump Station	3	LS	\$300,000	\$900,000
Foundation for New Pump Station	3	LS	\$20,000	\$60,000
New Yard Piping	3	LS	\$30,000	\$90,000
New Bypass Pump	3	LS	\$75,000	\$225,000
<b>Subtotal</b>				<b>\$1,275,000</b>
<b>ELECTRICAL</b>				
New PS Power Connection	3	LS	\$15,000	\$45,000
New SCADA Panel	3	LS	\$45,000	\$135,000
<b>Subtotal</b>				<b>\$180,000</b>
<b>Total Construction Costs</b>				<b>\$1,740,000</b>
<b>Contingency (15%)</b>				<b>\$261,000</b>
<b>Total Project Cost</b>				<b>\$2,001,000</b>





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**Patricia Merritt, Chief Finance Officer, Office of Finance and Chris  
Lehman, Engagement Partner, SB and Company  
11/6/2024  
County Commissioners Meeting**

**Item Summary:**

FY2024 Audited Financial Statements

**ATTACHMENTS:**

Description

Cover Page

FY24 General Fund Financial Statements

Kent County Audit Results Presentation - 2024

11.06.24 Annual Comprehensive Financial Report, For Fiscal Year Ended June 30, 2024



**General Fund**  
**Statement of Revenues and Expenditures**  
**As of June 30, 2024**

	<u>July - Jun Budget</u>	<u>July - Jun Actual</u>	<u>\$ Fav/Unfav</u>	<u>% Fav/Unfav</u>
<b><u>Revenues</u></b>				
Property Tax	34,046,285	34,199,006	152,721	
Income Tax	17,260,000	20,020,098	2,760,098	
Recordation Tax	1,615,000	1,648,653	33,653	
Property Transfer Tax	945,000	1,031,709	86,709	
Other Local Taxes	543,000	488,256	(54,744)	
Service Charges	640,613	753,713	113,100	
Intergovernmental Revenue	1,846,151	1,783,246	(62,905)	
Licenses & Permits	343,228	340,075	(3,153)	
Fines & Forfeitures	7,000	9,288	2,288	
Loss/Sale of Fixed Assets	22,738	68,227	45,489	
Notes Issued	231,275	231,275	-	
Lease Proceeds	530,428	576,513	46,085	
Other	845,532	1,305,417	459,885	
<b>Total Revenue</b>	<b>58,876,250</b>	<b>62,455,476</b>	<b>3,579,226</b>	<b>6%</b>
<b><u>Expenditures</u></b>				
Board of Education	19,654,557	19,654,557	-	
Salaries & Benefits	22,043,013	20,152,882	1,890,131	
Operating Expenditures	6,898,257	6,280,725	617,532	
Allocations	4,946,170	4,943,345	2,825	
Debt Service	1,627,661	1,587,164	40,497	
Capital Expenditures	1,514,981	1,449,932	65,049	
Software Subscriptions	78,400	117,600	(39,200)	
Leases	611,820	673,455	(61,635)	
Transfers to Other Funds	2,041,782	1,441,231	600,551	
Contingency	400,000	233,595	166,405	
<b>Total Expenditures</b>	<b>59,816,641</b>	<b>56,534,486</b>	<b>3,282,155</b>	<b>5%</b>
<b>Excess/(Deficiency) Revenues</b>				
<b>Over Expenditures</b>	<b>(940,391)</b>	<b>5,920,990</b>	<b>6,861,381</b>	

**General Fund  
Explanation of Major Variances  
June 30, 2024**

<u>Revenues</u>	<u>Fav/(Unfav)</u>
Income Tax .3% increase over FY23	2,760,098
Other Interest income	459,885
Property tax 5% increase over FY23	152,721
Service Charges Recreation fees, U.S. Bureau of Prisoners	113,100
Property Transfer Tax 17% increase over FY23	86,709
Lease Proceeds Enterprise vehicle leases	46,085
Loss/Sale of Fixed Assets Sale of vehicles	45,489
Recordation Tax 15% increase from FY23	33,653
Other Local Taxes 911 fees	(54,744)
Intergovernmental Revenue Mosquito control, K&QA rescue squad, detention center grant	(62,905)
Other Licenses & permits, fines & forfeitures	(865)
<b>Total Revenues</b>	<b><u>3,579,226</u></b>

**General Fund  
Explanation of Major Variances  
June 30, 2024**

<u>Expenditures</u>	<u>Fav/(Unfav)</u>
Salaries & Benefits	
Full time - Sheriff's Office, Highways & Streets	720,990
Retirement Plans - CORS, LEOPS, MSRP	525,928
Health Benefits	384,378
Seasonal	191,022
Election workers salaries and benefits	123,197
Social Security	75,412
Workers Compensation	46,616
Leave Payout - Sheriff's Office, Emergency Medical Service	(91,742)
Overtime - Emergency Medical Service, Detention Center	(115,812)
Other	30,142
	<hr/> 1,890,131
Operating	
Sheriff's Office	140,735
Highways & Streets	94,608
Election Office	61,573
Environmental Operations	59,266
Detention Center	51,429
Buildings & Grounds	38,019
Planning & Zoning	31,608
Information Technology	30,665
Circuit Court	22,446
Other	87,183
	<hr/> 617,532
Transfers to Other Funds	
Grants - Worton & Millington WWS projects	306,531
Water Wasterwater Services - vacant position	239,049
Kent Family Center	31,271
Local Management Board	8,074
Other	15,626
	<hr/> 600,551
Contingency	166,405
Capital Expenditures	
Circuit Court - Courthouse	51,632
Other	13,417
	<hr/> 65,049
Other	<hr/> (57,513)
<b>Total Expenditures</b>	<hr/> <b>3,282,155</b> <hr/>

## Financial Ratios

	<u>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>
Unassigned Fund Balance	14,193,572	12,651,192	9,253,569	8,907,882	5,632,467	4,617,326	3,716,656	5,296,459
General Fund Expenditures	<u>56,534,486</u>	<u>58,078,470</u>	<u>51,145,976</u>	<u>51,806,362</u>	<u>54,407,251</u>	<u>47,564,792</u>	<u>50,411,646</u>	<u>47,409,846</u>
% of General Fund Expenditures	25.1%	21.8%	18.1%	17.2%	10.4%	9.7%	7.4%	11.2%
Debt Service	1,647,685	1,508,082	1,640,774	2,178,955	6,825,246	1,783,558	1,739,586	1,739,566
General Fund Expenditures	<u>56,534,486</u>	<u>58,078,470</u>	<u>51,145,976</u>	<u>51,806,362</u>	<u>54,407,251</u>	<u>47,564,792</u>	<u>50,411,646</u>	<u>47,409,846</u>
% of General Fund Expenditures	2.9%	2.6%	3.2%	4.2%	12.5%	3.7%	3.5%	3.7%
% of General Fund Expenditures without unusual items**					3.8%			

\*\* Excludes following unusual debt services expenditures

\$4,788,414 - FY2020 refinancing

# S B & COMPANY, LLC

**PRESENTATION TO THOSE CHARGED WITH GOVERNANCE**



County of Kent  
Maryland

**November 6, 2024**



# Agenda for Discussion

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■ Introductions

---

Executive Summary

---

Audit Approach

---

Required Communications





# Introductions



County of Kent  
Maryland

# Introductions



- ❖ **SB & Company, LLC Leadership Team**

- **Chris Lehman, Audit Partner**



# Executive Summary



County of Kent  
Maryland



# Scope of Services

- **Audit of June 30, 2024, financial statements**
- **Performance of the Uniform Guidance Single Audit**
- **Audit of the Schedule of 9-1-1 Revenue and Expenditures**
- **Agreed-upon procedures for Municipal Solid Waste Landfills**
- **Agricultural Land Preservation**
- **Review of the Uniform Financial Report**
- **Review of the Data Collection Form**
- **Available for year-round consultation**



# Summary of the Results

- **Issued an unmodified opinion on the financial statements**
- **We did not discover any instances of fraud**
- **We did not discover any material weaknesses in internal controls**
- **We received full cooperation from management**
- **No audit adjustments noted**



# Audit Approach



County of Kent  
Maryland

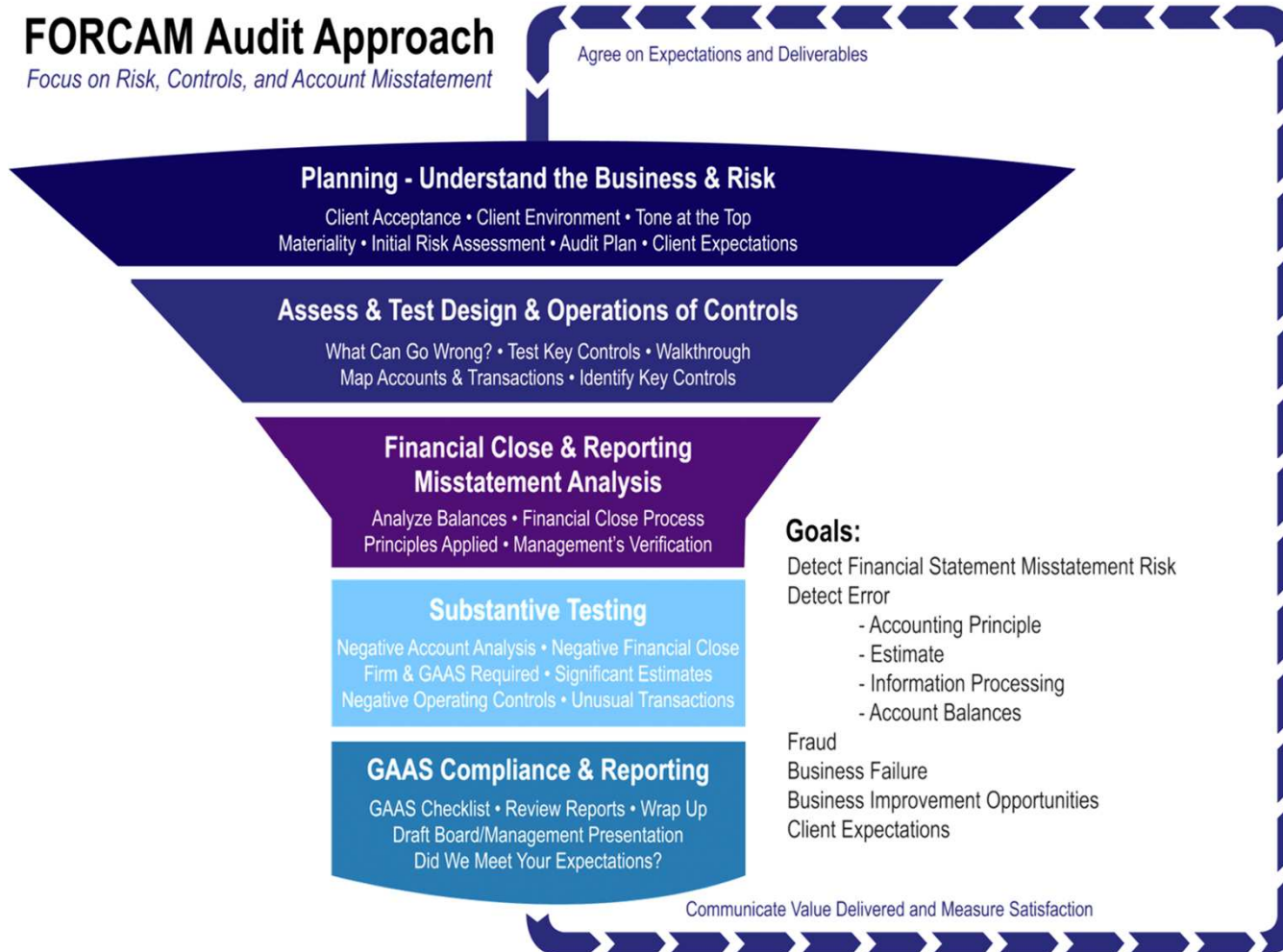
# Audit Approach



## FORCAM Audit Approach

*Focus on Risk, Controls, and Account Misstatement*

Agree on Expectations and Deliverables



# Assessment of Control Environment



Area	Points to Consider	Our Assessment
<b>Control Environment</b>	<ul style="list-style-type: none"> <li>• Key executive integrity, ethics, and behavior</li> <li>• Control consciousness and operating style</li> <li>• Commitment to competence</li> <li>• Board's participation in governance and oversight</li> <li>• Organizational structure, responsibility, and authority</li> <li>• HR policies and procedures</li> </ul>	Effective
<b>Risk Assessment</b>	<ul style="list-style-type: none"> <li>• Mechanisms to anticipate, identify, and react to significant events</li> <li>• Processes and procedures to identify changes in GAAP, business practices, and internal control</li> </ul>	Effective
<b>Information &amp; Communication</b>	<ul style="list-style-type: none"> <li>• Adequate performance reports produced from information systems</li> <li>• Information systems are connected with business strategy</li> <li>• Commitment of HR and finance to develop, test, and monitor IT systems and programs</li> <li>• Business continuity and disaster recovery for IT</li> <li>• Established communication channels for employees to fulfill responsibilities</li> <li>• Adequate communication across organization</li> </ul>	Effective
<b>Control Activities</b>	<ul style="list-style-type: none"> <li>• Existence of necessary policies and procedures</li> <li>• Clear financial objectives with active monitoring</li> <li>• Logical segregation of duties</li> <li>• Periodic comparisons of book-to-actual and physical count-to-books</li> <li>• Adequate safeguards of documents, records, and assets</li> <li>• Assess controls in place</li> </ul>	Effective
<b>Monitoring</b>	<ul style="list-style-type: none"> <li>• Periodic evaluations of internal controls</li> <li>• Implementation of improvement recommendations</li> </ul>	Effective





# Evaluation of Key Processes



Process	Function		A	B	C	D	Our Assessment
<b>Treasury</b>	<ul style="list-style-type: none"> <li>Cash Management</li> <li>Investment Monitoring</li> <li>Investment Policy</li> </ul>	<ul style="list-style-type: none"> <li>Investment Accounting</li> <li>Investment Valuation</li> <li>Reconciliation</li> </ul>	✓	✓	✓	✓	
<b>Estimation</b>	<ul style="list-style-type: none"> <li>Methodology</li> <li>Information</li> <li>Calculation</li> </ul>		✓	✓	✓	✓	
<b>Financial Reporting</b>	<ul style="list-style-type: none"> <li>Accounting Principles and Disclosure</li> <li>Closing the Books</li> <li>Report Preparation</li> </ul>	<ul style="list-style-type: none"> <li>General Ledger and Journal Entry Processing</li> <li>Verification and Review of Results</li> </ul>	✓	✓	✓	✓	
<b>Expenditures</b>	<ul style="list-style-type: none"> <li>Purchasing</li> <li>Receiving</li> <li>Accounts Payable and Cash Disbursement</li> </ul>		✓	✓	✓	✓	

<b>A</b>	Understand the Process
<b>C</b>	Walk-through

<b>B</b>	What Can Go Wrong?
<b>D</b>	Test of Controls/Substantive

	Not effective
	Suggested improvements
	Effective

# Evaluation of Key Processes (continued)



Process	Function	A	B	C	D	Our Assessment
<b>Payroll</b>	<ul style="list-style-type: none"> <li>Attendance Reporting</li> <li>Payroll Accounting and Processing</li> <li>Payroll Disbursements</li> </ul>	✓	✓	✓	✓	
<b>Revenue</b>	<ul style="list-style-type: none"> <li>Billing</li> <li>Cash Receipts</li> <li>Revenue Recognition</li> <li>Cutoff</li> </ul>	✓	✓	✓	✓	
<b>Fixed Assets</b>	<ul style="list-style-type: none"> <li>Physical Custody</li> <li>Asset and Construction in Process Accounting</li> <li>Report Preparation</li> </ul>	✓	✓	✓	✓	
<b>Information Technology</b>	<ul style="list-style-type: none"> <li>Program Change</li> <li>Network and Communication</li> <li>Cybersecurity Preparation and Risk Management</li> <li>Cloud Service Provider</li> <li>Back up and Recovery</li> <li>Logical Access</li> <li>Physical and Environmental Controls</li> <li>System Maintenance/Software Versions</li> </ul>	✓	✓	✓	✓	

<b>A</b>	Understand the Process
<b>C</b>	Walk-through

<b>B</b>	What Can Go Wrong?
<b>D</b>	Test of Controls/Substantive

	Not effective
	Suggested improvements
	Effective



# Required Communications



County of Kent  
Maryland



# Required Communications

<b>Auditor’s Responsibilities Under Generally Accepted Auditing Standards (GAAS)</b>	<p>The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States of America, and provides reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We were engaged to perform our audit in accordance with the standards of the accounting principles generally accepted in the United States of America.</p>	
<b>Significant Accounting Policies</b>	<p>Management has the responsibility for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by management are described in the notes to the financial statements.</p>	
<b>Auditor’s Judgments About the Quality of Accounting Principles</b>	<p>We discuss our judgments about the quality, not just the acceptability, of accounting principles selected by management, the consistency of their application, and the clarity and completeness of the financial statements, which include related disclosures.</p>	<p><i>We have reviewed the significant accounting policies adopted by the County and have determined that these policies are acceptable accounting policies.</i></p>
<b>Audit Adjustments</b>	<p>We are required to inform the County’s oversight body about adjustments arising from the audit (whether recorded or not) that could in our judgment either individually or in the aggregate have a significant effect on the entity’s financial reporting process. We also are required to inform the County’s oversight body about unadjusted audit differences that were determined by management to be individually and in the aggregate, immaterial.</p>	<p><i>There were no recorded or unadjusted audit adjustments for the County’s audit.</i></p>

# Required Communications (continued)



<b>Fraud and Illegal Acts</b>	<p>We are required to report to the County's oversight body any fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.</p>	<p><i>Our procedures identified no instances of fraud or illegal acts.</i></p>
<b>Material Weaknesses in Internal Control</b>	<p>We are required to communicate all significant deficiencies in the County's systems of internal controls, whether or not they are also material weaknesses.</p>	<p><i>We have not identified any material weaknesses in internal controls.</i></p>
<b>Other Information in Documents Containing Audited Financial Statements</b>	<p>None noted.</p>	
<b>Disagreements with Management on Financial Accounting and Reporting Matters</b>	<p>None noted.</p>	

# Required Communications (continued)



<b>Serious Difficulties Encountered in Performing the Audit</b>	None noted.
<b>Major Issues Discussed with Management Prior to Acceptance</b>	None noted.
<b>Management Representations</b>	We received certain written representations from management as part of the completion of the audit.
<b>Consultation with Other Accountants</b>	To our knowledge, there were no consultations with other accountants since our appointment as the County's independent public accountants.
<b>Independence</b>	As part of our client acceptance process, we go through a process to ensure we are independent of the County. We are independent of the County.

# Engagement Team Contact Information



**Chris Lehman**  
***Engagement Partner***

Office: (410) 584-2201  
Mobile: (301) 785-7408  
[clehman@sbandcompany.com](mailto:clehman@sbandcompany.com)

Executive Assistant:  
Susan Teneza  
Office: (410) 584-9303  
[steneza@sbandcompany.com](mailto:steneza@sbandcompany.com)



Knowledge,  
Quality,  
Client Service.

---

**Maryland**  
**10200 Grand Central Avenue**  
**Suite 250**  
**Owings Mills, MD 21117**  
**410.584.0060**

**Washington, D.C.**  
**1200 G Street, NW**  
**Suite 809**  
**Washington, DC 20005**  
**202.434.8684**



The background of the page features a large, light blue circular seal. Inside the seal is a white outline of a bird, likely a turkey or a similar large fowl, facing right. The bird's tail feathers are prominent at the bottom, and its wings are spread. The seal is centered on the page.

**The County Commissioners  
of Kent County, Maryland**

**Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2024**

**The County Commissioners of Kent County, Maryland  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2024**

**Prepared By:**

**Kent County Office of Finance  
Patricia M. Merritt, CFO**

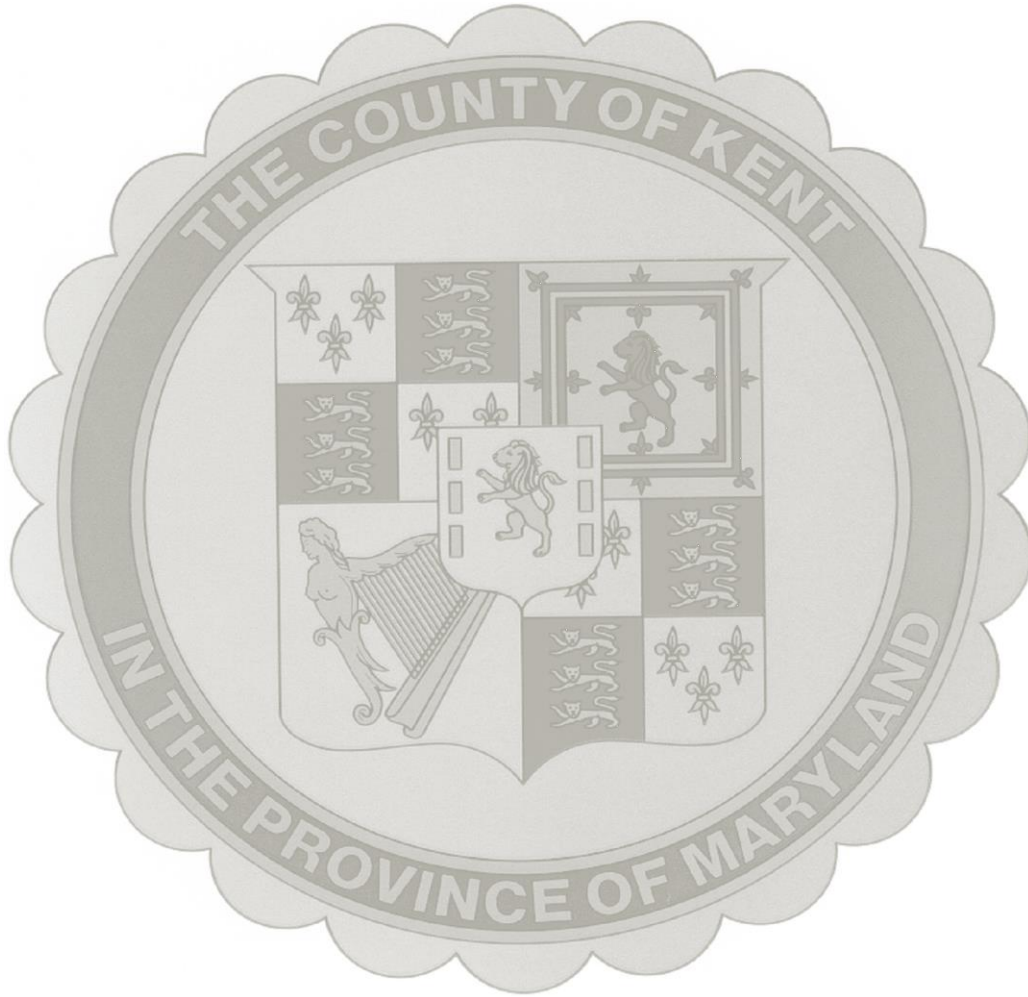
**The County Commissioners of Kent County, Maryland  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2024**

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# Introductory Section



# *Kent County Office of Finance*

R. CLAYTON MITCHELL JR. GOVERNMENT CENTER  
\*400 HIGH STREET\*CHESTERTOWN, MARYLAND 21620  
TELEPHONE (410) 778-7478 FAX (410) 810-2947

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October 30, 2024

To the Honorable Board of County Commissioners and  
The Citizens of Kent County, Maryland

## **Formal Transmittal of the Annual Comprehensive Financial Report (ACFR)**

The audited Annual Comprehensive Financial Report (ACFR) of Kent County, Maryland (the County), prepared by the Office of Finance for the fiscal year ended June 30, 2024, is hereby submitted in compliance with State law which requires that all general-purpose governments issue a complete set of financial statements prepared according to accounting principles generally accepted in the United States of America (GAAP) and be audited by an independent, licensed, certified public accountant in accordance with auditing standards generally accepted in the United States of America (GAAS). For the fiscal year ended June 30, 2024, the County contracted with SB & Company, LLC of Owings Mills, Maryland to audit the financial statements. The Report of Independent Public Accountants is included on pages 12-14. The annual report was prepared by the Kent County Office of Finance in cooperation with the finance departments of the County's discretely presented component units.

This report consists of management's representations concerning the finances of Kent County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in the report. To provide a reasonable basis for making these representations, management of Kent County has established a comprehensive framework of internal control that has been designed to both protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not exceed the anticipated benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Kent County's financial statements have been audited by SB & Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures of the financial statements, assessing the accounting principles used and significant estimates made by managements, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Kent County's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP in all material respects. The independent auditor's report is presented as the first element of the Financial Section of this 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 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 Government

Kent County was formed in 1642 as the Isle and County of Kent by the Governor and Council. It is named for the County of Kent in England. The County is located on the Eastern Shore of Maryland. It is bordered to the north by Cecil County, to the east by the State of Delaware, to the south by Queen Anne’s County, and to the west by the Chesapeake Bay. There is no direct access to the Western Shore of Maryland. The County occupies 414 square miles and serves a population of approximately 19,300 citizens. The County Commissioners of Kent County are empowered to levy a property tax on real properties located within its boundaries, as well as an income tax on citizens residing within the County.

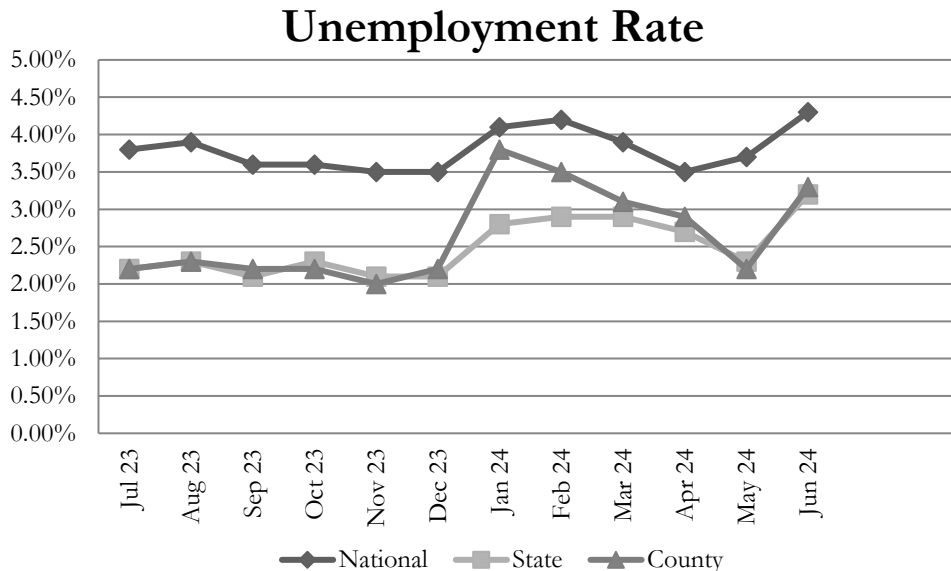
The County operates as a Maryland Code Home Rule County, which enables the Board of County Commissioners to exercise broad local legislative authority. Under code home rule, both legislative and executive functions of the County are vested in the three-member Board of County Commissioners. All three members of the board are elected at large and serve a four-year term.

The County provides or funds (in whole or part) a full range of services including public safety (sheriff’s office, volunteer fire and rescue services, emergency services, detention center, and animal control); construction and maintenance of county roads; environmental operations; planning, housing and zoning; tourism and economic development; culture and recreation, education, libraries, and general administrative services. In addition, the County operates a water and wastewater utility, and a recreation facility.

The approved annual budget is prepared by fund, function (e.g. public safety), and department (e.g. emergency services). Department heads may make transfers between line items in their department; transfers must be ratified by the Board of County Commissioners. Budget to actual comparisons are provided in this report for individual governmental funds for which an appropriated annual budget has been adopted. The budget comparisons for the general fund are presented on pages 69 through 71 as part of the Required Supplementary Information subsection of this report.

## Local Economy

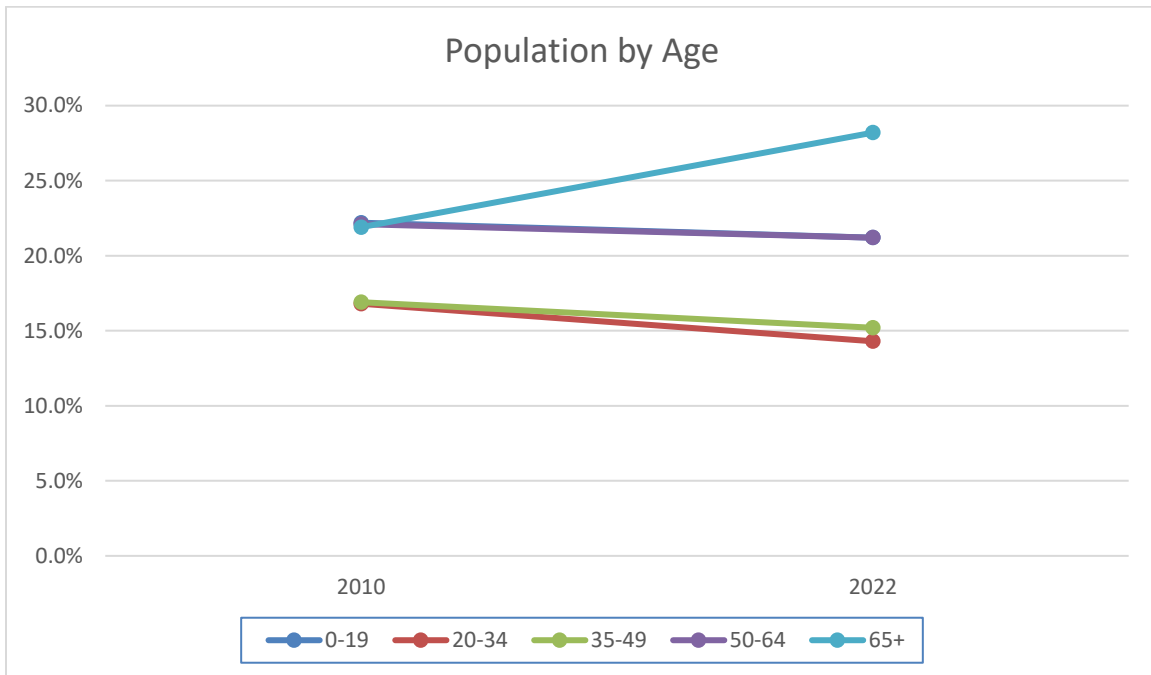
The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which Kent County operates. The chart below shows the unemployment rate in Kent County compared to the state-wide and national unemployment rates.



This chart illustrates the unemployment that has been experienced on the National, State and Local levels. Kent County’s unemployment rate peaked at 3.8% in January and was lower than the National (4.3%) and higher than the State (3.2%) peak figures. Kent County ended the fiscal year with unemployment at virtually the same rate as the State. While lower than the National figures, the County’s unemployment rate is currently in a similar upward trajectory. If unemployment levels continue to rise, County income tax revenue streams could be negatively impacted.

Property values throughout the county rose by 4.7% entering fiscal year 2025. This continued rise in the housing market will result in increased property tax revenue. Projected changes in significant revenue sources are detailed in the Management’s Discussion and Analysis on page 23.

The County’s population has shown a slight decrease of .1% from 19,320 in fiscal year 2023 to 19,303 in fiscal year 2024. The mix of the population by age, however, is shifting. As the following chart illustrates, the only segment of the population that is increasing, are residents over the age of 65. As this change in demographic continues, the County will be challenged to shift its services to meet the needs of its aging citizenry.



