



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

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

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

Prepared By:

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

The County Commissioners of Kent County, Maryland

Annual Comprehensive Financial Report

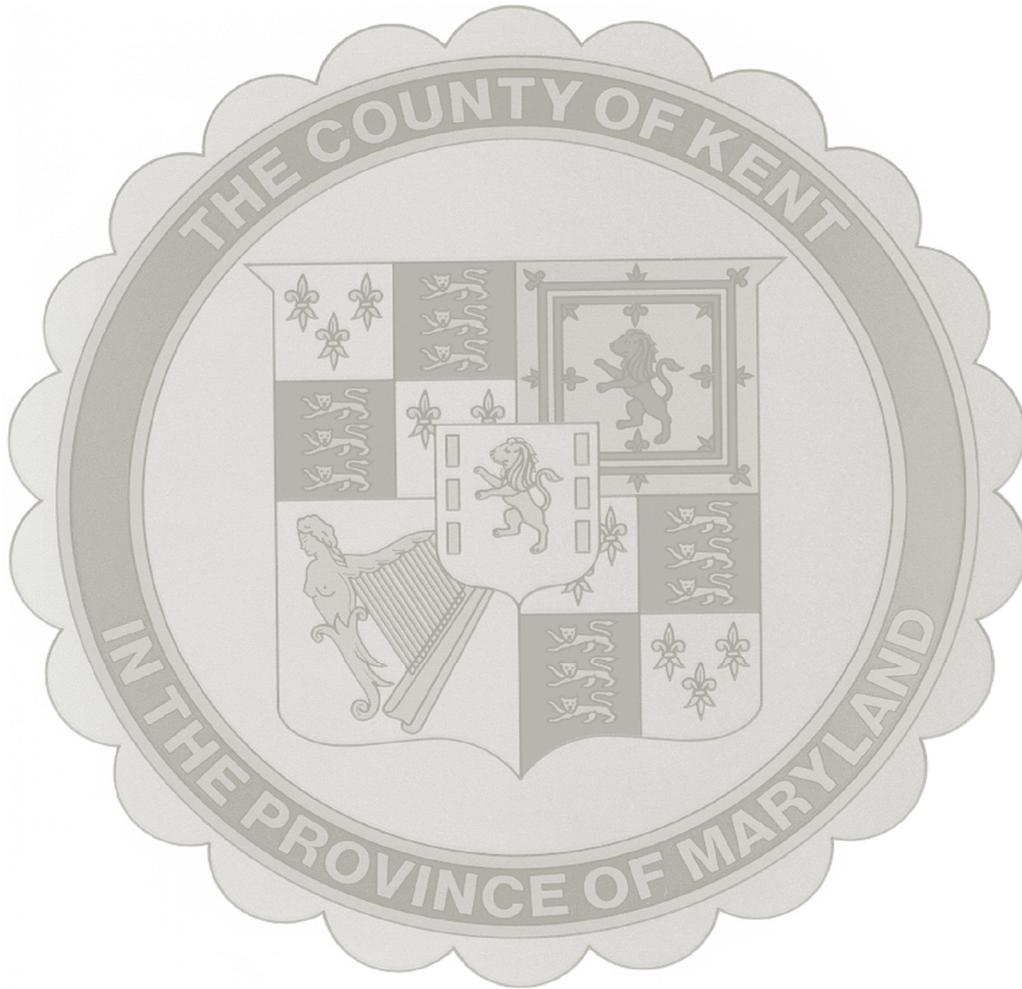
For the Fiscal Year Ended June 30, 2023

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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



December 29, 2023

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, 2023, 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, 2023, 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, 2023, 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, 2023, 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 19,200 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.

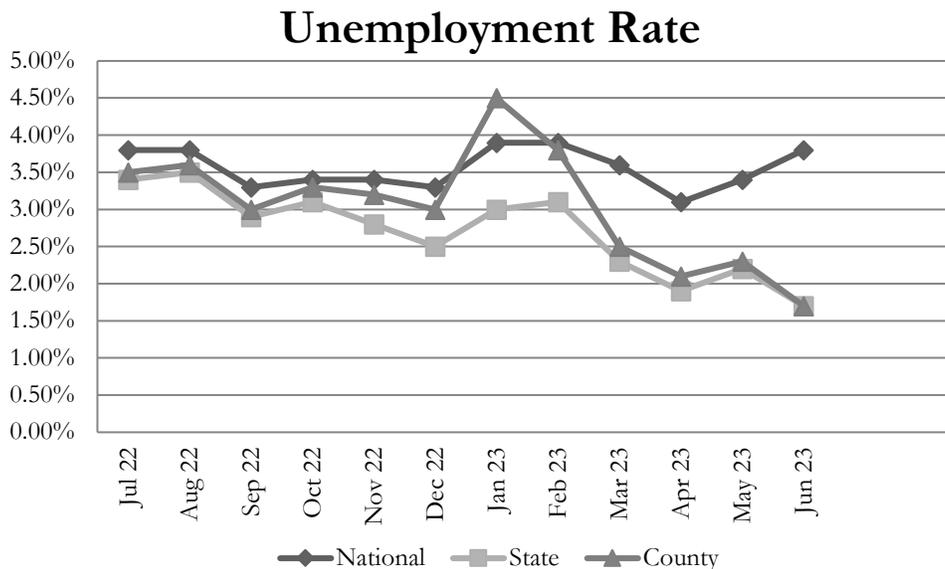
The County operates as a Maryland Code Home Rule County, which enables the Board of County Commissioners to exercise broad local legislative authority. Under code home rule, both legislative and executive functions of the County are vested in the three-member Board of County Commissioners. All three 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; solid waste; 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 68 through 70 as part of the Required Supplementary Information subsection of this report.

Local Economy

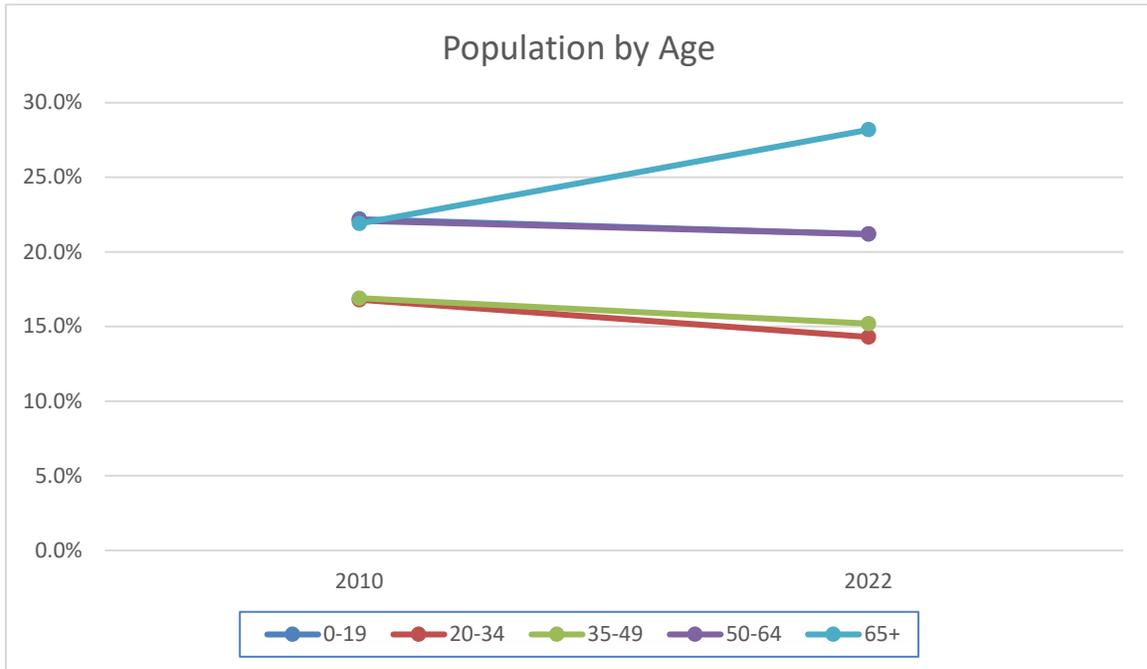
The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which Kent County operates. The chart below shows the unemployment rate in Kent County compared to the state-wide and national unemployment rates.



This chart illustrates the unemployment that has been experienced on the National, State, and Local levels. Kent County's unemployment rate peaked at 4.5% in January and was higher than the National (3.9%) and State (3.5%) peak figures. Kent County ended the fiscal year with its lowest unemployment rate since before the pandemic. This reduced unemployment level coupled with higher earnings will continue to impact County income tax revenue streams positively.

Property values throughout the county rose by 3.2% in fiscal year 2024, which is twice the increase experienced last year. The assessment growth, coupled with the property tax rate increase will result in a property tax revenue increase of 4.3%. 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 increase of .3% from 19,270 in 2022 to 19,320 in 2023. 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 (2017-2021) was \$64,451, compared to the state median income of \$91,431. Additionally, 12.0% of the County’s population is below poverty level compared to 9.6% 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 2024 budget process, three major projects have been identified: 1) the replacement or major renovation of our middle school, 2) the renovation of our historical courthouse and 3) the expansion of our public safety facilities. These projects have an estimated price tag of approximately \$79 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.

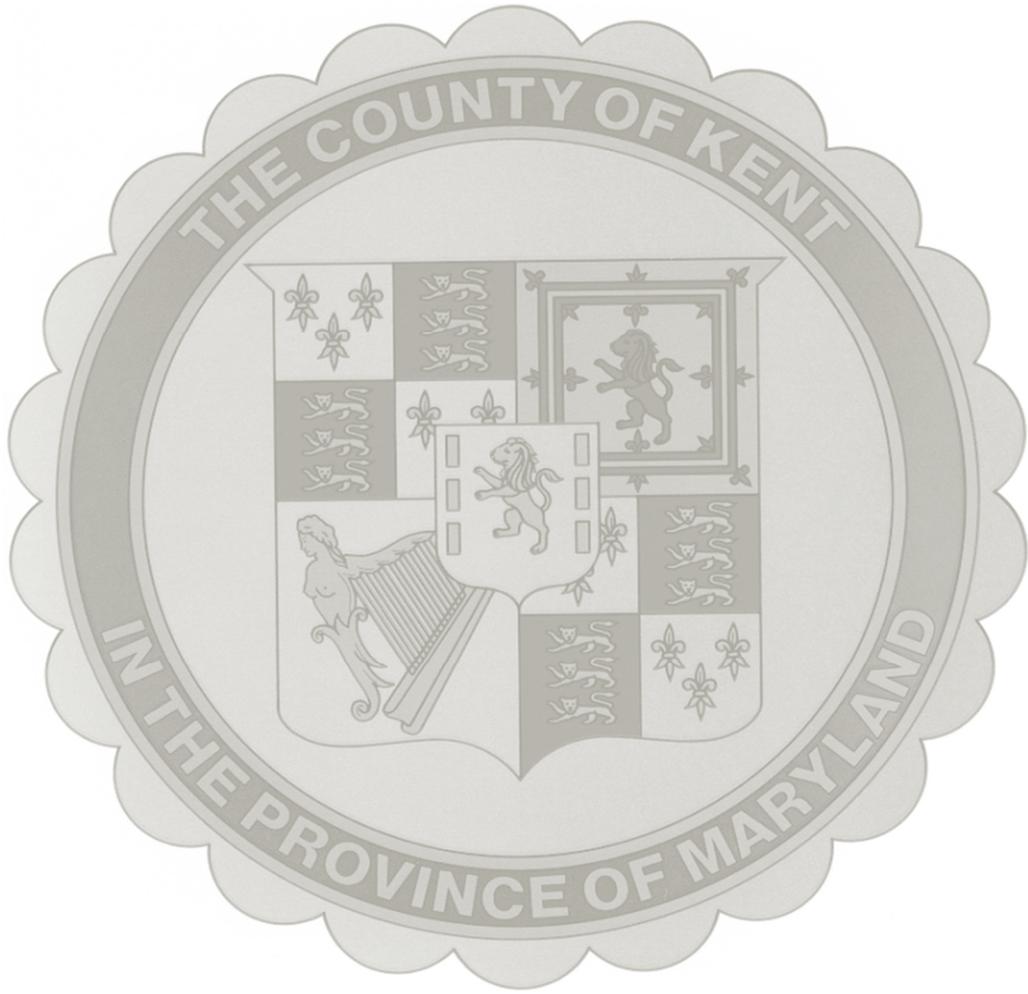
Respectfully submitted,



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, 2022

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

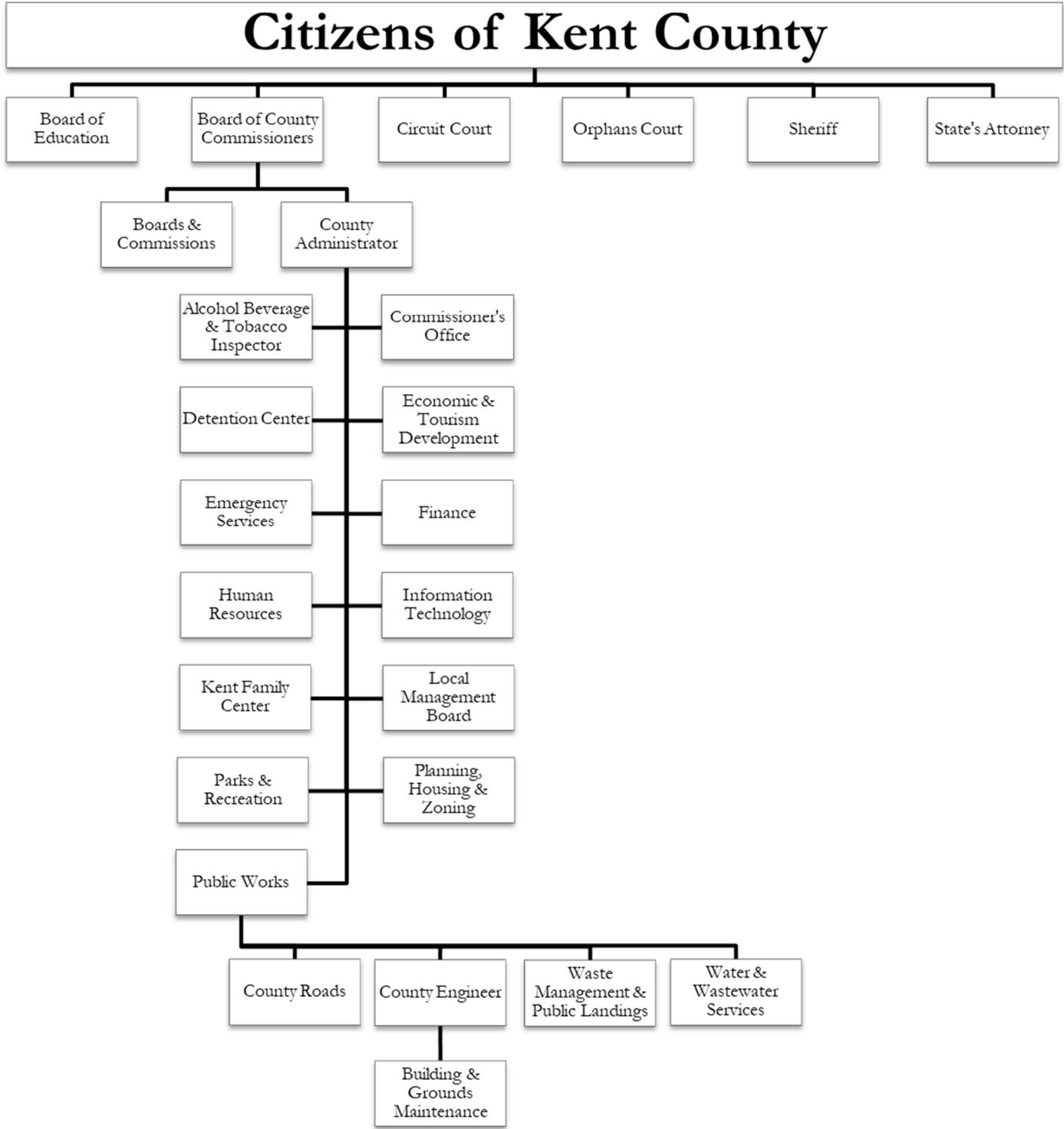
County Administrator
Chief Finance Officer
Director of Emergency Services
Director of Human Resources
Director of Information Technology
Director of Parks and Recreation
Director of Planning, Housing and Zoning
Director of Economic & Tourism Development
Director of Local Management Board
Warden

Shelley L. Heller
Patricia M. Merritt
Pete Landon
Jim Miller
C. Scott Boone
Jill Coleman
William Mackey
Jamie L. Williams
Rosemary Ramsey Granillo
Herb Dennis