Median household incomes within the County are significantly lower than the state as a whole. According to census data, the County median income (2018-2022) was \$71,635, compared to the state median income of \$98,461. Additionally, 12.1% of the County’s population is below poverty level compared to 9.5% of the State’s population.

**Long-Term Financial Planning and Major Initiatives**

The County continues to try to increase its revenue base. In fiscal year 2020, the County increased its income tax rate from 2.85% to 3.20%, the maximum rate allowed by the State. In fiscal year 2024, the County increased its property tax rate from \$1.012 to \$1.022.

In additional efforts to expand the future property tax and income tax bases, the county commissioners have implemented several initiatives to encourage business creation and expansion. In fiscal year 2017, the county created Enterprise Zones which offer a 10-year property tax and 3-year income tax credit to businesses who locate or expand in the designated enterprise zones. In fiscal year 2018, the county created Commerce Zones which offer a 10-year property tax credit to businesses who locate or expand in the designated commerce zones. In fiscal year 2024, the county created Arts and Entertainment Districts which offer a 10-year property tax credit to businesses who locate or expand in the designated arts and entertainment districts. To date, twenty businesses have invested approximately \$32,000,000 in business creation or expansion in the county’s enterprise, commerce, and arts and entertainment zones. As the property tax and income tax credits reduce over time, the county’s future revenue streams will be increased.

Annually, the county reviews its five-year capital plan and identifies the county’s priorities. During the fiscal year 2025 budget process, four major projects have been identified: 1) the replacement or major renovation of our middle school, 2) the renovation of our historical courthouse, 3) the expansion of our 911 and sheriff’s offices and 4) participation in the



construction of the mid-shore regional detention center. These projects have an estimated price tag of approximately \$87 million dollars.

In addition to our usual long-term planning, we acknowledge the impact of the Blueprint for Maryland's Future legislation. This legislation will require the County to increase its funding to education by 62% (\$11.7 million) between fiscal year 2023 and fiscal year 2034. We continue to partner with our fellow Maryland counties and State legislators to explore options to implement these educational objectives.

**Relevant Financial Policies**

The county has a comprehensive set of financial policies. As we move forward to address our capital needs, two of these policies will be particularly relevant.

Debt Management – in accordance with Section 3-9.1 of Chapter 3 of the Code of Public Local Laws of Kent County, Maryland, the County's annual debt financing cannot exceed twenty million dollars in any single fiscal year. Given the magnitude of the priorities identified in the current five year capital plan, this policy will be integral in the planning process.

Fund Balance – the County strives to maintain an unassigned fund balance of at least 7.5% of general fund expenditures.

**Acknowledgements**

The preparation of this document would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Office. We wish to thank all County departments for their assistance in providing the data necessary to prepare this report and special thanks to Bernadette Bowman and Chris Cerino for providing the photographs. Credit is also due to the Board of County Commissioners for their unfailing support and for maintaining the highest standards of professionalism in the management of the County's finances.

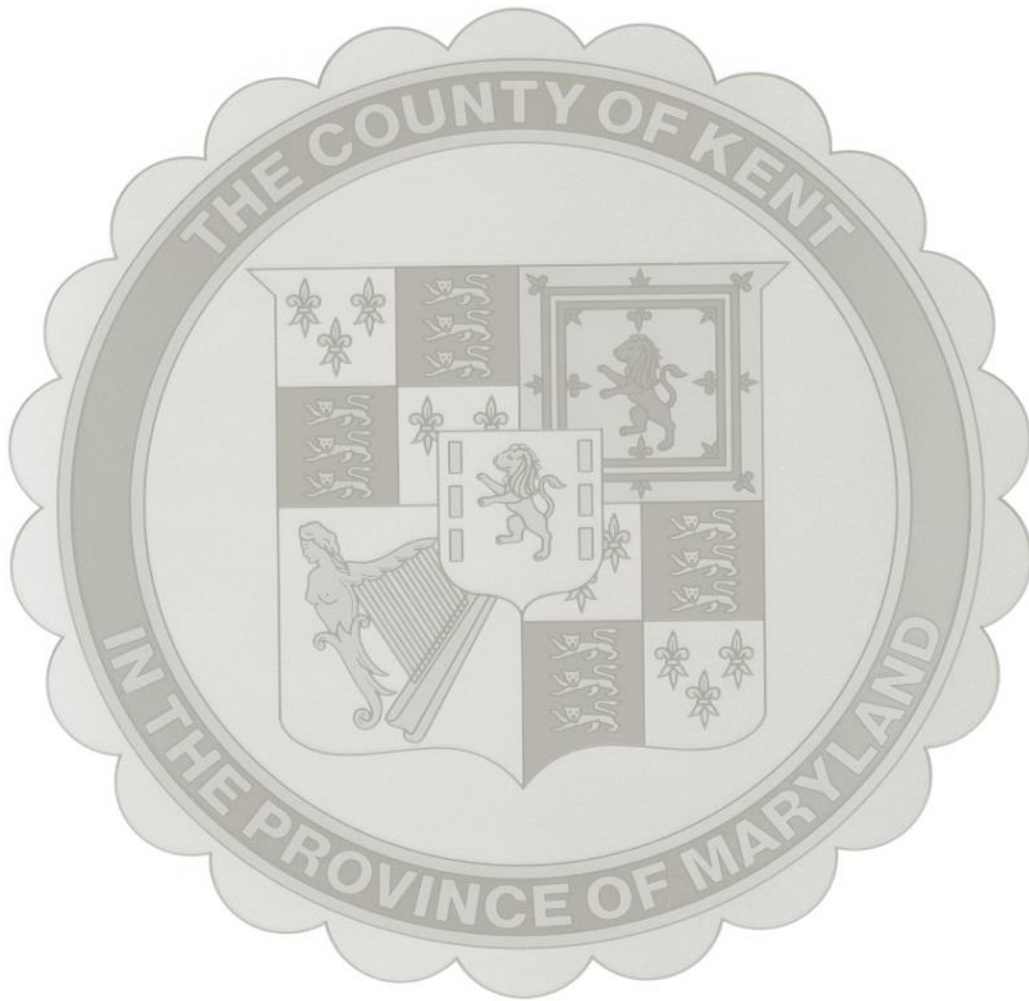
Respectfully submitted,



Patricia M. Merritt, C.P.A.  
Chief Finance Officer



Shelley Heller  
County Administrator





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**The County Commissioners of Kent County  
Maryland**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrill*

Executive Director/CEO

The County Commissioners of Kent County Maryland  
Certain Elected and Other Officials  
June 30, 2023

Certain Elected Officials – Board of County Commissioners



John F. Price  
Member



Ronald H. Fithian,  
President



Albert H. Nickerson,  
Member

Certain Department Heads

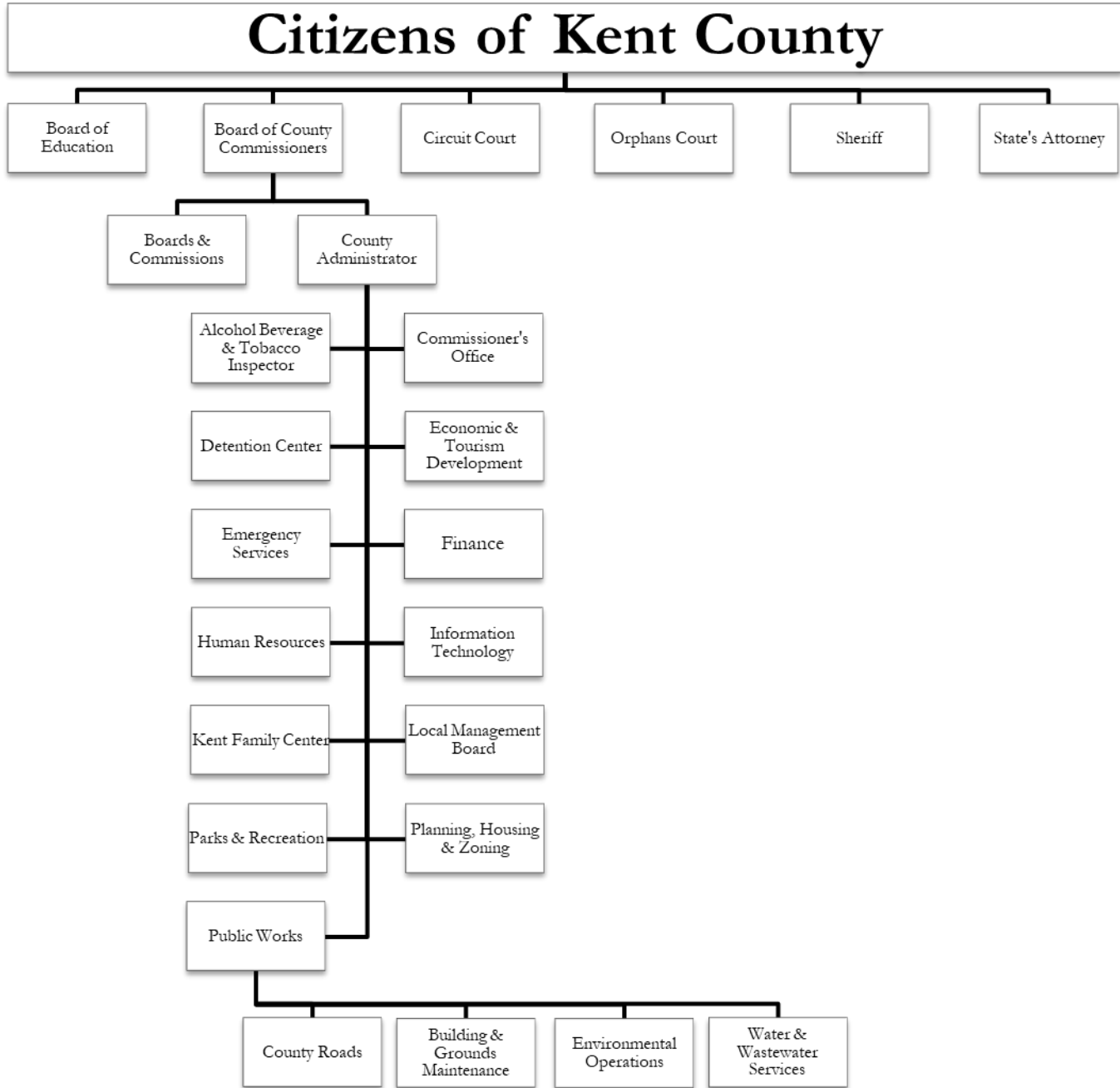
County Administrator  
Chief Finance Officer  
Director of Economic & Tourism Development  
Director of Emergency Services  
Director of Human Resources  
Director of Information Technology  
Director of Kent Family Center  
Director of Local Management Board  
Director of Parks and Recreation  
Director of Planning, Housing and Zoning  
Director of Public Works  
Director of Operations

Shelley L. Heller  
Patricia M. Merritt  
Jamie L. Williams  
Pete Landon  
James H. Miller  
C. Scott Boone  
Lisa Mazingo  
Rosemary Ramsey Granillo  
Jillyn Coleman  
William A. Mackey  
Daniel Mattson  
Vacant

**Independent Auditor**  
SB & Company, LLC  
Certified Public Accountants and Business Advisors  
Owings Mills, Maryland

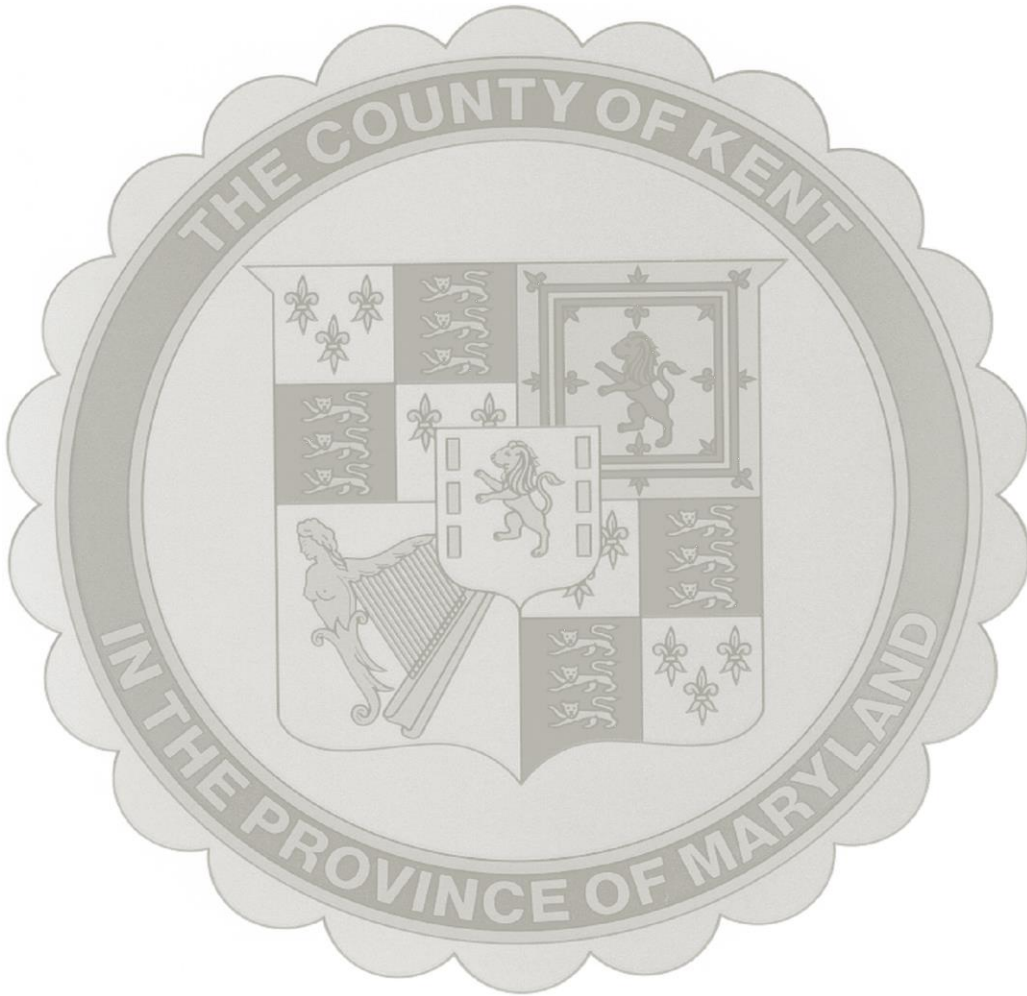
**Bond Counsel**  
McKennon, Shelton and Henn LLP  
Baltimore, Maryland

The County Commissioners of Kent County Maryland  
 Kent County, Maryland Government Organizational Chart  
 June 30, 2024





# Financial Section





## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The County Commissioners of Kent County, Maryland  
Chestertown, Maryland

### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County Commissioners of Kent County, Maryland (the County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Board of Education of Kent County, Maryland (the Board). Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board, is based solely on the report of the other auditors.

### *Basis for Opinions*

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

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

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal 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.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of investment returns, and schedule of changes in the County's net OPEB liability and related ratios for other post-employment benefits, schedules of the County's proportionate share of the net pension liability and County contributions, and budgetary comparison information 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's 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.

Owings Mills, Maryland  
October 30, 2024

A handwritten signature in black ink that reads "SB &amp; Company, LLC".

# Management's Discussion and Analysis

## Introduction

As management of Kent County, Maryland (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2-5 of this report.

## **Financial Highlights**

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of fiscal year 2024 by \$72,197,372 (*net position*). This amount is net of a negative \$1,671,871 unrestricted net position deficit. GASB 68, GASB 75 and debt issued for Board of Education capital projects that are not associated with an asset on the County's financials contribute to this deficit.
- The County's total net position increased by \$6,049,939.
- As of the close of fiscal year 2024, the County's governmental funds reported combined ending fund balances of \$22,812,595; an increase of \$6,370,767 in comparison with the prior year. Approximately 62% of this amount, \$14,069,489 is available for spending at the County's discretion (*unassigned fund balance*).
- At the end of fiscal year 2024, the unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$20,828,177, or approximately 38% of total general fund expenditures.
- The County's government-wide long-term debt decreased by \$1,211,541 during fiscal year 2024, as detailed on page 22.

## **Overview of the Financial Statements**

This discussion and analysis provided here is intended to serve as an introduction to the County's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

## **Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, health and social services, culture and recreation, community development, education,

and others. The business-type activities of the County include water and wastewater services and bayside landing. The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school district and a legally separate library for which the County is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 26-27 of this report.

### **Fund Financial Statements**

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

### **Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains twenty three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, grant fund and the capital projects fund, which are considered to be major funds. Data from the other twenty governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28-31 of this report.

### **Proprietary Funds**

The County maintains two enterprise funds, which are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its water and wastewater services and bayside landing operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater services and bayside landing operations.

The basic proprietary fund financial statements can be found on pages 32-34 of this report.

### **Fiduciary Funds**

*Fiduciary funds* are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County uses fiduciary funds to account for resources held in trust for property owners involved in tax sale transactions,

other post-employment benefits, and resources held by the County in a custodial capacity for individuals, private organizations and other governments. The County has three custodial funds: state and town tax collections, Millington public drainage association, and inmate accounts.

The fiduciary fund financial statements can be found on pages 35-36 of this report.

### Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 37-67 of this report.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* and other supplementary information. The general fund statement of revenues, expenditures, and changes in fund balance – budget and actual, schedule of investment returns for the retiree health benefit plan, schedule of changes in the county’s total OPEB liability and related ratios, schedule of the county’s proportionate share of the total pension liability, and schedule of county contributions, combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances for nonmajor governmental funds and for the local management board fund, and statement of agency fund assets and liabilities are presented in this section.

Required supplementary information and other supplementary information can be found on pages 68-90 of this report.

### Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government’s financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$72,197,372, at the close of the most recent fiscal year.

### Kent County, Maryland’s Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 37,485,325	\$ 33,234,844	\$ 1,155,809	\$ 1,041,634	\$ 38,641,134	\$ 34,276,478
Capital assets, net	50,227,977	51,035,346	36,528,182	37,798,782	86,756,159	88,834,128
Total assets	87,713,302	84,270,190	37,683,991	38,840,416	125,397,293	123,110,606
Deferred outflow of resources	8,538,648	6,945,034	-	-	8,538,648	6,945,034
Long-term liabilities outstanding	39,392,524	35,838,451	10,698,829	11,277,140	50,091,353	47,115,591
Other liabilities	3,986,394	6,934,868	413,072	391,503	4,399,466	7,326,371
Total liabilities	43,378,918	42,773,319	11,111,901	11,668,643	54,490,819	54,441,962
Deferred inflow of resources	7,247,750	9,466,245	-	-	7,247,750	9,466,245
Net position:						
Net investment in capital assets	45,854,935	46,206,416	25,918,309	26,603,256	71,773,244	72,809,672
Restricted	2,095,999	1,201,392	-	-	2,095,999	1,201,392
Unrestricted	(2,325,652)	(8,432,148)	653,781	568,517	(1,671,871)	(7,863,631)
Total net position	\$ 45,625,282	\$ 38,975,660	\$ 26,572,090	\$ 27,171,773	\$ 72,197,372	\$ 66,147,433

By far the largest portion of the County’s net position reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, machinery and equipment), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County’s net position, \$2,095,999 or 5%, represents resources that are subject to external restrictions

on how they may be used. The majority of restricted net assets include funds for inventory, prepaid items, community reinvestment & repair, national opioid settlements, inmate welfare and reforestation and open space activities.

Unrestricted net position reflects a negative balance of \$1,671,871. GASB 68, GASB 75 and debt issued for capital projects that are not associated with an asset on the County's financials contribute to this deficit.

The County's overall net position increased by \$6,049,939. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

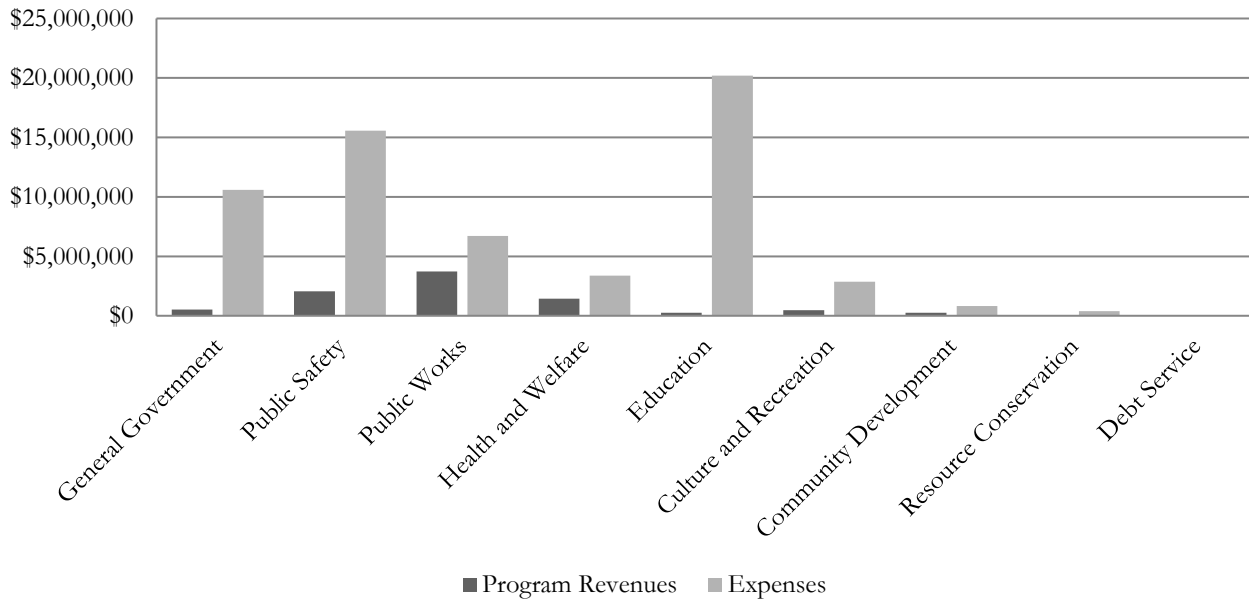
### Governmental Activities

During the current fiscal year, the net position for governmental activities increased \$6,649,622 from the prior fiscal year. This was primarily due to decreases in other post-employment benefit liabilities, pension liabilities and long term debt. Additionally, income taxes came in \$2,760,000 higher than anticipated and personnel costs came in \$1,890,000 lower than anticipated due to employee turnover and vacancies.

### Kent County, Maryland Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 772,303	\$ 764,619	\$ 2,863,787	\$ 2,757,580	\$ 3,636,090	\$ 3,522,199
Operating grants and contributions	5,052,777	3,422,641	-	-	5,052,777	3,422,641
Capital grants and contributions	2,860,378	5,373,958	2,150	524,566	2,862,528	5,898,524
General revenues:						
Property taxes	34,655,188	32,613,317	-	-	34,655,188	32,613,317
Income taxes	19,969,890	20,935,331	-	-	19,969,890	20,935,331
Other taxes	3,171,993	2,706,679	-	-	3,171,993	2,706,679
Other revenues	1,907,527	988,839	76,308	108,533	1,983,835	1,097,372
Total revenues	68,390,056	66,805,384	2,942,245	3,390,679	71,332,301	70,196,063
Expenses:						
General government	10,593,534	11,368,394	-	-	10,593,534	11,368,394
Public safety	15,555,500	13,797,894	-	-	15,555,500	13,797,894
Public works	6,710,766	7,579,526	-	-	6,710,766	7,579,526
Health and social services	3,361,834	2,683,549	-	-	3,361,834	2,683,549
Education	20,196,169	19,105,024	-	-	20,196,169	19,105,024
Culture, library and recreation	2,865,459	6,777,950	-	-	2,865,459	6,777,950
Community development	825,312	842,908	-	-	825,312	842,908
Resource conservation development	376,794	371,554	-	-	376,794	371,554
Debt service	45,700	14,381	-	-	45,700	14,381
Water and wastewater services	-	-	4,720,324	4,533,672	4,720,324	4,533,672
Bayside landing	-	-	30,970	27,674	30,970	27,674
Total expenses	60,531,068	62,541,180	4,751,294	4,561,346	65,282,362	67,102,526
Increase/(decrease) in net position before transfers	7,858,988	4,264,204	(1,809,049)	(1,170,667)	6,049,939	3,093,537
Transfers	(1,209,366)	(1,195,007)	1,209,366	1,195,007	-	-
Increase/(decrease) in net position	6,649,622	3,069,197	(599,683)	24,340	6,049,939	3,093,537
Net position beginning	38,975,660	35,906,463	27,171,773	27,147,433	66,147,433	63,053,896
Net position ending	\$45,625,282	\$38,975,660	\$26,572,090	\$27,171,773	\$72,197,372	\$66,147,433

## Expenses and Program Revenues – Governmental Activities



### Business-type Activities

For the County’s business-type activities, net position decreased by \$599,683 or 2% from the prior fiscal year. The business-type revenues do not fully cover all of the associated expenses. The General Fund subsidizes these funds with the exception of depreciation/amortization. As a result, net position decreases.

### Financial Analysis of the Government Funds

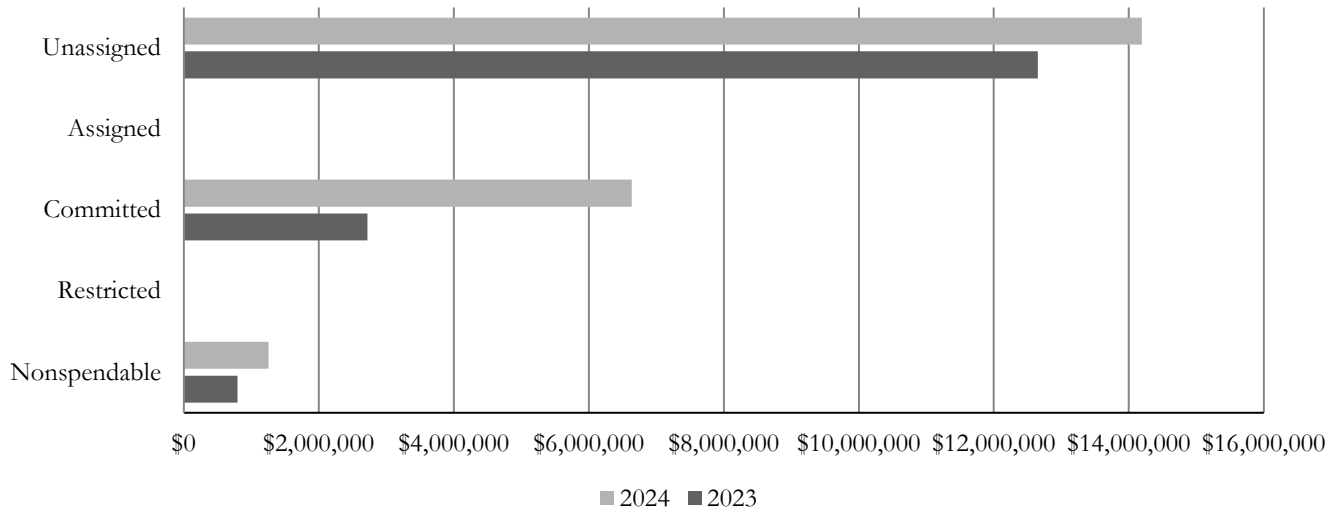
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the County’s *governmental funds* is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Board of County Commissioners.

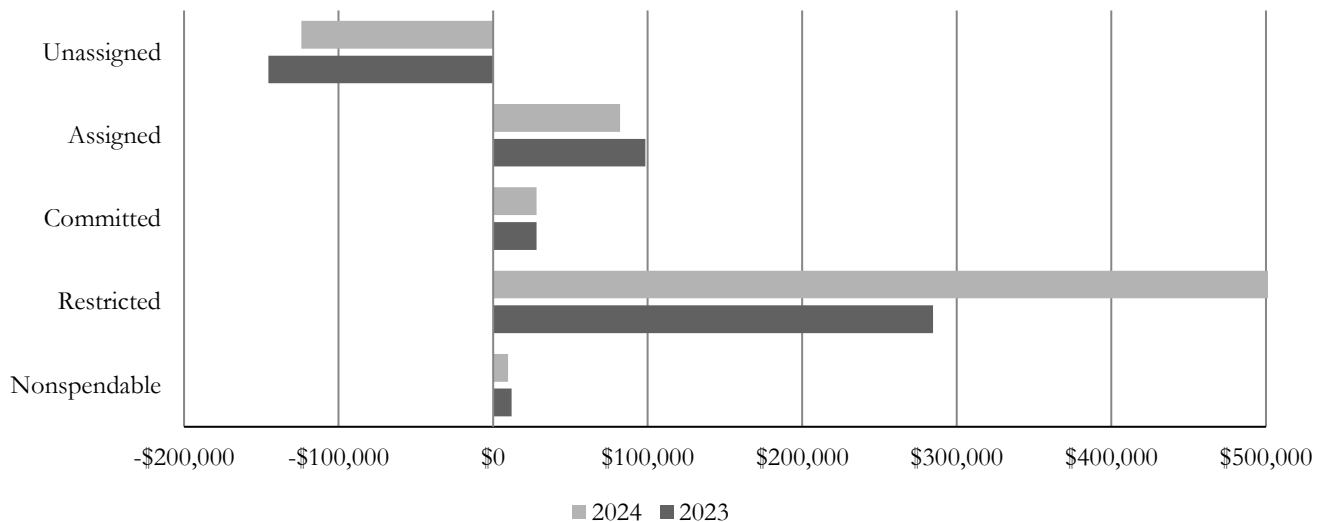
As of the end of the current fiscal year, the County’s *governmental funds* reported combined fund balances of \$22,812,595, an increase of \$6,370,767 in comparison with the prior year. Approximately 62% of this amount (\$14,069,489) constitutes *unassigned fund balance*, which is available for spending at the County’s discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$1,266,894), 2) restricted for particular purposes (\$731,493), 3) committed for particular purposes (\$6,662,596) or 4) assigned for particular purposes (\$82,123).

### General Fund - Components of Fund Balance June 30, 2024 and 2023



The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$14,193,572, while the total fund balance was \$22,085,415. As a measure of the general fund’s liquidity, it may be useful to compare both the unassigned fund balance and total general fund balance to total general fund expenditures. Unassigned fund balance represents approximately 26% of total expenditures, while total fund balance represents approximately 40% of that same amount.

### Other Governmental Funds - Components of Fund Balance June 30, 2024 and 2023



The fund balance of the County’s general fund increased by \$5,920,990. This was primarily due to income taxes that came in \$2,760,000 higher than anticipated and personnel costs that came in \$1,890,000 lower than anticipated due to employee turnover and vacancies.



The County's capital projects fund, had a negative fund balance of \$111,581 reflecting a due from the general fund liability related to the Nicholson water treatment plant upgrade.

### **Proprietary Funds**

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

The net position of the County's major enterprise fund (water and wastewater services) at the end of the year was \$25,008,543. The total decrease in net position was (\$618,143). As noted earlier in the discussion of business-type activities, the business-type revenues do not fully cover all of the associated expenses. The General Fund subsidizes these funds with the exception of depreciation/amortization. As a result, net position decreases.

## **General Fund Budgetary Highlights**

### **Original Budget Compared to Final Budget**

The original general fund expenditure and transfer out budget of \$60,338,707 was reduced by \$522,066 to a final general fund expenditure and transfer out budget of \$59,816,641. The major amendments to the budget were:

- Transfers to other funds were decreased by \$1,101,257 reflecting the decision to delay governmental capital projects and water wastewater enterprise fund capital projects into future years.
- The contingency fund decreased by \$242,028, reflecting less need for contingencies.
- Emergency management was increased by \$538,290 for two emergency response vehicles, six defibrillators and overtime needs.
- Building maintenance was increased by \$307,867 for various projects including the courthouse lobby design, heating and air conditioning equipment and repairs to the exterior of the government center.

### **Final Budget Compared to Actual Results.**

Actual expenditures for the year were \$2,691,603 less than estimated. The most significant differences occurred in the following areas:

- Personnel costs were \$1,890,135 under budget. This was the result of longer than normal position vacancies and employee turnover.
- Operating expenditures were \$624,494 less than budget. Most of the savings occurred in highways, law enforcement, election office, environmental operations, and detention center activities.
- Contingency funds were underspent by \$157,972.

## **Capital Assets and Debt Administration**

### **Capital Assets**

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$86,756,159 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and water treatment and distribution plants. The total decrease in capital assets for the current fiscal year was 2%.

## Kent County, Maryland, Capital Assets (net of depreciation/amortization)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 22,677,487	\$ 22,677,487	\$ 1,731,536	\$ 1,731,536	\$ 24,409,023	\$ 24,409,023
Construction in progress	870,781	1,079,232	63,100	78,707	933,881	1,157,939
Buildings	8,384,116	8,680,390	1,316,910	1,353,794	9,701,026	10,034,184
Right-to-use leased buildings	13,947	55,786	-	-	13,947	55,786
Machinery, equipment and vehicles	3,959,296	4,159,613	499,390	627,787	4,458,686	4,787,400
Right-to-use leased equipment	1,325,766	1,178,137	392,725	410,872	1,718,491	1,589,009
Improvements	1,854,938	1,657,998	162,106	180,732	2,017,044	1,838,730
Infrastructure	11,022,765	11,357,224	32,362,415	33,415,354	43,385,180	44,772,578
Subscriptions	118,881	189,479	-	-	118,881	189,479
Total	\$ 50,227,977	\$ 51,035,346	\$ 36,528,182	\$ 37,798,782	\$ 86,756,159	\$ 88,834,128

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

- \$754,364 - Vehicle leases
- \$387,768 - Sports field lighting, playground equipment
- \$306,379 - Defibrillators

Additional information on Kent County's capital assets can be found on pages 49-51 of this report.

### Long-term Debt

At the end of the current fiscal year, the County had total debt outstanding of \$14,422,727. The remainder of the County's long-term obligations are leases and subscription based information technology arrangements.

### Kent County, Maryland's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 4,110,561	\$ 4,636,926	\$ 10,312,166	\$ 10,856,891	\$ 14,422,727	\$ 15,493,817
Leases payable	1,242,084	1,193,746	297,707	338,635	1,539,791	1,532,381
Subscriptions payable	40,397	188,258	-	-	40,397	188,258
Total	\$ 5,393,042	\$ 6,018,930	\$ 10,609,873	\$ 11,195,526	\$ 16,002,915	\$ 17,214,456

During the current fiscal year, the County's total debt decreased by \$1,211,541. The County's significant debt activities included:

- \$757,640 of governmental activities debt was retired.
- \$528,175 of governmental activities leases were retired.
- \$147,861 of governmental activities subscriptions were retired.
- \$544,725 of business-type activities debt was retired.
- \$108,978 of business-type activities leases were retired.
- The County entered into \$644,563 of new right-to-use leases for vehicles.
- The County issued new governmental activities debt of \$231,275 for emergency medical services equipment.

The County's debt policy limits the issuance of debt to under \$20,000,000 in any single year. This year the County issued no new debt.

Additional information on Kent County's long-term debt can be found on pages 60-65 of this report.

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

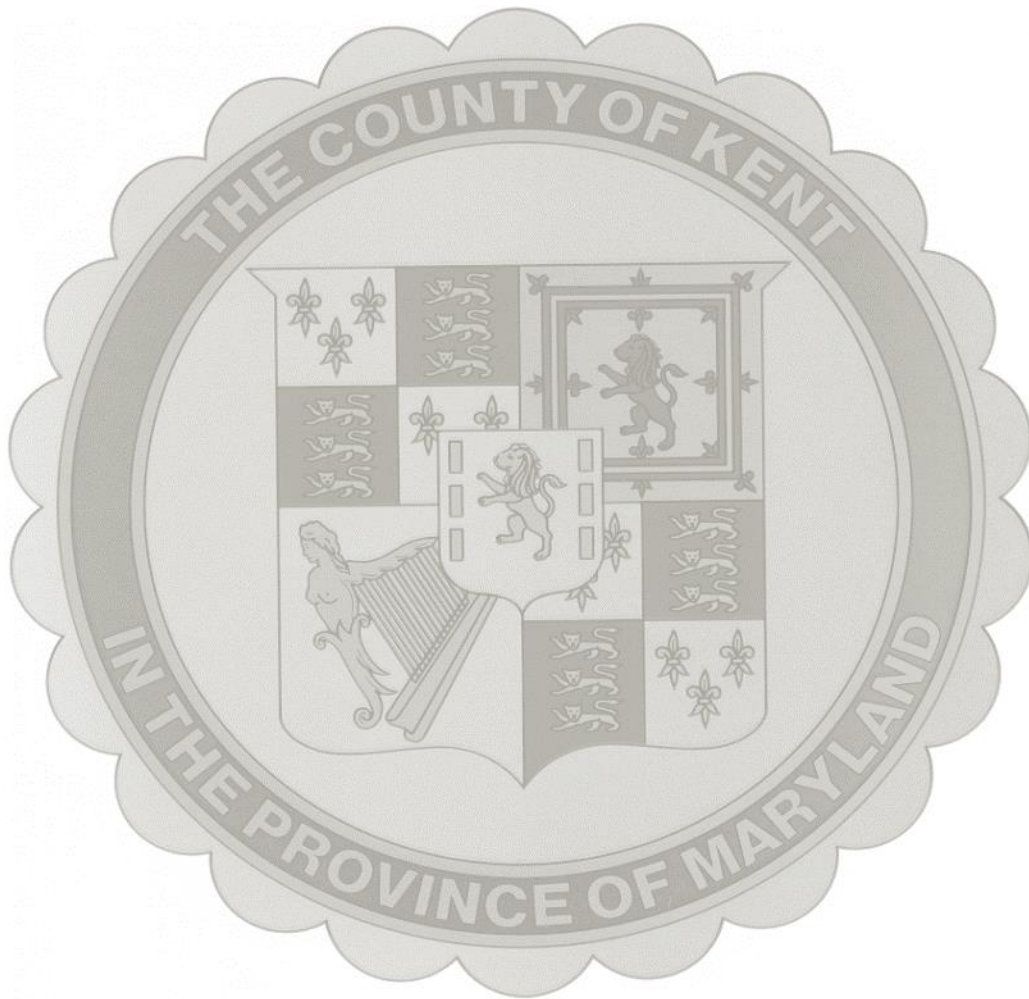
The following economic factors currently affect the County and were considered in developing the 2025 fiscal year budget:

- Based on the State Department of Assessments and Taxation's forecasts, the County's fiscal year 2025 budget is projecting a 5.6% increase in the assessed value of property in Kent County over the fiscal year 2024 budget. While our property tax rate for fiscal year 2025 remains at \$1.022 per \$100 of assessed property value, the increase in assessed value will generate \$1,842,000 of additional revenue.
- Based on the current economic outlook, the County is projecting fiscal year 2025 income tax at the same level as fiscal year 2024. Our income tax rate remains at 3.2%.
- Due to the decreased activity in the housing market, recordation and property tax revenue are expected to continue to decline.
- In recognition of the rising interest rates, our interest income revenue increased \$417,000 in FY2025.

## **Request for Information**

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

**Office of Finance**  
400 High Street  
Chestertown, Maryland 21620



## **Basic Financial Statements**

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

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

**The County Commissioners of Kent County, Maryland**  
**Statement of Net Position**  
**June 30, 2024**

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Board of Education</u>	<u>Public Library</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 17,849,006	\$ 150	\$ 17,849,156	\$ 4,733,050	\$ 328,776
Equity in pooled cash	1,701,410	70,864	1,772,274	-	-
Property taxes receivable	2,077,798	-	2,077,798	-	-
Intergovernmental receivable	13,927,291	80,201	14,007,492	3,869,582	-
Other receivables	559,750	1,023,730	1,583,480	501,097	3,954
Internal balances	103,176	(103,176)	-	-	-
Inventories	535,216	61,488	596,704	54,698	-
Prepays	731,678	22,552	754,230	12,808	32,104
Capital assets, not being depreciated:					
Land	22,677,487	1,731,536	24,409,023	122,025	-
Construction in progress	870,781	63,100	933,881	132,704	13,800
Capital assets, net of accumulated depreciation/amortization					
Buildings	8,384,116	1,316,910	9,701,026	23,755,199	-
Right-to-use leased buildings	13,947	-	13,947	-	156,914
Machinery, equipment and vehicles	3,959,296	499,390	4,458,686	1,018,659	49,515
Right-to-use leased equipment	1,325,766	392,725	1,718,491	221,049	-
Infrastructure	11,022,765	32,362,415	43,385,180	-	-
Subscription assets	118,881	-	118,881	-	-
Improvements	1,854,938	162,106	2,017,044	394,567	4,140
Library collection	-	-	-	-	165,186
Total Assets	<u>87,713,302</u>	<u>37,683,991</u>	<u>125,397,293</u>	<u>34,815,438</u>	<u>754,389</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	6,245,063	-	6,245,063	666,832	-
Deferred outflows related to other post employment benefits	2,293,585	-	2,293,585	6,031,911	-
Total deferred outflows of resources	<u>8,538,648</u>	<u>-</u>	<u>8,538,648</u>	<u>6,698,743</u>	<u>-</u>
<b>LIABILITIES</b>					
Accounts payable and other accrued liabilities	2,020,123	208,248	2,228,371	3,306,825	76,827
Accrued interest payable	31,008	35,310	66,318	-	-
Intergovernmental payable	662,644	169,514	832,158	-	308
Unearned revenues	1,272,619	-	1,272,619	1,482,813	43,073
Noncurrent liabilities:					
Due within one year	1,545,359	529,144	2,074,503	307,474	18,792
Due in more than one year	37,847,165	10,169,685	48,016,850	18,755,998	156,344
Total Liabilities	<u>43,378,918</u>	<u>11,111,901</u>	<u>54,490,819</u>	<u>23,853,110</u>	<u>295,344</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pension	77,703	-	77,703	717,022	-
Deferred inflows related to leases	416,420	-	416,420	-	-
Deferred inflows related to other post employment benefits	6,753,627	-	6,753,627	15,887,342	-
Total deferred inflows of resources	<u>7,247,750</u>	<u>-</u>	<u>7,247,750</u>	<u>16,604,364</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	45,854,935	25,918,309	71,773,244	24,776,068	223,818
Restricted for:					
Narcotics task force	43,734	-	43,734	-	-
Agricultural land preservation	46,003	-	46,003	-	-
Weed control	44,950	-	44,950	-	-
National opioid settlement	213,868	-	213,868	-	-
Inmate welfare	147,045	-	147,045	-	-
Community reinvestment & repair	219,528	-	219,528	-	-
Reforestation & open space	107,965	-	107,965	-	-
Inventory	535,216	-	535,216	-	-
Prepaid	722,022	-	722,022	-	-
Other Purposes	15,668	-	15,668	209,129	32,104
Unrestricted	(2,325,652)	653,781	(1,671,871)	(23,928,490)	203,123
Total Net Position	<u>\$ 45,625,282</u>	<u>\$ 26,572,090</u>	<u>\$ 72,197,372</u>	<u>\$ 1,056,707</u>	<u>\$ 459,045</u>

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

**The County Commissioners of Kent County, Maryland**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Board of Education	Public Library
<b>Functions/Programs:</b>									
<b>Primary Government:</b>									
Governmental activities:									
General government	\$10,593,534	\$ 63,622	\$ 471,537	\$ -	\$(10,058,375)	\$ -	\$(10,058,375)	\$ -	\$ -
Public safety	15,555,500	90,552	1,954,322	-	(13,510,626)	-	(13,510,626)	-	-
Public works	6,710,766	348,880	721,703	2,640,914	(2,999,269)	-	(2,999,269)	-	-
Health and social services	3,361,834	12,325	1,430,204	-	(1,919,305)	-	(1,919,305)	-	-
Education	20,196,169	-	250,000	-	(19,946,169)	-	(19,946,169)	-	-
Culture and recreation	2,109,307	241,766	-	219,464	(1,648,077)	-	(1,648,077)	-	-
Libraries	756,152	-	-	-	(756,152)	-	(756,152)	-	-
Resource conservation	376,794	-	-	-	(376,794)	-	(376,794)	-	-
Community development	825,312	15,158	225,011	-	(585,143)	-	(585,143)	-	-
Debt service - interest	45,700	-	-	-	(45,700)	-	(45,700)	-	-
Total governmental activities	<u>60,531,068</u>	<u>772,303</u>	<u>5,052,777</u>	<u>2,860,378</u>	<u>(51,845,610)</u>	<u>-</u>	<u>(51,845,610)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Water and wastewater services	4,720,324	2,816,507	-	-	-	(1,903,817)	(1,903,817)	-	-
Bayside landing	30,970	47,280	-	2,150	-	18,460	18,460	-	-
Total business-type activities	<u>4,751,294</u>	<u>2,863,787</u>	<u>-</u>	<u>2,150</u>	<u>-</u>	<u>(1,885,357)</u>	<u>(1,885,357)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$65,282,362</u>	<u>\$ 3,636,090</u>	<u>\$ 5,052,777</u>	<u>\$ 2,862,528</u>	<u>(51,845,610)</u>	<u>(1,885,357)</u>	<u>(53,730,967)</u>	<u>-</u>	<u>-</u>
<b>Component Units:</b>									
Kent County Board of Education	\$44,209,369	\$ 270,602	\$11,854,516	\$ 1,120,480				(30,963,771)	-
Kent County Public Library	1,157,764	-	-	-				-	(1,184,260)
Total component units	<u>\$45,367,133</u>	<u>\$ 270,602</u>	<u>\$11,854,516</u>	<u>\$ 1,120,480</u>				<u>(30,963,771)</u>	<u>(1,184,260)</u>
General revenues:									
Property taxes					34,655,188	-	34,655,188	-	-
Income taxes					19,969,890	-	19,969,890	-	-
Other taxes					3,171,993	-	3,171,993	-	-
Other revenues					1,907,527	76,308	1,983,835	301,975	75,409
Grants and contributions not restricted to specific programs					-	-	-	31,217,742	1,086,746
Transfers					(1,209,366)	1,209,366	-	-	-
Total general revenues and transfers					<u>58,495,232</u>	<u>1,285,674</u>	<u>59,780,906</u>	<u>31,519,717</u>	<u>1,162,155</u>
Change in net position					6,649,622	(599,683)	6,049,939	555,946	(22,105)
Net position - beginning					<u>38,975,660</u>	<u>27,171,773</u>	<u>66,147,433</u>	<u>500,761</u>	<u>481,150</u>
Net position - ending					<u>\$ 45,625,282</u>	<u>\$26,572,090</u>	<u>\$ 72,197,372</u>	<u>\$ 1,056,707</u>	<u>\$ 459,045</u>

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

**The County Commissioners of Kent County, Maryland**  
**Balance Sheet – Governmental Funds**  
**June 30, 2024**

	General	Grants	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 17,849,006	\$ -	\$ -	\$ -	\$ 17,849,006
Equity in pooled cash	-	321,770	-	1,379,640	1,701,410
Property taxes receivable	2,077,798	-	-	-	2,077,798
Intergovernmental receivable	11,893,682	1,397,184	-	636,425	13,927,291
Other receivables	554,922	25	-	4,803	559,750
Due from other funds	1,701,854	710,750	-	-	2,412,604
Inventories	535,216	-	-	-	535,216
Prepaid items	722,022	-	-	9,656	731,678
Total assets	<u>\$ 35,334,500</u>	<u>\$ 2,429,729</u>	<u>\$ -</u>	<u>\$ 2,030,524</u>	<u>\$ 39,794,753</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,091,072	\$ 151,663	\$ 1,280	\$ 76,235	\$ 1,320,250
Accrued liabilities	543,826	16,940	-	139,107	699,873
Intergovernmental payable	179,948	103,094	7,887	371,715	662,644
Due to other funds	716,895	1,095,752	102,414	394,367	2,309,428
Unearned revenue	-	1,062,280	-	210,339	1,272,619
Total liabilities	<u>2,531,741</u>	<u>2,429,729</u>	<u>111,581</u>	<u>1,191,763</u>	<u>6,264,814</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - taxes	10,300,924	-	-	-	10,300,924
Lease related	416,420	-	-	-	416,420
Total deferred inflows of resources	<u>10,717,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,717,344</u>
<b>FUND BALANCES</b>					
<b>Nonspendable:</b>					
Inventory	535,216	-	-	-	535,216
Prepaid expenditures	722,022	-	-	9,656	731,678
<b>Restricted:</b>					
General government	-	-	-	1,918	1,918
Public safety	-	-	-	384,070	384,070
Resource conservation	-	-	-	125,977	125,977
Health and social services	-	-	-	219,528	219,528
<b>Committed:</b>					
Resource conservation	-	-	-	27,991	27,991
Subsequent year's budget appropriation of fund balance	6,634,605	-	-	-	6,634,605
<b>Assigned:</b>					
Parks, recreation, and culture	-	-	-	1,266	1,266
Public safety	-	-	-	28,581	28,581
Social services	-	-	-	7,326	7,326
Public works	-	-	-	44,950	44,950
<b>Unassigned</b>					
	14,193,572	-	(111,581)	(12,502)	14,069,489
Total fund balances	<u>22,085,415</u>	<u>-</u>	<u>(111,581)</u>	<u>838,761</u>	<u>22,812,595</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,334,500</u>	<u>\$ 2,429,729</u>	<u>\$ -</u>	<u>\$ 2,030,524</u>	<u>\$ 39,794,753</u>

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



**The County Commissioners of Kent County, Maryland**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2024**

Amounts reported for governmental activities in the statement of net position (page 26) are different because:

Total fund balance - governmental funds (page 28)		\$ 22,812,595
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Nondepreciable capital assets:		
Land and land improvements	\$ 22,677,487	
Construction in progress	870,781	
Depreciable capital assets:		
Buildings	15,441,978	
Right to use leased buildings	139,464	
Improvements	3,781,264	
Machinery and equipment	17,200,734	
Right-to-use leased equipment	5,920,187	
Subscription assets	456,077	
Infrastructure	18,496,696	
Total capital assets:	84,984,668	
Less accumulated depreciation/amortization	(34,756,691)	
		50,227,977
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds payable	\$ (4,110,561)	
Leases payable	(1,242,084)	
Subscriptions payable	(40,397)	
Landfill liability	(1,987,043)	
Compensated absences	(1,314,945)	
Net other post-employment benefits liability	(14,344,575)	
Net pension liability	(16,352,919)	
Accrued interest payable	(31,008)	
		(39,423,532)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Taxes	\$ 10,300,924	
		10,300,924
Deferred outflow of financial resources represents consumption of net position that applies to a future period and therefore are not reported in the funds:		
Pension:		
Change in proportion & differences between employer contributions & share of contributions	\$ 1,721,979	
Change in assumptions in net pension liability	1,024,881	
Net difference between projected and actual earnings on plan investments	1,203,201	
Contributions subsequent to the measurement date	2,295,002	
OPEB:		
Change in assumptions in net OPEB liability	1,694,899	
Difference between actual and expected experience	598,686	
		8,538,648
Deferred inflow of financial resources represents an acquisition of net position that applies to a future period and therefore are not reported in the funds:		
Pension:		
Difference between actual and expected experience	(77,703)	
OPEB:		
Change in assumptions in net OPEB liability	(3,809,671)	
Net difference between projected and actual earnings on plan investments	(1,589)	
Difference between actual and expected experience	(2,942,367)	
		(6,831,330)
Net position of governmental activities		\$ 45,625,282

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

**The County Commissioners of Kent County, Maryland**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds**  
**For the Year Ended June 30, 2024**

	<u>General</u>	<u>Grants</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes:					
Property	\$ 34,199,006	\$ -	\$ -	\$ -	\$ 34,199,006
Income	20,020,098	-	-	-	20,020,098
Other	3,168,618	-	-	3,375	3,171,993
Licenses and permits	340,075	-	-	-	340,075
Intergovernmental	1,783,246	4,754,288	62,559	1,313,062	7,913,155
Charges for services	753,713	-	-	18,590	772,303
Fines and forfeitures	9,288	-	-	18,220	27,508
Miscellaneous	1,305,417	20,055	-	245,750	1,571,222
Total revenues	<u>61,579,461</u>	<u>4,774,343</u>	<u>62,559</u>	<u>1,598,997</u>	<u>68,015,360</u>
<b>EXPENDITURES</b>					
Current:					
General government	7,787,240	2,088,001	-	26,726	9,901,967
Public safety	14,068,363	1,223,953	-	32,374	15,324,690
Public works	5,123,408	866,086	-	2,033	5,991,527
Health and social services	1,954,286	262,614	-	1,102,184	3,319,084
Education	20,194,889	-	-	-	20,194,889
Parks, recreation and culture	1,725,787	142,890	-	94,395	1,963,072
Libraries	756,152	-	-	-	756,152
Resource conservation and development	373,134	-	-	3,660	376,794
Community development	593,870	206,577	-	19,066	819,513
Intergovernmental	135,475	-	-	-	135,475
Miscellaneous	749,041	-	-	-	749,041
Debt service:					
Principal	1,376,754	-	-	56,922	1,433,676
Interest	210,410	-	-	3,599	214,009
Capital outlay:					
Public safety	-	-	32,967	-	32,967
Public works	-	-	89,026	-	89,026
Parks, recreation and culture	-	-	1,280	-	1,280
Education	-	-	8,080	-	8,080
Total expenditures	<u>55,048,809</u>	<u>4,790,121</u>	<u>131,353</u>	<u>1,340,959</u>	<u>61,311,242</u>
Excess (deficiency) of revenues over expenditures	<u>6,530,652</u>	<u>(15,778)</u>	<u>(68,794)</u>	<u>258,038</u>	<u>6,704,118</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	15,778	87,967	172,566	276,311
Transfers out	(1,485,677)	-	-	-	(1,485,677)
Leases	576,513	-	-	-	576,513
Notes issued	231,275	-	-	-	231,275
Sale of general capital assets	68,227	-	-	-	68,227
Total other financing sources (uses)	<u>(609,662)</u>	<u>15,778</u>	<u>87,967</u>	<u>172,566</u>	<u>(333,351)</u>
Net change in fund balances	5,920,990	-	19,173	430,604	6,370,767
Fund balances - beginning	<u>16,164,425</u>	<u>-</u>	<u>(130,754)</u>	<u>408,157</u>	<u>16,441,828</u>
Fund balances - ending	<u>\$ 22,085,415</u>	<u>\$ -</u>	<u>\$ (111,581)</u>	<u>\$ 838,761</u>	<u>\$ 22,812,595</u>

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

**The County Commissioners of Kent 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, 2024**

Amounts reported for governmental activities in the statement of activities (page 27) are different because:

Net change in fund balances - total governmental funds (page 30)		\$ 6,370,767
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:		
Capital outlay	\$ 1,494,807	
Depreciation/amortization expense	<u>(2,181,642)</u>	(686,835)
In the statement of activities, only the loss on the sale of capital assets is reported. However, in the government funds, the proceeds from the sale increase financial resources.		
Cost of capital assets sold	<u>\$ (120,534)</u>	(120,534)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:		
Taxes	<u>\$ 405,974</u>	405,974
The issuance of long-term debt (i.e., bonds, leases) 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:		
Leases issued	\$ (576,513)	
Notes issued	(231,275)	
Principal repayments:		
Leases	528,175	
Subscriptions	147,861	
General obligations bond payable	<u>757,640</u>	625,888
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Accrued landfill liability	\$ 162,515	
Accrued interest payable	5,794	
Net other post-employment benefits liability	(381,418)	
Net pension liability	(3,876,146)	
Accrued compensated absences	<u>(84,912)</u>	(4,174,167)
Deferred outflow of financial resources represents consumption of net position that applies to a future period and therefore are not reported in the funds:		
Pension:		
Net difference between projected and actual earnings on plan investments	\$ 1,203,201	
Change in proportion & differences between employer contributions & share of contributions	1,296,522	
Change in assumptions in net pension liability	(312,634)	
Contributions subsequent to the measurement date	355,770	
OPEB:		
Change in assumptions in net OPEB liability	(646,986)	
Net difference between projected and actual earnings on plan investments	(2,860)	
Difference between actual and expected experience	<u>(299,399)</u>	1,593,614
Deferred inflow of financial resources represents an acquisition of net position that applies to a future period and therefore are not reported in the funds:		
Pension:		
Net difference between projected and actual earnings on plan investments	\$ 313,006	
Difference between actual and expected experience	838,382	
Change in assumptions in net pension liability	-	
OPEB:		
Change in assumptions in net OPEB liability	650,768	
Difference between actual and expected experience	834,348	
Net difference between projected and actual earnings on plan investments	<u>(1,589)</u>	2,634,915
Change in net position of governmental activities		<u>\$ 6,649,622</u>

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

**The County Commissioners of Kent County, Maryland**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2024**

	<b>Business-type Activities</b>		
	<b>Water and Wastewater Services</b>	<b>Non-Major Bayside Landing</b>	<b>Total Enterprise Funds</b>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 150	\$ -	\$ 150
Equity in pooled cash	-	70,864	70,864
Accounts receivable	1,023,730	-	1,023,730
Intergovernmental receivable	48,651	31,550	80,201
Due from other funds	6,145	-	6,145
Inventories	61,488	-	61,488
Prepaid items	22,552	-	22,552
Total current assets	<u>1,162,716</u>	<u>102,414</u>	<u>1,265,130</u>
Noncurrent Assets:			
Capital Assets:			
Land	531,536	1,200,000	1,731,536
Buildings	1,637,650	206,539	1,844,189
Improvements	358,693	39,190	397,883
Infrastructure	53,172,609	109,500	53,282,109
Construction in progress	-	63,100	63,100
Machinery, equipment, and vehicles	3,155,884	10,887	3,166,771
Right-to-use equipment and vehicles	649,787	-	649,787
Less accumulated depreciation	(24,442,861)	(164,332)	(24,607,193)
Total noncurrent assets	<u>35,063,298</u>	<u>1,464,884</u>	<u>36,528,182</u>
Total assets	<u>36,226,014</u>	<u>1,567,298</u>	<u>37,793,312</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	137,904	1,761	139,665
Accrued liabilities	50,440	1,273	51,713
Compensated absences	13,361	-	13,361
Bonds and lease payable	515,783	-	515,783
Customer deposits payable	16,870	-	16,870
Accrued interest payable	35,310	-	35,310
Intergovernmental payable	168,797	717	169,514
Due to other funds	109,321	-	109,321
Total current liabilities	<u>1,047,786</u>	<u>3,751</u>	<u>1,051,537</u>
Noncurrent Liabilities:			
Compensated absences	75,595	-	75,595
Bonds and lease payable	10,094,090	-	10,094,090
Total noncurrent liabilities	<u>10,169,685</u>	<u>-</u>	<u>10,169,685</u>
Total liabilities	<u>11,217,471</u>	<u>3,751</u>	<u>11,221,222</u>
<b>NET POSITION</b>			
Net investment in capital assets	24,453,425	1,464,884	25,918,309
Unrestricted	555,118	98,663	653,781
Total net position	<u>\$ 25,008,543</u>	<u>\$ 1,563,547</u>	<u>\$ 26,572,090</u>

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

**The County Commissioners of Kent County, Maryland**  
**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Business-type Activities</b>		
	<b>Water and Wastewater Services</b>	<b>Non-Major Bayside Landing</b>	<b>Total Enterprise Funds</b>
Operating revenues:			
Charges for services:			
Water	\$ 731,024	\$ -	\$ 731,024
Sewer	1,785,564	-	1,785,564
Septic	202,141	-	202,141
Municipal Plant operations	97,778	-	97,778
Public landings	-	47,280	47,280
Miscellaneous	29,919	-	29,919
Total operating revenues	<u>2,846,426</u>	<u>47,280</u>	<u>2,893,706</u>
Operating expenses:			
Water	521,244	-	521,244
Sewer	1,753,435	-	1,753,435
Septic	97,704	-	97,704
Municipal plant operations	65,955	-	65,955
Parks and recreation	-	16,763	16,763
Public landings	-	6,651	6,651
Administration	672,359	-	672,359
Depreciation	1,338,546	7,556	1,346,102
Total operating expenses	<u>4,449,243</u>	<u>30,970</u>	<u>4,480,213</u>
Operating income (loss)	<u>(1,602,817)</u>	<u>16,310</u>	<u>(1,586,507)</u>
Nonoperating revenues (expenses):			
Allocation fees	16,200	-	16,200
Sale of Vehicles	29,313	-	29,313
Sale of Recyclables	876	-	876
Interest expense	(271,081)	-	(271,081)
Total nonoperating revenues (expenses)	<u>(224,692)</u>	<u>-</u>	<u>(224,692)</u>
Income (loss) before transfers	<u>(1,827,509)</u>	<u>16,310</u>	<u>(1,811,199)</u>
Capital contributions	-	2,150	2,150
Transfers in	<u>1,209,366</u>	<u>-</u>	<u>1,209,366</u>
Change in net position	(618,143)	18,460	(599,683)
Net position - beginning	25,626,686	1,545,087	27,171,773
Net position - ending	<u>\$ 25,008,543</u>	<u>\$ 1,563,547</u>	<u>\$ 26,572,090</u>

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

**The County Commissioners of Kent County, Maryland**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Business-Type Activities</b>		
	<b>Water and Wastewater Services</b>	<b>Non-Major Bayside Landing</b>	<b>Total Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 2,894,464	\$ 45,130	\$ 2,939,594
Payments to suppliers	(2,184,512)	(19,180)	(2,203,692)
Payments to employees	(858,319)	(9,665)	(867,984)
Net cash provided (used) by operating activities	<u>(148,367)</u>	<u>16,285</u>	<u>(132,082)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers to other funds	(177,239)	-	(177,239)
Transfers from other funds	1,209,366	-	1,209,366
Net cash provided (used) by noncapital financing activities	<u>1,032,127</u>	<u>-</u>	<u>1,032,127</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital grants/contributions	-	2,150	2,150
Purchases of capital assets	(71,202)	(4,300)	(75,502)
Allocation fees	16,200	-	16,200
Proceeds from sale of assets	30,189	-	30,189
Principal paid on capital debt	(585,653)	-	(585,653)
Interest paid on capital debt	(273,294)	-	(273,294)
Net cash used by capital and related financing activities	<u>(883,760)</u>	<u>(2,150)</u>	<u>(885,910)</u>
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>14,135</u>	<u>14,135</u>
Balances - beginning of year	<u>150</u>	<u>56,729</u>	<u>56,879</u>
Balances - end of year	<u>\$ 150</u>	<u>\$ 70,864</u>	<u>\$ 71,014</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (1,602,817)	\$ 16,310	\$ (1,586,507)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	1,338,546	7,556	1,346,102
Changes in assets and liabilities:			
Accounts receivable	51,745	-	51,745
Intergovernmental receivable	(11,662)	(2,150)	(13,812)
Prepaid expenses	2,222	-	2,222
Inventory	37,017	-	37,017
Due from general fund	27	-	27
Accounts payable and accrued expenses	8,824	(5,246)	3,578
Intergovernmental payable	12,461	(185)	12,276
Customer deposits and overpayments	7,928	-	7,928
Compensated absences payable	7,342	-	7,342
Net cash provided by operating activities	<u>\$ (148,367)</u>	<u>\$ 16,285</u>	<u>\$ (132,082)</u>

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

**The County Commissioners of Kent County, Maryland**  
**Statement of Fiduciary Net Position – Fiduciary Funds**  
**June 30, 2024**

	<b>Tax Sale Private Purpose Trust Fund</b>	<b>Other Post-Employment Benefit Trust Fund</b>	<b>Custodial Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 21,190
Equity in pooled cash	486,316	-	30,717
Receivables:			
Taxes for other governments	-	-	544,546
Tax sale collections for individuals	20,393	-	-
Total receivables	<u>20,393</u>	<u>-</u>	<u>544,546</u>
Investments at fair value:			
Pooled investments	-	293,805	-
Total investments	<u>-</u>	<u>293,805</u>	<u>-</u>
Total assets	<u>506,709</u>	<u>293,805</u>	<u>596,453</u>
<b>LIABILITIES</b>			
Accounts payable and other liabilities	404,022	-	21,190
Due to other governments	2,139	-	575,263
Total liabilities	<u>406,161</u>	<u>-</u>	<u>596,453</u>
<b>NET POSITION</b>			
Restricted for:			
Post employment benefits other than pensions	-	293,805	-
Individuals, organizations and other governments	100,548	-	-
Total net position	<u>\$ 100,548</u>	<u>\$ 293,805</u>	<u>\$ -</u>

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

**The County Commissioners of Kent County, Maryland**  
**Statement of Changes in Fiduciary Net Position - Fiduciary Funds**  
**For the Year Ended June 30, 2024**

	<b>Tax Sale Private Purpose Trust Fund</b>	<b>Other Post-Employment Benefit Trust Fund</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ -	\$ 100,000	\$ -
Total contributions	<u>-</u>	<u>100,000</u>	<u>-</u>
Investment Earnings			
Net increase/(decrease) in fair value of investments	-	17,069	-
Interest, dividends, and other	-	5,517	-
Total investment earnings	<u>-</u>	<u>22,586</u>	<u>-</u>
Less investment costs	-	109	-
Net investment earnings	<u>-</u>	<u>22,477</u>	<u>-</u>
Property tax collections for other governments	-	-	12,383,027
Original deposit from general fund	-	-	(500)
Funds collected for inmates	-	-	133,927
Tax sale collections for individuals	1,579,125	-	-
Total additions	<u>1,579,125</u>	<u>122,477</u>	<u>12,516,954</u>
<b>DEDUCTIONS</b>			
Property tax payments to other governments	-	-	12,383,027
Tax sale payments to individuals	1,613,688	-	-
Original deposit returned to general fund	-	-	(500)
Funds distributed to inmates	-	-	133,927
Administrative expenses	-	990	-
Total deductions	<u>1,613,688</u>	<u>990</u>	<u>12,516,954</u>
Net increase/(decrease) in fiduciary net position	<u>(34,563)</u>	<u>121,487</u>	<u>-</u>
Net position - beginning	135,111	172,318	-
Net position - ending	<u>\$ 100,548</u>	<u>\$ 293,805</u>	<u>\$ -</u>

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



# Notes to Basic Financial Statements

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**The County Commissioners of Kent County, Maryland**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies**

**A. Description of government-wide financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**B. Reporting entity**

Kent County, Maryland (the County) was founded in 1642, the second civil division in the province of Maryland. The County is governed by three commissioners who are elected at large to serve four-year terms. This board assumes responsibilities conferred upon them by the Maryland General Assembly and provides the following services: public safety, public works, health and social services, sanitation, recreation and culture, education, economic development, community development and general administrative services. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

***Discretely presented component units.*** The Board of Education of Kent County, which operates all public schools (grades Pre-K through 12) within the County, is a component unit of Kent County, Maryland by virtue of the Board's fiscal dependency on the County through the County's responsibility for levying taxes, issuing debt, and its approval of the Board's budget. The County Board of Education's governing board is elected by the citizens of Kent County. The component unit has no taxing authority of its own.