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

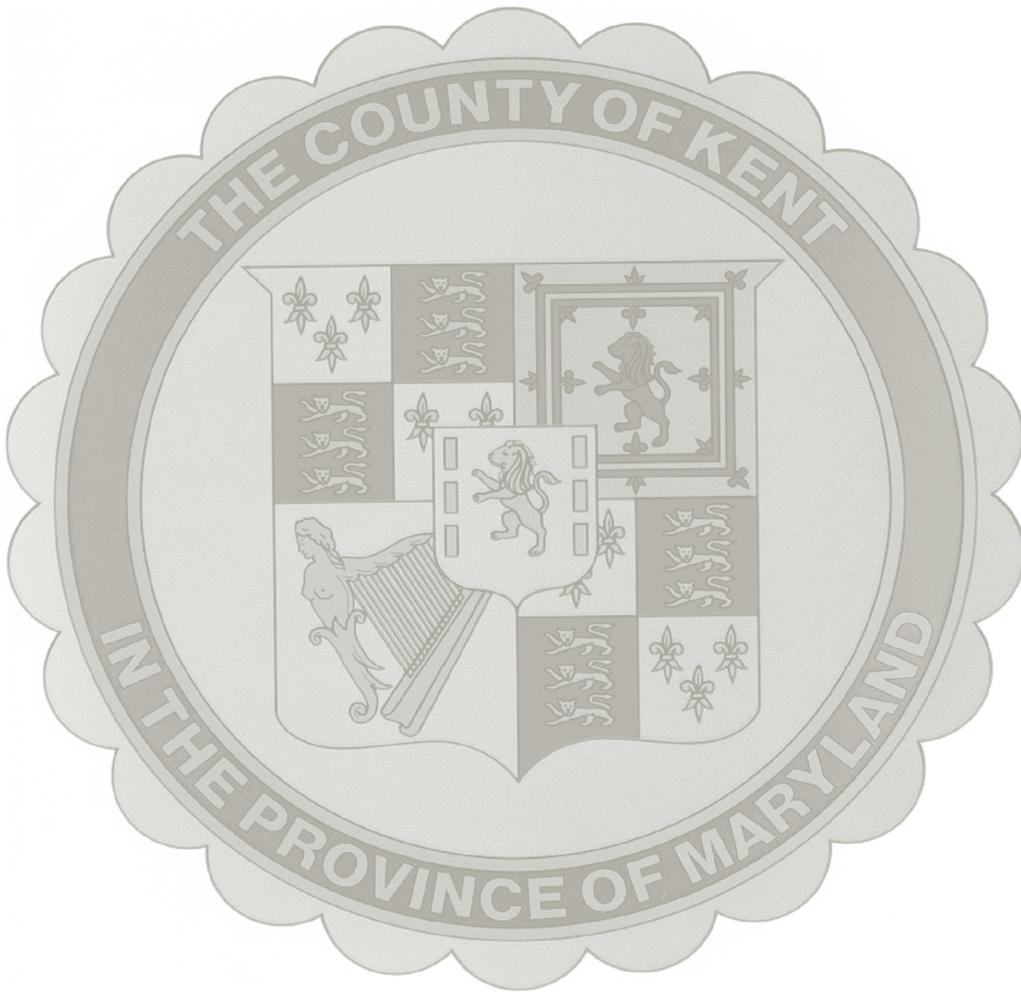
Bond Counsel
McKennon, Shelton and Henn LLP
Baltimore, Maryland

The County Commissioners of Kent County Maryland
 Kent County, Maryland Government Organizational Chart
 June 30, 2023





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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Owings Mills, Maryland
December 19, 2023

A handwritten signature in black ink that reads "SB & Company, LLC". The signature is written in a cursive, flowing style.

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, 2023. 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 2023 by \$66,147,433 (*net position*). This amount is net of a negative \$7,863,631 unrestricted net position deficit. 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 total net position increased by \$3,093,537.
- As of the close of fiscal year 2023, the County's governmental funds reported combined ending fund balances of \$16,441,828; an increase of \$307,510 in comparison with the prior year. Approximately 76% of this amount, \$12,505,715 is available for spending at the County's discretion (*unassigned fund balance*).
- At the end of fiscal year 2023, the unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$15,371,190, or approximately 29% of total general fund expenditures.
- The County's government-wide long-term debt decreased by \$1,351,111 during fiscal year 2023, 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 one 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 eighteen 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 four custodial funds: state and town tax collections, Millington public drainage association, inmate accounts, and motor vehicle administration.

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 37-66 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 67-89 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 \$66,147,433, at the close of the most recent fiscal year.

Kent County, Maryland’s Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 33,234,844	\$ 28,830,494	\$ 1,041,634	\$ 968,950	\$ 34,276,478	\$ 29,799,444
Capital assets, net	51,035,346	50,582,202	37,798,782	38,191,306	88,834,128	88,773,508
Total assets	84,270,190	79,412,696	38,840,416	39,160,256	123,110,606	118,572,952
Deferred outflow of resources	6,945,034	8,070,590	-	-	6,945,034	8,070,590
Long-term liabilities outstanding	35,838,451	34,288,143	11,277,140	11,612,654	47,115,591	45,900,797
Other liabilities	6,934,868	3,848,897	391,503	400,169	7,326,371	4,249,066
Total liabilities	42,773,319	38,137,040	11,668,643	12,012,823	54,441,962	50,149,863
Deferred inflow of resources	9,466,245	13,439,783	-	-	9,466,245	13,439,783
Net position:						
Net investment in capital assets	46,206,416	45,196,500	26,603,256	26,642,450	72,809,672	71,838,950
Restricted	1,201,392	1,626,771	-	-	1,201,392	1,626,771
Unrestricted	(8,432,148)	(10,916,808)	568,517	504,983	(7,863,631)	(10,411,825)
Total net position	\$ 38,975,660	\$ 35,906,463	\$ 27,171,773	\$ 27,147,433	\$ 66,147,433	\$ 63,053,896

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, \$1,201,392 or 2%, 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, inmate welfare and reforestation and open space activities.

Unrestricted net position reflects a negative balance of \$7,863,631. 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 \$3,093,537. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

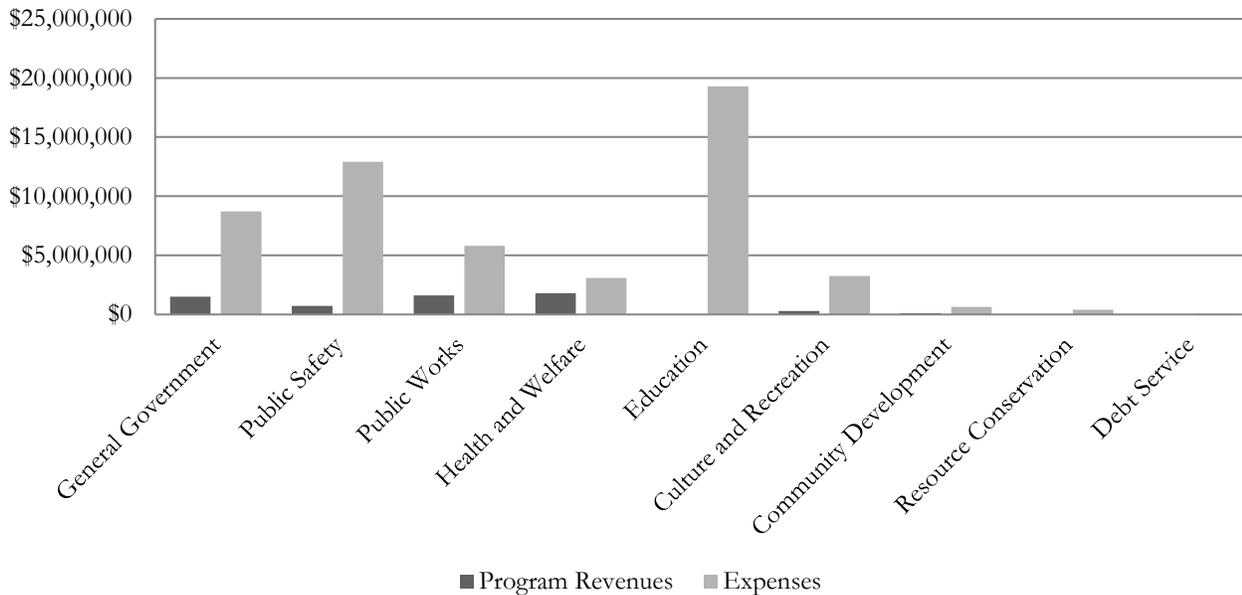
Governmental Activities

During the current fiscal year, the net position for governmental activities increased \$3,069,197 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, recordation, and property transfer taxes came in significantly higher than anticipated and personnel costs came in significantly lower than anticipated due to employee turnover and vacancies.

Kent County, Maryland Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 764,619	\$ 727,501	\$ 2,757,580	\$ 2,673,704	\$ 3,522,199	\$ 3,401,205
Operating grants and contributions	3,422,641	3,461,867	-	-	3,422,641	3,461,867
Capital grants and contributions	5,373,958	1,857,438	524,566	3,100	5,898,524	1,860,538
General revenues:						
Property taxes	32,613,317	32,059,470	-	-	32,613,317	32,059,470
Income taxes	20,935,331	19,225,239	-	-	20,935,331	19,225,239
Other taxes	2,706,679	4,078,203	-	-	2,706,679	4,078,203
Other revenues	988,839	571,187	108,533	219,097	1,097,372	790,284
Total revenues	66,805,384	61,980,905	3,390,679	2,895,901	70,196,063	64,876,806
Expenses:						
General government	11,368,394	8,701,888	-	-	11,368,394	8,701,888
Public safety	13,797,894	12,915,872	-	-	13,797,894	12,915,872
Public works	7,579,526	5,817,744	-	-	7,579,526	5,817,744
Health and social services	2,683,549	3,077,573	-	-	2,683,549	3,077,573
Education	19,105,024	19,282,485	-	-	19,105,024	19,282,485
Culture, library and recreation	6,777,950	3,241,310	-	-	6,777,950	3,241,310
Community development	842,908	633,242	-	-	842,908	633,242
Resource conservation development	371,554	404,303	-	-	371,554	404,303
Debt service	14,381	52,455	-	-	14,381	52,455
Water and wastewater services	-	-	4,533,672	4,149,890	4,533,672	4,149,890
Bayside landing	-	-	27,674	29,160	27,674	29,160
Total expenses	62,541,180	54,126,872	4,561,346	4,179,050	67,102,526	58,305,922
Increase/(decrease) in net position before transfers	4,264,204	7,854,033	(1,170,667)	(1,283,149)	3,093,537	6,570,884
Transfers	(1,195,007)	(688,956)	1,195,007	688,956	-	-
Increase/(decrease) in net position	3,069,197	7,165,077	24,340	(594,193)	3,093,537	6,570,884
Net position beginning	35,906,463	28,741,386	27,147,433	27,741,626	63,053,896	56,483,012
Net position ending	\$38,975,660	\$35,906,463	\$27,171,773	\$27,147,433	\$66,147,433	\$63,053,896

Expenses and Program Revenues – Governmental Activities



Business-type Activities

For the County’s business-type activities, net position increased by \$24,340 or .09% 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 usually decreases. This year an increase in net position was reported due to \$524,566 of contributed capital for a shared septic system.

Financial Analysis of the Government Funds

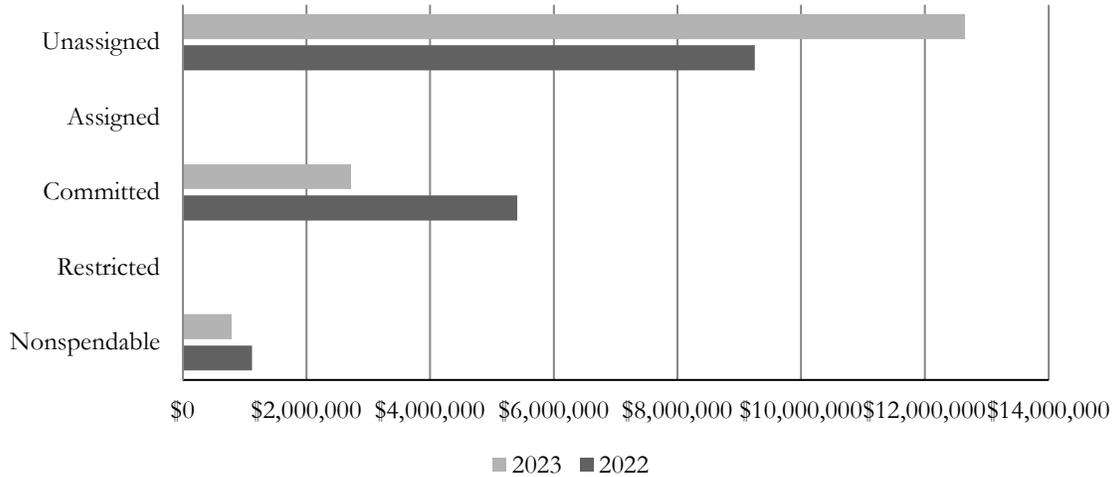
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

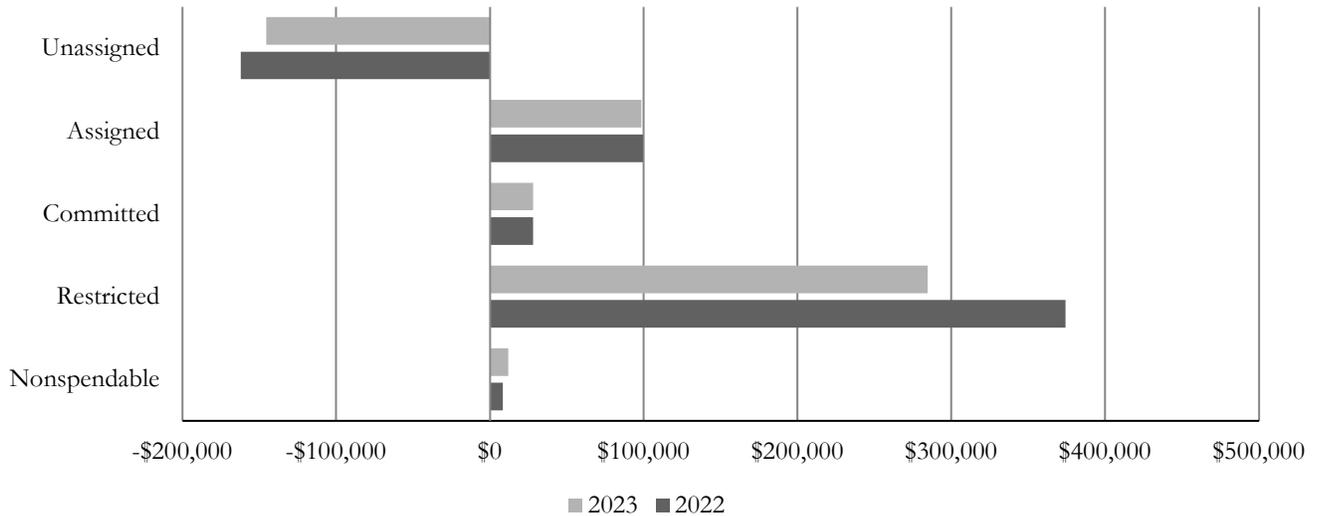
As of the end of the current fiscal year, the County’s *governmental funds* reported combined fund balances of \$16,441,828, an increase of \$307,510 in comparison with the prior year. Approximately 76% of this amount (\$12,505,715) constitutes *unassigned fund balance*, which is available for spending 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 (\$805,112), 2) restricted for particular purposes (\$284,590), 3) committed for particular purposes (\$2,747,989) or 4) assigned for particular purposes (\$98,422).

**General Fund - Components of Fund Balance
June 30, 2023 and 2022**



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 \$12,651,192, while the total fund balance was \$16,164,425. 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 24% of total expenditures, while total fund balance represents approximately 31% of that same amount.

**Other Governmental Funds - Components of Fund Balance
June 30, 2023 and 2022**



The fund balance of the County’s general fund increased by \$378,232. This was primarily due to income taxes that came in higher than anticipated and personnel costs that came in lower than anticipated due to employee turnover and vacancies.

The County’s capital projects fund, had a negative fund balance of \$130,754 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 \$25,626,686. The total decrease in net position was (\$22,356). 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 \$58,932,626 was amended by \$2,188,613 to a final general fund expenditure and transfer out budget of \$61,121,239. The major amendments to the budget were:

- Transfers to other funds were increased by \$2,552,894 reflecting the decision to pay for capital projects instead of financing them.
- The contingency fund was decreased by \$181,631, reflecting less need for contingencies.

Final budget compared to actual results.

Actual expenditures for the year were \$3,299,302 less than estimated. The most significant differences occurred in the following areas:

- Personnel costs were \$2,068,323 under budget. This was the result of longer than normal position vacancies and employee turnover.
- Operating expenditures were \$812,700 less than budget. Most of the savings occurred in highways, law enforcement, planning, environmental operations, building maintenance and park & recreation.
- Contingency funds were underspent by \$264,881.