The Kent County Public Library is a component unit of Kent County, Maryland by virtue of the library's fiscal dependency on the County. The County levies taxes and appoints members to the Library Board of Trustees from nominations submitted by the remaining members of that board. The Library Board of Trustees governs the library.

Separately issued financial statements of the individual component units can be obtained from their respective administrative offices listed below:

**Board of Education of  
Kent County, Maryland**  
5608 Boundary Avenue  
Rock Hall, Maryland 21661

**Kent County Public Library**  
408 High Street  
Chestertown, MD 21620

***Joint Venture.*** The Midshore Regional Landfill is a joint venture with Talbot, Caroline, and Queen Anne's counties. Disclosure of the County's participation in this joint venture is presented in Note III. P.

Separately issued financial statements can be obtained from the joint ventures' administrative office listed below:

**Maryland Environmental Service**  
259 Najoles Road  
Millersville, MD 21108

**C. Basis of presentation – government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while

business-type activities incorporate data from the County's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's water and wastewater functions and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### **D. Basis of presentation – fund financial statements**

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise 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 primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *capital projects fund* accounts for the acquisition and construction of the County's major capital facilities, other than those financed by proprietary funds.

The *grant fund* accounts for all of the County's activities that are funded by grant revenue.

The government reports the following major enterprise funds:

The *water and wastewater services fund* accounts for the activities related to operating the sewage treatment plants, sewage pumping stations, and the water distribution systems throughout the County.

Additionally, the County reports the following fund types:

The *tax sale private-purpose trust fund* accounts for monies received from tax sale transactions on behalf of property owners.

The *other post-employment benefit trust fund* accounts for the Kent County portion of the Maryland Association of Counties pooled OPEB Investment Trust Fund.

The *agency fund* accounts for inmate accounts at the detention center, special assessment charges collected on behalf of the Millington Drainage Association, and property taxes collected on behalf of other governments.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and enterprise funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as

transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

## **E. Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, other local taxes, state shared taxes, licenses, fines and forfeitures, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

The proprietary and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

## **F. Budgetary information**

### **1. Budgetary basis of accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, enterprise funds, and capital projects fund. The capital projects fund is appropriated on a project-length basis. Special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which

performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

## **G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

### **1. Cash and cash equivalents**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

### **2. Investments**

Investments for the County are reported at fair value (generally based on quoted market prices) except for the position in the Maryland Local Government Investment Pool.

The Maryland Local Government Investment Pool (MLGIP) was created by the state legislature through Section 22G of Article 4 of the Annotated Code of Maryland and is under the supervision of the state treasurer. Investments in the Maryland Local Government Investment Pool are reported at the net asset value per share.

The Maryland Association of Counties Pooled OPEB Trust (MACO Trust) is administered by Davenport & Company LLC, and is a wholly-owned instrumentality of its members. Investments in the MACO Trust are recorded at fair value.

### **3. Inventories and prepaid items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and repair items. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

### **4. Capital assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. This year no tax-exempt bond anticipation notes (BANS) were issued, consequently, no interest was capitalized.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure

of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	50
Right-to-use leased buildings	3
Improvements	20
Infrastructure	50
Machinery, equipment and vehicles	5-20
Right-to-use leased equipment	5-15
Subscriptions	2-5

### ***5. Deferred outflows/inflows of resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County reports a deferred outflow of resources for the change in assumptions in total pension liability, board pension contributions subsequent to the measurement date, change in proportion and differences between employer contributions and share of contributions, change in assumptions in total OPEB liability, net difference between projected and actual earnings on plan investments, and the difference between the actual and expected experience related to the OPEB plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County reports a deferred inflow of resources for the difference between the actual and expected experience related to the pension plan, the net difference between projected and actual earnings on pension plan investments, change in assumptions in total OPEB liability, and the net difference between actual and expected experience related to the OPEB plan. The County also reports the item, *unavailable revenue*, reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from income taxes and property taxes. The amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

### ***6. Net position flow assumption***

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

### ***7. Fund balance flow assumptions***

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**8. Fund balance policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County reports the following fund balances in governmental activities:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. The County reported the following nonspendable fund balances:

Fund	Fund Balance	Nonspendable Category
General Fund	\$ 535,216	Inventory
	722,022	Prepaid Expenditures
Special Revenue Fund		
Kent Family Center	7,956	Prepaid Expenditures
HotDesks	1,100	Prepaid Expenditures
Kent County Drug Task Force	600	Prepaid Expenditures

Restricted – Amounts that can only be spent for specific purposes because of enabling legislation, constitutional provisions or externally imposed conditions by grantors, creditors or contributors. The County reported the following restricted fund balances:

Fund	Fund Balance	Restricted by
Special Revenue Fund		
Agricultural Land Preservation	\$ 46,003	Tax Property Article 13-306 and contributors
Reforestation & Open Space	79,974	Natural Resources Article 5-1610
Inmate Welfare	147,045	Correctional Services Article 10-502
National Opioid Settlements	213,868	National Opioid Settlements
Community Reinvestment & Repair	219,528	Cannabis Reform Act of 2023
Law Library	1,327	Courts and Judicial Proceedings Article 13-501
Regional Family Services	591	Courts and Judicial Proceedings Article 7-202
Sheriff's Forfeiture	10,156	Federal Equitable Sharing Agreement
Kent County Drug Task Force	13,001	Kent County Drug Task Force Forfeiture Agreement

Committed – Amounts that can be used only for specific purposes are determined by formal action (adoption or amendment) by the Board of County Commissioners who are the highest level of decision making authority. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The County reported the following committed fund balances:

Fund	Fund Balance	Committed by
General Fund	\$ 6,634,605	Kent County Budget Document
Special Revenue Fund		
Reforestation & Open Space	27,991	Kent County Land Use Ordinance

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Board of County Commissioners may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The County reported the following assigned fund balances:

Fund	Fund Balance	Assigned by
Special Revenue Fund		
Sheriff Forfeitures	\$ 20,577	Kent County Budget Document
Special Events Overtime	7,697	Kent County Budget Document
Shop with a Cop	307	Kent County Budget Document
Platform Tennis	382	Kent County Budget Document
Post Prom	884	Kent County Budget Document
Weed Control	44,950	Kent County Budget Document
Kent Family Center	7,326	Kent County Budget Document

Unassigned – Amounts that are not included in other fund balance classifications. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

## H. Revenues and expenditures/expenses

### 1. *Program revenues*

Amounts reported as *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 or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

### 2. *Property taxes*

Property taxes attach as an enforceable lien on real property and are levied as of July 1<sup>st</sup>. Payments are due by September 30<sup>th</sup> for all non-principal residences. Beginning October 1<sup>st</sup>, interest is charged each month on taxes that remain unpaid. For principal residences and small businesses with property tax liabilities of less than \$100,000, a two part installment plan is offered. The first installment is due by September 30<sup>th</sup>. Beginning October 1<sup>st</sup>, interest is charged on the amount of the first installment only. The second installment is due by December 31<sup>st</sup>. Beginning January 1<sup>st</sup>, interest is charged on all outstanding balances. A final billing (mailed on January 1) reflects any adjustments (i.e., new construction) to the current year's actual levy. Beginning April 1<sup>st</sup>, interest is charged each month on taxes that remain unpaid. Property taxes are levied at rates enacted by the Board of County Commissioners in the annual budget on the assessed value as determined by the Maryland Department of Assessments and Taxation. The tax rate for the fiscal year ended June 30, 2024 was \$1.022 per \$100 of full assessed value.

### 3. *Compensated absences*

#### Primary Government

*Vacation/ Compensatory Leave Time.* The County's policy permits employees to accumulate earned but unused vacation and compensatory leave time benefits, which are eligible for payment upon separation from County service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. As of June 30, 2024, a total of \$1,314,945 in unused vacation and compensatory leave time has been recorded as compensated absences payable on the Statement of Net Position.

*Sick Leave.* Accumulated sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists.



## Component Units

### Board of Education

*Sick Leave.* As of June 30, 2024, the value of accumulated unused sick leave has not been determined. It is not practical to estimate the portion of such values, which will ultimately be paid because payment is contingent upon employees' future illnesses or retirement. The Board expects its commitment to provide sick leave to be met during the normal course of activities over the working lives of its present employees. Any accumulated unused sick leave at retirement will ultimately be taken into consideration and paid through retirement benefits by the State of Maryland.

*Vacation.* Twelve-month employees earn annual leave at varying rates dependent upon position and length of service. Annual leave generally must be taken by June 30 each year. For support staff, up to 15 days may be transferred to the next fiscal year. For administrative staff, up to three days may be transferred to the first week of July, and they can contribute 10 unused days to their 403(b) plans at the end of the fiscal year.

As of June 30, 2024, a total of \$29,320 in unused annual leave is available, which has been recorded as compensated absences payable in the Statement of Net Position.

Expenditures in the statement of revenues and expenditures for such items are the amounts accrued during the year that normally would be liquidated with expendable available financial resources. All accrued compensated absences are recorded in the government-wide financial statements.

### Public Library

*Vacation.* The Library's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental fund only if the liability has matured as a result of employee resignation or retirements.

The liability for compensated absences as of June 30, 2024 was \$9,399.

*Sick Leave.* Accumulated sick leave lapses when employees leave the employ of the Library and, upon separation from service, no monetary obligation exists.

#### **4. *Proprietary funds operating and nonoperating revenues and expenses***

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 the water and wastewater services and bayside landing funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **I. Implementation of new accounting principles**

The GASB has issued Statement No. 101, *Compensated Absences*, Statement No. 102, *Certain Risk Disclosures*, and Statement No. 103, *Financial Reporting Model Improvements*, which will require adoption in future years. The County will be analyzing the effect of these pronouncements and plans to adopt them, as applicable, by their effective date(s).

## **II. Reconciliation of government-wide and fund financial statements**

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Reconciling items include the following:

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

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

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and, therefore, are not reported in the funds.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and, therefore, are not reported in the funds.

Details of these reconciling transactions can be found on page 29.

### **B. 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 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. Reconciling items include the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.

The issuance of long-term debt (i.e., bonds, leases) 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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities.

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.

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and, therefore, are not reported in the funds.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and, therefore, are not reported in the funds.

Detail of these reconciling transactions can be found on page 31.

### III. Detailed notes on all activities and funds

#### **A. Cash deposits and investments**

##### Primary Government

*Custodial credit risk-deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County maintains the following accounts:

<u>Financial Institution</u>	<u>Bank Balance</u> <u>June 30, 2024</u>
Shore United Bank (insured cash sweep)	\$ 40,116
Pinnacle Bank (insured cash sweep)	9,669,930
Chesapeake Bank and Trust (main operating account)	3,028,168
PNC Bank (payroll processing)	25,507
Chesapeake Bank and Trust (transitional insurance program)	252

As of June 30, 2024, the carrying amount of the County's deposits at the above institutions was \$11,998,034. The deposits at Chesapeake Bank and Trust are collateralized with securities held by the pledging or financial institution's trust department or agent in the County's name and the deposits at Shore United Bank, Pinnacle Bank, and PNC Bank are insured by the Federal Deposit Insurance Corporation. At the end of each day, the deposits at Chesapeake Bank and Trust are invested in an overnight sweep account.

*Interest rate risk.* The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to six months or less.

*Credit risk.* As of June 30, 2024, the County was not exposed to credit risk.

*Concentration of credit risk.* The County's investment policy limits investment in any one financial institution and establishes the following limits: primary government dealers – 60%, commercial banks/certificates of deposit – 40%, money market treasury funds – 40%, local government investment pools – 70%.

*Custodial credit risk-investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2024, the County was not exposed to any custodial credit risk.

*Investments.* The County has adopted an investment policy that is designed to provide maximum safety and liquidity of funds while providing a reasonable rate of return. Permissible investments include U.S. Treasury Obligations, U.S. Government Agency and U.S. Government-Sponsored Enterprises, repurchase agreements, collateralized certificates of deposit, the Maryland Local Government Investment Pool, and mutual funds dealing in government securities. The County's policy and State law require that the underlying collateral for repurchase agreements and certificates of deposit must have a market value of at least 102% of the investment's cost plus accrued interest.

The County's OPEB plan assets are invested in the Maryland Association of Counties Pooled OPEB Trust (MACO Trust). The assets of the MACO Trust are managed by the Board of Trustees and consist of U.S. Treasury obligations, U.S. government agencies, corporate and foreign bonds, municipal obligations, taxable fixed income securities, mutual funds, global funds, and international equity securities. The County's investment in the MACO Trust was \$293,805 as of June 30, 2024.

The County had \$8,106,883 invested in the Maryland Local Government Investment Pool as of June 30, 2024.

##### Component Units

###### Board of Education

As of June 30, 2024, the reported amount of the Board's deposits was \$4,733,050, and the bank balance was

\$6,245,826. As required by law, each depository is to pledge securities at least equal to the amount on deposit at all times in addition to insurance provided by the Federal Deposit Insurance Corporation (FDIC). These collateralization requirements are established to reduce custodial risk which is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. As of June 30, 2024, the bank deposits were fully insured or collateralized.

Public Library

The Library maintains three bank accounts, two at PNC Bank and one at Peoples Bank. As of June 30, 2024, the carrying amount of the Library's deposits was \$328,276, the bank balance in the PNC checking account was \$94,445, the bank balance in the PNC money market account was \$31,244 and the bank balance in the savings account at Peoples Bank was \$219,049, all of which was insured by the Federal Deposit Insurance Corporation.

**B. Receivables**

Below is the detail of receivables for the governmental and business-type activities:

Receivables	General		Capital	Nonmajor	Total		Business-type	Total
	Fund	Grants Fund	Projects Fund	Governmental Funds	Governmental Funds	Funds		
Property Taxes	\$ 2,077,798	\$ -	\$ -	\$ -	\$ 2,077,798	\$ -	\$ -	\$ 2,077,798
Other Accounts:								
Insurance refund	\$ 302,000	\$ -	\$ -	\$ -	\$ 302,000	\$ -	\$ -	\$ 302,000
Water, sewer, bay fees	-	-	-	-	-	828,602	-	828,602
Hotel tax	84,125	-	-	-	84,125	-	-	84,125
Tax sale	-	-	-	-	-	159,745	-	159,745
Septic haulers	-	-	-	-	-	30,851	-	30,851
Loan receivable	100,000	-	-	-	100,000	-	-	100,000
Other	68,797	25	-	4,803	73,625	4,532	-	78,157
	<u>\$ 554,922</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 4,803</u>	<u>\$ 559,750</u>	<u>\$ 1,023,730</u>	<u>\$ -</u>	<u>\$ 1,583,480</u>
Intergovernmental:								
Income taxes	\$10,303,811	\$ -	\$ -	\$ -	\$10,303,811	\$ -	\$ -	\$10,303,811
Recordation tax	216,760	-	-	-	216,760	-	-	216,760
Maryland Family Network	-	-	-	152,534	152,534	-	-	152,534
Property transfer tax	156,143	-	-	-	156,143	-	-	156,143
State Highway Administration	284,746	-	-	-	284,746	-	-	284,746
Health Department	204,195	-	-	-	204,195	-	-	204,195
District Court	439,005	-	-	-	439,005	-	-	439,005
Department of Education	-	-	-	127,674	127,674	-	-	127,674
Town of Galena	-	-	-	-	-	27,706	-	27,706
Comptroller of Maryland	-	-	-	-	-	-	-	-
IRS	-	-	-	-	-	20,945	-	20,945
Department of Commerce	-	203,052	-	-	203,052	-	-	203,052
Department of Housing & Community	-	90,449	-	24,447	114,896	-	-	114,896
Department of Natural Resources	-	621,812	-	263,605	885,417	31,550	-	916,967
Department of Emergency Management	-	143,926	-	-	143,926	-	-	143,926
Opioid National Command Center	-	77,884	-	-	77,884	-	-	77,884
Administrative Office of the Courts	-	54,531	-	-	54,531	-	-	54,531
Governor's Office of Crime Control	-	88,561	-	67,111	155,672	-	-	155,672
911 fees & Numbers Board	90,000	-	-	-	90,000	-	-	90,000
Enterprise Zone Credit	109,854	-	-	-	109,854	-	-	109,854
Other	89,168	116,969	-	1,054	207,191	-	-	207,191
	<u>\$11,893,682</u>	<u>\$ 1,397,184</u>	<u>\$ -</u>	<u>\$ 636,425</u>	<u>\$13,927,291</u>	<u>\$ 80,201</u>	<u>\$ -</u>	<u>\$14,007,492</u>

The County does not have any allowance for doubtful accounts related to the above receivables. The County expects to receive all of the receivables listed above within one year except for the following:

The State has estimated that they are holding \$10,303,811 of the County's income tax revenue based on the 2023 tax returns. It will take several years for the State to remit these monies to the County, however, the State estimates their liability to the County and the County reports this receivable in accordance with GAAP.

## C. Capital assets

### Primary Government

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

	Balance				Balance
	July 1, 2023	Increases	Transfers	Decreases	June 30, 2024
<b><u>Governmental activities</u></b>					
Capital assets, not being depreciated:					
Land	\$ 22,677,487	\$ -	\$ -	\$ -	\$ 22,677,487
Construction in progress	1,079,232	10,827	(219,278)	-	870,781
Total capital assets, not being depreciated	23,756,719	10,827	(219,278)	-	23,548,268
Capital assets, being depreciated:					
Buildings	15,441,978	-	-	-	15,441,978
Right-to-use leased buildings	139,464	-	-	-	139,464
Improvements	3,453,176	196,559	191,208	59,679	3,781,264
Machinery, equipment and vehicles	17,475,588	496,366	28,070	799,290	17,200,734
Right-to-use leased equipment	5,246,732	673,455	-	-	5,920,187
Infrastructure	18,496,696	-	-	-	18,496,696
Subscription assets	338,477	117,600	-	-	456,077
Total capital assets, being depreciated	60,592,111	1,483,980	219,278	858,969	61,436,400
Less accumulated depreciation for:					
Buildings	6,761,588	296,274	-	-	7,057,862
Right-to-use leased buildings	83,678	41,839	-	-	125,517
Improvements	1,795,178	182,217	-	51,069	1,926,326
Machinery, equipment and vehicles	13,315,975	612,829	-	687,366	13,241,438
Right-to-use leased equipment	4,068,595	525,826	-	-	4,594,421
Infrastructure	7,139,472	334,459	-	-	7,473,931
Subscription assets	148,998	188,198	-	-	337,196
Total accumulated depreciation	33,313,484	2,181,642	-	738,435	34,756,691
Total capital assets being depreciated, net	27,278,627	(697,662)	219,278	120,534	26,679,709
Total governmental activities capital assets	\$ 51,035,346	\$ (686,835)	\$ -	\$ 120,534	\$ 50,227,977
<b><u>Business-type activities</u></b>					
Capital assets, not being depreciated:					
Land	\$ 1,731,536	\$ -	\$ -	\$ -	\$ 1,731,536
Construction in progress	78,707	4,300	-	19,907	63,100
Total capital assets, not being depreciated	1,810,243	4,300	-	19,907	1,794,636
Capital assets, being depreciated:					
Buildings	1,844,189	-	-	-	1,844,189
Improvements	397,883	-	-	-	397,883
Infrastructure	53,271,909	10,200	-	-	53,282,109
Machinery, equipment and vehicles	3,298,505	-	-	131,734	3,166,771
Right-to-use leased equipment	568,878	80,909	-	-	649,787
Total capital assets, being depreciated	59,381,364	91,109	-	131,734	59,340,739
Less accumulated depreciation for:					
Buildings	490,395	36,884	-	-	527,279
Improvements	217,151	18,626	-	-	235,777
Infrastructure	19,856,555	1,063,139	-	-	20,919,694
Machinery, equipment and vehicles	2,670,718	128,397	-	131,734	2,667,381
Right-to-use leased equipment	158,006	99,056	-	-	257,062
Total accumulated depreciation	23,392,825	1,346,102	-	131,734	24,607,193
Total capital assets being depreciated, net	35,988,539	(1,254,993)	-	-	34,733,546
Total business-type activities capital assets	\$ 37,798,782	\$ (1,250,693)	\$ -	\$ 19,907	\$ 36,528,182

Depreciation/amortization expense for the year ended June 30, 2024, was charged to the functions/programs of the primary government as follows:

**Governmental activities:**

General government	\$ 666,048
Public safety	468,785
Public works	618,680
Parks, recreation and culture	380,913
Social Services	44,430
Community development	2,786
Total depreciation/amortization expense - governmental activities	<u>\$ 2,181,642</u>

**Business-type activities:**

Water and wastewater services	\$ 1,338,546
Bayside landing	7,556
Total depreciation/amortization expense - business-type activities	<u>\$ 1,346,102</u>

Component Units

Board of Education

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

	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
<b>Government activities</b>					
Capital assets, not being depreciated:					
Land	\$ 122,025	\$ -	\$ -	\$ -	\$ 122,025
Construction in progress	6,480,531	-	-	(6,347,827)	132,704
Total capital assets, not being depreciated	<u>6,602,556</u>	-	-	(6,347,827)	<u>254,729</u>
Capital assets, being depreciated:					
Land improvements	726,079	66,632	-	153,247	945,958
Buildings, furniture, fixtures and equipment	63,438,638	1,143,133	-	6,194,580	70,776,351
Vehicles	1,769,634	269,740	145,533	-	1,893,841
Total capital assets, being depreciated	<u>65,934,351</u>	<u>1,479,505</u>	<u>145,533</u>	<u>6,347,827</u>	<u>73,616,150</u>
Less accumulated depreciation for:					
Land improvements	504,630	46,761	-	-	551,391
Buildings, furniture, fixtures and equipment	44,964,090	2,057,062	-	-	47,021,152
Vehicles	850,773	153,659	129,250	-	875,182
Total accumulated depreciation	<u>46,319,493</u>	<u>2,257,482</u>	<u>129,250</u>	<u>-</u>	<u>48,447,725</u>
Total capital assets, being depreciated, net	<u>19,614,858</u>	<u>(777,977)</u>	<u>16,283</u>	<u>6,347,827</u>	<u>25,168,425</u>
Intangible right-to-use assets:					
Leased equipment	861,696	17,506	-	-	879,202
Less accumulated amortization	466,787	191,366	-	-	658,153
Total intangible right-to-use assets, net	<u>394,909</u>	<u>(173,860)</u>	<u>-</u>	<u>-</u>	<u>221,049</u>
Governmental activities capital assets, net	<u>\$26,612,323</u>	<u>\$ (951,837)</u>	<u>\$ 16,283</u>	<u>\$ -</u>	<u>\$25,644,203</u>

Public Library

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

	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
Capital assets, not being depreciated					
Construction in progress	\$ -	\$ 13,800	\$ -	\$ -	\$ 13,800
Capital assets, being depreciated					
Computers and equipment	90,804	15,585	-	-	106,389
Furniture and fixtures	84,216	14,418	-	-	98,634
Library improvements	33,614	-	-	-	33,614
Right-to-use leased buildings	239,757	-	(23,324)	-	216,433
Total capital assets, being depreciated	448,391	30,003	(23,324)	-	455,070
Less accumulated depreciation	238,930	28,895	(23,324)	-	244,501
Capital assets, net	\$ 209,461	\$ 14,908	\$ -	\$ -	\$ 224,369

Library collections and related accumulated amortization activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
Capital assets	\$ 649,262	\$ 40,474	\$ (70,704)	\$ -	\$ 619,032
Less accumulated depreciation	471,322	53,228	(70,704)	-	453,846
Capital assets, net	\$ 177,940	\$ (12,754)	\$ -	\$ -	\$ 165,186

**D. Accrued liabilities**

Accrued liabilities reported by governmental funds at June 30, 2024, were as follows:

	General Fund	Grant Funds	Nonmajor Governmental Funds	Total Governmental Funds
Salary and employee benefits	\$ 504,120	\$ 16,940	\$ 23,628	\$ 544,688
Forfeitures	-	-	115,479	115,479
In lieu of letters of credit	-	-	-	-
Maryland state retirement	34,571	-	-	34,571
Other	5,135	-	-	5,135
Total accrued liabilities	\$ 543,826	\$ 16,940	\$ 139,107	\$ 699,873

**E. Pension liability**

Primary Government

The County participates in the Maryland State Retirement and Pension System (MSRPS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Maryland. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. For the year ended June 30, 2024, the County recognized aggregated pension expense of \$1,969,966 for the pension system.

Benefits under the Maryland State Retirement and Pension System are established under Title 21, and the Law Enforcement Officers' Pension System under Title 26, of the Annotated Code of Maryland – State Personnel and Pensions.

The Maryland State Retirement and Pension System issues a comprehensive annual financial report that includes disclosures regarding actuarial value of assets, total actuarial accrued liability, unfunded actuarial accrued liability, if any, and funded liability ratio. This report can be obtained from the agency's office as follows:

## Maryland State Retirement and Pension Systems

120 East Baltimore Street  
Baltimore, Maryland 21201

### Pensions

For purposes of measuring the total 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 MSRPS and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. 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.

### Plan Descriptions

The MSRPS covers three classes of employees.

*Employees hired after June 30, 2002, plus eligible employees with service as of July 1, 2002.* Members may retire with full benefits after completing 30 years of eligible service regardless of age or at age 62 or older. On retirement from service, a member shall receive an annual service retirement allowance based on the member's average final compensation and years of creditable service. A member may retire with reduced benefits after attaining age 55 and completing 15 years of eligible service. A member terminating employment before attaining retirement age, becomes eligible for a vested retirement allowance at age 62.

*Employees hired after June 30, 2011.* Members may retire with full benefits when their years of eligible service and age equal 90 or at age 65 or older with 10 years of eligible service. On retirement from service, a member shall receive an annual service retirement allowance based on the member's average final compensation and years of creditable service. A member may retire with reduced benefits after attaining age 60 and completing 15 years of eligible service. A member terminating employment before attaining retirement age, but after completing 10 years of eligible service, becomes eligible for a vested retirement allowance at age 65.

*Law enforcement employees hired after June 30, 2002, plus eligible employees with service as of July 1, 2002.* Members may retire after 25 years of service or at age 50 with at least 5 years of service. A member who joined prior to July 1, 2012 is eligible for vesting after 5 years of service; however, the contribution must be left in the Retirement System in order to qualify for benefits at age 50. A member who joined after July 1, 2012 is eligible for vesting after 10 years of service; however, the contribution must be left in the Retirement System in order to qualify for benefits at age 65.

*Correctional Officers' employed as of July 1, 2022.* Members may retire with full benefits at age 55 with at least 10 years of service credit or 20 years of service credit regardless of age. A member may retire with reduced benefits before attaining age 55 and completing 15 years of eligible service. A member who joined prior to July 1, 2011, is vested in CORS after 5 years of service. A member who joined on or after July 1, 2011, is vested in CORS after 10 years of service.

### Funding Policy

Obligations to contribute to the plan were established under Title 21 and Title 26 of the Annotated Code of Maryland – State Personnel and Pensions. Members contributed 7% of their gross regular employee compensation during fiscal year 2024.

Required contributions under the plans, which are not funded by employee contributions, are funded entirely by the County. Contributions by the County to MSRPS take place during the fiscal year and are based upon salaries for the preceding fiscal year. The County contribution for the year ending June 30, 2024 is based on salaries for the year ending June 30, 2023. The contribution requirements of plan members of the reporting entity are established and may be amended by the Maryland State Pension System Board of Trustees. The contributions for the fiscal years ending June 30<sup>th</sup> were equal to the actuarially determined amounts as follows:



	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
MSRPS Contributions	\$ 2,295,002	\$ 1,939,232	\$ 1,444,701

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

As of June 30, 2024, the County reported a liability of \$16,352,919 for its proportionate share of the total pension liability. The total pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the total pension liability was determined by an actuarial valuation as of that date. The County's proportion of the total 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 participants members actuarially determined. As of June 30, 2024, the County's proportion was 0.0710%.