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, 2023, amounts to \$88,834,128 (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 increase in capital assets for the current fiscal year was 1%.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 22,677,487	\$ 22,677,487	\$ 1,731,536	\$ 1,731,536	\$ 24,409,023	\$ 24,409,023
Construction in progress	1,079,232	771,324	78,707	23,007	1,157,939	794,331
Buildings	8,680,390	8,977,096	1,353,794	1,303,014	10,034,184	10,280,110
Right-to-use leased buildings	55,786	97,625	-	-	55,786	97,625
Machinery, equipment and vehicles	4,159,613	3,728,717	627,787	767,381	4,787,400	4,496,098
Right-to-use leased equipment	1,178,137	1,265,557	410,872	196,442	1,589,009	1,461,999
Improvements	1,657,998	1,427,782	180,732	199,851	1,838,730	1,627,633
Infrastructure	11,357,224	11,636,614	33,415,354	33,970,075	44,772,578	45,606,689
Subscriptions	189,479	-	-	-	189,479	-
Total	\$ 51,035,346	\$ 50,582,202	\$ 37,798,782	\$ 38,191,306	\$ 88,834,128	\$ 88,773,508

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

- \$663,089 - Highway equipment
- \$619,639 - Vehicle leases
- \$444,806 - Water wastewater infrastructure
- \$369,293 - Sports field infrastructure

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 \$15,493,817. 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	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 4,636,926	\$ 5,392,206	\$ 10,856,891	\$ 11,391,733	\$ 15,493,817	\$ 16,783,939
Leases payable	1,193,746	1,353,496	338,635	157,123	1,532,381	1,510,619
Subscriptions payable	188,258	271,009	-	-	188,258	271,009
Total	\$ 6,018,930	\$ 7,016,711	\$ 11,195,526	\$ 11,548,856	\$ 17,214,456	\$ 18,565,567

During the current fiscal year, the County's total debt decreased by \$1,080,102. The County's significant debt activities included:

- \$755,280 of governmental activities debt was retired.
- \$468,890 of governmental activities leases were retired.
- \$150,219 of governmental activities subscriptions were retired.
- \$534,842 of business-type activities debt was retired.
- The County entered into \$560,203 of new right-to-use leases for vehicles.

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 61-64 of this report.

Economic Factors and Next Year's Budgets and Rates

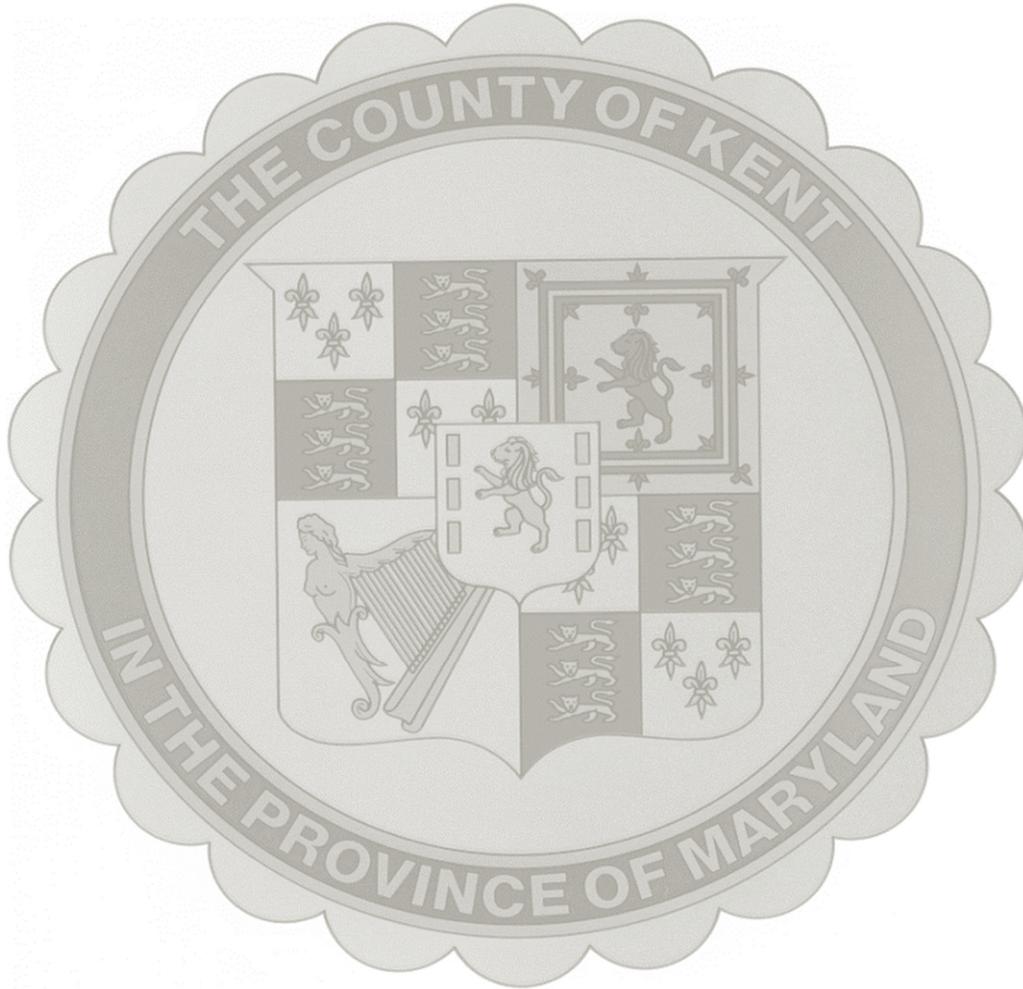
The following economic factors currently affect the County and were considered in developing the 2024 fiscal year budget:

- Due to the uncertainty of the post pandemic economy, the fiscal year 2024 budget anticipates income tax revenues consistent with fiscal year 2023.
- Due to the decreased activity in the housing market, recordation and property tax revenue are expected to continue to decline.
- The fiscal year 2024 property tax rate was increased from \$1.012 to \$1.022 per \$100 of assessed property value. This will generate an additional \$1,388,000 in revenue.
- The fiscal year 2024 income tax rate remained at 3.20%.

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, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Board of Education	Public Library
ASSETS					
Cash and cash equivalents	\$ 14,487,388	\$ 150	\$ 14,487,538	\$ 5,313,212	\$ 278,783
Equity in pooled cash	2,096,199	56,729	2,152,928	-	-
Property taxes receivable	1,684,883	-	1,684,883	-	-
Intergovernmental receivable	13,243,769	66,389	13,310,158	3,640,424	-
Other receivables	637,105	1,075,475	1,712,580	107,555	98,919
Internal balances	280,388	(280,388)	-	-	-
Inventories	491,827	98,505	590,332	57,674	-
Prepays	313,285	24,774	338,059	-	22,226
Capital assets, not being depreciated:					
Land	22,677,487	1,731,536	24,409,023	122,025	-
Construction in progress	1,079,232	78,707	1,157,939	6,480,531	-
Capital assets, net of accumulated depreciation/amortization					
Buildings	8,680,390	1,353,794	10,034,184	18,474,548	-
Right-to-use leased buildings	55,786	-	55,786	-	181,473
Machinery, equipment and vehicles	4,159,613	627,787	4,787,400	918,861	23,360
Right-to-use leased equipment	1,178,137	410,872	1,589,009	394,909	-
Infrastructure	11,357,224	33,415,354	44,772,578	-	-
Subscription assets	189,479	-	189,479	-	-
Improvements	1,657,998	180,732	1,838,730	221,449	4,628
Library collection	-	-	-	-	177,940
Total Assets	<u>84,270,190</u>	<u>38,840,416</u>	<u>123,110,606</u>	<u>35,731,188</u>	<u>787,329</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	3,702,204	-	3,702,204	406,898	-
Deferred outflows related to other post employment benefits	3,242,830	-	3,242,830	6,907,826	-
Total deferred outflows of resources	<u>6,945,034</u>	<u>-</u>	<u>6,945,034</u>	<u>7,314,724</u>	<u>-</u>
LIABILITIES					
Accounts payable and other accrued liabilities	3,525,536	196,742	3,722,278	2,843,946	77,580
Accrued interest payable	36,802	37,523	74,325	-	-
Intergovernmental payable	1,218,484	157,238	1,375,722	-	283
Unearned revenues	2,154,046	-	2,154,046	2,021,405	29,287
Noncurrent liabilities:					
Due within one year	1,636,166	651,167	2,287,333	347,216	20,119
Due in more than one year	34,202,285	10,625,973	44,828,258	26,040,341	178,910
Total Liabilities	<u>42,773,319</u>	<u>11,668,643</u>	<u>54,441,962</u>	<u>31,252,908</u>	<u>306,179</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	1,229,091	-	1,229,091	1,010,816	-
Deferred inflows related to other post employment benefits	8,237,154	-	8,237,154	10,281,427	-
Total deferred inflows of resources	<u>9,466,245</u>	<u>-</u>	<u>9,466,245</u>	<u>11,292,243</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	46,206,416	26,603,256	72,809,672	25,979,038	199,971
Restricted for:					
Narcotics task force	54,143	-	54,143	-	-
Agricultural land preservation	45,838	-	45,838	-	-
Weed control	61,825	-	61,825	-	-
Kent family center	4,550	-	4,550	-	-
Inmate welfare	135,548	-	135,548	-	-
Law library	7,280	-	7,280	-	-
Special events overtime	7,051	-	7,051	-	-
Reforestation & open space	89,758	-	89,758	-	-
Inventory	491,827	-	491,827	-	-
Prepaid	301,408	-	301,408	-	-
Other Purposes	2,164	-	2,164	306,343	22,226
Unrestricted	(8,432,148)	568,517	(7,863,631)	(25,784,620)	258,953
Total Net Position	<u>\$ 38,975,660</u>	<u>\$ 27,171,773</u>	<u>\$ 66,147,433</u>	<u>\$ 500,761</u>	<u>\$ 481,150</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, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position					
	Expenses	Operating	Capital	Primary Government			Component Units		
		Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	Board of Education	Public Library
Functions/Programs:									
Primary Government:									
Governmental activities:									
General government	\$ 11,368,394	\$ 82,515	\$ 25,271	\$ 481,693	\$(10,778,915)	\$ -	\$(10,778,915)	\$ -	\$ -
Public safety	13,797,894	82,842	1,277,644	-	(12,437,408)	-	(12,437,408)	-	-
Public works	7,579,526	390,202	633,788	4,194,317	(2,361,219)	-	(2,361,219)	-	-
Health and social services	2,683,549	12,773	1,224,447	-	(1,446,329)	-	(1,446,329)	-	-
Education	19,105,024	-	-	-	(19,105,024)	-	(19,105,024)	-	-
Culture and recreation	6,064,051	186,850	-	697,948	(5,179,253)	-	(5,179,253)	-	-
Libraries	713,899	-	-	-	(713,899)	-	(713,899)	-	-
Resource conservation	371,554	-	-	-	(371,554)	-	(371,554)	-	-
Community development	842,908	9,437	261,491	-	(571,980)	-	(571,980)	-	-
Debt service - interest	14,381	-	-	-	(14,381)	-	(14,381)	-	-
Total governmental activities	<u>62,541,180</u>	<u>764,619</u>	<u>3,422,641</u>	<u>5,373,958</u>	<u>(52,979,962)</u>	<u>-</u>	<u>(52,979,962)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Water and wastewater services	4,533,672	2,709,510	-	498,266	-	(1,325,896)	(1,325,896)	-	-
Bayside landing	27,674	48,070	-	26,300	-	46,696	46,696	-	-
Total business-type activities	<u>4,561,346</u>	<u>2,757,580</u>	<u>-</u>	<u>524,566</u>	<u>-</u>	<u>(1,279,200)</u>	<u>(1,279,200)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$67,102,526</u>	<u>\$ 3,522,199</u>	<u>\$ 3,422,641</u>	<u>\$ 5,898,524</u>	<u>(52,979,962)</u>	<u>(1,279,200)</u>	<u>(54,259,162)</u>	<u>-</u>	<u>-</u>
Component Units:									
Kent County Board of Education	\$40,568,720	\$ 237,925	\$10,060,981	\$ 972,235			(25,272,178)		-
Kent County Public Library	1,157,764	-	-	-			-	(1,124,619)	
Total component units	<u>\$41,726,484</u>	<u>\$ 237,925</u>	<u>\$10,060,981</u>	<u>\$ 972,235</u>			<u>(25,272,178)</u>		<u>(1,124,619)</u>
General revenues:									
Property taxes					32,613,317	-	32,613,317	-	-
Income taxes					20,935,331	-	20,935,331	-	-
Other taxes					2,706,679	-	2,706,679	-	-
Other revenues					988,839	108,533	1,097,372	194,001	41,534
Grants and contributions not restricted to specific programs					-	-	-	28,562,321	1,049,187
Transfers					(1,195,007)	1,195,007	-	-	-
Total general revenues and transfers					<u>56,049,159</u>	<u>1,303,540</u>	<u>57,352,699</u>	<u>28,756,322</u>	<u>1,090,721</u>
Change in net position					3,069,197	24,340	3,093,537	3,484,144	(33,898)
Net position - beginning					<u>35,906,463</u>	<u>27,147,433</u>	<u>63,053,896</u>	<u>(2,983,383)</u>	<u>515,048</u>
Net position - ending					<u>\$ 38,975,660</u>	<u>\$27,171,773</u>	<u>\$ 66,147,433</u>	<u>\$ 500,761</u>	<u>\$ 481,150</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, 2023

	General	Grants	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 13,911,723	\$ -	\$ 575,665	\$ -	\$ 14,487,388
Equity in pooled cash	-	953,992	-	1,142,207	2,096,199
Property taxes receivable	1,684,883	-	-	-	1,684,883
Intergovernmental receivable	10,614,273	2,038,610	-	590,886	13,243,769
Other receivables	620,737	112	-	16,256	637,105
Due from other funds	1,719,013	855,542	-	-	2,574,555
Inventories	491,827	-	-	-	491,827
Prepaid items	301,408	2,107	-	9,770	313,285
Total assets	<u>\$ 29,343,864</u>	<u>\$ 3,850,363</u>	<u>\$ 575,665</u>	<u>\$ 1,759,119</u>	<u>\$ 35,529,011</u>
LIABILITIES					
Accounts payable	\$ 1,344,942	\$ 840,862	\$ -	\$ 310,986	\$ 2,496,790
Accrued liabilities	911,433	9,338	-	107,975	1,028,746
Intergovernmental payable	166,400	94	706,419	345,571	1,218,484
Due to other funds	861,714	1,143,884	-	288,569	2,294,167
Unearned revenue	-	1,856,185	-	297,861	2,154,046
Total liabilities	<u>3,284,489</u>	<u>3,850,363</u>	<u>706,419</u>	<u>1,350,962</u>	<u>9,192,233</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes	9,894,950	-	-	-	9,894,950
Total deferred inflows of resources	<u>9,894,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,894,950</u>
FUND BALANCES					
Nonspendable:					
Inventory	491,827	-	-	-	491,827
Prepaid expenditures	301,408	2,107	-	9,770	313,285
Restricted:					
General government	-	-	-	7,871	7,871
Public safety	-	-	-	169,114	169,114
Resource conservation	-	-	-	107,605	107,605
Committed:					
Resource conservation	-	-	-	27,991	27,991
Subsequent year's budget appropriation of fund balance	2,719,998	-	-	-	2,719,998
Assigned:					
Parks, recreation, and culture	-	-	-	1,266	1,266
Public safety	-	-	-	27,935	27,935
Social services	-	-	-	7,396	7,396
Public works	-	-	-	61,825	61,825
Unassigned	12,651,192	(2,107)	(130,754)	(12,616)	12,505,715
Total fund balances	<u>16,164,425</u>	<u>-</u>	<u>(130,754)</u>	<u>408,157</u>	<u>16,441,828</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,343,864</u>	<u>\$ 3,850,363</u>	<u>\$ 575,665</u>	<u>\$ 1,759,119</u>	<u>\$ 35,529,011</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, 2023

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

Total fund balance - governmental funds (page 28)	\$	16,441,828
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		1,079,232
Depreciable capital assets:		
Buildings		15,441,978
Right to use leased buildings		139,464
Improvements		3,453,176
Machinery and equipment		17,475,588
Right-to-use leased equipment		5,246,732
Subscription assets		338,477
Infrastructure		18,496,696
Total capital assets:		<u>84,348,830</u>
Less accumulated depreciation/amortization		<u>(33,313,484)</u>
		51,035,346
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	\$	(4,636,926)
Leases payable		(1,193,746)
Subscriptions payable		(188,258)
Landfill liability		(2,149,558)
Compensated absences		(1,230,033)
Net other post-employment benefits liability		(13,963,157)
Net pension liability		(12,476,773)
Accrued interest payable		<u>(36,802)</u>
		(35,875,253)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Taxes	\$	9,894,950
		9,894,950
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	\$	425,457
Change in assumptions in net pension liability		1,337,515
Contributions subsequent to the measurement date		1,939,232
OPEB:		
Change in assumptions in net OPEB liability		2,341,885
Net difference between projected and actual earnings on plan investments		2,860
Difference between actual and expected experience		<u>898,085</u>
		6,945,034
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		(916,085)
OPEB:		
Change in assumptions in net OPEB liability		(4,460,439)
Difference between actual and expected experience		<u>(3,776,715)</u>
		<u>(9,466,245)</u>
Net position of governmental activities	\$	<u>38,975,660</u>