For the year ended June 30, 2024, the County recognized pension expenses of \$1,969,966. As of June 30, 2024, 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
Changes in assumptions	\$ 1,024,881	\$ -
Changes in proportion & differences between employer contributions & share of contributions	1,721,979	-
County contribution subsequent to the measurement date	2,295,002	-
Net difference between projected vs actual investment earnings	1,203,201	-
Difference between actual and expected experience	-	77,703
Total	<u>\$ 6,245,063</u>	<u>\$ 77,703</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources are related to pensions, which will be recognized in pension expense as follows:

Year Ended June 30,	
2025	\$ 715,027
2026	754,511
2027	559,954
2028	1,178,875
2029	663,991

*Actuarial Assumptions* - The key actuarial assumptions used to perform the June 30, 2024, pension liability calculation are as follows:

Inflation	2.25% general, 2.75% wage
Salary increases	2.75% to 11.25%, including inflation
Investment rate of return	6.80%
Retirement Age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to the 2018 experience study of the period July 1, 2014 to July 30, 2018.
Mortality	Various versions of the Public Sector 2010 Mortality Tables for males and females with projected generational mortality improvements based on the MP-2018 fully generational mortality improvements scale for males and females.

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the System's Board after considering input from the System's investment consultant(s) and actuary(s). For each major asset class that is included in the System's target asset allocation, the best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34%	6.9%
Private Equity	16%	8.6%
Rate Sensitive	20%	2.6%
Credit Opportunity	9%	5.6%
Real Assets	15%	5.4%
Absolute Return	6%	4.4%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term 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 Total pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the total pension liability calculated using the discount rate of 6.80%, as well as what the County's proportionate share of the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.80%) or 1 percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Discount Rate (6.80%)	1% Increase (7.80%)
County's proportionate share of the net pension liability	\$ 24,248,078	\$ 16,352,919	\$ 9,801,316

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued System's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This can be found at [www.sra.state.md.us](http://www.sra.state.md.us).

**F. Other post-employment benefit (OPEB) liability**

Primary Government

*Post-employment Benefits Other than Pensions (OPEB)* - For purposes of measuring the total 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 Kent County Other Post-Employment Benefit Plan and additions to/deductions from the County's Other Post-Employment Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by Kent County's Other Post-Employment Benefit 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, 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.

*Plan Description* – The County’s Other Post-Employment Benefit Plan (OPEB) is an agent multiple-employer defined benefit healthcare plan whose assets are held by the Maryland Association of Counties Pooled OPEB Trust. On June 9, 2009, the County Commissioners authorized the establishment of a trust to fund costs of health insurance and any other post-employment benefits provided to eligible retirees of the County. The participants of the trust include: Allegany, Queen Anne’s, Kent and Talbot Counties, City of Annapolis, College of Southern Maryland, Town of Bel Air, Town of Hurlock, Talbot and Queen Anne’s County Boards of Education, St. Mary’s County Metropolitan Commission, Harford Community College, Harford and Queen Anne’s County Public Libraries, La Vale Sanitary Commission and Tri County Council.

*Benefits Provided* - An employee retiring from Kent County Government on or after July 2, 2002, who has accumulated thirty (30) years of service or a law enforcement or corrections employee who has accumulated twenty-five (25) years of service, will be eligible to receive the same health benefits as provided to current full-time or permanent part-time employees, whichever is applicable. In so doing, the County will pay the same percentage of premium for an employee retiring as a full-time employee as it pays to current full-time employees and will pay the same percentage for an employee retiring as a permanent part-time employee as it pays to current permanent part-time employees. In fiscal year 2024 the County paid 90% of health benefits for retiree’s with individual coverage and 85% of health benefits for retiree’s with individual and spouse coverage.

*Employees Covered by Benefit Terms* – At June 30, 2024, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefit payment	37
Inactive employees entitled to but not yet receiving benefits	0
Active employees	182
	<u>219</u>

*Contributions* – The County contribution includes the pay-as-you-go premiums for current retirees and the trust contribution for future retirees. Both of these figures are determined annually as part of the budget process. In fiscal year 2024 the County contributed \$453,689 (\$353,689 for pay-as-you-go premiums and \$100,000 to the trust). Plan members receiving benefits contributed \$22,715.

Total OPEB liability

The County’s total OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions* - The total OPEB liability as of June 30, 2024, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial assumptions used in the latest actuarial valuation were:

Inflation rate	2.50%
Salary increases	State of Maryland General and LEOPS Retirement and Pension salary scale assumptions
Discount rate	3.97%
Healthcare cost trend rate	2022 version of the SOA Long-Run Medical Cost Trend Model using baseline assumptions. The initial rate is 7.5% and the ultimate rate is 3.94%.
Mortality	<u>Active Employees</u> Regular – SOA Pub 2010 General Employees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021. LEOPS – SOA Pub 2010 Safety Employees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.

Healthy Retirees

Regular - SOA Pub 2010 General Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.  
LEOPS - SOA Pub 2010 Safety Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.

Disabled Retirees

Regular - SOA Pub 2010 General Disabled Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.

LEOPS - SOA Pub 2010 Safety Disabled Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.

An experience study has not been completed for the County Commissioners of Kent County. The demographic assumptions are based on those used by the Maryland State Retirement and Pension System for its actuarial valuation. 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-range expected rate of return by weighing the expected future real rates by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	65%	n/a
Fixed Income	35%	n/a
Cash and Equivalents	0%	n/a
Total	100%	

*Discount Rate* - The discount rate used to measure the total OPEB liability was 3.97% as of June 30, 2024. The projection of cash flows used to determine the discount rate assume that the County will contribute to the trust at the same level as in recent years. Based on that assumption, the liabilities for the plan will be determined using the June 30, 2024 bond rate of 3.97% as a discount rate. The discount rate changed from the prior measurement period. The discount rate was 3.86% for the June 30, 2023 measurement date.

Changes in the Total OPEB liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balance as of 06/30/23</b>	\$ 14,135,475	\$ 172,318	\$ 13,963,157
<b>Changes for the year:</b>			
Service cost	592,709	-	592,709
Interest	538,769	-	538,769
Changes in benefit terms	-	-	-
Experience losses/(gains)	(24,472)	-	(24,472)
Contributions - employer	-	430,974	(430,974)
Net investment income	-	21,487	(21,487)
Changes in assumptions	(273,127)	-	(273,127)
Benefit payments	(330,974)	(330,974)	-
<b>Net changes</b>	502,905	121,487	381,418
<b>Balance as of 06/30/24</b>	\$ 14,638,380	\$ 293,805	\$ 14,344,575

*Sensitivity of the total OPEB liability to changes in the discount rate* - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.97 percent) or 1 percentage point higher (4.97 percent) than the current discount rate:

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Net OPEB liability (Asset)	\$ 17,118,044	\$ 14,344,575	\$ 12,157,327

*Sensitivity of the total OPEB liability to changes in the health care cost trend rates* - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rates that are 1 percentage point lower (2.94 percent) or 1 percentage point higher (4.94 percent) than the current health care cost trend rates:

	1% Decrease (2.94%)	Health Care Cost Trend Rates (3.94%)	1% Increase (4.94%)
Net OPEB liability (Asset)	\$ 11,788,660	\$ 14,344,575	\$ 17,713,269

*OPEB Fiduciary Net Position* - Detailed information about the OPEB's fiduciary net position is available in the separately issued Maryland Association of Counties Pooled OPEB Trust Financial Statement.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024 the County recognized OPEB expense of \$278,110. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 1,694,899	\$ 3,809,671
Net difference between projected and actual investment earnings	-	1,589
Difference between actual and expected experience	598,686	2,942,367
Total	<u>\$ 2,293,585</u>	<u>\$ 6,753,627</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2025	\$ (837,439)
2026	(820,909)
2027	(1,371,321)
2028	(1,100,405)
2029	(287,453)
Thereafter	(42,515)

Component Units

Board of Education

Plan Description - The Board of Education of Kent County, Maryland administers a single-employer defined benefit healthcare plan, The Kent County Public Schools Retiree Health Plan ("the Plan"), that is used to provide

postemployment benefits other than pensions (OPEB) for eligible retirees, their spouses and other dependents. The Plan does not issue a publicly available report.

Annual OPEB Cost and Total OPEB liability – The Board’s net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of April 1, 2023. The methods, assumptions and participant data used are detailed in the fiscal year 2023 GASB 74 valuation report dated September 18, 2023. The discount rate was 3.69% as of June 30, 2022 and 3.86% as of June 30, 2023.

**Actuarial assumptions** – Projections of benefits for financial reporting are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and Plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and Plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of significant valuation methods and assumptions are as follows:

Valuation date	April 1, 2023
Measurement date – GASB 75	June 30, 2023
Actuarial cost method – GASB 75	Entry age normal
Asset valuation method	Market value of assets
Actuarial Assumptions	
Discount rate – June 30, 2022	3.69%
Discount rate – June 30, 2023	3.86%
Payroll growth	3.00%
Inflation rate	2.50%
Rate of growth in real income	1.40%
Medical trend	Based on Society of Actuaries Getzen Long-Term Healthcare Cost Trend Model. The current valuation uses the 2022 version of the model released in October 2021. The initial rate assumed is 7.50% and decreases to 4.64% in 2050 ultimately leveling off at 3.94% in 2075.
Mortality	Pre-retirees - calculated using the Pub-2010 Teacher Employees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale. Healthy post-retirees - calculated using the Pub-2010 Teacher Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale. Disabled individuals - calculated using the Pub-2010 Teacher Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale.

**Rate of Return** – Best estimates of real rates of return for each major asset class included in the target asset allocations as of June 30, 2024, are summarized in the following table:

	Target Allocation	Long Term Expected Rate of Return
Equity	53.45%	4.89%
Fixed Income	42.39%	3.27%
Cash	4.16%	0.98%
Total	100.00%	

**Discount rate** – The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 20-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year’s valuation is 3.86% as of June 30, 2023. The rate has been adjusted from 3.69% as of June 30, 2022.

## Changes in the Total OPEB liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2022	\$ 25,099,782	\$ 1,255,083	\$ 23,844,699
Changes for the Year:			
Service Cost	746,636	-	746,636
Interest	912,127	-	912,127
Experience Losses/Gains	(7,812,672)	-	(7,812,672)
ER Trust Contribution	-	630,660	(630,660)
Net Investment Income	-	109,749	(109,749)
Changes in Assumptions	(580,558)	-	(580,558)
Benefit Payments	(630,660)	(630,660)	-
Administrative Expense	-	(6,869)	6,869
Net Changes	<u>(7,365,127)</u>	<u>102,880</u>	<u>(7,468,007)</u>
Balance as of June 30, 2023	<u>\$ 17,734,655</u>	<u>\$ 1,357,963</u>	<u>\$ 16,376,692</u>

For the year ended June 30, 2024, the Board recognized OPEB expense of \$208,972 on the government-wide statements.

The detailed plan information is included in the Board's current year audited financial statements.

### G. Deferred compensation plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants. The County has no liability for losses under the plan.

Investments are managed by the plan's administrator under several different investment options, or combinations thereof. The choice of the investment option(s) is made by the participants. The County has no management control over the assets of the plan. Accordingly, the assets of the plan are not included in these financial statements per GASB Statement No. 32.

### H. Risk management

The government is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County's risk financing techniques include participation in a public entity pool and the purchase of commercial insurance. For property, general, excess and environmental liability coverage, the County is a member of the Maryland Local Government Insurance Trust (LGIT). This trust is a public entity risk pool, which is owned and directed by the local governments that subscribe to its coverages and operates under the terms of a Trust Agreement.

Subscribers to coverage provided by LGIT share the risk among participants of the pools. As a result, the County's annual premium requirements will be affected by the loss experience of the various insurance pools in which it participates. Also, the County may be subjected to additional assessments from time to time. These amounts would be recorded as expenditures when they are probable and can be reasonably estimated. Conversely, favorable performance of certain insurance pools may result in reduced premiums.

The County pays LGIT an annual premium. Claims are processed and recoveries and administrative costs are paid by LGIT. Similar to a commercial insurance carrier, recoveries are subject to deductibles and to annual aggregate/per occurrence dollar limits. No insurance settlement has exceeded the coverage for the past three years.

The County is fully insured for workers' compensation through Chesapeake Employers Insurance Company. Employees are bonded through LGIT to limit the loss to the County in the event of employees committing acts of embezzlement or theft.

Complete financial statements can be obtained from their administrative offices:

**Local Government Insurance Trust**  
7225 Parkway Drive  
Hanover, MD 21076

## I. Leases

### Primary Government

#### 1. Lease receivable

During the current fiscal year, the County entered into an agreement with the State of Maryland, to lease space in the Kent County Courthouse. The lease is for five years and the County will receive monthly payments of \$9,495. The County recognized \$104,105 in lease revenue and \$16,138 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the County's receivable for the lease payments was \$439,005. Also, the County has deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow resources was \$416,420.

#### 2. Lease payable

The County has entered into various lease agreements as lessee, primarily for office space, vehicles and office equipment. Most leases have initial terms of up to 5 years, and do not contain renewal options. Certain real estate leases require additional payments for common area maintenance, real estate taxes, and insurance, which are expensed as incurred as variable lease payments. For office space leases that include variable payments, those include payments for the County's proportionate share of the building's property taxes, insurance, and common area maintenance. The County's lease arrangements do not contain any material residual value guarantees. If the interest rate implicit in the County's leases is not readily determinable, the County utilized its incremental borrowing rate to discount the lease payments. These agreements qualify as leases for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

At June 30, 2024, the statement of net position includes the following amounts relating to leases:



	Governmental Activities	Business-type Activities	Total
Right-to-use leased assets:			
Buildings	\$ 139,464	\$ -	\$ 139,464
Equipment	5,920,187	649,787	6,569,974
Total right-to-use leased assets	6,059,651	649,787	6,709,438
Less accumulated amortization for:			
Right-to-use leased assets			
Buildings	125,517	-	125,517
Equipment	4,594,421	257,062	4,851,483
Total accumulated amortization	4,719,938	257,062	4,977,000
Total right-to-use leased assets, net:			
Buildings	13,947	-	13,947
Equipment	1,325,766	392,725	1,718,491
Total	<u>\$ 1,339,713</u>	<u>\$ 392,725</u>	<u>\$ 1,732,438</u>
Lease payable:			
Current	\$ 425,136	\$ 102,544	\$ 527,680
Non-current	816,948	195,163	1,012,111
Total	<u>\$ 1,242,084</u>	<u>\$ 297,707</u>	<u>\$ 1,539,791</u>

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

Fiscal Year	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 425,136	\$ 62,084	\$ 487,220	\$ 102,544	\$ 18,966	\$ 119,923
2026	338,119	46,321	384,440	61,852	14,921	74,733
2027	253,812	27,862	281,674	66,782	9,751	74,734
2028	156,761	11,667	168,428	57,427	5,721	60,159
2029	68,256	2,313	70,569	9,102	1,472	9,362
2030-2034	-	-	-	-	-	-
	<u>\$ 1,242,084</u>	<u>\$ 150,247</u>	<u>\$ 1,392,331</u>	<u>\$ 297,707</u>	<u>\$ 50,831</u>	<u>\$ 338,911</u>

## J. Subscription-based information technology arrangements

### Primary Government

The County has entered into three subscription-based information technology arrangements, primarily related to facilitating County operations and fiscal transparency. The subscription-based information technology arrangements have a term of 3 - 5 years, and do not contain renewal options. If the interest rate implicit in the County's subscription-based information technology arrangements is not readily determinable, the County utilized its incremental borrowing rate to discount the subscription-based information technology arrangements payments.

These agreements qualify as subscription-based information technology arrangements for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

At June 30, 2024, the statement of net position includes the following amounts relating to subscription-based information technology arrangements:

	Governmental Activities	Business-type Activities	Total
Subscription assets	\$ 456,077	\$ -	\$ 456,077
Less accumulated amortization for:			
Subscription assets	337,196	-	337,196
Total subscription assets, net	<u>\$ 118,881</u>	<u>\$ -</u>	<u>\$ 118,881</u>
Subscriptions payable:			
Current	\$ 12,730	\$ -	\$ 12,730
Non-current	27,667	-	27,667
Total	<u>\$ 40,397</u>	<u>\$ -</u>	<u>\$ 40,397</u>

The future principal and interest subscription-based information technology arrangement payments as of June 30, 2024, were as follows:

Fiscal Year	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 12,730	\$ 2,285	\$ 15,015	\$ -	\$ -	\$ -
2026	13,454	1,561	15,015	-	-	-
2027	14,213	802	15,015	-	-	-
2028	-	-	-	-	-	-
	<u>\$ 40,397</u>	<u>\$ 4,648</u>	<u>\$ 45,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## K. Short-term debt

### Primary Government

The County maintains a line of credit of \$3,500,000 from a local financial institution with an interest rate of 60% of the prime rate. The outstanding balance at June 30, 2024, was \$0.

### Component Units

#### Public Library

During 2024, the Library continued their \$25,000 line of credit agreement with PNC Bank for operating needs. The agreement no longer has an expiration date. There has been no activity on the credit line during the year and the balance remains at \$0.

## L. Long-term liabilities

### General Obligation Bonds, Notes, Other Post-Employment Benefits, Compensated Absences, Landfill Liability

The County issues general obligation bonds and notes payable to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 40 years. General obligation bonds and notes payable outstanding at June 30, 2024, are as follows:

**Governmental Activities:**

Description	Issue Date	Original Borrowing	Interest Rate	Maturity Date	Outstanding 6/30/2024
<b>Notes from direct borrowings and direct placements</b>					
<u>United States Department of Agriculture</u>					
FY11 Nicholson Ground Water Recovery Treatment	12/16/10	\$ 154,000	2.250%	12/16/50	\$ 116,492
<u>Shore United Bank</u>					
FY20 Refinance - FY09 Community Center	06/25/20	4,700,000	2.990%	04/01/29	2,611,111
FY20 Public Schools - Capital Projects	06/25/20	1,700,000	2.990%	04/01/30	1,020,000
<u>Zoll Medical Corporation</u>					
FY24 Defibrillators	07/18/23	231,275	0.000%	07/18/29	231,275
<u>SunTrust Bank</u>					
FY11 Refinance - FY98 Public Works Complex	05/02/11	784,100	3.820%	05/02/26	131,683
					<u>\$ 4,110,561</u>

**Business-type Activities:**

Description	Issue Date	Original Borrowing	Interest Rate	Maturity Date	Outstanding 6/30/2024
<b>Notes from direct borrowings and direct placements</b>					
<u>Maryland Department of the Environment - Water Quality</u>					
Allen's Lane Sewer Extension	07/26/07	1,152,308	1.000%	02/01/25	\$ 46,042
Fairlee/Piney Neck/Tolchester/Spring Cove Debt Refinance	04/28/04	2,027,478	1.000%	02/01/24	-
Worton Wastewater Treatment Plant Upgrade	07/30/09	2,700,000	1.000%	02/01/30	908,045
<u>United States Department of Agriculture</u>					
Worton Water Treatment Plant	01/28/10	338,000	2.375%	01/28/50	251,976
Chesterville Sewer Extension	12/16/10	476,000	2.250%	12/16/50	359,974
Worton Wastewater Treatment Plant	07/15/10	5,367,082	4.000%	07/15/50	4,366,533
Worton Wastewater Treatment Plant	12/16/10	2,253,000	3.750%	12/16/50	1,823,742
Edesville Wastewater Treatment Plant	11/18/10	60,000	2.250%	11/18/50	45,370
Worton Wastewater Treatment Plant	07/01/11	601,000	2.500%	07/01/51	469,374
Quaker Neck Sewer Extension	12/16/11	780,000	2.250%	12/16/51	606,014
Delta Heights Extension	12/22/16	476,000	1.375%	12/22/56	405,371
Galena Wastewater Treatment Plant & Collection System	12/22/16	1,163,000	1.375%	12/22/56	1,029,725
					<u>\$ 10,312,166</u>

The debt services requirements for the County's bonds, loans and notes are as follows:

<u>Governmental Activities</u>				<u>Business-Type Activities</u>			
<u>Notes from direct borrowings and direct placements</u>				<u>Notes from direct borrowings and direct placements</u>			
Fiscal Year Ending June 30,	Principal	Interest	Build America Bonds Interest	Principal	Interest	Build America Bonds Interest	
2025	\$ 803,043	\$ 116,195	\$ (908)	\$ 413,239	\$ 321,673	\$ (87,583)	
2026	805,585	92,955	(882)	375,799	308,901	(85,576)	
2027	738,585	69,620	(856)	384,609	300,091	(83,492)	
2028	738,656	48,851	(831)	392,954	291,746	(81,547)	
2029	755,240	28,069	(801)	403,036	281,664	(79,082)	
2030 - 2034	189,064	15,279	(3,569)	1,529,606	1,237,078	(358,639)	
2035 - 2039	21,328	7,932	(2,776)	1,617,517	984,963	(287,578)	
2040 - 2044	23,858	5,402	(1,891)	1,907,665	694,815	(201,509)	
2045 - 2049	26,696	2,564	(897)	2,255,598	346,882	(96,901)	
2050 - 2054	8,506	176	(63)	898,510	38,998	(5,781)	
2055 - 2057	-	-	-	133,633	2,523	-	
	<u>\$ 4,110,561</u>	<u>\$ 387,043</u>	<u>\$ (13,474)</u>	<u>\$ 10,312,166</u>	<u>\$ 4,809,334</u>	<u>\$ (1,367,688)</u>	

A portion of the interest on loans through the Build America Bond program obtained from the United States Department of Agriculture Rural Development under the American Recovery and Reinvestment Act of 2009 (ARRA) is reimbursed to the County.

Legal Debt Margin

In accordance with Section 3-9.1 of Chapter 3 of the Code of Public Local Laws of Kent County, Maryland, the County's annual debt financing cannot exceed twenty million dollars in any single fiscal year. During fiscal year 2024, the County issued \$231,275 of new debt.

Changes in Long-Term Liabilities

Changes in the government's long-term liabilities for the year ended June 30, 2024, are as follows:

	Balance				Balance	Due Within
	July 1, 2023	Additions	Transfers	Reductions	June 30, 2024	One Year
<b>Governmental Activities:</b>						
Notes from direct borrowings and direct placements	\$ 4,636,926	\$ 231,275	\$ -	\$ (757,640)	\$ 4,110,561	\$ 803,043
Leases	1,193,746	576,513	-	(528,175)	1,242,084	425,136
Subscriptions	188,258	-	-	(147,861)	40,397	12,730
Compensated absences	1,230,033	1,236,030	-	(1,151,118)	1,314,945	154,853
Landfill liability	2,149,558	-	-	(162,515)	1,987,043	149,597
Net other post-employment benefit liability	13,963,157	381,418	-	-	14,344,575	-
Net pension liability	12,476,773	3,876,146	-	-	16,352,919	-
Governmental activities long-term liabilities	<u>\$ 35,838,451</u>	<u>\$ 6,301,382</u>	<u>\$ -</u>	<u>\$ (2,747,309)</u>	<u>\$ 39,392,524</u>	<u>\$ 1,545,359</u>
<b>Business-Type Activities:</b>						
Notes from direct borrowings and direct placements	\$ 10,856,891	\$ -	\$ -	\$ (544,725)	\$ 10,312,166	\$ 413,239
Leases	338,635	68,050	-	(108,978)	297,707	102,544
Compensated absences	81,614	95,921	-	(88,579)	88,956	13,361
Business-type activities long-term liabilities	<u>\$ 11,277,140</u>	<u>\$ 163,971</u>	<u>\$ -</u>	<u>\$ (742,282)</u>	<u>\$ 10,698,829</u>	<u>\$ 529,144</u>

The County’s outstanding notes from direct borrowings and direct placements related to governmental activities of \$116,492 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

The County’s outstanding notes from direct borrowings and direct placements related to business-type activities of \$9,358,079 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

The County also has an unused line of credit in the amount of \$3,500,000.

Funding Sources for Other Non-Debt Related Liabilities

Compensated absences liabilities of governmental activities are liquidated by the governmental fund that incurred the personnel cost. The majority of these liabilities have historically been liquidated by the general fund.

Total pension liabilities, net other post-employment benefit liabilities, and landfill liabilities are all liquidated with general fund resources.

Component Units

Board of Education

A summary of long-term liability activity for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
<b>Governmental Activities:</b>					
Net other post-employment benefit liability	\$ 23,844,699	\$ -	\$(7,468,007)	\$ 16,376,692	\$ -
Financed purchases	633,285	156,180	(154,111)	635,354	199,412
Intangible right-to-use leases	411,858	17,505	(196,582)	232,781	108,062
Net pension liability	1,497,715	320,930	-	1,818,645	-
	<u>\$ 26,387,557</u>	<u>\$ 494,615</u>	<u>\$(7,818,700)</u>	<u>\$ 19,063,472</u>	<u>\$ 307,474</u>

**M. Fund balance**

**Minimum fund balance policy.** While the County does not have a formal fund balance policy, it strives to maintain an unassigned general fund balance of at least 7.5% of general fund expenditures to provide fiscal stability when economic downturns and other unexpected events occur. This year, the County’s ending unassigned fund balance is 25.8% of general fund expenditures.

**Stabilization arrangement.** The County maintains a revenue stabilization reserve (“rainy day fund”) in the general fund. Resources equivalent to 0.05% of total general fund revenues are reserved annually. Expenditure of the amounts in the revenue stabilization reserve may occur at the direction of the County Commissioners. Use of these funds are not expected to occur routinely and are intended to be a resource in times of revenue shortfalls. At June 30, 2024, the stabilization reserve is \$373,243.

**N. Interfund receivables and payables**

Interfund receivables and payables are usually used by the County to cover temporary cash deficits in individual funds until grant or similar resources are received. Occasionally, these receivables and payables are used in lieu of short-term external borrowing for capital projects. The composition of interfund balances as of June 30, 2024, is as follows:

	Due From All Funds	Due To All Funds
General fund	\$ 1,701,854	\$ 716,895
Grant fund	710,750	1,095,752
Capital projects fund	-	102,414
Non-major governmental funds	-	394,367
Enterprise fund - water and wastewater services	6,145	109,321
Total	<u>\$ 2,418,749</u>	<u>\$ 2,418,749</u>

**O. Interfund transfers**

Interfund transfers represent a transfer of resources from one fund to another without expectation of repayment. Usually these transfers are undertaken to enable the receiving entity to provide services that the government has determined to be in the best interest of the County. The composition of interfund transfers for the year ended June 30, 2024, is as follows:

	Transfers In	Transfers Out
General fund	\$ -	\$ (1,485,677)
Grant fund	15,778	-
Capital projects fund	87,967	-
Non-major governmental funds	172,566	-
Enterprise fund - water and wastewater services	1,209,366	-
Total	<u>\$ 1,485,677</u>	<u>\$ (1,485,677)</u>

Significant interfund transfers in 2024 included:

- \$1,209,366 transfer from the general fund to the water and wastewater services fund to subsidize the cost of operations.

**P. Landfill closure and post-closure care costs**

Between 1987 and 1992 the County operated Nicholson landfill. This 45.8 acre site was the County’s primary collection facility. In May 1992, the County stopped collecting trash at Nicholson landfill. A two foot cap of cover material, sediment ponds, water testing wells, and methane gas vents were completed in the fall of 1996 in accordance with federal and state regulations. The County is required to provide post-closure maintenance to the landfill for 30 years subsequent to its capping. The County has paid \$3,283,057 in post closure costs in the last twenty-seven years. Estimates for the costs have been revised to provide extended post-closure care for the next sixteen years at \$1,987,043. The total current cost of the landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations. This expenditure is budgeted and funded with general fund resources each year.

**Q. Joint ventures**

The County Commissioners, in conjunction with Talbot, Caroline, and Queen Anne’s Counties, created the Midshore Regional Landfill in 1991. Each of the counties in turn, will host a landfill site that will be owned and operated by Maryland Environmental Service to serve the four county area for a twenty-year period. The first landfill site was located in Talbot County and stopped accepting waste as of December 2010. The second landfill site was opened January 2011, in Caroline County. Each county is required to set aside sufficient land to construct a landfill within their borders. The agreement expires when the last of the four landfills is closed.

Each county is required to place its municipal waste in the landfill. The facility is also available to commercial waste disposal firms at the same price per ton as charged to the county governments. Kent County paid \$130,479 in tipping fees to the facility during fiscal year 2024.

The participating counties are contingently liable for closure costs of the landfills. The County’s potential share of the liability is \$3,413,589. Maryland Environmental Service is currently putting into place a plan to fund all closure costs

from the revenues of the facilities. The project has sufficient revenues and reserves at this time to lead the County to believe that no expenditure of its funds will be required. Audited financial statements for the project can be obtained from:

**Maryland Environmental Service**  
259 Najoles Road  
Millersville, MD 21108.

## **R. Agreements**

The County Water and Wastewater Department has also entered into agreements with the towns of Chestertown, Millington, Rock Hall, and Galena, Maryland whereby the towns provide water to West Millington and Edesville sub-districts, and accept wastewater from the Quaker Neck, West Millington, Piney Neck, Spring Cove/Green Lane, Edesville and Georgetown sub-districts, respectively. The County Department maintains and operates the water lines and sewer collection systems.

## **S. Contingencies**

### Primary Government

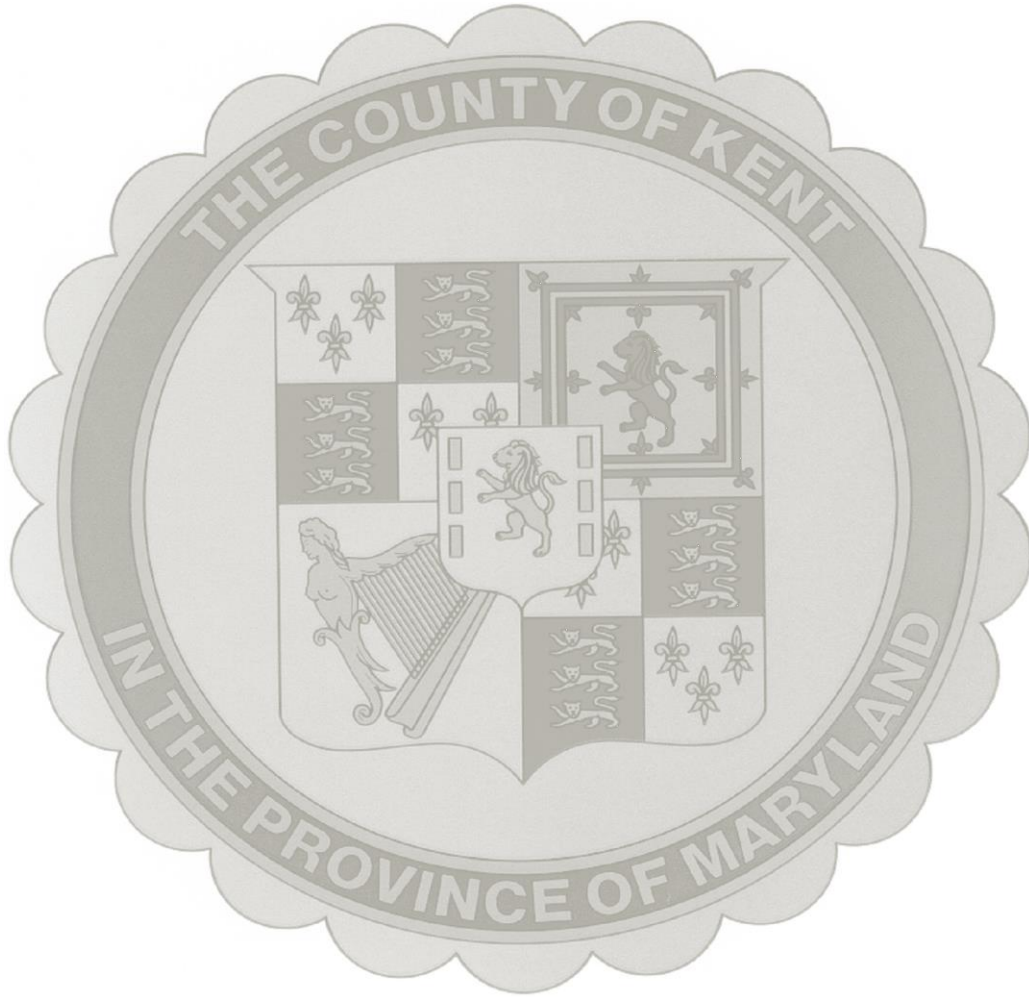
The County and its component units are recipients of various federal and state grant and/or loan programs, which are governed by various rules and regulations of grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. If the County has not complied with the rules and regulations governing the programs, refunds of money received may be required and the collectability of any related receivable may be impaired.