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, 2023

	<u>General</u>	<u>Grants</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property	\$ 32,585,559	\$ -	\$ -	\$ -	\$ 32,585,559
Income	19,961,414	-	-	-	19,961,414
Other	2,688,896	-	-	17,783	2,706,679
Licenses and permits	381,117	-	-	-	381,117
Intergovernmental	866,571	6,691,131	117,689	1,121,208	8,796,599
Charges for services	750,912	-	-	13,706	764,618
Fines and forfeitures	67,665	-	-	45,390	113,055
Rental income	111,000	-	-	-	111,000
Miscellaneous	632,154	782	-	45,172	678,108
Total revenues	<u>58,045,288</u>	<u>6,691,913</u>	<u>117,689</u>	<u>1,243,259</u>	<u>66,098,149</u>
EXPENDITURES					
Current:					
General government	7,489,038	3,590,177	-	204,118	11,283,333
Public safety	12,456,151	839,616	-	23,779	13,319,546
Public works	6,761,815	1,183,084	-	42,833	7,987,732
Health and social services	1,253,295	326,370	-	1,075,973	2,655,638
Education	19,039,365	-	-	-	19,039,365
Parks, recreation and culture	1,725,004	539,609	-	197,458	2,462,071
Libraries	713,899	-	-	-	713,899
Resource conservation and development	371,554	-	-	-	371,554
Community development	601,874	233,057	-	17,867	852,798
Intergovernmental	111,972	-	-	-	111,972
Miscellaneous	400,941	-	-	-	400,941
Debt service:					
Principal	1,324,888	-	-	49,501	1,374,389
Interest	183,194	-	-	5,495	188,689
Capital outlay:					
Public safety	-	-	39,814	-	39,814
Public works	-	-	235,651	-	235,651
Parks, recreation and culture	-	-	65,659	-	65,659
Education	-	-	3,945,900	-	3,945,900
Total expenditures	<u>52,432,990</u>	<u>6,711,913</u>	<u>4,287,024</u>	<u>1,617,024</u>	<u>65,048,951</u>
Excess (deficiency) of revenues over expenditures	<u>5,612,298</u>	<u>(20,000)</u>	<u>(4,169,335)</u>	<u>(373,765)</u>	<u>1,049,198</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	20,000	4,196,257	234,216	4,450,473
Transfers out	(5,645,480)	-	-	-	(5,645,480)
Leases	275,862	-	-	33,278	309,140
Subscription arrangements	67,468	-	-	-	67,468
Sale of general capital assets	68,084	-	-	8,627	76,711
Total other financing sources (uses)	<u>(5,234,066)</u>	<u>20,000</u>	<u>4,196,257</u>	<u>276,121</u>	<u>(741,688)</u>
Net change in fund balances	378,232	-	26,922	(97,644)	307,510
Fund balances - beginning	<u>15,786,193</u>	<u>-</u>	<u>(157,676)</u>	<u>505,801</u>	<u>16,134,318</u>
Fund balances - ending	<u>\$ 16,164,425</u>	<u>\$ -</u>	<u>\$ (130,754)</u>	<u>\$ 408,157</u>	<u>\$ 16,441,828</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, 2023

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) \$ 307,510

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	\$ 2,215,120	
Depreciation/amortization expense	<u>(2,000,284)</u>	214,836

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>\$ (32,701)</u>	(32,701)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Taxes	<u>\$ 1,003,700</u>	1,003,700
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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	\$ (309,140)	
Subscriptions issued	(67,468)	
Principal repayments:		
Leases	468,890	
Subscriptions	150,219	
General obligations bond payable	<u>755,280</u>	997,781

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	\$ 167,139	
Accrued interest payable	7,169	
Net other post-employment benefits liability	349,955	
Net pension liability	(2,886,732)	
Accrued compensated absences	<u>92,558</u>	<u>(2,269,911)</u>

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	\$ -	
Change in proportion & differences between employer contributions & share of contributions	(346,652)	
Change in assumptions in net pension liability	(322,817)	
Contributions subsequent to the measurement date	494,531	
OPEB:		
Change in assumptions in net OPEB liability	(646,986)	
Net difference between projected and actual earnings on plan investments	(4,233)	
Difference between actual and expected experience	<u>(299,399)</u>	(1,125,556)

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	\$ 4,152,754	
Difference between actual and expected experience	(204,820)	
Change in assumptions in net pension liability	-	
OPEB:		
Change in assumptions in net OPEB liability	366,838	
Difference between actual and expected experience	(341,234)	
Net difference between projected and actual earnings on plan investments	<u>3,973,538</u>	3,973,538

Change in net position of governmental activities \$ 3,069,197

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, 2023

	Business-type Activities		
	Water and Wastewater Services	Non-Major Bayside Landing	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 150	\$ -	\$ 150
Equity in pooled cash	-	56,729	56,729
Accounts receivable	1,075,475	-	1,075,475
Intergovernmental receivable	36,989	29,400	66,389
Due from other funds	6,172	-	6,172
Inventories	98,505	-	98,505
Prepaid items	24,774	-	24,774
Total current assets	<u>1,242,065</u>	<u>86,129</u>	<u>1,328,194</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	53,162,409	109,500	53,271,909
Construction in progress	19,907	58,800	78,707
Machinery, equipment, and vehicles	3,287,618	10,887	3,298,505
Right-to-use equipment and vehicles	568,878	-	568,878
Less accumulated depreciation	(23,236,049)	(156,776)	(23,392,825)
Total noncurrent assets	<u>36,330,642</u>	<u>1,468,140</u>	<u>37,798,782</u>
Total assets	<u>37,572,707</u>	<u>1,554,269</u>	<u>39,126,976</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	140,275	6,966	147,241
Accrued liabilities	39,245	1,314	40,559
Compensated absences	10,591	-	10,591
Bonds and lease payable	640,576	-	640,576
Customer deposits payable	8,942	-	8,942
Accrued interest payable	37,523	-	37,523
Intergovernmental payable	156,336	902	157,238
Due to other funds	286,560	-	286,560
Total current liabilities	<u>1,320,048</u>	<u>9,182</u>	<u>1,329,230</u>
Noncurrent Liabilities:			
Compensated absences	71,023	-	71,023
Bonds and lease payable	10,554,950	-	10,554,950
Total noncurrent liabilities	<u>10,625,973</u>	<u>-</u>	<u>10,625,973</u>
Total liabilities	<u>11,946,021</u>	<u>9,182</u>	<u>11,955,203</u>
NET POSITION			
Net investment in capital assets	25,135,116	1,468,140	26,603,256
Unrestricted	491,570	76,947	568,517
Total net position	<u>\$ 25,626,686</u>	<u>\$ 1,545,087</u>	<u>\$ 27,171,773</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, 2023

	Business-type Activities		
	Water and Wastewater Services	Non-Major Bayside Landing	Total Enterprise Funds
Operating revenues:			
Charges for services:			
Water	\$ 701,885	\$ -	\$ 701,885
Sewer	1,713,827	-	1,713,827
Septic	196,276	-	196,276
Municipal Plant operations	97,522	-	97,522
Public landings	-	48,070	48,070
Miscellaneous	65,934	-	65,934
Total operating revenues	<u>2,775,444</u>	<u>48,070</u>	<u>2,823,514</u>
Operating expenses:			
Water	393,298	-	393,298
Sewer	1,749,645	-	1,749,645
Septic	93,641	-	93,641
Municipal plant operations	51,336	-	51,336
Parks and recreation	-	11,035	11,035
Public landings	-	8,045	8,045
Administration	680,267	-	680,267
Depreciation	1,292,431	8,594	1,301,025
Total operating expenses	<u>4,260,618</u>	<u>27,674</u>	<u>4,288,292</u>
Operating income (loss)	<u>(1,485,174)</u>	<u>20,396</u>	<u>(1,464,778)</u>
Nonoperating revenues (expenses):			
Allocation fees	11,800	-	11,800
Sale of Vehicles	30,168	-	30,168
Sale of Recyclables	631	-	631
Interest expense	(273,054)	-	(273,054)
Total nonoperating revenues (expenses)	<u>(230,455)</u>	<u>-</u>	<u>(230,455)</u>
Income (loss) before transfers	<u>(1,715,629)</u>	<u>20,396</u>	<u>(1,695,233)</u>
Capital contributions	498,266	26,300	524,566
Transfers in	<u>1,195,007</u>	<u>-</u>	<u>1,195,007</u>
Change in net position	(22,356)	46,696	24,340
Net position - beginning	25,649,042	1,498,391	27,147,433
Net position - ending	<u>\$ 25,626,686</u>	<u>\$ 1,545,087</u>	<u>\$ 27,171,773</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, 2023

	Business-Type Activities		
	Water and Wastewater Services	Non-Major Bayside Landing	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 2,742,007	\$ 21,770	\$ 2,763,777
Payments to suppliers	(2,147,386)	(11,715)	(2,159,101)
Payments to employees	(798,086)	(2,887)	(800,973)
Net cash provided (used) by operating activities	<u>(203,465)</u>	<u>7,168</u>	<u>(196,297)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(51,028)	-	(51,028)
Transfers from other funds	1,195,007	-	1,195,007
Net cash provided (used) by noncapital financing activities	<u>1,143,979</u>	<u>-</u>	<u>1,143,979</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital grants/contributions	498,266	26,300	524,566
Purchases of capital assets	(855,491)	(55,700)	(911,191)
Allocation fees	11,800	-	11,800
Proceeds from sale of assets	33,489	-	33,489
Principal paid on capital debt	(353,330)	-	(353,330)
Interest paid on capital debt	(275,248)	-	(275,248)
Net cash used by capital and related financing activities	<u>(940,514)</u>	<u>(29,400)</u>	<u>(969,914)</u>
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>(22,232)</u>	<u>(22,232)</u>
Balances - beginning of year	<u>150</u>	<u>78,961</u>	<u>79,111</u>
Balances - end of year	<u>\$ 150</u>	<u>\$ 56,729</u>	<u>\$ 56,879</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (1,485,174)	\$ 20,396	\$ (1,464,778)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	1,292,431	8,594	1,301,025
Changes in assets and liabilities:			
Accounts receivable	(57,889)	-	(57,889)
Intergovernmental receivable	20,870	(26,300)	(5,430)
Prepaid expenses	(1,025)	-	(1,025)
Inventory	20,209	-	20,209
Due from general fund	247	-	247
Accounts payable and accrued expenses	(31,100)	5,172	(25,928)
Intergovernmental payable	16,815	(694)	16,121
Customer deposits and overpayments	3,335	-	3,335
Compensated absences payable	17,816	-	17,816
Net cash provided by operating activities	<u>\$ (203,465)</u>	<u>\$ 7,168</u>	<u>\$ (196,297)</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, 2023

	Tax Sale Private Purpose Trust Fund	Other Post-Employment Benefit Trust Fund	Custodial Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 23,712
Equity in pooled cash	561,769	-	46,812
Receivables:			
Taxes for other governments	-	-	595,901
Tax sale collections for individuals	19,842	-	-
Total receivables	19,842	-	595,901
Investments at fair value:			
Pooled investments	-	172,318	-
Total investments	-	172,318	-
Total assets	581,611	172,318	666,425
LIABILITIES			
Accounts payable and other liabilities	445,112	-	23,212
Due to other governments	1,388	-	643,213
Total liabilities	446,500	-	666,425
NET POSITION			
Restricted for:			
Post employment benefits other than pensions	-	172,318	-
Individuals, organizations and other governments	135,111	-	-
Total net position	\$ 135,111	\$ 172,318	\$ -

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, 2023

	Tax Sale Private Purpose Trust Fund	Other Post-Employment Benefit Trust Fund	Custodial Funds
ADDITIONS			
Contributions:			
Employer	\$ -	\$ -	\$ -
Total contributions	<u>-</u>	<u>-</u>	<u>-</u>
Investment Earnings			
Net increase/(decrease) in fair value of investments	-	13,224	-
Interest, dividends, and other	-	3,775	-
Total investment earnings	<u>-</u>	<u>16,999</u>	<u>-</u>
Less investment costs	-	95	-
Net investment earnings	<u>-</u>	<u>16,904</u>	<u>-</u>
Property tax collections for other governments	-	-	11,784,368
Funds collected for inmates	-	-	117,923
Tax sale collections for individuals	1,460,153	-	-
Total additions	<u>1,460,153</u>	<u>16,904</u>	<u>11,902,291</u>
DEDUCTIONS			
Property tax payments to other governments	-	-	11,784,368
Tax sale payments to individuals	1,494,258	-	-
Funds distributed to inmates	-	-	117,923
Administrative expenses	-	792	-
Total deductions	<u>1,494,258</u>	<u>792</u>	<u>11,902,291</u>
Net increase/(decrease) in fiduciary net position	(34,105)	16,112	-
Net position - beginning	169,216	156,206	-
Net position - ending	<u>\$ 135,111</u>	<u>\$ 172,318</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, vehicle registration charges collected on behalf of the motor vehicle administration, 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 position 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 position 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	\$ 491,827	Inventory
	301,408	Prepaid Expenditures
Grant Fund	2,107	Prepaid Expenditures
Special Revenue Fund		
Kent Family Center	7,845	Prepaid Expenditures
HotDesks	1,100	Prepaid Expenditures
Kent County Drug Task Force	587	Prepaid Expenditures
Inmate Welfare	238	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	\$ 45,838	Tax Property Article 13-306 and contributors
Reforestation & Open Space	61,767	Natural Resources Article 5-1610
Inmate Welfare	135,548	Correctional Services Article 10-502
Law Library	7,280	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	23,410	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	\$ 2,719,998	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	7,051	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	61,825	Kent County Budget Document
Kent Family Center	7,396	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 1st. Payments are due by September 30th for all non-principal residences. Beginning October 1st, 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 30th. Beginning October 1st, interest is charged on the amount of the first installment only. The second installment is due by December 31st. Beginning January 1st, 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 1st, 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, 2023 was \$1.012 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, 2023, a total of \$1,230,033 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, 2023, 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, 2023, 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, 2023 was \$11,599.

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 County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for FY2023. The GASB has issued Statement No. 101, *Compensated Absences*, which will require adoption for fiscal year ended June 30, 2025, if applicable. The County will be analyzing the effect of this pronouncement and plans to adopt it, as applicable, by its effective date.

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 position that applies to a future period(s) and, therefore, are not reported in the funds.

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

Deferred inflows of resources represent an acquisition of net position 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:

Financial Institution	Bank Balance June 30, 2023
Shore United Bank (insured cash sweep)	\$ 40,075
Pinnacle Bank (insured cash sweep)	9,175,995
Chesapeake Bank and Trust (main operating account)	3,886,916
PNC Bank (payroll processing)	53,055
Chesapeake Bank and Trust (transitional insurance program)	252

As of June 30, 2023, the carrying amount of the County's deposits at the above institutions was \$12,550,161. 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, 2023, 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, 2023, 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 \$172,318 as of June 30, 2023.

The County had \$4,665,340 invested in the Maryland Local Government Investment Pool as of June 30, 2023.

Component Units

Board of Education

As of June 30, 2023, the reported amount of the Board's deposits was \$5,313,212, and the bank balance was \$5,552,546. 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, 2023, 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, 2023, the carrying amount of the Library's deposits was \$278,783, the bank balance in the PNC checking account was \$49,681, the bank balance in the PNC money market account was \$31,241 and the bank balance in the savings account at Peoples Bank was \$218,7874, 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		Total
	Fund	Grants Fund	Projects Fund	Governmental Funds	Governmental Funds	Business-type Funds	
Property Taxes	\$ 1,684,883	\$ -	\$ -	\$ -	\$ 1,684,883	\$ -	\$ 1,684,883
Other Accounts:							
Insurance refund	\$ 334,717	\$ -	\$ -	\$ -	\$ 334,717	\$ -	\$ 334,717
Water, sewer, bay fees	-	-	-	-	-	825,728	825,728
Hotel tax	88,394	-	-	-	88,394	-	88,394
Tax sale	-	-	-	-	-	164,458	164,458
Septic haulers	-	-	-	-	-	49,096	49,096
Loan receivable	100,000	-	-	-	100,000	-	100,000
Other	97,626	112	-	16,256	113,994	36,193	150,187
	<u>\$ 620,737</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ 16,256</u>	<u>\$ 637,105</u>	<u>\$ 1,075,475</u>	<u>\$ 1,712,580</u>
Intergovernmental:							
Income taxes	\$ 9,860,224	\$ -	\$ -	\$ -	\$ 9,860,224	\$ -	\$ 9,860,224
Recordation tax	154,327	-	-	-	154,327	-	154,327
Maryland Family Network	-	-	-	157,024	157,024	-	157,024
Property transfer tax	104,198	-	-	-	104,198	-	104,198
State Highway Administration	200,247	-	-	-	200,247	-	200,247
Department of Education	-	-	-	64,759	64,759	-	64,759
Town of Galena	-	-	-	-	-	36,989	36,989
Department of Commerce	-	203,848	-	-	203,848	-	203,848
Department of Housing &	-	796,202	-	-	796,202	-	796,202
Department of Natural Resources	-	519,609	-	341,045	860,654	29,400	890,054
Department of Emergency	-	147,861	-	-	147,861	-	147,861
Administrative Office of the Courts	-	116,201	-	-	116,201	-	116,201
Governor's Office of Crime Control	-	132,200	-	-	132,200	-	132,200
911 fees & Numbers Board	102,953	31,739	-	-	134,692	-	134,692
Enterprise Zone Credit	100,577	-	-	-	100,577	-	100,577
Other	91,747	90,950	-	28,058	210,755	-	210,755
	<u>\$10,614,273</u>	<u>\$ 2,038,610</u>	<u>\$ -</u>	<u>\$ 590,886</u>	<u>\$ 13,243,769</u>	<u>\$ 66,389</u>	<u>\$13,310,158</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 \$9,860,224 of the County's income tax revenue based on the 2022 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, 2023, was as follows:

	Balance			Balance	
	July 1, 2022	Increases	Transfers	Decreases	June 30, 2023
<u>Governmental activities</u>					
Capital assets, not being depreciated:					
Land	\$ 22,677,487	\$ -	\$ -	\$ -	\$ 22,677,487
Construction in progress	771,324	307,908	-	-	1,079,232
Total capital assets, not being depreciated	23,448,811	307,908	-	-	23,756,719
Capital assets, being depreciated:					
Buildings	15,441,978	-	-	-	15,441,978
Right-to-use leased buildings	139,464	-	-	-	139,464
Improvements	3,075,193	377,983	-	-	3,453,176
Machinery, equipment and vehicles	16,892,095	1,059,052	-	475,559	17,475,588
Right-to-use leased equipment	4,898,373	348,359	-	-	5,246,732
Infrastructure	18,442,346	54,350	-	-	18,496,696
Subscription assets	271,009	67,468	-	-	338,477
Total capital assets, being depreciated	59,160,458	1,907,212	-	475,559	60,592,111
Less accumulated depreciation for:					
Buildings	6,464,882	296,706	-	-	6,761,588
Right-to-use leased buildings	41,839	41,839	-	-	83,678
Improvements	1,647,411	147,767	-	-	1,795,178
Machinery, equipment and vehicles	13,163,378	595,455	-	442,858	13,315,975
Right-to-use leased equipment	3,632,816	435,779	-	-	4,068,595
Infrastructure	6,805,732	333,740	-	-	7,139,472
Subscription assets	-	148,998	-	-	148,998
Total accumulated depreciation	31,756,058	2,000,284	-	442,858	33,313,484
Total capital assets being depreciated, net	27,404,400	(93,072)	-	32,701	27,278,627
Total governmental activities capital assets	\$ 50,853,211	\$ 214,836	\$ -	\$ 32,701	\$ 51,035,346
<u>Business-type activities</u>					
Capital assets, not being depreciated:					
Land	\$ 1,731,536	\$ -	\$ -	\$ -	\$ 1,731,536
Construction in progress	23,007	55,700	-	-	78,707
Total capital assets, not being depreciated	1,754,543	55,700	-	-	1,810,243
Capital assets, being depreciated:					
Buildings	1,758,244	85,945	-	-	1,844,189
Improvements	397,883	-	-	-	397,883
Infrastructure	52,773,643	498,266	-	-	53,271,909
Machinery, equipment and vehicles	3,463,586	-	-	165,081	3,298,505
Right-to-use leased equipment	297,598	271,280	-	-	568,878
Total capital assets, being depreciated	58,690,954	855,491	-	165,081	59,381,364
Less accumulated depreciation for:					
Buildings	455,230	35,165	-	-	490,395
Improvements	198,032	19,119	-	-	217,151
Infrastructure	18,803,568	1,052,987	-	-	19,856,555
Machinery, equipment and vehicles	2,696,205	136,904	-	162,391	2,670,718
Right-to-use leased equipment	101,156	56,850	-	-	158,006
Total accumulated depreciation	22,254,191	1,301,025	-	162,391	23,392,825
Total capital assets being depreciated, net	36,436,763	(445,534)	-	2,690	35,988,539
Total business-type activities capital assets	\$ 38,191,306	\$ (389,834)	\$ -	\$ 2,690	\$ 37,798,782

Depreciation/amortization expense for the year ended June 30, 2023, was charged to the functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 627,276
Public safety	399,377
Public works	587,601
Parks, recreation and culture	338,814
Social Services	44,430
Community development	2,786
Total depreciation/amortization expense - governmental activities	<u>\$ 2,000,284</u>

Business-type activities:

Water and wastewater services	\$ 1,292,431
Bayside landing	8,594
Total depreciation/amortization expense - business-type activities	<u>\$ 1,301,025</u>

Component Units

Board of Education

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Increases	Decreases	Transfers	Balance June 30, 2023
Government activities					
Capital assets, not being depreciated:					
Land	\$ 122,025	\$ -	\$ -	\$ -	\$ 122,025
Construction in progress	4,918,932	6,480,531	-	(4,918,932)	6,480,531
Total capital assets, not being depreciated	<u>5,040,957</u>	<u>6,480,531</u>	<u>-</u>	<u>(4,918,932)</u>	<u>6,602,556</u>
Capital assets, being depreciated:					
Land improvements	726,079	-	-	-	726,079
Buildings, furniture, fixtures and equipment	58,345,039	174,667	-	4,918,932	63,438,638
Vehicles	1,769,634	-	-	-	1,769,634
Total capital assets, being depreciated	<u>60,840,752</u>	<u>174,667</u>	<u>-</u>	<u>4,918,932</u>	<u>65,934,351</u>
Less accumulated depreciation for:					
Land improvements	467,052	37,578	-	-	504,630
Buildings, furniture, fixtures and equipment	43,447,500	1,516,590	-	-	44,964,090
Vehicles	722,318	128,455	-	-	850,773
Total accumulated depreciation	<u>44,636,870</u>	<u>1,682,623</u>	<u>-</u>	<u>-</u>	<u>46,319,493</u>
Total capital assets, being depreciated, net	<u>16,203,882</u>	<u>(1,507,956)</u>	<u>-</u>	<u>4,918,932</u>	<u>19,614,858</u>
Intangible right-to-use assets:					
Leased equipment	806,079	79,544	23,927	-	861,696
Less accumulated amortization	295,859	185,283	14,355	-	466,787
Total intangible right-to-use assets, net	<u>510,220</u>	<u>(105,739)</u>	<u>9,572</u>	<u>-</u>	<u>394,909</u>
Governmental activities capital assets, net	<u>\$ 21,755,059</u>	<u>\$ 4,866,836</u>	<u>\$ 9,572</u>	<u>\$ -</u>	<u>\$ 26,612,323</u>

Public Library

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance				Balance
	July 1, 2022	Increases	Decreases	Transfers	June 30, 2023
Computers and equipment	\$ 90,804	\$ -	\$ -	\$ -	\$ 90,804
Furniture and fixtures	58,476	25,740	-	-	84,216
Library improvements	33,614	-	-	-	33,614
Right-to-use leased buildings	230,966	8,791	-	-	239,757
Less accumulated depreciation	202,027	36,903	-	-	238,930
Capital assets, net	<u>\$ 211,833</u>	<u>\$ (2,372)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,461</u>

Library collections and related accumulated amortization activity for the year ended June 30, 2023, was as follows:

	Balance				Balance
	July 1, 2022	Increases	Decreases	Transfers	June 30, 2023
Capital assets	\$ 664,820	\$ 46,375	\$ (61,933)	\$ -	\$ 649,262
Less accumulated depreciation	477,598	55,657	(61,933)	-	471,322
Capital assets, net	<u>\$ 187,222</u>	<u>\$ (9,282)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,940</u>

D. Accrued liabilities

Accrued liabilities reported by governmental funds at June 30, 2023, were as follows:

	General		Nonmajor	Total
	Fund	Grant Funds	Governmental	Governmental
			Funds	Funds
Salary and employee benefits	\$ 644,242	\$ 9,338	\$ 18,859	\$ 672,439
Forfeitures	-	-	89,116	89,116
In lieu of letters of credit	32,250	-	-	32,250
Maryland state retirement	224,770	-	-	224,770
Other	10,171	-	-	10,171
Total accrued liabilities	<u>\$ 911,433</u>	<u>\$ 9,338</u>	<u>\$ 107,975</u>	<u>\$ 1,028,746</u>

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, 2023, the County recognized aggregated pension expense of \$1,778,281 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 fifteen 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 fifteen years of eligible service. A member terminating employment before attaining retirement age, but after completing ten 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.

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 2023.

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, 2023 is based on salaries for the year ending June 30, 2022. 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 30th were equal to the actuarially determined amounts as follows:

	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021
MSRPS Contributions	\$ 1,939,232	\$ 1,444,701	\$ 1,454,313

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

As of June 30, 2023, the County reported a liability of \$12,476,773 for its proportionate share of the total pension liability. The total pension liability was measured as of June 30, 2022, 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, 2023, the County's proportion was 0.0624%.

For the year ended June 30, 2023, the County recognized pension expenses of \$1,778,281. As of June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 1,337,515	\$ -
Changes in proportion & differences between employer contributions & share of contributions	425,457	-
County contribution subsequent to the measurement date	1,939,232	-
Net difference between projected vs actual investment earnings	-	313,006
Difference between actual and expected experience	-	916,085
Total	<u>\$ 3,702,204</u>	<u>\$ 1,229,091</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,	
2024	\$ (18,518)
2025	51,035
2026	90,519
2027	(104,038)
2028	514,883

Actuarial Assumptions - The key actuarial assumptions used to perform the June 30, 2023, 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

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%	6.0%
Private Equity	16%	8.4%
Rate Sensitive	21%	1.2%
Credit Opportunity	8%	4.9%
Real Assets	15%	5.2%
Absolute Return	6%	3.5%
Total	100%	

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	\$ 19,143,344	\$ 12,476,773	\$ 6,945,069

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, 2022. This can be found at 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, and La Vale Sanitary Commission..

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 2023 the County paid 100% of retiree’s health, dental, and vision premiums. Additionally, the County paid 60% of retiree’s dependents health premiums and 55% of retiree’s dependents dental and vision premiums.

Employees Covered by Benefit Terms – At June 30, 2023, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefit payments	33
Inactive employees entitled to but not yet receiving benefits	0
Active employees	189
	222

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 2023 the County contributed \$344,239 (\$344,239 for pay-as-you-go premiums and \$0 to the trust). Plan members receiving benefits contributed \$35,364.

Total OPEB liability

The County’s total OPEB liability was measured as of June 30, 2023, 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, 2023, 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 System salary scale assumptions (06/30/22)
Discount rate	3.86%
Healthcare cost trend rate	Society of Actuaries Getzen Long Term Healthcare Cost Trend Model
Mortality	<p><u>Healthy Active Mortality</u> - Regular - Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale. LEOPS - Pub-2010 Safety Employees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale.</p> <p><u>Healthy Inactive Mortality</u> - Regular - Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale. LEOPS - Pub-2010 Safety Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale.</p> <p><u>Disabled Mortality</u> - Regular- Pub-2010 General Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale. LEOPS - Pub-2010 Safety Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale.</p>

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 3.86% as of June 30, 2023. 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, 2023 bond rate of 3.86% as a discount rate. The discount rate changed from the prior measurement period. The discount rate was 3.69% for the June 30, 2022 measurement date.

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 06/30/22	\$ 14,469,503	\$ 156,391	\$ 14,313,112
Changes for the year:			
Service cost	577,510	-	577,510
Interest	526,991	-	526,991
Changes in benefit terms	584,943	-	584,943
Experience losses/(gains)	(1,196,558)	-	(1,196,558)
Contributions - employer	-	308,875	(308,875)
Net investment income	-	15,927	(15,927)
Changes in assumptions	(518,039)	-	(518,039)
Benefit payments	(308,875)	(308,875)	-
Net changes	(334,028)	15,927	(349,955)
Balance as of 06/30/23	\$ 14,135,475	\$ 172,318	\$ 13,963,157

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 (2.86 percent) or 1 percentage point higher (4.86 percent) than the current discount rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Net OPEB liability (Asset)	\$ 16,666,758	\$ 13,963,157	\$ 11,833,630

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)	\$ 11,582,366	\$ 13,963,157	\$ 17,090,002

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, 2023 the County recognized OPEB expense of \$883,934. At June 30, 2023, 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	\$ 2,341,885	\$ 4,460,439
Net difference between projected and actual investment earnings	2,860	-
Difference between actual and expected experience	898,085	3,776,715
Total	<u>\$ 3,242,830</u>	<u>\$ 8,237,154</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:	
2024	\$ (794,107)
2025	(793,740)
2026	(777,210)
2027	(1,327,622)
2028	(1,056,706)
Thereafter	(244,939)

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 total OPEB liability was measured as of June 30, 2022. The total OPEB liability was determined by an actuarial valuation as of January 1, 2021. The methods, assumptions and participant data used are detailed in the fiscal year 2022 valuation report dated August 3, 2022. The discount rate was 1.92% as of June 30, 2021 and 3.69% as of June 30, 2022.

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	January 1, 2021
Measurement date – GASB 75	June 30, 2022
Actuarial cost method – GASB 75	Entry age normal
Asset valuation method	Market value of assets
Actuarial Assumptions	
Discount rate – June 30, 2021	1.92%
Discount rate – June 30, 2022	3.69%
Payroll growth	3.00%
Inflation rate	2.50%
Rate of growth in real income	1.50%
Medical trend	Based on Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions. The model was released in October 2010 and updated in September 2019. The 2020 rate is 4.7% decreasing gradually to 4.0% in 2075.
Mortality	The mortality rates were calculated using the Pub-2010 Teacher Employees, Teacher Retirees and Disabled Teacher Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2019 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, 2023, are summarized in the following table:

	Target Allocation	Long Term Expected Rate of Return
Equity	52.26%	5.31%
Fixed Income	41.94%	2.70%
Cash	5.80%	0.49%
Total	100.00%	

Discount rate – The discount rate used when 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 3.69% as of June 30, 2022. The rate has been adjusted from 1.92% as of June 30, 2021.

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, 2021	\$ 33,100,485	\$ 1,455,234	\$ 31,645,251
Changes for the Year:			
Service Cost	1,224,342	-	1,224,342
Interest	628,433	-	628,433
Experience Losses/Gains	(177,406)	-	(177,406)
ER Trust Contribution	-	561,833	(561,833)
Net Investment Income	-	(193,341)	193,341
Changes in Assumptions	(9,114,239)	-	(9,114,239)
Benefit Payments	(561,833)	(561,833)	-
Administrative Expense	-	(6,810)	6,810
Net Changes	<u>(8,000,703)</u>	<u>(200,151)</u>	<u>(7,800,552)</u>
Balance as of June 30, 2022	<u>\$ 25,099,782</u>	<u>\$ 1,255,083</u>	<u>\$ 23,844,699</u>

For the year ended June 30, 2023, the Board recognized OPEB expense of \$1,441,721.

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

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, 2023, 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	5,246,732	568,878	5,815,610
Total right-to-use leased assets	5,386,196	568,878	5,955,074
Less accumulated amortization for:			
Right-to-use leased assets			
Buildings	83,678	-	83,678
Equipment	4,068,595	158,006	4,226,601
Total accumulated amortization	4,152,273	158,006	4,310,279
Total right-to-use leased assets, net:			
Buildings	55,786	-	55,786
Equipment	1,178,137	410,872	1,589,009
Total	<u>\$ 1,233,923</u>	<u>\$ 410,872</u>	<u>\$ 1,644,795</u>
Lease payable:			
Current	\$ 422,065	\$ 96,762	\$ 518,827
Non-current	771,681	241,873	1,013,554
Total	<u>\$ 1,193,746</u>	<u>\$ 338,635</u>	<u>\$ 1,532,381</u>

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

Fiscal Year	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 422,065	\$ 47,032	\$ 469,097	\$ 96,762	\$ 18,966	\$ 115,728
2025	334,566	32,273	366,839	92,545	14,921	107,466
2026	242,479	19,202	261,681	50,531	9,751	60,282
2027	150,169	8,746	158,915	54,561	5,721	60,282
2028	44,467	1,202	45,669	44,236	1,472	45,708
2029-2034	-	-	-	-	-	-
	<u>\$ 1,193,746</u>	<u>\$ 107,253</u>	<u>\$ 1,302,201</u>	<u>\$ 338,635</u>	<u>\$ 50,831</u>	<u>\$ 389,466</u>

J. Subscription-based information technology arrangements

Primary Government

The County has entered into two subscription-based information technology arrangements, primarily related to facilitating County operations and fiscal transparency. Both subscription-based information technology arrangements have a term of 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, 2023, the statement of net position includes the following amounts relating to subscription-based information technology arrangements:

	Governmental Activities	Business-type Activities	Total
Subscription assets	\$ 338,477	\$ -	\$ 338,477
Less accumulated amortization for:			
Subscription assets	148,998	-	148,998
Total subscription assets, net	<u>\$ 189,479</u>	<u>\$ -</u>	<u>\$ 189,479</u>
Subscriptions payable:			
Current	\$ 147,861	\$ -	\$ 147,861
Non-current	40,397	-	40,397
Total	<u>\$ 188,258</u>	<u>\$ -</u>	<u>\$ 188,258</u>

The future principal and interest subscription-based information technology arrangement payments as of June 30, 2023, were as follows:

Fiscal Year	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 147,861	\$ 7,090	\$ 154,951	\$ -	\$ -	\$ -
2025	12,730	2,285	15,015	-	-	-
2026	13,454	1,561	15,015	-	-	-
2027	14,213	802	15,015	-	-	-
	<u>\$ 188,258</u>	<u>\$ 11,738</u>	<u>\$ 199,996</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, 2023, was \$0.