The County has received Community Development Block Grant Program funds for the purpose of rehabilitating homes of low/moderate income households. Upon the completion of the housing improvements, the homeowners enter into a deferred loan agreement with the County whereby the homeowners agree to repay the County for the value of the improvements their homes received if they sell their homes within a specified period of time. As of June 30, 2024, the value of all the deferred loan agreements was \$36,353.

## **T. Deficits**

At June 30, 2024, the following funds had a deficit in unassigned fund balance: Capital Projects (\$111,581), Kent Family Center (\$10,802), HotDesks (\$1,100), Drug Task Force (\$600). These deficits are expected to be eliminated through normal operations.

# Required Supplementary Information





**The County Commissioners of Kent County, Maryland**  
**General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Property	\$ 34,046,285	\$ 34,046,285	\$ 34,199,006	\$ 152,721
Income	17,260,000	17,260,000	20,020,098	2,760,098
Other	2,548,000	3,103,000	3,168,618	65,618
Licenses and permits	343,228	343,228	340,075	(3,153)
Intergovernmental	1,840,151	1,846,151	1,783,246	(62,905)
Charges for services	630,263	640,613	753,713	113,100
Fines and forfeitures	7,000	7,000	9,288	2,288
Miscellaneous	636,116	845,532	1,305,417	459,885
<b>Total Revenues</b>	<b>57,311,043</b>	<b>58,091,809</b>	<b>61,579,461</b>	<b>3,487,652</b>
<b>EXPENDITURES</b>				
General government				
County commissioners office	660,846	686,476	659,695	26,781
State's attorney's office	951,789	957,789	915,889	41,900
Circuit court	424,680	397,540	377,397	20,143
Orphan's court	64,156	64,156	50,302	13,854
Election office	724,150	724,150	521,009	203,141
Finance office	973,410	973,410	954,598	18,812
Legal counsel	72,330	72,200	64,067	8,133
Human resources	528,642	528,642	505,397	23,245
Planning and zoning	1,023,215	1,021,928	953,487	68,441
Information technology	1,250,454	1,298,950	1,297,083	1,867
Building maintenance	1,193,617	1,501,484	1,415,511	85,973
General services	241,987	74,046	72,805	1,241
<b>Total general government</b>	<b>8,109,276</b>	<b>8,300,771</b>	<b>7,787,240</b>	<b>513,531</b>
Public safety				
Sheriff's office	4,660,218	4,823,295	4,323,855	499,440
Volunteer fire company	1,208,196	1,208,196	1,202,813	5,383
Detention center	3,931,846	4,026,223	3,861,377	164,846
Community work program	10,473	10,473	10,468	5
Alcoholic beverage inspection	61,544	61,544	44,713	16,831
Building inspector	37,210	38,487	35,833	2,654
Emergency management	2,417,669	2,955,959	2,881,337	74,622
Communications division	1,413,477	1,410,937	1,395,191	15,746
Humane society	313,140	313,140	312,776	364
<b>Total public safety</b>	<b>14,053,773</b>	<b>14,848,254</b>	<b>14,068,363</b>	<b>779,891</b>
Public works				
Administration	596,712	596,415	520,010	76,405
Highways and streets	4,215,179	4,032,231	3,677,672	354,559
Environmental operations	1,158,831	1,129,510	925,726	203,784
<b>Total public works</b>	<b>5,970,722</b>	<b>5,758,156</b>	<b>5,123,408</b>	<b>634,748</b>

(Continued)

**The County Commissioners of Kent County, Maryland**  
**General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Health				
Health department	1,352,438	1,292,438	1,292,438	-
Mosquito control	40,300	40,300	37,575	2,725
	<hr/>	<hr/>	<hr/>	<hr/>
Total health	1,392,738	1,332,738	1,330,013	2,725
	<hr/>	<hr/>	<hr/>	<hr/>
Social services				
Department of social services	66,036	72,036	71,889	147
Upper shore aging	354,082	354,082	354,082	-
Delmarva community service	87,351	87,351	87,351	-
Commission on aging	3,550	3,550	2,946	604
Community mediation	10,000	10,000	10,000	-
Kent center	42,193	42,193	42,193	-
Maryland health & mental hygiene	20,132	20,132	20,132	-
Human relations commission	100	100	-	100
Saint martin's ministries	10,700	10,700	10,700	-
Imagination library	5,000	5,000	5,000	-
Midshore regional council	5,000	5,000	5,000	-
Court appointed special advocates	14,980	14,980	14,980	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total social services	619,124	625,124	624,273	851
	<hr/>	<hr/>	<hr/>	<hr/>
Education				
Kent county public schools	19,654,557	19,654,557	19,654,557	-
Chesapeake college	537,832	537,832	537,832	-
Kent county learning center	2,500	2,500	2,500	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total education	20,194,889	20,194,889	20,194,889	-
	<hr/>	<hr/>	<hr/>	<hr/>
Parks, recreation and culture				
Recreation	1,521,793	1,524,055	1,253,234	270,821
Parks	614,143	499,746	452,658	47,088
Culture	19,895	19,895	19,895	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total parks, recreation and culture	2,155,831	2,043,696	1,725,787	317,909
	<hr/>	<hr/>	<hr/>	<hr/>
Library	756,152	756,152	756,152	-
	<hr/>	<hr/>	<hr/>	<hr/>
Resource conservation and development				
Extension office	153,155	153,155	149,907	3,248
Soil conservation service	213,534	213,534	213,534	-
Forestry board	1,693	1,693	1,693	-
Waterman's association	8,000	8,000	8,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total resource conservation and development	376,382	376,382	373,134	3,248
	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

**The County Commissioners of Kent County, Maryland**  
**General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Community development				
Economic and Tourism Development	553,007	558,507	541,820	16,687
Stories of The Chesapeake	3,000	3,000	3,000	-
Small Businesses Development Center	6,000	6,000	6,000	-
Upper Shore Regional Council	27,000	27,000	27,000	-
Delmarva Craft	16,050	16,050	16,050	-
Total community development	<u>605,057</u>	<u>610,557</u>	<u>593,870</u>	<u>16,687</u>
Debt service				
Debt service principal	757,632	757,640	757,640	-
Debt service interest	138,413	138,439	138,439	-
Subscription arrangements principal	-	147,861	147,861	-
Subscription arrangements interest	-	7,090	7,090	-
Lease principal	447,807	497,337	471,253	26,084
Lease interest	75,365	79,294	64,881	14,413
Total debt service	<u>1,419,217</u>	<u>1,627,661</u>	<u>1,587,164</u>	<u>40,497</u>
Intergovernmental				
Municipalities	23,576	23,576	23,576	-
Maryland department of assessment & taxation	112,000	112,000	111,899	101
Total intergovernmental	<u>135,576</u>	<u>135,576</u>	<u>135,475</u>	<u>101</u>
Miscellaneous				
Insurance & non departmental benefits	962,484	962,484	749,041	213,443
Contingencies	400,000	157,972	-	157,972
Total miscellaneous	<u>1,362,484</u>	<u>1,120,456</u>	<u>749,041</u>	<u>371,415</u>
 Total expenditures	 <u>57,151,221</u>	 <u>57,730,412</u>	 <u>55,048,809</u>	 <u>2,681,603</u>
 Excess (deficiency) of revenues over expenditures	 <u>159,822</u>	 <u>361,397</u>	 <u>6,530,652</u>	 <u>6,169,255</u>
 OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(3,187,486)	(2,086,229)	(1,485,677)	600,552
Leases	289,153	530,428	576,513	46,085
Notes issued	-	231,275	231,275	-
Sale of general capital assets	18,513	22,738	68,227	45,489
Total Other Financing Sources (Uses)	<u>(2,879,820)</u>	<u>(1,301,788)</u>	<u>(609,662)</u>	<u>692,126</u>
 Net change in fund balances*	 (2,719,998)	 (940,391)	 5,920,990	 6,861,381
 Fund balance - beginning			 16,164,425	
Fund balance - ending			<u><u>\$ 22,085,415</u></u>	

\*The net change in fund balances was included in the budget as an appropriation (i.e. spenddown) of fund balance.

**The County Commissioners of Kent County, Maryland**  
**Schedule of Investment Returns for the Retiree Health Benefit Plan**  
**For the Year Ended June 30, 2024**

	<b>Fiscal Year</b>									
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Annual money-weighted rate of return net of investment expense	6.50%	5.70%	-4.69%	10.81%	1.16%	1.43%	0.17%	0.19%	0.15%	0.16%

**The County Commissioners of Kent County, Maryland**  
**Schedule of Changes in the County's Total OPEB liability and Related Ratios**  
**For the Year Ended June 30, 2024**

<b>Total OPEB Liability</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service cost	\$ 592,709	\$ 577,510	\$ 969,276	\$ 1,075,976	\$ 880,662	\$ 582,369	\$ 567,667	\$ 717,357
Interest cost	538,769	526,991	363,509	520,595	565,767	469,677	439,652	380,019
Changes in benefit terms	-	584,943	-	-	-	-	-	-
Differences between expected and actual experience	(24,472)	(1,196,558)	(94,795)	(4,661,630)	(39,186)	2,394,312	878	(26,927)
Changes in assumptions	(273,127)	(518,039)	(5,587,558)	1,017,850	2,044,155	1,968,477	(101,182)	(1,933,327)
Benefit payments	(330,974)	(308,875)	(281,398)	(261,087)	(275,682)	(273,508)	(191,243)	(190,365)
Net change in total OPEB liability	502,905	(334,028)	(4,630,966)	(2,308,296)	3,175,716	5,141,327	715,772	(1,053,243)
Total OPEB liability - beginning of year	14,135,475	14,469,503	19,100,469	21,408,765	18,233,049	13,091,722	12,375,950	13,429,193
Total OPEB liability - ending of year	<u>\$ 14,638,380</u>	<u>\$ 14,135,475</u>	<u>\$ 14,469,503</u>	<u>\$ 19,100,469</u>	<u>\$ 21,408,765</u>	<u>\$ 18,233,049</u>	<u>\$ 13,091,722</u>	<u>\$ 12,375,950</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 430,974	\$ 308,875	\$ 281,398	\$ 261,087	\$ 275,682	\$ 273,508	\$ 191,243	\$ 190,365
Net investment income	21,487	15,927	(25,331)	19,962	1,853	2,262	315	297
Benefit payments	(330,974)	(308,875)	(281,398)	(261,087)	(275,682)	(273,508)	(191,243)	(190,365)
Net change in fiduciary net position	121,487	15,927	(25,331)	19,962	1,853	2,262	315	297
Fiduciary net position - beginning of year	172,318	156,391	181,722	161,760	159,907	157,645	157,330	157,033
Fiduciary net position - ending of year	<u>\$ 293,805</u>	<u>\$ 172,318</u>	<u>\$ 156,391</u>	<u>\$ 181,722</u>	<u>\$ 161,760</u>	<u>\$ 159,907</u>	<u>\$ 157,645</u>	<u>\$ 157,330</u>
Net OPEB liability	<u>\$ 14,344,575</u>	<u>\$ 13,963,157</u>	<u>\$ 14,313,112</u>	<u>\$ 18,918,747</u>	<u>\$ 21,247,005</u>	<u>\$ 18,073,142</u>	<u>\$ 12,934,077</u>	<u>\$ 12,218,620</u>
Fiduciary net position as a % of total OPEB liability	<u>2.01%</u>	<u>1.22%</u>	<u>1.08%</u>	<u>0.95%</u>	<u>0.76%</u>	<u>0.88%</u>	<u>1.20%</u>	<u>1.27%</u>
Covered payroll	\$ 12,337,117	\$ 13,061,223	\$ 11,946,398	\$ 11,536,020	\$ 11,042,301	\$ 9,919,302	\$ 9,938,115	\$ 9,779,935
Net OPEB liability as a % of payroll	116%	107%	120%	164%	192%	182%	130%	125%

**Notes to Schedule:**

Benefits changes: none

Changes in assumptions: none

Discount rate:

6/30/2017	3.58%
6/30/2018	3.62%
6/30/2019	3.13%
6/30/2020	2.45%
6/30/2021	1.92%
6/30/2022	3.69%
6/30/2023	3.86%
6/30/2024	3.97%

The above schedule is intended to show information for ten years. Additional years' information will be displayed as they become available.

**The County Commissioners of Kent County, Maryland**  
**Schedule of the County's Proportionate Share of the Total pension Liability**

**Employee's Pension Plan**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability	0.0710%	0.0624%	6.3900%	0.0598%	0.0573%	0.0545%	0.0470%	0.0480%	0.0459%	0.0421%
County's proportionate share of the net pension liability	<u>\$ 16,352,926</u>	<u>\$ 12,476,773</u>	<u>\$ 9,590,041</u>	<u>\$ 13,504,652</u>	<u>\$ 11,816,245</u>	<u>\$ 11,437,160</u>	<u>\$ 10,227,322</u>	<u>\$ 11,324,075</u>	<u>\$ 9,528,916</u>	<u>\$ 7,468,023</u>
Total	<u>\$ 16,352,926</u>	<u>\$ 12,476,773</u>	<u>\$ 9,590,041</u>	<u>\$ 13,504,652</u>	<u>\$ 11,816,245</u>	<u>\$ 11,437,160</u>	<u>\$ 10,227,322</u>	<u>\$ 11,324,075</u>	<u>\$ 9,528,916</u>	<u>\$ 7,468,023</u>
County's covered payroll	\$ 13,943,331	\$ 10,613,707	\$ 11,246,653	\$ 10,624,941	\$ 10,278,413	\$ 9,948,962	\$ 8,894,900	\$ 7,544,607	\$ 8,149,823	\$ 8,051,282
County's proportionate share of the net pension liability as a percentage of its covered payroll	117.28%	117.55%	85.27%	127.10%	114.96%	114.96%	114.98%	150.09%	116.92%	92.76%
Plan fiduciary net position as a percentage of the total	73.81%	76.27%	81.84%	70.72%	72.34%	71.18%	69.38%	65.79%	68.78%	71.87%

**Schedule of County Contributions**

**Employee's Pension Plan**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,295,002	\$ 1,939,232	\$ 1,444,701	\$ 1,454,313	\$ 1,276,776	\$ 1,179,212	\$ 1,094,581	\$ 969,388	\$ 948,188	\$ 983,563
Contributions in relation to the contractually required contribution	<u>(2,295,002)</u>	<u>(1,939,232)</u>	<u>(1,444,701)</u>	<u>(1,454,313)</u>	<u>(1,276,776)</u>	<u>(1,179,212)</u>	<u>(1,094,581)</u>	<u>(969,388)</u>	<u>(948,188)</u>	<u>(983,563)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 16,272,065	\$ 13,943,331	\$ 10,613,707	\$ 11,246,653	\$ 10,624,941	\$ 10,278,413	\$ 9,948,962	\$ 8,894,900	\$ 7,544,607	\$ 8,149,823
Contributions as a percentage of covered payroll	14.10%	13.91%	13.61%	12.93%	12.02%	11.47%	11.00%	10.90%	12.57%	12.07%

The above schedules are intended to show information for ten years. Additional years' information will be displayed as they become available.



## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.



**The County Commissioners of Kent County, Maryland**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**June 30, 2024**

	<u>Agricultural Preservation</u>	<u>Inmate Welfare</u>	<u>Reforestation &amp; Open Space</u>	<u>Law Library</u>	<u>Housing &amp; Community Development</u>	<u>Regional Family Services</u>	<u>Weed Control</u>	<u>Kent Family Center</u>	<u>Local Management Board</u>	<u>National Opioid Settlements</u>
<b>ASSETS</b>										
Equity in pooled cash	\$ 46,003	\$ 143,747	\$ 107,965	\$ 2,773	\$ 7,734	\$ 591	\$ 46,335	\$ -	\$ 224,522	\$ 213,868
Intergovernmental receivable	-	-	-	1,054	-	-	-	152,534	219,232	-
Receivables	-	3,298	-	-	-	-	-	-	-	-
Prepaid	-	-	-	-	-	-	-	7,956	-	-
Total assets	<u>\$ 46,003</u>	<u>\$ 147,045</u>	<u>\$ 107,965</u>	<u>\$ 3,827</u>	<u>\$ 7,734</u>	<u>\$ 591</u>	<u>\$ 46,335</u>	<u>\$ 160,490</u>	<u>\$ 443,754</u>	<u>\$ 213,868</u>
<b>LIABILITIES</b>										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,385	\$ 4,653	\$ 68,363	\$ -
Accrued liabilities	-	-	-	-	-	-	-	13,025	10,603	-
Intergovernmental payable	-	-	-	-	7,734	-	-	10	363,971	-
Due to other funds	-	-	-	-	-	-	-	130,735	-	-
Unearned revenue	-	-	-	2,500	-	-	-	7,587	817	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>7,734</u>	<u>-</u>	<u>1,385</u>	<u>156,010</u>	<u>443,754</u>	<u>-</u>
<b>FUND BALANCES</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,956	\$ -	\$ -
Restricted	46,003	147,045	79,974	1,327	-	591	-	-	-	213,868
Committed	-	-	27,991	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	44,950	7,326	-	-
Unassigned	-	-	-	-	-	-	-	(10,802)	-	-
Total fund balances	<u>46,003</u>	<u>147,045</u>	<u>107,965</u>	<u>1,327</u>	<u>-</u>	<u>591</u>	<u>44,950</u>	<u>4,480</u>	<u>-</u>	<u>213,868</u>
Total liabilities and fund balances	<u>\$ 46,003</u>	<u>\$ 147,045</u>	<u>\$ 107,965</u>	<u>\$ 3,827</u>	<u>\$ 7,734</u>	<u>\$ 591</u>	<u>\$ 46,335</u>	<u>\$ 160,490</u>	<u>\$ 443,754</u>	<u>\$ 213,868</u>

**The County Commissioners of Kent County, Maryland**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**June 30, 2024**

	<u>Kent County</u>	<u>Sheriff's</u>	<u>Shop With</u>	<u>Kennedyville</u>	<u>Special</u>	<u>Platform</u>	<u>Post</u>	<u>Project</u>	<u>Community</u>		<u>Total</u>
	<u>Drug Task</u>	<u>Forfeitures</u>	<u>A Cop</u>	<u>Development</u>	<u>Events</u>	<u>Tennis</u>	<u>Prom</u>	<u>Open</u>	<u>Reinvestment</u>	<u>HotDesks</u>	<u>Nonmajor</u>
	<u>Force</u>				<u>Overtime</u>			<u>Space</u>	<u>&amp; Repair</u>		<u>Governmental</u>
											<u>Funds</u>
<b>ASSETS</b>											
Equity in pooled cash	\$ 85,732	\$ 73,642	\$ 307	\$ 199,435	\$ 6,192	\$ 382	\$ 884	\$ -	\$ 219,528	\$ -	\$ 1,379,640
Intergovernmental receivable	-	-	-	-	-	-	-	263,605	-	-	636,425
Receivables	-	-	-	-	1,505	-	-	-	-	-	4,803
Prepaid	600	-	-	-	-	-	-	-	-	1,100	9,656
Total assets	<u>\$ 86,332</u>	<u>\$ 73,642</u>	<u>\$ 307</u>	<u>\$ 199,435</u>	<u>\$ 7,697</u>	<u>\$ 382</u>	<u>\$ 884</u>	<u>\$ 263,605</u>	<u>\$ 219,528</u>	<u>\$ 1,100</u>	<u>\$ 2,030,524</u>
<b>LIABILITIES</b>											
Accounts payable	\$ 761	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,073	\$ 76,235
Accrued liabilities	72,570	42,909	-	-	-	-	-	-	-	-	139,107
Intergovernmental payable	-	-	-	-	-	-	-	-	-	-	371,715
Due to other funds	-	-	-	-	-	-	-	263,605	-	27	394,367
Unearned revenue	-	-	-	199,435	-	-	-	-	-	-	210,339
Total liabilities	<u>73,331</u>	<u>42,909</u>	<u>-</u>	<u>199,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,605</u>	<u>-</u>	<u>1,100</u>	<u>1,191,763</u>
<b>FUND BALANCES</b>											
Nonspendable	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100	\$ 9,656
Restricted	13,001	10,156	-	-	-	-	-	-	219,528	-	731,493
Committed	-	-	-	-	-	-	-	-	-	-	27,991
Assigned	-	20,577	307	-	7,697	382	884	-	-	-	82,123
Unassigned	(600)	-	-	-	-	-	-	-	-	(1,100)	(12,502)
Total fund balances	<u>13,001</u>	<u>30,733</u>	<u>307</u>	<u>-</u>	<u>7,697</u>	<u>382</u>	<u>884</u>	<u>-</u>	<u>219,528</u>	<u>-</u>	<u>838,761</u>
Total liabilities and fund balances	<u>\$ 86,332</u>	<u>\$ 73,642</u>	<u>\$ 307</u>	<u>\$ 199,435</u>	<u>\$ 7,697</u>	<u>\$ 382</u>	<u>\$ 884</u>	<u>\$ 263,605</u>	<u>\$ 219,528</u>	<u>\$ 1,100</u>	<u>\$ 2,030,524</u>

**The County Commissioners of Kent County, Maryland**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**

	<u>Agricultural Preservation</u>	<u>Inmate Welfare</u>	<u>Reforestation &amp; Open Space</u>	<u>Law Library</u>	<u>Housing &amp; Community Development</u>	<u>Regional Family Services</u>	<u>Weed Control</u>	<u>Kent Family Center</u>	<u>Local Management Board</u>	<u>National Opioid Settlements</u>
<b>REVENUES</b>										
Taxes	\$ 3,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	7,760	-	-	-	336,290	664,216	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	18,207	13	-	-	-	-	-	-
Miscellaneous	-	30,678	-	-	-	-	-	-	1,204	213,868
Total revenues	<u>3,375</u>	<u>30,678</u>	<u>18,207</u>	<u>7,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>336,290</u>	<u>665,420</u>	<u>213,868</u>
<b>EXPENDITURES</b>										
Current										
General government	-	-	-	26,726	-	-	-	-	-	-
Public safety	-	19,181	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	2,033	-	-	-
Health & social services	-	-	-	-	-	-	-	385,557	716,627	-
Parks recreation & culture	-	-	-	-	-	-	-	-	-	-
Resource conservation & development	3,660	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Tourism & economic development	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Debt service:										
Lease principal	-	-	-	-	-	-	12,434	44,488	-	-
Lease interest	-	-	-	-	-	-	2,408	1,191	-	-
Total expenditures	<u>3,660</u>	<u>19,181</u>	<u>-</u>	<u>26,726</u>	<u>-</u>	<u>-</u>	<u>16,875</u>	<u>431,236</u>	<u>716,627</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(285)</u>	<u>11,497</u>	<u>18,207</u>	<u>(18,953)</u>	<u>-</u>	<u>-</u>	<u>(16,875)</u>	<u>(94,946)</u>	<u>(51,207)</u>	<u>213,868</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	450	-	-	13,000	-	-	-	94,876	51,207	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Sale of general capital assets	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>450</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,876</u>	<u>51,207</u>	<u>-</u>
Net change in fund balances	165	11,497	18,207	(5,953)	-	-	(16,875)	(70)	-	213,868
Fund balances - beginning	45,838	135,548	89,758	7,280	-	591	61,825	4,550	-	-
Fund balances - ending	<u>\$ 46,003</u>	<u>\$ 147,045</u>	<u>\$ 107,965</u>	<u>\$ 1,327</u>	<u>\$ -</u>	<u>\$ 591</u>	<u>\$ 44,950</u>	<u>\$ 4,480</u>	<u>\$ -</u>	<u>\$ 213,868</u>

**The County Commissioners of Kent County, Maryland**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**

	Kent County Drug Task Force	Sheriff's Forfeitures	Shop With A Cop	Kennedyville Development	Special Events Overtime	Platform Tennis	Post Prom	Project Open Space	Community Reinvestment & Repair	HotDesks	Total Nonmajor Governmental Funds
<b>REVENUES</b>											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,375
Intergovernmental	-	-	-	-	-	-	-	85,268	219,528	-	1,313,062
Charges for services	-	-	-	-	3,430	-	-	-	-	15,160	18,590
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	18,220
Miscellaneous	-	-	-	-	-	-	-	-	-	-	245,750
Total revenues	-	-	-	-	3,430	-	-	85,268	219,528	15,160	1,598,997
<b>EXPENDITURES</b>											
Current											
General government	-	-	-	-	-	-	-	-	-	-	26,726
Public safety	10,409	-	-	-	2,784	-	-	-	-	-	32,374
Public works	-	-	-	-	-	-	-	-	-	-	2,033
Health & social services	-	-	-	-	-	-	-	-	-	-	1,102,184
Parks recreation & culture	-	-	-	-	-	-	-	94,395	-	-	94,395
Resource conservation & development	-	-	-	-	-	-	-	-	-	-	3,660
Housing	-	-	-	-	-	-	-	-	-	-	-
Tourism & economic development	-	-	-	-	-	-	-	-	-	19,066	19,066
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Lease principal	-	-	-	-	-	-	-	-	-	-	56,922
Lease interest	-	-	-	-	-	-	-	-	-	-	3,599
Total expenditures	10,409	-	-	-	2,784	-	-	94,395	-	19,066	1,340,959
Excess (deficiency) of revenues over (under) expenditures	(10,409)	-	-	-	646	-	-	(9,127)	219,528	(3,906)	258,038
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	-	-	-	-	-	-	-	9,127	-	3,906	172,566
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Sale of general capital assets	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	9,127	-	3,906	172,566
Net change in fund balances	(10,409)	-	-	-	646	-	-	-	219,528	-	430,604
Fund balances - beginning	23,410	30,733	307	-	7,051	382	884	-	-	-	408,157
Fund balances - ending	\$ 13,001	\$ 30,733	\$ 307	\$ -	\$ 7,697	\$ 382	\$ 884	\$ -	\$ 219,528	\$ -	\$ 838,761



## **Custodial Funds**

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

**The County Commissioners of Kent County, Maryland**  
**Combining Schedule of Fiduciary Net Position – Custodial Funds**  
**June 30, 2024**

	<b>State and Town Tax Collections</b>	<b>Millington Public Drainage Tax</b>	<b>Inmate Accounts</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 21,190	\$ 21,190
Equity in pooled cash	20,937	9,780	-	30,717
Receivables:				-
Taxes for other governments	544,498	48	-	544,546
Total receivables	<u>544,498</u>	<u>48</u>	<u>-</u>	<u>544,546</u>
Total assets	<u>565,435</u>	<u>9,828</u>	<u>21,190</u>	<u>596,453</u>
<b>LIABILITIES</b>				
Accounts payable and other liabilities	-	-	21,190	21,190
Due to other governments	<u>565,435</u>	<u>9,828</u>	<u>-</u>	<u>575,263</u>
Total liabilities	<u>565,435</u>	<u>9,828</u>	<u>21,190</u>	<u>596,453</u>
<b>NET POSITION</b>				
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The County Commissioners of Kent County, Maryland**  
**Combining Schedule of Changes in Fiduciary Net Position – Custodial Funds**  
**For the Year Ended June 30, 2024**

	<b>State and Town Tax Collections</b>	<b>Millington Public Drainage Tax</b>	<b>Inmate Accounts</b>	<b>Total</b>
<b>ADDITIONS</b>				
Property tax collections for other governments	\$ 12,381,016	\$ 2,011	\$ -	\$ 12,383,027
Original deposit from general fund	-	-	-	-
Funds collected for inmates	-	-	133,927	133,927
Total additions	<u>12,381,016</u>	<u>2,011</u>	<u>133,927</u>	<u>12,516,954</u>
<b>DEDUCTIONS</b>				
Property tax payments to other governments	12,381,016	2,011	-	12,383,027
Original deposit returned to general fund	-	-	-	-
Funds distributed to inmates	-	-	133,927	133,927
Total deductions	<u>12,381,016</u>	<u>2,011</u>	<u>133,927</u>	<u>12,516,954</u>
Net increase/(decrease) in fiduciary net position	-	-	-	-
Net position - beginning	-	-	-	-
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>





## **Local Management Board**

**County Commissioners of Kent County, Maryland**  
**Combining Balance Sheet – Local Management Board**  
**June 30, 2024**

	<u>Home Visiting</u>	<u>Total Non Community Partnership Agreement</u>	<u>Community Partnership Agreement</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ (113,675)	\$ (113,675)	\$ 355,030
Intergovernmental receivable	127,162	127,162	1
Receivables	-	-	-
Prepaid	-	-	-
Total assets	<u>\$ 13,487</u>	<u>\$ 13,487</u>	<u>\$ 355,031</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,827	\$ 1,827	\$ 57,384
Accrued liabilities	-	-	10,603
Intergovernmental payable	11,660	11,660	287,044
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>13,487</u>	<u>13,487</u>	<u>355,031</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Prepaid	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 13,487</u>	<u>\$ 13,487</u>	<u>\$ 355,031</u>

**The County Commissioners of Kent County, Maryland**  
**Combining Balance Sheet – Local Management Board**  
**June 30, 2024**

	<b>Incentive Reinvestment</b>	<b>County Funded Programs</b>	<b>Other Programs</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 31,589	\$ 8,059	\$ (56,481)	\$ 224,522
Intergovernmental receivable	-	-	92,069	219,232
Receivables	-	-	-	-
Prepaid	-	-	-	-
Total assets	<u>\$ 31,589</u>	<u>\$ 8,059</u>	<u>\$ 35,588</u>	<u>\$ 443,754</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 8,059	\$ 1,093	\$ 68,363
Accrued liabilities	-	-	-	10,603
Intergovernmental payable	31,589	-	33,678	363,971
Due to other funds	-	-	-	-
Unearned revenue	-	-	817	817
Total liabilities	<u>31,589</u>	<u>8,059</u>	<u>35,588</u>	<u>443,754</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Prepaid	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 31,589</u>	<u>\$ 8,059</u>	<u>\$ 35,588</u>	<u>\$ 443,754</u>

**The County Commissioners of Kent County, Maryland**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Local Management Board**  
**For the Year Ended June 30, 2024**

	<b>Home Visiting</b>	<b>Total Non Community Partnership Agreement</b>	<b>Community Partnership Agreement</b>
<b>REVENUES</b>			
Community partnership agreement:			
Earned reinvestment	\$ -	\$ -	\$ -
Children's cabinet	-	-	529,190
Total community partnership agreement	-	-	529,190
Non-community partnership agreement			
Other intergovernmental revenue	62,915	62,915	-
Miscellaneous	-	-	-
Total revenues	62,915	62,915	529,190
<b>EXPENDITURES</b>			
Administration:			
Salaries	-	-	79,472
Fringe costs	-	-	38,821
Contract services	1,095	1,095	7,721
Communications	-	-	-
Printing/Copies	144	144	-
Dues, subscriptions and licenses	1,000	1,000	233
Conferences and conventions	218	218	-
Business travel	209	209	542
Supplies	2,508	2,508	4,890
Capital outlay	-	-	-
Total administration expenditures	5,174	5,174	131,679
Programs:			
Healthy families mid-shore	-	-	89,214
Local care team	-	-	96,864
KCMS After School Program	-	-	122,500
Home visiting	57,741	57,741	-
Youth Spaces	-	-	36,933
Student Behavior Health	-	-	52,000
Total program expenditures	57,741	57,741	397,511
Total expenditures	62,915	62,915	529,190
Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	\$ -	\$ -	\$ -
Fund balances - beginning			
Fund balances - ending			

**The County Commissioners of Kent County, Maryland**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Local Management Board**  
**For the Year Ended June 30, 2024**

	<u>Incentive Reinvestment</u>	<u>County Funded Programs</u>	<u>Other Programs</u>	<u>Total</u>
<b>REVENUES</b>				
Community partnership agreement:				
Earned reinvestment	\$ -	\$ -	\$ -	\$ -
Children's cabinet	-	-	-	529,190
Total community partnership agreement	-	-	-	529,190
Non-community partnership agreement				
Other intergovernmental revenue	-	-	72,111	135,026
Miscellaneous	-	-	1,204	1,204
Total revenues	-	-	73,315	665,420
<b>EXPENDITURES</b>				
Administration:				
Salaries	-	25,209	-	104,681
Fringe costs	-	12,433	-	51,254
Contract services	-	1,170	-	9,986
Communications	-	174	-	174
Printing/Copies	-	110	-	254
Dues, subscriptions and licenses	-	1,953	-	3,186
Conferences and conventions	-	-	-	218
Business travel	-	156	-	907
Supplies	-	712	6,204	14,314
Capital outlay	-	1,300	-	1,300
Total administration expenditures	-	43,217	6,204	186,274
Programs:				
Healthy families mid-shore	-	-	-	89,214
Local care team	-	-	-	96,864
KCMS After School Program	-	-	-	122,500
Home visiting	-	-	-	57,741
Youth Spaces	-	-	67,111	104,044
Student Behavior Health	-	7,990	-	59,990
Total program expenditures	-	7,990	67,111	530,353
Total expenditures	-	51,207	73,315	716,627
Excess (deficiency) of revenues over (under) expenditures	-	(51,207)	-	(51,207)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	51,207	-	51,207
Transfers out	-	-	-	-
Total other financing sources (uses)	-	51,207	-	51,207
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning				-
Fund balances - ending				\$ -



# Statistical Section

The Statistical Section fully incorporates information mandated by the Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*. This section presents detailed information for the primary government in the following areas, which provide a context for understanding what the information in the Financial Section says about the County's overall financial health:

**FINANCIAL TRENDS** - Information to help the reader understand how the County's financial performance and well-being have changed over time.