Component Units

Public Library

During 2023, the Library renewed a \$25,000 line of credit agreement with PNC Bank for operating needs. The agreement is for a period of one year and is subject to renewal. 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, 2023, are as follows:

Governmental Activities:

Description	Issue Date	Original Borrowing	Interest Rate	Maturity Date	Outstanding 6/30/2023
Notes from direct borrowings and direct placements					
<u>United States Department of Agriculture</u>					
FY11 Nicholson Ground Water Recovery Treatment	12/16/10	\$ 154,000	2.250%	12/16/50	\$ 119,679
<u>Shore United Bank</u>					
FY20 Refinance - FY09 Community Center	06/25/20	4,700,000	2.990%	04/01/29	3,133,333
FY20 Public Schools - Capital Projects	06/25/20	1,700,000	2.990%	04/01/30	1,190,000
<u>SunTrust Bank</u>					
FY11 Refinance - FY98 Public Works Complex	05/02/11	784,100	3.820%	05/02/26	193,914
					<u>\$ 4,636,926</u>

Business-type Activities:

Description	Issue Date	Original Borrowing	Interest Rate	Maturity Date	Outstanding 6/30/2023
Notes from direct borrowings and direct placements					
<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	\$ 120,395
Fairlee/Piney Neck/Tolchester/Spring Cove Debt Refinance	04/28/04	2,027,478	1.000%	02/01/24	111,241
Worton Wastewater Treatment Plant Upgrade	07/30/09	2,700,000	1.000%	02/01/30	1,054,185
<u>United States Department of Agriculture</u>					
Worton Water Treatment Plant	01/28/10	338,000	2.375%	01/28/50	259,003
Chesterville Sewer Extension	12/16/10	476,000	2.250%	12/16/50	369,824
Worton Wastewater Treatment Plant	07/15/10	5,367,082	4.000%	07/15/50	4,459,177
Worton Wastewater Treatment Plant	12/16/10	2,253,000	3.750%	12/16/50	1,863,463
Edesville Wastewater Treatment Plant	11/18/10	60,000	2.250%	11/18/50	46,612
Worton Wastewater Treatment Plant	07/01/11	601,000	2.500%	07/01/51	481,277
Quaker Neck Sewer Extension	12/16/11	780,000	2.250%	12/16/51	621,796
Delta Heights Extension	12/22/16	476,000	1.375%	12/22/56	415,212
Galena Wastewater Treatment Plant & Collection System	12/22/16	1,163,000	1.375%	12/22/56	1,054,706
					<u>\$ 10,856,891</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	
2024	\$ 757,631	\$ 139,349	\$ (936)	\$ 543,814	\$ 338,112	\$ (89,750)	
2025	760,088	116,195	(908)	413,239	321,673	(87,583)	
2026	762,630	92,955	(882)	375,799	308,901	(85,576)	
2027	695,630	69,620	(856)	384,609	300,091	(83,492)	
2028	695,701	48,851	(831)	392,954	291,746	(81,547)	
2029 - 2033	880,863	41,483	(3,717)	1,639,554	1,291,334	(371,282)	
2034 - 2038	20,854	8,406	(2,942)	1,565,415	1,037,065	(302,899)	
2039 - 2043	23,331	5,929	(2,075)	1,845,649	756,831	(219,999)	
2044 - 2048	26,101	3,159	(1,105)	2,180,754	421,726	(119,515)	
2049 - 2053	14,097	447	(158)	1,328,913	75,155	(15,795)	
2054 - 2058	-	-	-	186,191	4,812	-	
	<u>\$ 4,636,926</u>	<u>\$ 526,394</u>	<u>\$ (14,410)</u>	<u>\$ 10,856,891</u>	<u>\$ 5,147,446</u>	<u>\$ (1,457,438)</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 2023, the County issued no new debt.

Changes in Long-Term Liabilities

Changes in the government's long-term liabilities for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Transfers	Reductions	Balance June 30, 2023	Due Within One Year
Governmental Activities:						
Notes from direct borrowings and direct placements	\$ 5,392,206	\$ -	\$ -	\$ (755,280)	\$ 4,636,926	\$ 757,631
Leases	1,353,496	309,140	-	(468,890)	1,193,746	422,065
Subscriptions	271,009	67,468	-	(150,219)	188,258	147,861
Compensated absences	1,322,591	1,105,684	-	(1,198,242)	1,230,033	166,974
Landfill liability	2,316,697	-	-	(167,139)	2,149,558	141,635
Net other post-employment benefit liability	14,313,112	-	-	(349,955)	13,963,157	-
Net pension liability	9,590,041	2,886,732	-	-	12,476,773	-
Governmental activities long-term liabilities	<u>\$ 34,559,152</u>	<u>\$ 4,369,024</u>	<u>\$ -</u>	<u>\$ (3,089,725)</u>	<u>\$ 35,838,451</u>	<u>\$ 1,636,166</u>
Business-Type Activities:						
Notes from direct borrowings and direct placements	\$ 11,391,733	\$ -	\$ -	\$ (534,842)	\$ 10,856,891	\$ 543,814
Leases	157,123	251,063	-	(69,551)	338,635	96,762
Compensated absences	63,798	102,120	-	(84,304)	81,614	10,591
Business-type activities long-term liabilities	<u>\$ 11,612,654</u>	<u>\$ 353,183</u>	<u>\$ -</u>	<u>\$ (688,697)</u>	<u>\$ 11,277,140</u>	<u>\$ 651,167</u>

The County’s outstanding notes from direct borrowings and direct placements related to governmental activities of \$119,679 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 \$9,571,070 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, 2023 is as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Net other post-employment benefit liability	\$ 31,645,251	\$ -	\$(7,800,552)	\$ 23,844,699	\$ -
Financed purchases	694,334	75,924	(136,973)	633,285	154,111
Intangible right-to-use leases	525,792	79,544	(193,478)	411,858	193,105
Net pension liability	1,080,481	417,234	-	1,497,715	-
	<u>\$ 33,945,858</u>	<u>\$ 572,702</u>	<u>\$ (8,131,003)</u>	<u>\$ 26,387,557</u>	<u>\$ 347,216</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 21.8% 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, 2023, the stabilization reserve is \$342,016.

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, 2023, is as follows:

	Due From All Funds	Due To All Funds
General fund	\$ 1,719,013	\$ 861,714
Grant fund	855,542	1,143,884
Capital projects fund	-	-
Non-major governmental funds	-	288,569
Enterprise fund - water and wastewater services	6,172	286,560
Total	<u>\$ 2,580,727</u>	<u>\$ 2,580,727</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, 2023, is as follows:

	Transfers In	Transfers Out
General fund	\$ -	\$ (5,645,480)
Grant fund	20,000	-
Capital projects fund	4,196,257	-
Non-major governmental funds	234,216	-
Enterprise fund - water and wastewater services	1,195,007	-
Total	<u>\$ 5,645,480</u>	<u>\$ (5,645,480)</u>

Significant interfund transfers in 2023 included:

- \$4,196,257 transfer from the general fund to the capital projects fund, primarily for roof repairs to the high school and renovations to Galena elementary schools.
- \$1,195,007 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 \$3,120,542 in post closure costs in the last twenty-six years. Estimates for the costs have been revised to provide extended post-closure care for the next seventeen years at \$2,149,558. 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 \$140,296 in tipping fees to the facility during fiscal year 2023.

The participating counties are contingently liable for closure costs of the landfills. The County's potential share of the liability is \$3,152,225. 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

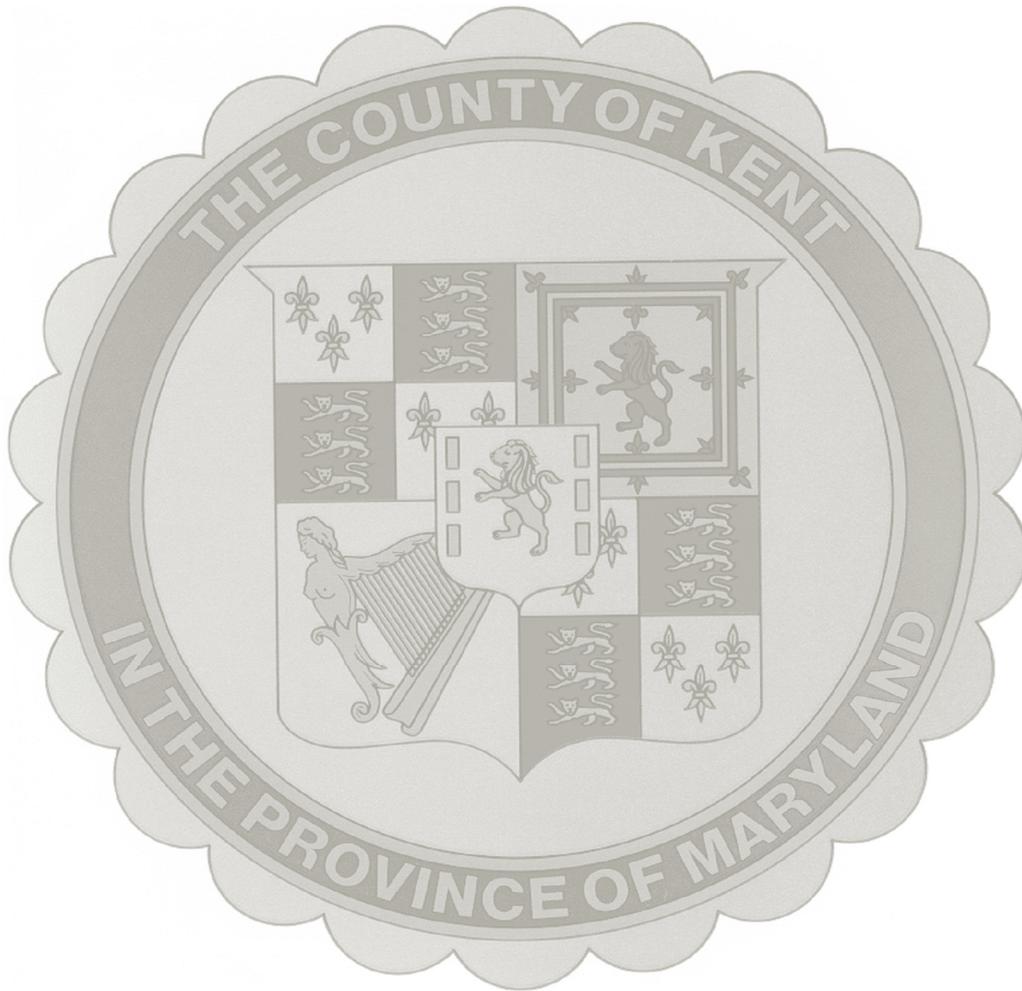
The County and its component units are recipients of various federal and state grant and/or loan programs, which are governed by various rules and regulations of grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. If the County 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, 2023, the value of all the deferred loan agreements was \$61,989.

T. Deficits

At June 30, 2023, the following funds had a deficit in unrestricted net position: Capital Projects (\$130,754), Kent Family Center (\$10,691), Grants (\$2,107), HotDesks (\$1,100), Drug Task Force (\$587), Inmate Welfare (\$238). 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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 32,658,297	\$ 32,658,297	\$ 32,585,559	\$ (72,738)
Income	15,000,000	17,000,000	19,961,414	2,961,414
Other	3,412,983	3,412,983	2,688,896	(724,087)
Licenses and permits	367,526	367,526	381,117	13,591
Intergovernmental	777,845	816,245	866,571	50,326
Charges for services	617,705	693,876	750,912	57,036
Fines and forfeitures	5,000	65,505	67,665	2,160
Rental income	111,020	111,020	111,000	(20)
Miscellaneous	56,557	62,690	632,154	569,464
Total Revenues	53,006,933	55,188,142	58,045,288	2,857,146
EXPENDITURES				
General government				
County commissioners office	801,068	824,850	725,516	99,334
State's attorney's office	877,317	885,317	855,715	29,602
Circuit court	357,511	357,511	328,600	28,911
Orphan's court	76,030	76,030	63,778	12,252
Election office	736,633	736,633	648,215	88,418
Finance office	935,555	935,555	927,834	7,721
Legal counsel	68,600	67,590	61,039	6,551
Human resources	419,040	527,923	488,964	38,959
Planning and zoning	1,163,130	1,155,493	922,308	233,185
Information technology	1,068,439	1,068,439	1,021,832	46,607
Building maintenance	1,435,385	1,420,561	1,319,354	101,207
General services	223,921	139,889	125,883	14,006
Total general government	8,162,629	8,195,791	7,489,038	706,753
Public safety				
Sheriff's office	4,210,799	4,032,617	3,801,785	230,832
Volunteer fire company	1,110,783	1,179,696	1,179,696	-
Detention center	3,848,212	3,866,216	3,660,638	205,578
Community work program	9,971	10,009	10,009	-
Alcoholic beverage inspection	55,790	55,718	46,348	9,370
Building inspector	36,655	36,305	35,510	795
Emergency management	2,142,249	2,224,260	2,042,225	182,035
Communications division	1,336,426	1,387,736	1,387,736	-
Humane society	292,700	292,700	292,204	496
Total public safety	13,043,585	13,085,257	12,456,151	629,106
Public works				
Administration	\$ 603,870	\$ 591,870	\$ 455,226	\$ 136,644
Highways and streets	5,513,082	5,442,758	4,898,271	544,487
Environmental operations	1,653,339	1,644,225	1,408,318	235,907
Total public works	7,770,291	7,678,853	6,761,815	917,038

(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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Health				
Health department	723,775	729,940	729,940	-
Mosquito control	36,242	36,274	36,274	-
Total health	<u>760,017</u>	<u>766,214</u>	<u>766,214</u>	<u>-</u>
Social services				
Department of social services	66,036	66,036	65,505	531
Mid shore council on family violence	7,000	7,000	3,000	4,000
Upper shore aging	179,082	194,082	194,082	-
Delmarva community service	81,636	81,636	81,636	-
Commission on aging	3,520	3,520	3,293	227
Community Mediation	10,000	10,000	10,000	-
Kent center	79,433	79,433	79,433	-
Maryland health & mental hygiene	20,132	20,132	20,132	-
Kent Goes Purple	1,000	1,000	-	1,000
Saint martin's ministries	10,000	10,000	10,000	-
Imagination library	1,000	1,000	1,000	-
Midshore regional council	5,000	5,000	5,000	-
Casa	14,000	14,000	14,000	-
Total social services	<u>477,839</u>	<u>492,839</u>	<u>487,081</u>	<u>5,758</u>
Education				
Kent county public schools	18,559,629	18,559,629	18,559,629	-
Chesapeake college	477,237	477,237	477,236	1
Kent county learning center	2,500	2,500	2,500	-
Total education	<u>19,039,366</u>	<u>19,039,366</u>	<u>19,039,365</u>	<u>1</u>
Parks, recreation and culture				
Recreation	1,308,764	1,336,210	1,084,080	252,130
Parks	680,603	682,103	596,424	85,679
Culture	44,500	44,500	44,500	-
Total parks, recreation and culture	<u>2,033,867</u>	<u>2,062,813</u>	<u>1,725,004</u>	<u>337,809</u>
Library				
Library	713,899	713,899	713,899	-
Resource conservation and development				
Extension office	\$ 144,329	\$ 144,329	\$ 141,498	\$ 2,831
Soil conservation service	200,903	200,903	200,903	-
Forestry board	1,693	1,693	1,693	-
Kent Agricultural Center	-	19,610	19,460	150
Waterman's association	8,000	8,000	8,000	-
Total resource conservation and development	<u>354,925</u>	<u>374,535</u>	<u>371,554</u>	<u>2,981</u>

(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, 2023

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Community development				
Economic and Tourism Development	588,396	554,196	545,874	8,322
Stories of The Chesapeake	3,000	3,000	3,000	-
Small Businesses Development Center	6,000	6,000	6,000	-
Upper Shore Regional Council	12,000	32,000	32,000	-
Delmarva Craft	15,000	15,000	15,000	-
Total community development	<u>624,396</u>	<u>610,196</u>	<u>601,874</u>	<u>8,322</u>
Debt service				
Debt service principal	755,279	755,279	755,280	(1)
Debt service interest	161,441	161,493	161,492	1
Subscription arrangements principal	-	150,219	150,219	-
Lease principal	369,411	422,779	419,389	3,390
Lease interest	49,814	49,887	21,702	28,185
Total debt service	<u>1,335,945</u>	<u>1,539,657</u>	<u>1,508,082</u>	<u>31,575</u>
Intergovernmental				
Municipalities	3,576	3,576	3,576	-
Maryland department of assessment & taxation	112,000	112,000	108,396	3,604
Total intergovernmental	<u>115,576</u>	<u>115,576</u>	<u>111,972</u>	<u>3,604</u>
Miscellaneous				
Insurance & non departmental benefits	838,927	838,927	400,941	437,986
Contingencies	400,000	218,369	-	218,369
Total miscellaneous	<u>1,238,927</u>	<u>1,057,296</u>	<u>400,941</u>	<u>656,355</u>
Total expenditures	<u>55,671,262</u>	<u>55,732,292</u>	<u>52,432,990</u>	<u>3,299,302</u>
Excess (deficiency) of revenues over expenditures	<u>(2,664,329)</u>	<u>(544,150)</u>	<u>5,612,298</u>	<u>6,156,448</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Transfers out	(3,261,364)	(5,814,258)	(5,645,480)	168,778
Leases	472,662	279,662	275,862	(3,800)
Subscription arrangements	-	67,468	67,468	-
Sale of general capital assets	41,377	78,181	68,084	(10,097)
Total Other Financing Sources (Uses)	<u>(2,747,325)</u>	<u>(5,388,947)</u>	<u>(5,234,066)</u>	<u>154,881</u>
Net change in fund balances*	(5,411,654)	(5,933,097)	378,232	6,311,329
Fund balance - beginning			15,786,193	
Fund balance - ending			<u>\$ 16,164,425</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, 2023

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return net of investment expense	5.70%	-4.69%	10.81%	1.16%	1.43%	0.17%	0.19%	0.15%	0.16%	0.14%

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, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability							
Service cost	\$ 577,510	\$ 969,276	\$ 1,075,976	\$ 880,662	\$ 582,369	\$ 567,667	\$ 717,357
Interest cost	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 experie	(1,196,558)	(94,795)	(4,661,630)	(39,186)	2,394,312	878	(26,927)
Changes in assumptions	(518,039)	(5,587,558)	1,017,850	2,044,155	1,968,477	(101,182)	(1,933,327)
Benefit payments	(308,875)	(281,398)	(261,087)	(275,682)	(273,508)	(191,243)	(190,365)
Net change in total OPEB liability	(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	14,469,503	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>\$ 14,135,475</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>
Plan Fiduciary Net Position							
Contributions - employer	\$ 308,875	\$ 281,398	\$ 261,087	\$ 275,682	\$ 273,508	\$ 191,243	\$ 190,365
Net investment income	15,927	(25,331)	19,962	1,853	2,262	315	297
Benefit payments	(308,875)	(281,398)	(261,087)	(275,682)	(273,508)	(191,243)	(190,365)
Net change in fiduciary net position	15,927	(25,331)	19,962	1,853	2,262	315	297
Fiduciary net position - beginning of year	156,391	181,722	161,760	159,907	157,645	157,330	157,033
Fiduciary net position - ending of year	<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>\$ 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 liabi	<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	\$ 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	107%	120%	164%	192%	182%	130%	125%

Notes to Schedule:

Benefits changes: none

Changes in assumptions: none

<u>Discount rate:</u>	
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%

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>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	0.0624%	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>\$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>\$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	\$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	89.48%	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 pension liability	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>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	\$ 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>(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>					
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
Contributions as a percentage of covered payroll	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, 2023

	<u>Agricultural Preservation</u>	<u>Inmate Welfare</u>	<u>Reforestation & Open Space</u>	<u>Law Library</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>
ASSETS									
Equity in pooled cash	\$ 45,838	\$ 132,636	\$ 105,851	\$ 7,527	\$ 591	\$ 53,688	\$ -	\$ 361,439	\$ 82,058
Intergovernmental receivable	-	-	-	2,253	-	-	158,383	89,205	-
Receivables	-	2,751	-	-	-	8,149	-	-	-
Prepaid	-	238	-	-	-	-	7,845	-	-
Total assets	<u>\$ 45,838</u>	<u>\$ 135,625</u>	<u>\$ 105,851</u>	<u>\$ 9,780</u>	<u>\$ 591</u>	<u>\$ 61,837</u>	<u>\$ 166,228</u>	<u>\$ 450,644</u>	<u>\$ 82,058</u>
LIABILITIES									
Accounts payable	\$ -	\$ 77	\$ 16,093	\$ -	\$ -	\$ 12	\$ 3,769	\$ 98,523	\$ -
Accrued liabilities	-	-	-	-	-	-	12,319	6,540	-
Intergovernmental payable	-	-	-	-	-	-	10	345,561	-
Due to other funds	-	-	-	-	-	-	138,732	-	-
Unearned revenue	-	-	-	2,500	-	-	6,848	20	82,058
Total liabilities	<u>-</u>	<u>77</u>	<u>16,093</u>	<u>2,500</u>	<u>-</u>	<u>12</u>	<u>161,678</u>	<u>450,644</u>	<u>82,058</u>
FUND BALANCES									
Nonspendable	\$ -	\$ 238	\$ -	\$ -	\$ -	\$ -	\$ 7,845	\$ -	\$ -
Restricted	45,838	135,548	61,767	7,280	591	-	-	-	-
Committed	-	-	27,991	-	-	-	-	-	-
Assigned	-	-	-	-	-	61,825	7,396	-	-
Unassigned	-	(238)	-	-	-	-	(10,691)	-	-
Total fund balances	<u>45,838</u>	<u>135,548</u>	<u>89,758</u>	<u>7,280</u>	<u>591</u>	<u>61,825</u>	<u>4,550</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 45,838</u>	<u>\$ 135,625</u>	<u>\$ 105,851</u>	<u>\$ 9,780</u>	<u>\$ 591</u>	<u>\$ 61,837</u>	<u>\$ 166,228</u>	<u>\$ 450,644</u>	<u>\$ 82,058</u>

The County Commissioners of Kent County, Maryland
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2023

	Kent County Drug Task Force	Sheriff's Forfeitures	Shop With A Cop	Kennedyville Development	Special Events Overtime	Platform Tennis	Post Prom	Project Open Space	HotDesks	Total Nonmajor Governmental Funds
ASSETS										
Equity in pooled cash	70,753	\$ 72,477	\$ 307	\$ 199,435	\$ 7,051	\$ 382	\$ 884	\$ -	\$ 1,290	\$ 1,142,207
Intergovernmental receivable	-	-	-	-	-	-	-	341,045	-	590,886
Receivables	-	-	-	-	-	-	-	-	5,356	16,256
Prepaid	587	-	-	-	-	-	-	-	1,100	9,770
Total assets	<u>\$ 71,340</u>	<u>\$ 72,477</u>	<u>\$ 307</u>	<u>\$ 199,435</u>	<u>\$ 7,051</u>	<u>\$ 382</u>	<u>\$ 884</u>	<u>\$ 341,045</u>	<u>\$ 7,746</u>	<u>\$ 1,759,119</u>
LIABILITIES										
Accounts payable	\$ 558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,208	\$ 746	\$ 310,986
Accrued liabilities	47,372	41,744	-	-	-	-	-	-	-	107,975
Intergovernmental payable	-	-	-	-	-	-	-	-	-	345,571
Due to other funds	-	-	-	-	-	-	-	149,837	-	288,569
Unearned revenue	-	-	-	199,435	-	-	-	-	7,000	297,861
Total liabilities	<u>47,930</u>	<u>41,744</u>	<u>-</u>	<u>199,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>341,045</u>	<u>7,746</u>	<u>1,350,962</u>
FUND BALANCES										
Nonspendable	\$ 587	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100	\$ 9,770
Restricted	23,410	10,156	-	-	-	-	-	-	-	284,590
Committed	-	-	-	-	-	-	-	-	-	27,991
Assigned	-	20,577	307	-	7,051	382	884	-	-	98,422
Unassigned	(587)	-	-	-	-	-	-	-	(1,100)	(12,616)
Total fund balances	<u>23,410</u>	<u>30,733</u>	<u>307</u>	<u>-</u>	<u>7,051</u>	<u>382</u>	<u>884</u>	<u>-</u>	<u>-</u>	<u>408,157</u>
Total liabilities and fund balances	<u>\$ 71,340</u>	<u>\$ 72,477</u>	<u>\$ 307</u>	<u>\$ 199,435</u>	<u>\$ 7,051</u>	<u>\$ 382</u>	<u>\$ 884</u>	<u>\$ 341,045</u>	<u>\$ 7,746</u>	<u>\$ 1,759,119</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, 2023

	Agricultural Preservation	Inmate Welfare	Reforestation & Open Space	Law Library	Regional Family Services	Weed Control	Kent Family Center	Local Management Board	National Opioid Settlements
REVENUES									
Taxes	\$ 17,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	8,271	-	-	350,738	583,862	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	21,541	-	-	-	-	-	-
Miscellaneous	-	42,792	-	-	-	-	-	1,980	-
Total revenues	<u>17,783</u>	<u>42,792</u>	<u>21,541</u>	<u>8,271</u>	<u>-</u>	<u>-</u>	<u>350,738</u>	<u>585,842</u>	<u>-</u>
EXPENDITURES									
Current									
General government	-	-	179,661	24,457	-	-	-	-	-
Public safety	-	10,184	-	-	-	-	-	-	-
Public works	-	-	-	-	-	42,833	-	-	-
Health & social services	-	-	-	-	-	-	364,128	711,845	-
Parks recreation & culture	-	-	-	-	-	-	-	-	-
Resource conservation & development	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Tourism & economic development	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Debt service:									
Lease principal	-	-	-	-	-	10,160	39,341	-	-
Lease interest	-	-	-	-	-	219	5,276	-	-
Total expenditures	<u>-</u>	<u>10,184</u>	<u>179,661</u>	<u>24,457</u>	<u>-</u>	<u>53,212</u>	<u>408,745</u>	<u>711,845</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,783</u>	<u>32,608</u>	<u>(158,120)</u>	<u>(16,186)</u>	<u>-</u>	<u>(53,212)</u>	<u>(58,007)</u>	<u>(126,003)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	2,371	-	7,986	13,000	-	-	57,304	126,003	-
Transfers out	-	-	-	-	-	-	-	-	-
Sale of general capital assets	-	-	-	-	-	8,149	-	-	-
Leases	-	-	-	-	-	33,278	-	-	-
Total other financing sources (uses)	<u>2,371</u>	<u>-</u>	<u>7,986</u>	<u>13,000</u>	<u>-</u>	<u>41,427</u>	<u>57,304</u>	<u>126,003</u>	<u>-</u>
Net change in fund balances	20,154	32,608	(150,134)	(3,186)	-	(11,785)	(703)	-	-
Fund balances - beginning	25,684	102,940	239,892	10,466	591	73,610	5,253	-	-
Fund balances - ending	<u>\$ 45,838</u>	<u>\$ 135,548</u>	<u>\$ 89,758</u>	<u>\$ 7,280</u>	<u>\$ 591</u>	<u>\$ 61,825</u>	<u>\$ 4,550</u>	<u>\$ -</u>	<u>\$ -</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, 2023

	Kent County Drug Task Force	Sheriff's Forfeitures	Shop With A Cop	Kennedyville Development	Special Events Overtime	Platform Tennis	Post Prom	Project Open Space	HotDesks	Total Nonmajor Governmental Funds
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,783
Intergovernmental	-	-	-	-	-	-	-	178,337	-	1,121,208
Charges for services	-	-	-	-	4,270	-	-	-	9,436	13,706
Fines and forfeitures	9,592	14,257	-	-	-	-	-	-	-	45,390
Miscellaneous	-	400	-	-	-	-	-	-	-	45,172
Total revenues	<u>9,592</u>	<u>14,657</u>	<u>-</u>	<u>-</u>	<u>4,270</u>	<u>-</u>	<u>-</u>	<u>178,337</u>	<u>9,436</u>	<u>1,243,259</u>
EXPENDITURES										
Current										
General government	-	-	-	-	-	-	-	-	-	204,118
Public safety	9,964	-	-	-	3,631	-	-	-	-	23,779
Public works	-	-	-	-	-	-	-	-	-	42,833
Health & social services	-	-	-	-	-	-	-	-	-	1,075,973
Parks recreation & culture	-	-	-	-	-	-	-	197,458	-	197,458
Resource conservation & development	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Tourism & economic development	-	-	-	-	-	-	-	-	17,867	17,867
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Debt service:										
Lease principal	-	-	-	-	-	-	-	-	-	49,501
Lease interest	-	-	-	-	-	-	-	-	-	5,495
Total expenditures	<u>9,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,631</u>	<u>-</u>	<u>-</u>	<u>197,458</u>	<u>17,867</u>	<u>1,617,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(372)</u>	<u>14,657</u>	<u>-</u>	<u>-</u>	<u>639</u>	<u>-</u>	<u>-</u>	<u>(19,121)</u>	<u>(8,431)</u>	<u>(373,765)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	19,121	8,431	234,216
Transfers out	-	-	-	-	-	-	-	-	-	-
Sale of general capital assets	478	-	-	-	-	-	-	-	-	8,627
Leases	-	-	-	-	-	-	-	-	-	33,278
Total other financing sources (uses)	<u>478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,121</u>	<u>8,431</u>	<u>276,121</u>
Net change in fund balances	106	14,657	-	-	639	-	-	-	-	(97,644)
Fund balances - beginning	23,304	16,076	307	-	6,412	382	884	-	-	505,801
Fund balances - ending	<u>\$ 23,410</u>	<u>\$ 30,733</u>	<u>\$ 307</u>	<u>\$ -</u>	<u>\$ 7,051</u>	<u>\$ 382</u>	<u>\$ 884</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 408,157</u>



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, 2023

	State and Town Tax Collections	Millington Public Drainage Tax	Inmate Accounts	Motor Vehicle Administration	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 23,212	\$ 500	\$ 23,712
Equity in pooled cash	39,018	7,794	-	-	46,812
Receivables:					
Taxes for other governments	595,879	22	-	-	595,901
Total receivables	<u>595,879</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>595,901</u>
Total assets	<u>634,897</u>	<u>7,816</u>	<u>23,212</u>	<u>500</u>	<u>666,425</u>
LIABILITIES					
Accounts payable and other liabilities	-	-	23,212	-	23,212
Due to other governments	634,897	7,816	-	500	643,213
Total liabilities	<u>634,897</u>	<u>7,816</u>	<u>23,212</u>	<u>500</u>	<u>666,425</u>
NET POSITION					
Total net position	<u>\$ -</u>	<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, 2023

	<u>State and Town Tax Collections</u>	<u>Millington Public Drainage Tax</u>	<u>Inmate Accounts</u>	<u>Motor Vehicle Administration</u>	<u>Total</u>
ADDITIONS					
Property tax collections for other governments	\$ 11,782,357	\$ 2,011	\$ -	\$ -	\$ 11,784,368
Funds collected for inmates	-	-	117,923	-	117,923
Total additions	<u>11,782,357</u>	<u>2,011</u>	<u>117,923</u>	<u>-</u>	<u>11,902,291</u>
DEDUCTIONS					
Property tax payments to other governments	11,782,357	2,011	-	-	11,784,368
Funds distributed to inmates	-	-	117,923	-	117,923
Total deductions	<u>11,782,357</u>	<u>2,011</u>	<u>117,923</u>	<u>-</u>	<u>11,902,291</u>
Net increase/(decrease) in fiduciary net position	-	-	-	-	-
Net position - beginning	-	-	-	-	-
Net position - ending	<u>\$ -</u>	<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, 2023

	<u>Home Visiting</u>	<u>Total Non Community Partnership Agreement</u>	<u>Community Partnership Agreement</u>
ASSETS			
Cash and cash equivalents	\$ (34,329)	\$ (34,329)	\$ 310,767
Intergovernmental receivable	64,247	64,247	1
Receivables	-	-	-
Prepaid	-	-	-
Total assets	<u>\$ 29,918</u>	<u>\$ 29,918</u>	<u>\$ 310,768</u>
LIABILITIES			
Accounts payable	\$ 337	\$ 337	\$ 53,515
Accrued liabilities	-	-	6,540
Intergovernmental payable	29,581	29,581	250,713
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>29,918</u>	<u>29,918</u>	<u>310,768</u>
FUND BALANCES			
Nonspendable	-	-	-
Prepaid	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 29,918</u>	<u>\$ 29,918</u>	<u>\$ 310,768</u>

The County Commissioners of Kent County, Maryland
Combining Balance Sheet – Local Management Board
June 30, 2023

	<u>Incentive Reinvestment</u>	<u>County Funded Programs</u>	<u>Other Programs</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 31,589	\$ 43,592	\$ 9,820	\$ 361,439
Intergovernmental receivable	-	-	24,957	89,205
Receivables	-	-	-	-
Prepaid	-	-	-	-
Total assets	<u>\$ 31,589</u>	<u>\$ 43,592</u>	<u>\$ 34,777</u>	<u>\$ 450,644</u>
LIABILITIES				
Accounts payable	\$ -	\$ 43,592	\$ 1,079	\$ 98,523
Accrued liabilities	-	-	-	6,540
Intergovernmental payable	31,589	-	33,678	345,561
Due to other funds	-	-	-	-
Unearned revenue	-	-	20	20
Total liabilities	<u>31,589</u>	<u>43,592</u>	<u>34,777</u>	<u>450,644</u>
FUND BALANCES				
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>\$ 43,592</u>	<u>\$ 34,777</u>	<u>\$ 450,644</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, 2023

	Home Visiting	Total Non Community Partnership Agreement	Community Partnership Agreement
REVENUES			
Community partnership agreement:			
Earned reinvestment	\$ -	\$ -	\$ -
Children's cabinet	-	-	519,615
Total community partnership agreement	-	-	519,615
Non-community partnership agreement			
Other intergovernmental revenue	64,247	64,247	-
Miscellaneous	-	-	-
Total revenues	64,247	64,247	519,615
EXPENDITURES			
Administration:			
Salaries	-	-	136,522
Fringe costs	-	-	59,058
Contract services	-	-	400
Communications	-	-	-
Printing/Copies	-	-	538
Dues, subscriptions and licenses	1,276	1,276	1,000
Conferences and conventions	1,126	1,126	225
Business travel	206	206	-
Supplies	1,492	1,492	22,427
Capital outlay	2,224	2,224	8,786
Total administration expenditures	6,324	6,324	228,956
Programs:			
Healthy families mid-shore	-	-	82,481
Local care team	-	-	89,211
KCMS After School Program	-	-	85,523
Home visiting	57,923	57,923	-
Student Behavior Health	-	-	33,444
Total program expenditures	57,923	57,923	290,659
Total expenditures	64,247	64,247	519,615
Excess (deficiency) of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
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, 2023