**REVENUE CAPACITY** - Information to help the reader assess the County's most significant local revenue sources.

**DEBT CAPACITY** – 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** – Indicator to help the reader understand the environment within which the County's financial activities take place.

**OPERATING INFORMATION** – 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.

Many of the tables cover more than two fiscal years and present data from outside the accounting records. Therefore, the Statistical Section is unaudited.



**The County Commissioners of Kent County, Maryland**  
**Financial Trends: Net Position by Component – Government-Wide**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in										
Capital Assets	\$ 37,891,332	\$ 37,465,079	\$ 36,695,641	\$ 44,386,154	\$ 44,156,295	\$ 44,624,458	\$ 45,288,933	\$ 45,196,500	\$ 46,206,416	\$ 45,854,935
Restricted	969,743	1,100,385	1,324,904	1,202,595	1,406,443	1,367,763	1,125,338	1,626,771	1,201,392	2,095,999
Unrestricted (deficit)	(3,981,945)	(3,878,581)	(5,273,471)	(16,132,247)	(16,762,838)	(19,795,979)	(17,672,885)	(10,916,808)	(8,432,148)	(2,325,652)
	<u>34,879,130</u>	<u>34,686,883</u>	<u>32,747,074</u>	<u>29,456,502</u>	<u>28,799,900</u>	<u>26,196,242</u>	<u>28,741,386</u>	<u>35,906,463</u>	<u>38,975,660</u>	<u>45,625,282</u>
Business-Type Activities										
Net Investment in										
Capital Assets	28,871,869	28,687,052	26,773,981	26,598,855	27,992,958	27,730,118	27,322,054	26,642,450	26,603,256	25,918,309
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	323,881	(167,473)	535,147	428,104	261,870	331,520	419,572	504,983	568,517	653,781
	<u>29,195,750</u>	<u>28,519,579</u>	<u>27,309,128</u>	<u>27,026,959</u>	<u>28,254,828</u>	<u>28,061,638</u>	<u>27,741,626</u>	<u>27,147,433</u>	<u>27,171,773</u>	<u>26,572,090</u>
Primary Government										
Net Investment in										
Capital Assets	66,763,201	66,152,131	63,469,622	70,985,009	72,149,253	72,354,576	72,610,987	71,838,950	72,809,672	71,773,244
Restricted	969,743	1,100,385	1,324,904	1,202,595	1,406,443	1,367,763	1,125,338	1,626,771	1,201,392	2,095,999
Unrestricted (deficit)	(3,658,064)	(4,046,054)	(4,738,324)	(15,704,143)	(16,500,968)	(19,464,459)	(17,253,313)	(10,411,825)	(7,863,631)	(1,671,871)
	<u>\$ 64,074,880</u>	<u>\$ 63,206,462</u>	<u>\$ 60,056,202</u>	<u>\$ 56,483,461</u>	<u>\$ 57,054,728</u>	<u>\$ 54,257,880</u>	<u>\$ 56,483,012</u>	<u>\$ 63,053,896</u>	<u>\$ 66,147,433</u>	<u>\$ 72,197,372</u>

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

**The County Commissioners of Kent County, Maryland**  
**Financial Trends: Changes in Net Position – Government-wide**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Primary government										
General government	\$ 5,472,627	\$ 6,996,288	\$ 13,156,835	\$ 6,778,790	\$ 7,552,799	\$ 8,113,135	\$ 9,804,235	\$ 8,701,888	\$ 11,368,394	\$ 10,593,534
Public safety	10,297,034	10,925,385	11,047,333	10,913,983	12,569,374	13,166,405	13,030,751	12,915,872	13,797,894	15,555,500
Public works	4,669,683	4,838,919	5,129,235	5,709,649	6,194,260	6,612,374	5,469,460	5,817,744	7,579,526	6,710,766
Health and social services	1,439,401	2,091,870	1,839,334	1,832,417	2,034,855	2,074,507	2,325,489	3,077,573	2,683,549	3,361,834
Education	18,587,895	18,454,631	17,624,105	17,990,064	18,122,921	20,444,445	21,204,266	19,282,485	19,105,024	20,196,169
Culture and recreation	1,821,506	1,871,969	2,057,603	2,007,342	2,116,306	1,928,160	1,790,800	2,527,411	6,064,051	2,109,307
Libraries	602,841	725,264	692,436	1,251,179	699,861	685,526	616,973	713,899	713,899	756,152
Resource conservation	378,754	393,922	353,331	474,044	349,513	365,026	333,348	404,303	371,554	376,794
Community development	641,490	807,887	625,041	824,273	913,277	1,290,572	1,499,666	633,242	842,908	825,312
Debt service	1,089,455	1,053,398	1,124,064	275,586	260,762	2,532,718	154,518	52,455	14,381	45,700
Total governmental activities expense	45,000,686	48,159,533	53,649,317	48,057,327	50,813,928	57,212,868	56,229,506	54,126,872	62,541,180	60,531,068
Business-type activities										
Water and wastewater services	3,990,466	3,668,292	4,952,221	4,232,540	4,254,327	4,022,805	4,873,028	4,149,890	4,533,672	4,720,324
Bayside landing	45,942	28,759	29,835	42,143	32,516	31,457	40,431	29,160	27,674	30,970
Total business-type activities expense	4,036,408	3,697,051	4,982,056	4,274,683	4,286,843	4,054,262	4,913,459	4,179,050	4,561,346	4,751,294
Total Primary Government Expenses	\$ 49,037,094	\$ 51,856,584	\$ 58,631,373	\$ 52,332,010	\$ 55,100,771	\$ 61,267,130	\$ 61,142,965	\$ 58,305,922	\$ 67,102,526	\$ 65,282,362
<b>Program Revenues</b>										
Primary government										
General government										
Charges for services	\$ 132,700	\$ 117,283	\$ 115,473	\$ 116,728	\$ 111,349	\$ 52,888	\$ 52,881	\$ 63,667	\$ 82,515	\$ 63,622
Operating grants and contributions	149,743	157,690	173,386	231,493	222,240	292,969	261,801	263,648	25,271	471,537
Capital grants and contributions	-	15,125	3,630,596	3,251,018	76,528	158,244	815,714	1,181,776	481,693	-
Total revenue	282,443	290,098	3,919,455	3,599,239	410,117	504,101	1,130,396	1,509,091	589,479	535,159
Public safety										
Charges for services	64,028	149,570	100,752	105,542	106,313	86,380	49,456	29,977	82,842	90,552
Operating grants and contributions	615,283	797,698	664,706	667,560	606,374	656,954	716,395	694,869	1,277,644	1,954,322
Capital grants and contributions	91,293	23,926	42,133	19,770	42,133	-	-	-	-	-
Total revenue	770,604	971,194	807,591	792,872	754,820	743,334	765,851	724,846	1,360,486	2,044,874
Public works										
Charges for services	109,122	108,899	161,647	179,553	249,409	311,705	328,827	480,974	390,202	348,880
Operating grants and contributions	442,188	325,310	303,315	401,674	550,982	514,967	580,447	615,269	633,788	721,703
Capital grants and contributions	51,107	94,654	94,892	271,459	158,828	321,336	575,646	512,954	4,194,317	2,640,914
Total revenue	602,417	528,863	559,854	852,686	959,219	1,148,008	1,484,920	1,609,197	5,218,307	3,711,497

(Continued)

**The County Commissioners of Kent County, Maryland**  
**Financial Trends: Changes in Net Position – Government-Wide**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Health and social services										
Charges for services	14,692	12,458	12,582	50,453	104,259	28,950	12,217	12,590	12,773	12,325
Operating grants and contributions	492,992	1,170,115	925,792	904,507	935,961	1,484,493	3,454,276	1,797,039	1,224,447	1,430,204
Capital grants and contributions	95,054	1,200	-	-	-	-	-	-	-	-
Total revenue	602,738	1,183,773	938,374	954,960	1,040,220	1,513,443	3,466,493	1,809,629	1,237,220	1,442,529
Education										
Operating grants and contributions	-	-	-	-	-	-	-	-	-	250,000
Total revenue	-	-	-	-	-	-	-	-	-	250,000
Culture and recreation										
Charges for services	165,654	179,414	189,572	158,782	168,488	118,328	42,674	140,293	186,850	241,766
Operating grants and contributions	2,995	26,747	4,192	85,450	2,626	-	-	-	-	-
Capital grants and contributions	185,313	97,790	217,596	-	23,168	-	-	162,708	697,948	219,464
Total revenue	353,962	303,951	411,360	244,232	194,282	118,328	42,674	303,001	884,798	461,230
Resource and conservation										
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-	-	-	-	-
Community development										
Charges for services	-	-	-	-	-	-	-	-	9,437	15,158
Operating grants and contributions	140,597	72,791	87,868	268,875	276,161	297,986	259,660	91,042	261,491	225,011
Capital grants and contributions	19,823	51,960	-	-	-	-	-	-	-	-
Total revenue	160,420	124,751	87,868	268,875	276,161	297,986	259,660	91,042	270,928	240,169
Total primary government activities program revenues	2,772,584	3,402,630	6,724,502	6,712,864	3,634,819	4,325,200	7,149,994	6,046,806	9,561,218	8,685,458
Business-type activities program revenue										
Water and wastewater services										
Charges for services	2,033,565	2,081,552	2,052,616	2,069,819	2,145,668	2,358,073	2,616,788	2,621,816	2,709,510	2,816,507
Operating grants and contributions	-	2,760	-	129,720	-	-	-	-	-	-
Capital grants and contributions	10,809	-	810,475	834,259	2,066,285	425,249	201,640	-	498,266	-
Total revenue	2,044,374	2,084,312	2,863,091	3,033,798	4,211,953	2,783,322	2,818,428	2,621,816	3,207,776	2,816,507
Bayside landing										
Charges for services	39,922	42,641	42,781	40,200	41,156	46,093	50,650	51,888	48,070	47,280
Operating grants and contributions	-	-	-	1,653	1,215	-	-	-	-	-
Capital grants and contributions	13,398	-	-	-	-	-	-	3,100	26,300	2,150
Total revenue	53,320	42,641	42,781	41,853	42,371	46,093	50,650	54,988	74,370	49,430
Total business-type activities program revenues	2,097,694	2,126,953	2,905,872	3,075,651	4,254,324	2,829,415	2,869,078	2,676,804	3,282,146	2,865,937
Net (Expense) Revenue										
Governmental activities	(42,228,102)	(44,756,903)	(46,924,815)	(41,344,463)	(47,179,109)	(52,887,668)	(49,079,512)	(48,080,066)	(52,979,962)	(51,845,610)
Business-type activities	(1,938,714)	(1,570,098)	(2,076,184)	(1,199,032)	(32,519)	(1,224,847)	(2,044,381)	(1,502,246)	(1,279,200)	(1,885,357)
Total primary government net expense	\$(44,166,816)	\$(46,327,001)	\$(49,000,999)	\$(42,543,495)	\$(47,211,628)	\$(54,112,515)	\$(51,123,893)	\$(49,582,312)	\$(54,259,162)	\$(53,730,967)

(Continued)

**The County Commissioners of Kent County, Maryland**  
**Financial Trends: Changes in Net Position – Government-wide**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net assets										
Government activities										
Property taxes	\$ 30,188,083	\$ 30,451,731	\$ 30,486,484	\$ 30,707,075	\$ 31,127,922	\$ 31,269,648	\$ 31,862,508	\$ 32,059,470	\$ 32,613,317	\$ 34,655,188
County income taxes	13,687,506	12,341,494	12,732,081	13,389,378	13,687,072	16,905,944	17,102,751	19,225,239	20,935,331	19,969,890
Other taxes	2,067,843	1,965,759	1,949,634	2,042,652	2,030,866	2,011,884	3,710,828	4,078,203	2,706,679	3,171,993
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Other revenues	659,615	673,819	641,837	733,270	842,544	1,084,395	634,634	571,187	988,839	1,907,527
Capital contributions - developers	-	-	-	-	-	-	-	-	-	-
Transfers	(1,001,689)	(868,147)	(825,030)	(880,064)	(1,165,897)	(987,861)	(1,686,065)	(688,956)	(1,195,007)	(1,209,366)
Total governmental activities	45,601,358	44,564,656	44,985,006	45,992,311	46,522,507	50,284,010	51,624,656	55,245,143	56,049,159	58,495,232
Business-type activities										
Investment income	-	-	-	-	-	-	-	-	-	-
Other revenues	32,441	25,780	40,703	36,799	94,491	43,796	38,304	219,097	108,533	76,308
Transfers	1,001,689	868,147	825,030	880,064	1,165,897	987,861	1,686,065	688,956	1,195,007	1,209,366
Total business-type activities	1,034,130	893,927	865,733	916,863	1,260,388	1,031,657	1,724,369	908,053	1,303,540	1,285,674
Total primary government	46,635,488	45,458,583	45,850,739	46,909,174	47,782,895	51,315,667	53,349,025	56,153,196	57,352,699	59,780,906
Change in net position										
Governmental activities	3,373,256	(192,247)	(1,939,809)	4,647,848	(656,602)	(2,603,658)	2,545,144	7,165,077	3,069,197	6,649,622
Business-type activities	(904,584)	(676,171)	(1,210,451)	(282,169)	1,227,869	(193,190)	(320,012)	(594,193)	24,340	(599,683)
Total primary government	\$ 2,468,672	\$ (868,418)	\$ (3,150,260)	\$ 4,365,679	\$ 571,267	\$ (2,796,848)	\$ 2,225,132	\$ 6,570,884	\$ 3,093,537	\$ 6,049,939

**The County Commissioners of Kent County, Maryland**  
**Financial Trends: Fund Balances – Governmental Funds**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 436,901	\$ 517,604	\$ 752,291	\$ 694,784	\$ 848,466	\$ 896,627	\$ 662,085	\$ 1,120,970	\$ 793,235	\$ 1,257,238
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	5,134,904	3,770,373	1,665,530	1,053,753	2,348,468	2,305,246	5,411,654	2,719,998	6,634,605
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	9,756,212	4,967,599	5,296,459	3,716,656	4,617,326	5,632,467	8,907,882	9,253,569	12,651,192	14,193,572
Total General Fund	<u>10,193,113</u>	<u>10,620,107</u>	<u>9,819,123</u>	<u>6,076,970</u>	<u>6,519,545</u>	<u>8,877,562</u>	<u>11,875,213</u>	<u>15,786,193</u>	<u>16,164,425</u>	<u>22,085,415</u>
All Other Governmental Funds										
Nonspendable	-	-	-	189,466	51,571	-	8,513	8,344	11,877	9,656
Restricted	463,776	496,897	467,438	359,075	345,054	330,386	341,201	374,286	284,590	731,493
Committed	30,175	30,175	30,175	30,175	30,175	27,991	27,991	27,991	27,991	27,991
Assigned	38,891	55,709	75,000	118,561	182,748	112,759	90,730	99,591	98,422	82,123
Unassigned	-	-	-	(189,466)	(51,571)	(54,497)	(133,602)	(162,087)	(145,477)	(124,083)
Total All Other Governmental Funds	<u>532,842</u>	<u>582,781</u>	<u>572,613</u>	<u>507,811</u>	<u>557,977</u>	<u>416,639</u>	<u>334,833</u>	<u>348,125</u>	<u>277,403</u>	<u>727,180</u>
Total All Governmental Funds	<u>\$ 10,725,955</u>	<u>\$ 11,202,888</u>	<u>\$ 10,391,736</u>	<u>\$ 6,584,781</u>	<u>\$ 7,077,522</u>	<u>\$ 9,294,201</u>	<u>\$ 12,210,046</u>	<u>\$ 16,134,318</u>	<u>\$ 16,441,828</u>	<u>\$ 22,812,595</u>

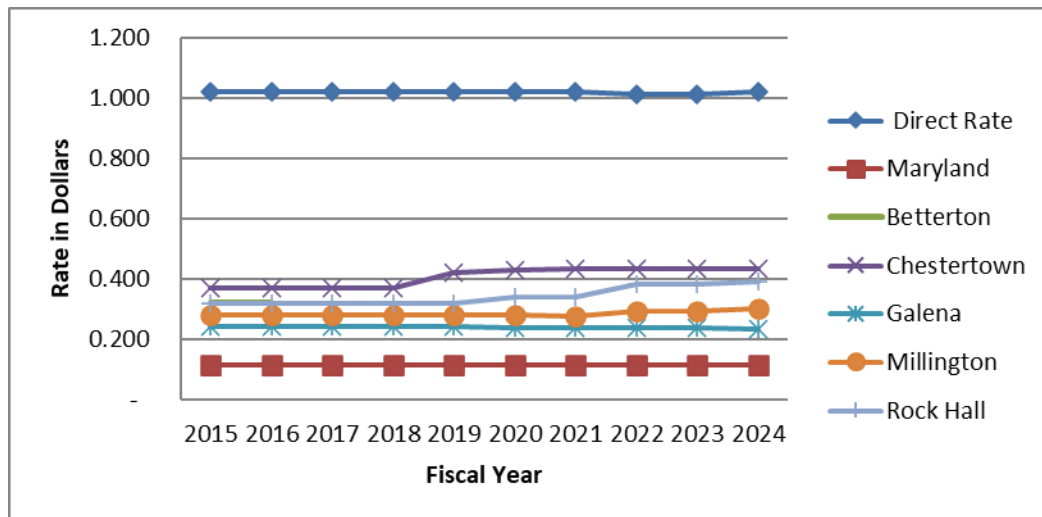
**The County Commissioners of Kent County, Maryland**  
**Financial Trends: Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes										
Property	\$ 29,888,083	\$ 29,951,731	\$ 29,986,484	\$ 30,207,075	\$ 30,627,922	\$ 31,769,648	\$ 32,281,508	\$ 32,073,034	\$ 32,585,559	\$ 34,199,006
Income	12,973,495	12,232,681	12,986,434	12,736,121	12,848,398	15,683,736	16,448,232	16,436,095	19,961,414	20,020,098
Other	2,067,843	1,965,759	1,949,634	2,042,652	2,030,866	2,011,884	3,710,828	4,078,203	2,706,679	3,171,993
State shared	222,422	228,948	224,873	-	-	-	-	-	-	-
Licenses and permits	318,992	325,727	339,840	311,801	355,703	317,696	410,223	339,901	381,117	340,075
Intergovernmental revenue	2,063,966	2,606,058	5,919,603	2,850,788	2,895,001	3,726,949	6,663,939	5,319,305	8,796,599	7,913,155
Service charges for current services	486,196	567,624	580,026	611,058	739,818	598,254	486,055	727,501	764,618	772,303
Fines and forfeitures	120,636	31,409	44,233	58,950	53,290	32,677	17,489	55,199	113,055	27,508
Miscellaneous revenue	255,692	329,514	294,924	363,337	453,862	776,685	218,728	166,419	789,108	1,571,222
<b>Total revenues</b>	<b>48,397,325</b>	<b>48,239,451</b>	<b>52,326,051</b>	<b>49,181,782</b>	<b>50,004,860</b>	<b>54,917,529</b>	<b>60,237,002</b>	<b>59,195,657</b>	<b>66,098,149</b>	<b>68,015,360</b>
Expenditures										
General government	5,664,787	6,110,099	9,787,805	6,131,512	6,573,699	6,961,795	8,094,775	8,674,446	11,796,246	10,786,483
Public safety	9,501,735	9,846,912	9,862,691	10,637,287	11,116,626	11,772,527	12,354,330	12,468,818	13,319,546	15,324,690
Public works	4,598,055	5,064,993	4,704,314	5,364,802	5,284,024	5,358,321	4,538,836	5,641,472	7,987,732	5,991,527
Health and social services	1,465,597	2,070,808	1,806,377	1,824,155	1,965,229	2,014,609	2,277,349	3,052,276	2,655,638	3,319,084
Education	17,759,230	17,982,973	17,613,193	17,710,564	17,734,289	18,555,959	19,020,661	19,049,753	19,039,365	20,194,889
Parks, recreation, and culture	1,449,062	1,493,879	1,516,010	1,709,938	1,609,550	1,495,002	1,324,236	1,763,324	2,462,071	1,963,072
Libraries	596,027	611,828	626,098	680,389	662,196	685,526	616,973	713,899	713,899	756,152
Resources conservation and development	378,754	393,922	353,331	474,044	349,513	365,026	333,348	404,303	371,554	376,794
Community development	648,410	798,178	603,126	803,413	851,069	1,232,319	1,484,601	628,755	852,798	819,513
Debt service										
Principal	3,615,959	1,216,255	1,263,843	1,313,297	1,402,689	6,253,896	1,928,866	1,440,526	1,374,389	1,433,676
Interest	657,775	523,290	475,723	426,289	380,869	415,903	250,089	251,055	188,689	214,009
Capital outlay	1,215,235	781,234	3,699,662	5,032,983	929,284	3,538,143	3,943,294	1,005,323	4,287,024	131,353
<b>Total expenditures</b>	<b>47,550,626</b>	<b>46,894,371</b>	<b>52,312,173</b>	<b>52,108,673</b>	<b>48,859,037</b>	<b>58,649,026</b>	<b>56,167,358</b>	<b>55,093,950</b>	<b>65,048,951</b>	<b>61,311,242</b>
Excess/(deficiency) of revenues over expenditures	846,699	1,345,080	13,878	(2,926,891)	1,145,823	(3,731,497)	4,069,644	4,101,707	1,049,198	6,704,118
Other financing sources (uses)										
Transfers in	1,102,976	783,003	3,550,919	4,881,572	938,696	1,374,537	2,956,217	997,976	4,450,473	276,311
Transfers out	(2,104,665)	(1,651,150)	(4,375,949)	(5,761,636)	(2,104,593)	(2,362,398)	(4,642,282)	(1,686,932)	(5,645,480)	(1,485,677)
Leases	-	-	-	-	512,815	536,037	487,968	471,821	309,140	576,513
Notes	-	-	-	-	-	-	-	-	-	231,275
Subscriptions	-	-	-	-	-	-	-	-	67,468	-
Sale of general capital assets	-	-	-	-	-	-	44,298	39,700	76,711	68,227
Proceeds from loans	-	-	-	-	-	6,400,000	-	-	-	-
	(1,001,689)	(868,147)	(825,030)	(880,064)	(653,082)	5,948,176	(1,153,799)	(177,435)	(741,688)	(333,351)
<b>Net increase (decrease) in fund balance</b>	<b>\$ (154,990)</b>	<b>\$ 476,933</b>	<b>\$ (811,152)</b>	<b>\$ (3,806,955)</b>	<b>\$ 492,741</b>	<b>\$ 2,216,679</b>	<b>\$ 2,915,845</b>	<b>\$ 3,924,272</b>	<b>\$ 307,510</b>	<b>\$ 6,370,767</b>
Debt service as a percentage of noncapital expenditures	9.21%	3.83%	3.35%	3.95%	3.74%	11.75%	4.06%	3.15%	2.49%	2.75%

**The County Commissioners of Kent County, Maryland**  
**Revenue Capacity: Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	County Direct Rate	State of Maryland	Town of Betterton	Town of Chestertown	Town of Galena	Town of Millington	Town of Rock Hall
2015	1.022	0.112	0.3200	0.3700	0.2400	0.2800	0.320
2016	1.022	0.112	0.3200	0.3700	0.2400	0.2800	0.320
2017	1.022	0.112	0.3200	0.3700	0.2403	0.2800	0.320
2018	1.022	0.112	0.3200	0.3700	0.2398	0.2800	0.320
2019	1.022	0.112	0.3181	0.4200	0.2404	0.2800	0.320
2020	1.022	0.112	0.3181	0.4300	0.2380	0.2800	0.340
2021	1.022	0.112	0.3181	0.4332	0.2350	0.2774	0.340
2022	1.012	0.112	0.3200	0.4332	0.2355	0.2909	0.380
2023	1.012	0.112	0.3181	0.4332	0.2355	0.2909	0.380
2024	1.022	0.112	0.3181	0.4332	0.2328	0.3000	0.390

- (1) Rates per \$100 of assessed value
- (2) County Direct Rate does not reflect the tax differential for properties located in incorporated towns

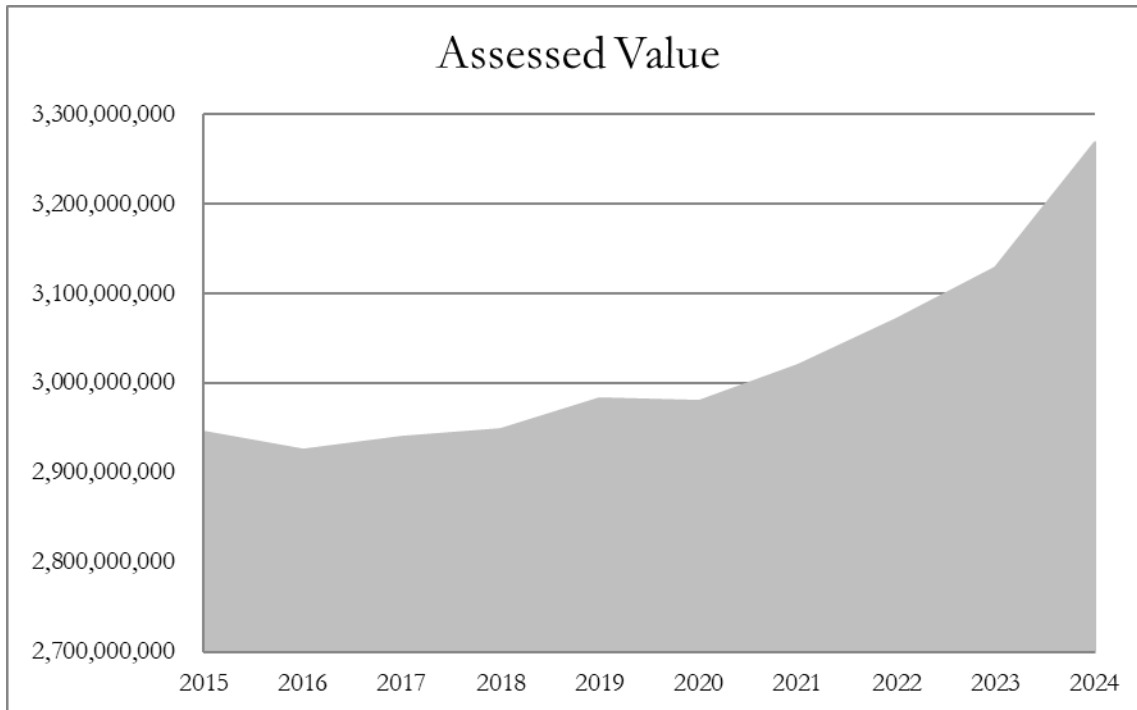


Source: State of Maryland and Towns of Betterton, Chestertown, Galena, Millington and Rock Hall.

**The County Commissioners of Kent County, Maryland**  
**Revenue Capacity: Assessed Value of Taxable and Exempt Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property Assessed Value	Exempt-Homestead Credit	Total Assessed Value	Direct Tax Rate	Public Utility Operating Property	Taxable & Exempt Assessed Value
2015	2,905,026,301	78,538,367	2,826,487,934	1.022	40,834,410	2,945,860,711
2016	2,906,711,725	60,881,252	2,845,830,473	1.022	18,888,010	2,925,599,735
2017	2,896,170,648	44,108,770	2,852,061,878	1.022	43,656,410	2,939,827,058
2018	2,904,904,108	32,440,332	2,872,463,776	1.022	43,452,270	2,948,356,378
2019	2,935,145,251	24,352,370	2,910,792,881	1.022	47,720,120	2,982,865,371
2020	2,930,267,110	19,412,279	2,910,854,831	1.022	50,016,020	2,980,283,130
2021	2,966,250,063	15,944,076	2,950,305,987	1.022	53,400,770	3,019,650,833
2022	3,011,546,343	13,485,107	2,998,061,236	1.012	59,704,140	3,071,250,483
2023	3,061,980,962	12,258,589	3,049,722,373	1.012	66,173,230	3,128,154,192
2024	3,184,102,756	17,717,315	3,166,385,441	1.022	85,160,920	3,269,263,676

Source: Maryland State Department of Assessment and Taxation





**The County Commissioners of Kent County, Maryland**  
**Revenue Capacity: Ten Highest Property Taxpayers**  
**Current and Nine Years Ago**

For the Fiscal Year Ended June 30, 2024

Taxpayer	Tax Billed	% of Levy
Delmarva Power and Light	\$ 1,152,226	3.33%
Integrace Inc	431,224	1.25%
ThinkBig Networks	329,356	0.95%
Choptank Electric Co-op, Inc	293,585	0.85%
Talkie Communications, Inc	249,439	0.72%
KRM Development Corporation	165,672	0.48%
Verizon-MD	155,658	0.45%
KRM Dixon Office LLC	127,250	0.37%
Washington College	126,968	0.37%
Kent Crossing	123,588	0.36%

For the Fiscal Year Ended June 30, 2015

Taxpayer	Tax Billed	% of Levy
Delmarva Power and Light	\$ 631,091	2.11%
PUMH of Maryland, Inc	377,331	1.26%
Verizon-MD	211,821	0.71%
Choptank Electric Co-op, Inc	206,516	0.69%
Kent Research and Mfg, Inc	204,765	0.69%
SGM Realty LLC	154,365	0.52%
Chesapeake Meadows Limited	134,931	0.45%
Kent Crossing	133,569	0.45%
Kent Plaza Associates	102,906	0.34%
Brawner Company, Inc	88,019	0.29%

**The County Commissioners of Kent County, Maryland  
Revenue Capacity: Property Tax Levies and Collections  
Last Ten Fiscal Years**

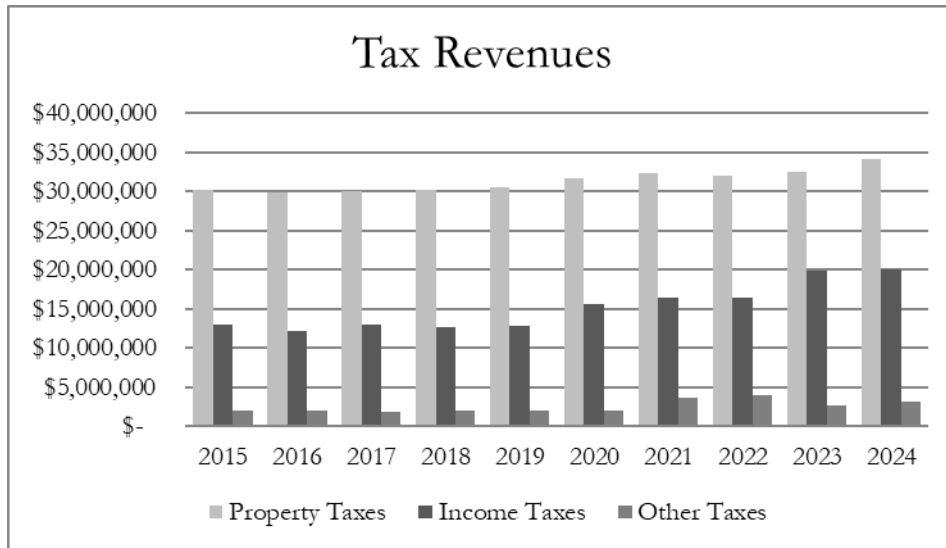
Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2015	\$ 29,891,994	\$ 28,612,997	95.72%	\$ 1,232,485	\$ 29,845,482	99.84%
2016	30,125,879	28,783,368	95.54%	1,277,104	30,060,472	99.78%
2017	30,232,217	28,922,743	95.67%	1,243,130	30,165,873	99.78%
2018	30,429,820	29,090,693	95.60%	1,247,586	30,338,279	99.70%
2019	30,841,857	28,109,410	91.14%	1,588,923	29,698,333	96.29%
2020	31,186,350	28,996,828	92.98%	2,106,718	31,103,546	99.73%
2021	31,620,142	30,446,424	96.29%	1,068,715	31,515,139	99.67%
2022	31,936,046	30,802,594	96.45%	955,026	31,757,620	99.44%
2023	32,607,685	31,455,473	96.47%	1,062,480	32,517,953	99.72%
2024	34,628,360	33,027,944	95.38%	n/a	33,027,944	95.38%

\*n/a data not readily available or not available in a manner consistent with this display

**The County Commissioners of Kent County, Maryland**  
**Revenue Capacity: Local General Tax Revenues**  
**Last Ten Fiscal Years**

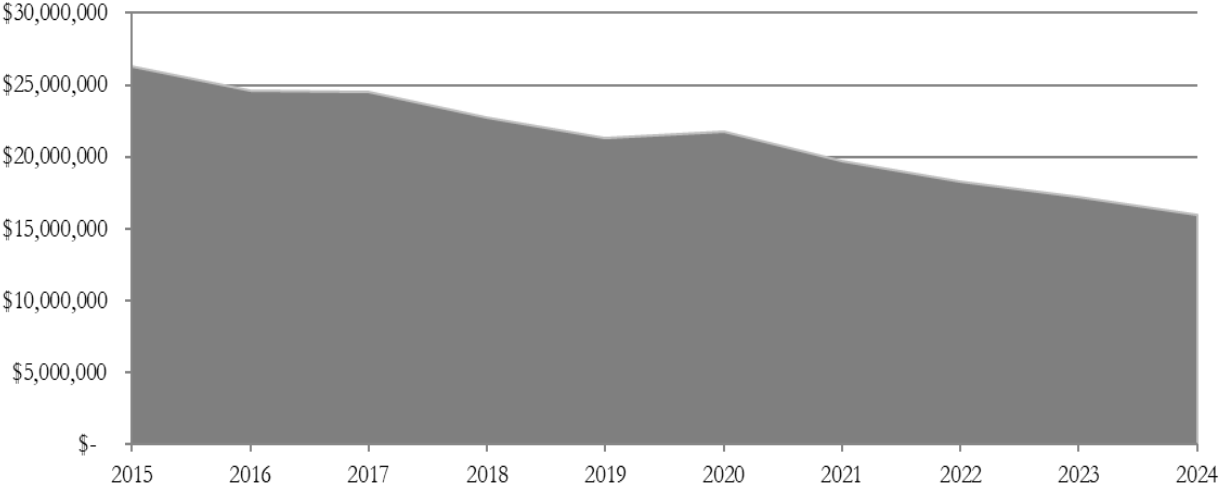
**Local General Tax Revenues**

	Property Taxes	Income Taxes	Other Taxes	Total Taxes
2015	\$ 30,188,083	\$ 12,973,495	\$ 2,029,337	\$ 45,190,915
2016	29,951,731	12,232,681	1,965,759	44,150,171
2017	29,986,484	12,986,434	1,949,634	44,922,552
2018	30,207,075	12,736,121	2,042,652	44,985,848
2019	30,627,922	12,848,398	2,030,866	45,507,186
2020	31,769,648	15,683,736	2,011,884	49,465,268
2021	32,281,508	16,448,232	3,710,828	52,440,568
2022	32,073,034	16,436,095	4,058,772	52,567,901
2023	32,585,559	19,961,414	2,688,896	55,235,869
2024	34,199,006	20,020,098	3,168,619	57,387,723



**The County Commissioners of Kent County, Maryland**  
**Debt Capacity: Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	General Government					Business Type Activities				Total Primary Government	Fiscal Year	Ratios	
	General Obligation Bonds	Notes Payable	Leases	Subscriptions	Total	General Obligation Bonds	Notes Payable	Leases	Total			Debt to Personal Income	Total Debt per Capita
2015	\$ 10,998,014	\$ -	\$ 2,040,095	\$ -	\$ 13,038,109	\$ 13,268,902	\$ -	\$ -	\$ 13,268,902	\$ 26,307,011	2015	2.63%	\$ 1,327.30
2016	10,049,518	-	1,772,290	-	11,821,808	12,802,590	-	-	12,802,590	24,624,398	2016	2.42%	1,244.47
2017	9,060,997	-	1,496,967	-	10,557,964	13,962,009	-	-	13,962,009	24,519,973	2017	2.27%	1,242.78
2018	8,030,750	-	1,213,917	-	9,244,667	13,477,620	-	-	13,477,620	22,722,287	2018	1.97%	1,172.22
2019	6,956,999	-	1,413,486	-	8,370,485	12,974,661	-	-	12,974,661	21,345,146	2019	1.79%	1,101.23
2020	7,522,269	-	1,530,356	-	9,052,625	12,450,655	-	239,056	12,689,711	21,742,336	2020	1.77%	1,119.47
2021	6,145,209	-	1,466,518	-	7,611,727	11,916,949	-	191,776	12,108,725	19,720,452	2021	n/a	n/a
2022	5,392,206	-	1,353,496	-	6,745,702	11,391,733	-	157,123	11,548,856	18,294,558	2022	1.48%	949.38
2023	4,636,926	-	1,193,746	188,258	6,018,930	10,856,891	-	338,635	11,195,526	17,214,456	2023	1.32%	891.02
2024	4,110,561	-	1,242,084	40,397	5,393,042	10,312,166	-	297,707	10,609,873	16,002,915	2024	1.19%	829.08



- (1) Total of General Obligation Bonds for general government and business-type activities
- (2) See Assessed Value of Taxable and Exempt property page 100
- (3) See Demographic Statistics on page 108

\*n/a data not readily available or not available in a manner consistent with this display

**The County Commissioners of Kent County, Maryland**  
**Debt Capacity: Ratios of Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt (1)	Percentage of Total Taxable Assessable Base (2)	Per Capita(3)
2015	\$ 24,266,916	0.846%	\$ 1,224.37
2016	22,852,108	0.798%	1,154.91
2017	23,023,006	0.795%	1,166.90
2018	21,508,370	0.738%	1,109.59
2019	19,931,660	0.674%	1,028.31
2020	19,972,924	0.675%	1,028.37
2021	18,062,158	0.601%	n/a
2022	16,783,939	0.549%	870.99
2023	15,493,817	0.497%	801.96
2024	14,422,727	0.444%	747.21

\*General Bonded Debt includes all general obligation debt, regardless of purpose or repayment source, and other bonded debt financed with general government resources. Other debt is excluded because it is not in the form of bonds.

(1) General bonded debt is comprised of both governmental and business-type activities from the previous table.

(2) See Assessed Value of Taxable and Exempt Property on page 100

(3) See Demographic Statistics for population data on page 108

**The County Commissioners of Kent County, Maryland**  
**Debt Capacity: Direct and Overlapping Governmental Activities Debt**  
**June 30, 2024**

<b>Name of Jurisdiction</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
Towns (2)			
Betterton	\$ 223,402	100%	\$ 223,402
Chestertown	826,482	100%	826,482
Galena	n/a	100%	n/a
Millington	-	95%	-
Rock Hall	184,591	100%	<u>184,591</u>
Subtotal overlapping debt			1,234,475
Kent County Government direct debt (1)			<u>5,393,042</u>
Total direct and overlapping debt			<u><u>\$ 6,627,517</u></u>

(1) Net direct debt of the County includes general obligation bonds, notes payable, subscriptions and capital leases. See Debt by Type on page 104.

(2) All entities are wholly located in Kent County with the exception of the Town of Millington which has 95% of the town located in the County.

(3) n/a data not readily available or not available in a manner consistent with this display

Source: Towns of Betterton, Chestertown, Galena, Millington and Rock Hall

**The County Commissioners of Kent County, Maryland**  
**Debt Capacity: Computation of Legal Debt Margin**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Authorized Annual Borrowing under 3-9.1 CPLL	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
New General Obligations Issued	-	-	1,639,000	-	-	6,400,000	-	-	-	231,275
Legal Debt Margin	\$ 20,000,000	\$ 20,000,000	\$ 18,361,000	\$ 20,000,000	\$ 20,000,000	\$ 13,600,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 19,768,725

**The County Commissioners of Kent County, Maryland**  
**Demographic and Economic Information: Demographic Statistics**  
**Last Ten Fiscal Years**

Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Income (1)	Unemployment Rate (3)
2014	19,820	999,301	28,411	6.40%
2015	19,787	1,019,350	30,081	5.30%
2016	19,730	1,078,070	30,080	4.90%
2017	19,384	1,152,685	32,217	4.50%
2018	19,383	1,191,987	34,910	4.30%
2019	19,422	1,226,328	n/a	4.00%
2020	n/a	n/a	n/a	6.60%
2021	19,270	1,234,631	37,699	5.50%
2022	19,320	1,303,579	39,658	3.60%
2023	19,302	1,346,895	44,283	2.40%

(1) Source: US Census Bureau

(2) Source: Bureau of Economic Analysis

(3) Source: Maryland Office of Workforce Information & Performance

n/a - Data not readily available or not available in a manner consistent with this display



**The County Commissioners of Kent County, Maryland**  
**Demographic and Economic Information: Major Employers**  
**Current and Nine Years Ago**

For the Calendar Year Ended December 31, 2023

Employer	Employees	Rank	Percentage of Total County Employment
Washington College	500	1	5.07%
Dixon Valve & Coupling Co.	450	2	4.56%
Kent County Board of Education	371.5	3	3.76%
Kent County Government	304	4	3.08%
LaMotte	256	5	2.59%
David A. Bramble, Inc.	215	6	2.18%
Gillespie & Son	175	7	1.77%
University of MD Shore Regional Health	174	8	1.76%
Heron Point of Chestertown	170	9	1.72%
YMCA Camp Tockwogh	160	10	1.62%

For the Calendar Year Ended December 31, 2015

Employer	Employees	Rank	Percentage of Total County Employment
Washington College	525	1	n/a
University of MD Shore Regional Health	429	2	n/a
Dixon Valve & Coupling Co.	366	3	n/a
Kent County Board of Education	308	4	n/a
Kent County Government	229	5	n/a
David A. Bramble, Inc.	224	6	n/a
Heron Point of Chestertown	200	7	n/a
LaMotte Industries	182	8	n/a
Angelica Nurseries	175	9	n/a
Living at Home Health Services	175	9	n/a

Source: Department of Economic Development

**The County Commissioners of Kent County, Maryland**  
**Operating Information: County Government Employees – Full Time Equivalents**  
**Last Ten Fiscal Years**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Part time positions (FTE)	22	26	28	28	26	27	26	26	14	26
Exempt	29	30	37	36	36	39	43	44	40	44
Full Time Employees	169	173	166	168	171	175	173	177	178	212
Total County Government Employees	220	229	231	232	233	241	242	247	232	282

Source: Department of Human Resources

**The County Commissioners of Kent County, Maryland**  
**Operating Information: County Government Employees – Full Time Only By Function**  
**Last Ten Fiscal Years**

<b>GENERAL GOVERNMENT</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Commissioner's Office (1)	4	4	4	4	4	4	4	5	4	4
Planning, Housing & Zoning	9	9	9	9	9	9	9	10	9	10
Human Resources	3	3	3	3	3	3	3	3	4	4
Finance	7	7	7	7	7	7	8	8	8	8
Information Technology	6	6	6	6	6	6	6	6	6	6
Tourism & Economic Development	3	4	4	4	4	4	4	4	4	4
State's Attorney's Office (2)	5	6	6	7	7	7	7	7	9	10
Circuit Court (2)	3	3	3	3	3	5	5	5	5	5
Soil Conservation Service (2)	0	0	0	0	0	0	0	0	0	0
Family & Community Partnerships	2	3	3	3	3	3	4	4	3	4
<b>PUBLIC SAFETY</b>										
Sheriff's Office (2)	28	27	27	25	26	28	28	28	28	28
Detention Center	28	29	29	29	29	29	29	30	28	26
Office of Emergency Services	26	26	26	28	31	33	33	33	36	38
<b>PUBLIC WORKS</b>										
Administration	2	2	2	2	1	1	1	3	5	5
County Roads	29	29	29	29	29	29	29	29	29	25
Waste Management	8	8	8	8	8	8	8	8	7	7
Public Landings	1	1	1	1	1	1	1	1	1	1
Buildings & Grounds	13	13	13	15	15	15	15	15	9	9
<b>LEISURE SERVICES</b>										
Parks & Recreation	6	8	8	8	8	8	8	8	8	8
<b>BUSINESS-TYPE ACTIVITIES</b>										
Water & Wastewater Services	15	15	15	13	13	14	14	14	15	18
	198	203	203	204	207	214	216	221	218	220

(1) Includes Liquor Inspector  
(2) County Funded State Positions

Source: Department of Human Resources

County employees do not include employees of discretely presented component units such as the Kent County Board of Education or the Kent County Library.

**The County Commissioners of Kent County, Maryland**  
**Operating Information: Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Facilities										
Police Stations in County	3	3	3	3	3	3	3	3	3	3
Fire & Rescue Stations	7	7	7	7	7	7	7	7	7	7
Parks/Recreation Facilities	11	11	11	11	11	11	11	11	11	11
Senior Centers										
Libraries	3	3	3	3	3	3	3	3	3	3
Public Schools										
Elementary Schools	5	5	3	3	3	3	3	3	3	3
Middle Schools	1	1	1	1	1	1	1	1	1	1
High Schools	1	1	1	1	1	1	1	1	1	1
Department of Public Works										
Miles of County Maintained Paved Roads	272.23	272.23	272.23	272.23	272.23	272.23	272.23	272.23	272.23	272.23
Water Treatment Plants	4	4	4	4	4	4	4	4	4	4
Water Towers	4	4	4	4	4	4	4	4	4	4
Wastewater Treatment Plants	3	3	3	3	3	3	3	3	3	3
Lagoons	1	1	1	1	1	1	1	1	1	1
Pump Stations	24	24	24	24	24	25	25	25	25	25
Shared Septic Systems	2	2	2	2	2	2	2	2	3	3
Meters/Meter Vaults	2	2	2	2	2	2	2	2	2	2
Kent County Sheriff Department										
Vehicles in Service	27	26	28	28	28	28	25	26	27	26

Source: County Departments, Component Units, and Outside Agencies

**The County Commissioners of Kent County, Maryland**  
**Operating Information: Operating Indicators by Function**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
General Government										
Planning & Zoning (1)										
Number of Permits Issued for:										
Accessory Buildings/Garages/Carports	77	87	89	77	102	75	77	89	100	70
Agricultural Buildings	23	16	21	21	17	20	17	12	20	22
Boat Lift	3	3	-	-	-	-	-	-	-	-
Commercial Addition/Alteration	13	9	8	6	8	10	7	6	2	2
Deck/Porch	23	41	27	34	21	25	21	19	12	12
New Commercial Building	7	6	7	3	7	2	2	7	11	4
New Single Family Residence	44	18	23	26	24	29	32	39	39	-
Other	46	25	-	-	-	-	-	-	-	-
Pier	14	19	22	14	28	15	21	19	25	18
Residential Addition/Alteration/Attached Garage	53	63	84	103	91	97	90	74	104	67
Sediment Control	29	36	21	27	37	40	43	46	46	42
Sign	7	4	8	12	8	2	3	4	6	3
Solar Panels	34	69	51	-	-	-	-	-	-	25
Swimming Pool	13	16	12	11	18	13	18	18	21	12
Bulkhead/Retaining Wall	7	13	4	-	-	-	-	-	-	-
Demolition	98	68	77	69	75	63	69	58	65	73
Logging	22	15	9	23	17	9	17	8	10	21
Use Permit	19	11	24	11	14	8	11	14	14	9
Total Permits Issued	532	519	487	437	467	408	428	413	475	380
Public Safety										
Alcohol Beverage Control										
Number of Licenses Issued	67	69	72	63	61	61	61	70	66	59
Number of Violations	2	-	2	1	-	3	5	-	14	3
Sheriff's Office (1)										
Number of Physical Arrests	596	436	575	604	517	401	502	534	446	465
Traffic Violations	3,580	3,711	4,212	4,155	2,757	5,554	3,370	4,844	7,809	9,330
Public Works										
Total Water Treated Annually (millions of gallons)	51	49	53	48	43	50	46	46	46	47
Total Wastewater Treated Annually (millions of gallons)	76	57	49	55	65	58	53	52	42	67

(Continued)

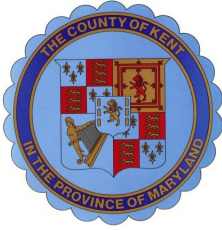
**The County Commissioners of Kent County, Maryland**  
**Operating Information: Operating Indicators by Function**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Education										
Number of Personnel										
Teachers	156	161	158	159	162	158	155	175	153	158
Administrators	19	23	21	17	21	22	24	25	24	23
Support	123	111	115	116	135	126	131	139	138	166.5
Other	16	13	12	20	18	19	22	17	22	24
Number of Students	2106	2030	1895	1965	1914	1909	1809	1780	1763	1742
Number of High School Graduates	161	126	133	140	119	133	142	127	133	142

(1) Denotes information that is tracked on a calendar year basis



**The County Commissioners of Kent County, Maryland  
R. Clayton Mitchell Jr. Government Center  
400 High Street  
Chestertown, MD 21620**



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**Scott Boone, Director, Information Technology**  
**11/6/2024**  
**County Commissioners Meeting**

**Item Summary:**

Overview of the State & Local Cybersecurity Grant Program (SLCGP)

*What is it?*

A grant program to help local governments address cybersecurity risks and threats to information systems

*Who manages the Grant?*

The grant is jointly run by CISA and FEMA and funds are distributed by the Maryland SLCGP Planning Committee

*What are the 5 investment priorities for the grant for direct funding?*

1. Adoption or enhancement of priority cybersecurity best practices (highest weighting)
  - Asset Discovery & Vulnerability Management
  - Multi-Factor Authentication (MFA)
  - End-Point Detection and Response (EDR)
  - Email Security (SEG)
  - Security Awareness Training
2. Adoption or enhancement of general cybersecurity best practices (second highest weighting)
  - Enhanced logging
  - Data encryption
  - End of use processes of software and hardware
  - Strong password management
  - Implementing the NIST cybersecurity framework
  - Implementing the NIST cyber supply chain risk management practices
3. Cybersecurity Policy and Governance (third highest weighting)
  - Cyber Incident Response Plans
  - Acceptable Use Policies
  - Continuity of Operations Plans
  - Risk & Threat Assessments
4. Addressing specific jurisdictional cybersecurity needs (third highest weighting)
5. Cybersecurity workforce development (third highest weighting)

ATTACHMENTS:



**Description**

SLCGP Grant FY22 Cover



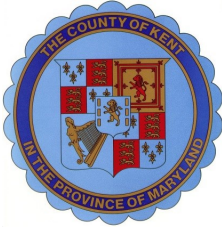
Department of Information Technology



**FEMA**

### **State and Local Cybersecurity Grant Program**

**The State and Local Cybersecurity Grant Program provides funding to eligible entities to address cybersecurity risks and threats to information systems owned or operated by, or on behalf of, state, local, or tribal governments.**



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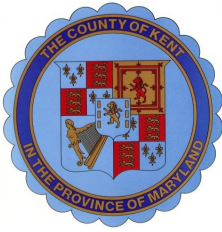
**Kent Family Center**  
**11/6/2024**  
**County Commissioners Meeting**

**Item Summary:**

Fifth Amendment to Lease - Renewal

**ATTACHMENTS:**

Description



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**2025 MACo Legislative Committee Nominations- Member and  
Alternate  
11/6/2024  
County Commissioners Meeting**

**Item Summary:**

2025 MACo Legislative Committee Nominations

**ATTACHMENTS:**

Description

Memo- Legislative Committee 2025 Nominees



TO: County Chief Administrative Officers

FROM: Michael Sanderson, Executive Director, MACo

DATE: October 25, 2024

SUBJECT: 2025 Legislative Committee Nominations – Member and Alternate

The work of the Maryland Association of Counties (MACo) Legislative Committee is regarded as one of the organization's most important and challenging functions. Local elected officials serve as members of this body to set legislative direction, advocate, and communicate on behalf of MACo before the Administration and the General Assembly.

MACo's Legislative Committee meets weekly during the General Assembly Session to determine the Association's positions on policy matters. Committee members are also responsible for contacting state legislators at critical points during Session to encourage their local elected colleagues to support county priorities in pending legislation.

*As we are nearing December and the start of the 2025 General Assembly Session, we would request that you recommend a nominee and alternate to serve on the Legislative Committee.* Again, involvement on the Legislative Committee is critical as MACo strives to protect county resources and further a positive Annapolis presence.

Except in special circumstances arising in charter counties with a separate executive branch, MACo's Legislative Committee is composed of one member from each member subdivision. MACo's By-Laws require each subdivision (the 23 counties and Baltimore City) to nominate an elected official for Committee membership. These nominees are officially "elected" during the Association's Annual Business Meeting, during MACo's Winter Conference at the Hyatt Regency Chesapeake Bay Hotel Cambridge, MD on **Thursday, December 12, 2024**.

To promote full Legislative Committee representation, the By-Laws also provide for the appointment of an alternative member who may cast the subdivision's vote if the subdivision's regular member is absent. Alternate members may participate in Committee deliberations and are urged to attend meetings. Alternate members need not be elected officials.

A charter county with a separate executive branch may have two members and alternates if the Executive and Council each choose to send their own representative. However, the subdivision still has only one vote with both representatives putting forth one-half of a vote.

The Legislative Committee generally meets weekly beginning approximately the third week of January until the first or second week of March during the regular General Assembly Session to determine MACo positions on pending county-relevant legislation. During the interim, the Committee meets twice to formulate Association legislative initiatives and to remain current on pending issues.

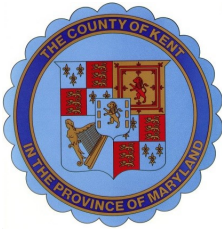
All meetings of the Committee will be announced in advance. Members and alternates will receive reminders and updates by email. We will provide a full schedule of meetings as it gets closer to the opening of the 2025 General Assembly Session, but prospective committee members should plan on 10:00 am – 12:00 noon weekly on Wednesdays, January 15 – March 19, 2025.

To submit your committee member and alternate, please complete the attached nomination form and return it to Amanda at [agrosskrueger@mdcounties.org](mailto:agrosskrueger@mdcounties.org) by **Friday, November 22, 2024**. The form lists your jurisdiction's 2024 Legislative Committee Member and Alternate for informational purposes. There is no requirement to change your member and alternate each year – you can choose to keep the same individuals as your representatives but must note that on the form.

Please contact Michael Sanderson, Executive Director, at 410.269.0043 should you have any questions regarding this process.

Thank you for your cooperation.

CC: County Legislative Staffers  
County Elected Officials Staff



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## **Procedures For Public Comment 11/6/2024 County Commissioners Meeting**

### **ATTACHMENTS:**

**Description**

Procedures for Public Comment



## Office of The County Commissioners

### Press and Public Comments

Time is allotted at the end of each meeting for the Commissioners to receive comments from the public. Anyone interested in speaking must sign up on the provided Public Comment sign-up sheet located on the table inside the meeting room.

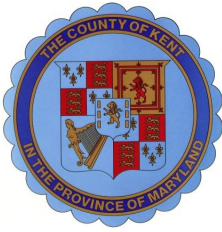
The President of the Board will call the names of the listed individuals when it is time to speak. When making comments, individuals are asked to speak slowly, clearly, and concisely. Precede all comments with your name and address and speak only on the subject under discussion.

Comments in writing are welcomed and should be given to the staff after your presentation. Any person making personal, impertinent, or slanderous remarks, or whose speech or actions become disruptive, will be asked to leave the meeting.

Interested parties may address the Commissioners in writing at any time about any matter of County business. Written statements can be hand-delivered or mailed to:

The County Commissioners of Kent County, Maryland  
400 High Street  
Chestertown, MD 21620  
[kentcounty@kentgov.org](mailto:kentcounty@kentgov.org)





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**American Rescue Plan Act (ARPA) Funds Spend Plan  
11/6/2024  
County Commissioners Meeting**

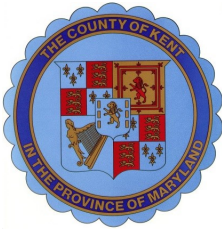
**ATTACHMENTS:**

**Description**

10-29-2024 ARPA Fund Commissioner Report

**AMERICAN RESCUE PLAN ACT FUND  
AS OF COMMISSIONER MEETING MINUTES DATED  
10/29/2024**

Project	Department	Project Estimate	Date Approved	Amount Approved	Date Completed
Feed the Elderly Year 1	Local Management Board	112,800	08/31/21	112,800	9/30/2022
Feed the Elderly Year 2 and 3	Local Management Board	204,115	03/08/22	204,115	
Clariflocculator Replacement Project	Water & Wastewater Fund	275,000	08/31/21	275,000	6/28/2022
Clariflocculator Replacement Project Change Order #1		2,817	01/11/22	2,817	6/28/2022
Clariflocculator Replacement Project Change Order #2		90,642	01/11/22	90,642	11/23/2022
AV System	Information Technology	71,254	10/26/21	71,254	5/17/2023
IT Software	Information Technology	27,095	10/26/21	27,095	8/10/2022
Neighborhood & Infrastructure Grants	Information Technology	258,402	12/14/21	258,402	12/30/2023
A/V Equipment in EOC	Emergency Operation Center	14,087	02/01/22	14,087	7/26/2023
SCADA Pump Station Monitoring	Water & Wastewater Fund	110,065	02/08/22	110,065	8/2/2023
Millington/RT301 Wastewater Treatment Feasibility Study	Water & Wastewater Fund	57,500	02/08/22	57,500	9/20/2023
Millington/RT301 Wastewater Conveyance System Capacity Study		9,500	09/27/22	9,500	
Tolchester Wastewater-Design Services Influent Screen	Water & Wastewater Fund	52,910	02/08/22	52,910	
Tolchester Wastewater - Bid Services and Const. Management		35,735	09/27/22	35,735	
Tolchester Wastewater Influent Screen Construction		600,914	04/25/23	600,914	
Worton WWTP Influent Lagoon Engineer Design & Bid Services	Water & Wastewater Fund	33,076	03/22/22	33,076	8/10/2023
Worton WWTP Influent Lagoon Engineer Const. Management		43,736	03/08/23	43,736	
Worton WWTP Lagoon Sludge Removal Contract		1,400,725	12/13/22	1,400,725	
Worton WWTP Lagoon Sludge Removal Contract Change Order #1		30,000	06/13/23	30,000	
Worton WWTP Lagoon Sludge Removal Contract Change Order #2		(486,784)	08/08/23	(486,784)	
Kennedyville Pump Station #2 Relocation Design	Water & Wastewater Fund	52,338	09/27/22	52,338	
Kennedyville Pump Station #2 Relocation Const. Management		<i>Deferred</i>			
Kennedyville Pump Station #2 Construction		<i>Deferred</i>			
Worton/Kennedyville GIS Water and Sewer Facilities Mapping	Water & Wastewater Fund	75,770	09/27/22	75,770	9/20/2023
Worton Vehicle Storage Building & site prep/lighting/heat	Water & Wastewater Fund	40,000	10/25/22	40,000	
Worton WWTP Solids Press Replacement Design	Water & Wastewater Fund	64,940	11/28/23	64,940	
Worton WWTP Solids Press Replacement Construction Management		20,000			
Worton WWTP Solids Press Replacement		250,000			
Sewer Jetter Camera Nozzle	Water & Wastewater Fund	14,065	04/02/24	14,065	
Major Repairs and Expenses	Water & Wastewater Fund				
Well redevelopment program		40,000	04/02/24	40,000	
Pump Stations - pump replacement program		28,000	04/02/24	28,000	
Worton Wastewater Treatment Plant - replace electrical wiring		50,000	04/02/24	50,000	
Fairlee Water Treatment Plant - design/replace actuator valve & repair piping		15,000	04/02/24	15,000	
Tolchester Wastewater Treatment Plant - replace control valves		19,000	04/02/24	19,000	
Pump Station SCADA Upgrades - convert remainder of locations		36,675	04/02/24	36,675	
Wesley Chapel Pump Station Wet Well	Water & Wastewater Fund	36,700	06/25/24	36,700	
Courthouse Lobby Alteration project	Buildings & Grounds -Circuit Co	13,971	09/24/24	13,971	
<b>Total Amount of Funds Committed</b>		<u>\$ 3,700,048</u>		<u>\$ 3,430,048</u>	
<b>Amount of ARPA Funds</b>		3,766,777		3,766,777	
<b>Balance of ARPA Funds Remaining</b>		<u>\$ 66,729</u>		<u>\$ 336,729</u>	



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## **Contingency and Use of Fund Balance Report 11/6/2024 County Commissioners Meeting**

### **ATTACHMENTS:**

#### **Description**

10-29-2024 Commissioner Report Contingency