	<u>Incentive Reinvestment</u>	<u>County Funded Programs</u>	<u>Other Programs</u>	<u>Total</u>
REVENUES				
Community partnership agreement:				
Earned reinvestment	\$ -	\$ -	\$ -	\$ -
Children's cabinet	-	-	-	519,615
Total community partnership agreement	-	-	-	519,615
Non-community partnership agreement				
Other intergovernmental revenue	-	-	-	64,247
Miscellaneous	-	-	1,980	1,980
Total revenues	-	-	1,980	585,842
EXPENDITURES				
Administration:				
Salaries	-	13,554	-	150,076
Fringe costs	-	10,565	-	69,623
Contract services	-	180	-	580
Communications	-	1,717	-	1,717
Printing/Copies	-	786	-	1,324
Dues, subscriptions and licenses	-	1,548	-	3,824
Conferences and conventions	-	28,287	-	29,638
Business travel	-	1,445	-	1,651
Supplies	-	3,778	1,980	29,677
Capital outlay	-	22,289	-	33,299
Total administration expenditures	-	84,149	1,980	321,409
Programs:				
Healthy families mid-shore	-	-	-	82,481
Local care team	-	-	-	89,211
KCMS After School Program	-	13,391	-	98,914
Home visiting	-	-	-	57,923
Student Behavior Health	-	28,463	-	61,907
Total program expenditures	-	41,854	-	390,436
Total expenditures	-	126,003	1,980	711,845
Excess (deficiency) of revenues over (under) expenditures	-	(126,003)	-	(126,003)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	126,003	-	126,003
Transfers out	-	-	-	-
Total other financing sources (uses)	-	126,003	-	126,003
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning				-
Fund balances - ending				\$ -



Statistical Section

The Statistical Section fully incorporates information mandated by 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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in										
Capital Assets	\$ 36,984,619	\$ 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
Restricted	1,237,555	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
Unrestricted (deficit)	536,589	(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)
	<u>38,758,763</u>	<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>
Business-Type Activities										
Net Investment in										
Capital Assets	29,509,790	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
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	590,544	323,881	(167,473)	535,147	428,104	261,870	331,520	419,572	504,983	568,517
	<u>30,100,334</u>	<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>
Primary Government										
Net Investment in										
Capital Assets	66,494,409	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
Restricted	1,237,555	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
Unrestricted (deficit)	1,127,133	(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)
	<u>\$ 68,859,097</u>	<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>

*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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Primary government										
General government	\$ 7,975,935	\$ 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
Public safety	9,769,705	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
Public works	3,929,895	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
Health and social services	1,311,827	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
Education	18,735,806	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
Culture and recreation	1,588,880	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
Libraries	554,018	602,841	725,264	692,436	1,251,179	699,861	685,526	616,973	713,899	713,899
Resource conservation	347,017	378,754	393,922	353,331	474,044	349,513	365,026	333,348	404,303	371,554
Community development	791,118	641,490	807,887	625,041	824,273	913,277	1,290,572	1,499,666	633,242	842,908
Debt service	1,202,550	1,089,455	1,053,398	1,124,064	275,586	260,762	2,532,718	154,518	52,455	14,381
Total governmental activities expense	46,206,751	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
Business-type activities										
Water and wastewater services	3,848,899	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
Bayside landing	22,783	45,942	28,759	29,835	42,143	32,516	31,457	40,431	29,160	27,674
Total business-type activities expense	3,871,682	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
Total Primary Government Expenses	\$ 50,078,433	\$ 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
Program Revenues										
Primary government										
General government										
Charges for services	\$ 110,786	\$ 132,700	\$ 117,283	\$ 115,473	\$ 116,728	\$ 111,349	\$ 52,888	\$ 52,881	\$ 63,667	\$ 82,515
Operating grants and contributions	403,079	149,743	157,690	173,386	231,493	222,240	292,969	261,801	263,648	25,271
Capital grants and contributions	2,490,368	-	15,125	3,630,596	3,251,018	76,528	158,244	815,714	1,181,776	481,693
Total revenue	3,004,233	282,443	290,098	3,919,455	3,599,239	410,117	504,101	1,130,396	1,509,091	589,479
Public safety										
Charges for services	119,722	64,028	149,570	100,752	105,542	106,313	86,380	49,456	29,977	82,842
Operating grants and contributions	616,730	615,283	797,698	664,706	667,560	606,374	656,954	716,395	694,869	1,277,644
Capital grants and contributions	58,359	91,293	23,926	42,133	19,770	42,133	-	-	-	-
Total revenue	794,811	770,604	971,194	807,591	792,872	754,820	743,334	765,851	724,846	1,360,486
Public works										
Charges for services	109,912	109,122	108,899	161,647	179,553	249,409	311,705	328,827	480,974	390,202
Operating grants and contributions	235,086	442,188	325,310	303,315	401,674	550,982	514,967	580,447	615,269	633,788
Capital grants and contributions	64,998	51,107	94,654	94,892	271,459	158,828	321,336	575,646	512,954	4,194,317
Total revenue	409,996	602,417	528,863	559,854	852,686	959,219	1,148,008	1,484,920	1,609,197	5,218,307

(Continued)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Health and social services										
Charges for services	11,711	14,692	12,458	12,582	50,453	104,259	28,950	12,217	12,590	12,773
Operating grants and contributions	509,937	492,992	1,170,115	925,792	904,507	935,961	1,484,493	3,454,276	1,797,039	1,224,447
Capital grants and contributions	-	95,054	1,200	-	-	-	-	-	-	-
Total revenue	521,648	602,738	1,183,773	938,374	954,960	1,040,220	1,513,443	3,466,493	1,809,629	1,237,220
Culture and recreation										
Charges for services	210,373	165,654	179,414	189,572	158,782	168,488	118,328	42,674	140,293	186,850
Operating grants and contributions	10,580	2,995	26,747	4,192	85,450	2,626	-	-	-	-
Capital grants and contributions	92,222	185,313	97,790	217,596	-	23,168	-	-	162,708	697,948
Total revenue	313,175	353,962	303,951	411,360	244,232	194,282	118,328	42,674	303,001	884,798
Resource and conservation										
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-	-	-	-	-
Community development										
Operating grants and contributions	74,986	140,597	72,791	87,868	268,875	276,161	297,986	259,660	91,042	9,437
Capital grants and contributions	18,815	19,823	51,960	-	-	-	-	-	-	261,491
Total revenue	93,801	160,420	124,751	87,868	268,875	276,161	297,986	259,660	91,042	270,928
Total primary government activities program revenues	5,137,664	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
Business-type activities program revenue										
Water and wastewater services										
Charges for services	2,095,703	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
Operating grants and contributions	20,601	-	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	2,116,304	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
Bayside landing										
Charges for services	41,210	39,922	42,641	42,781	40,200	41,156	46,093	50,650	51,888	48,070
Operating grants and contributions	-	-	-	-	1,653	1,215	-	-	-	-
Capital grants and contributions	9,811	13,398	-	-	-	-	-	-	3,100	26,300
Total revenue	51,021	53,320	42,641	42,781	41,853	42,371	46,093	50,650	54,988	74,370
Total business-type activities program revenues	2,167,325	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
Net (Expense) Revenue										
Governmental activities	(41,069,087)	(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)
Business-type activities	(1,704,357)	(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)
Total primary government net expense	<u>\$(42,773,444)</u>	<u>\$(44,166,816)</u>	<u>\$(46,327,001)</u>	<u>\$(49,000,999)</u>	<u>\$(42,543,495)</u>	<u>\$(47,211,628)</u>	<u>\$(54,112,515)</u>	<u>\$(51,123,893)</u>	<u>\$(49,582,312)</u>	<u>\$(54,259,162)</u>

(Continued)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net assets										
Government activities										
Property taxes	\$ 30,212,617	\$ 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
County income taxes	14,119,602	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
Other taxes	1,833,864	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
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Other revenues	663,676	659,615	673,819	641,837	733,270	842,544	1,084,395	634,634	571,187	988,839
Capital contributions - developers	-	-	-	-	-	-	-	-	-	-
Transfers	(848,869)	(1,001,689)	(868,147)	(825,030)	(880,064)	(1,165,897)	(987,861)	(1,686,065)	(688,956)	(1,195,007)
Total governmental activities	45,980,890	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
Business-type activities										
Investment income	-	-	-	-	-	-	-	-	-	-
Other revenues	27,892	32,441	25,780	40,703	36,799	94,491	43,796	38,304	219,097	108,533
Transfers	851,369	1,001,689	868,147	825,030	880,064	1,165,897	987,861	1,686,065	688,956	1,195,007
Total business-type activities	879,261	1,034,130	893,927	865,733	916,863	1,260,388	1,031,657	1,724,369	908,053	1,303,540
Total primary government	46,860,151	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
Change in net position										
Governmental activities	4,911,803	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
Business-type activities	(825,096)	(904,584)	(676,171)	(1,210,451)	(282,169)	1,227,869	(193,190)	(320,012)	(594,193)	24,340
Total primary government	\$ 4,086,707	\$ 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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	786,218	436,901	517,604	752,291	694,784	848,466	896,627	662,085	1,120,970	793,235
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
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	9,643,390	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
Total General Fund	<u>10,429,608</u>	<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>
All Other Governmental Funds										
Nonspendable	4,950	-	-	-	189,466	51,571	-	8,513	8,344	11,877
Restricted	384,469	463,776	496,897	467,438	359,075	345,054	330,386	341,201	374,286	284,590
Committed	30,175	30,175	30,175	30,175	30,175	30,175	27,991	27,991	27,991	27,991
Assigned	31,743	38,891	55,709	75,000	118,561	182,748	112,759	90,730	99,591	98,422
Unassigned	-	-	-	-	(189,466)	(51,571)	(54,497)	(133,602)	(162,087)	(145,477)
Total All Other Governmental Funds	<u>451,337</u>	<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>
Total All Governmental Funds	<u>\$10,880,945</u>	<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>

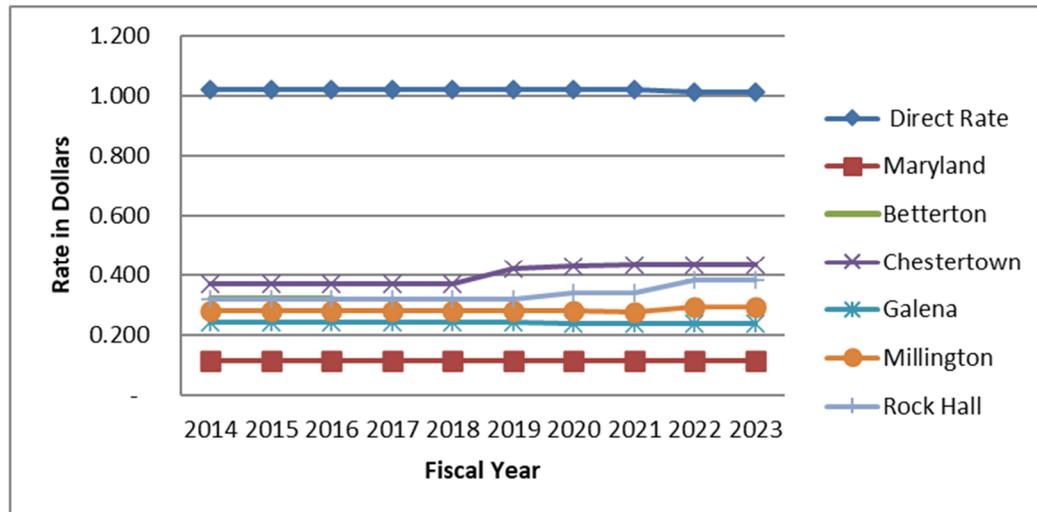
The County Commissioners of Kent County, Maryland
Financial Trends: Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes										
Property	\$ 30,212,617	\$ 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
Income	13,696,595	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
Other	1,833,864	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
State shared	211,318	222,422	228,948	224,873	-	-	-	-	-	-
Licenses and permits	302,045	318,992	325,727	339,840	311,801	355,703	317,696	410,223	339,901	381,117
Intergovernmental revenue	4,363,842	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
Service charges for current services	562,504	486,196	567,624	580,026	611,058	739,818	598,254	486,055	727,501	764,618
Fines and forfeitures	53,715	120,636	31,409	44,233	58,950	53,290	32,677	17,489	55,199	113,055
Miscellaneous revenue	606,480	255,692	329,514	294,924	363,337	453,862	776,685	218,728	166,419	789,108
Total revenues	51,842,980	48,397,325	48,239,451	52,326,051	49,181,782	50,004,860	54,917,529	60,237,002	59,195,657	66,098,149
Expenditures										
General government	7,777,559	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
Public safety	8,947,991	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
Public works	3,784,820	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
Health and social services	1,311,902	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
Education	17,721,320	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
Parks, recreation, and culture	1,275,957	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
Libraries	554,018	596,027	611,828	626,098	680,389	662,196	685,526	616,973	713,899	713,899
Resources conservation and development	347,017	378,754	393,922	353,331	474,044	349,513	365,026	333,348	404,303	371,554
Community development	513,246	648,410	798,178	603,126	803,413	851,069	1,232,319	1,484,601	628,755	852,798
Debt service										
Principal	2,092,002	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
Interest	769,643	657,775	523,290	475,723	426,289	380,869	415,903	250,089	251,055	188,689
Capital outlay	1,394,375	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
Total expenditures	46,489,850	47,550,626	46,894,371	52,312,173	52,108,673	48,859,037	58,649,026	56,167,358	55,093,950	65,048,951
Excess/(deficiency) of revenues over expenditures	5,353,130	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
Other financing sources (uses)										
Transfers in	1,853,579	1,102,976	783,003	3,550,919	4,881,572	938,696	1,374,537	2,956,217	997,976	4,450,473
Transfers out	(2,702,448)	(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)
Leases	-	-	-	-	-	512,815	536,037	487,968	471,821	309,140
Subscriptions	-	-	-	-	-	-	-	-	-	67,468
Sale of general capital assets	-	-	-	-	-	-	-	44,298	39,700	76,711
Proceeds from loans	-	-	-	-	-	-	6,400,000	-	-	-
	(848,869)	(1,001,689)	(868,147)	(825,030)	(880,064)	(653,082)	5,948,176	(1,153,799)	(177,435)	(741,688)
Net increase (decrease) in fund balance	\$ 4,504,261	\$ (154,990)	\$ 476,933	\$ (811,152)	\$ (3,806,955)	\$ 492,741	\$ 2,216,679	\$ 2,915,845	\$ 3,924,272	\$ 307,510
Debt service as a percentage of noncapital expenditures	6.24%	9.21%	3.83%	3.35%	3.95%	3.74%	11.75%	4.06%	3.15%	2.49%

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
2014	1.022	0.112	0.3200	0.3700	0.2400	0.2800	0.320
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

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

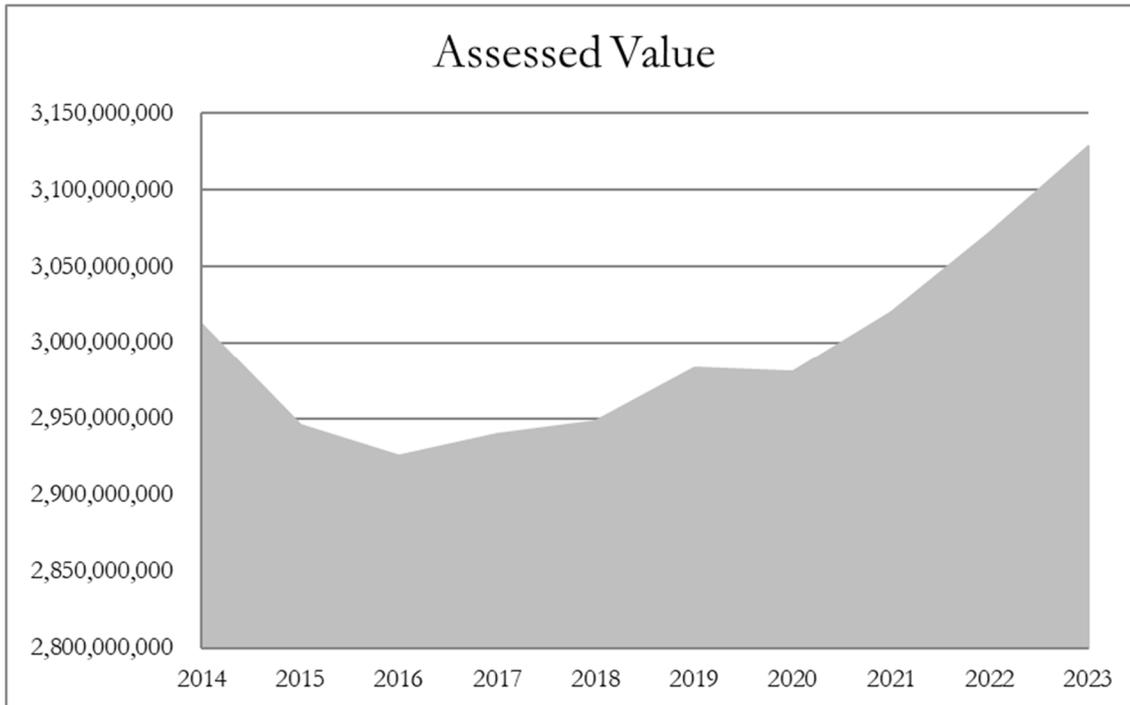


Source: State of Maryland and Towns of Betterton, Chestertown, Galena, Millington and Rock Hall.

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
2014	2,975,066,005	142,063,007	2,833,002,998	1.022	37,514,800	3,012,580,805
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

Source: Maryland State Department of Assessment and Taxation



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

For the Fiscal Year Ended June 30, 2023

Taxpayer	Tax Billed	% of Levy
Delmarva Power and Light	\$ 1,083,705	3.32%
PUMH of Maryland, Inc	428,472	1.31%
Choptank Electric Co-op, Inc	273,677	0.84%
Verizon-MD	173,420	0.53%
KRM Development Corporation	163,044	0.50%
Talkie Communications, Inc	131,587	0.40%
Washington College	127,631	0.39%
KRM Dixon Office LLC	124,303	0.38%
Kent Crossing	122,799	0.38%
KRM Boss LLC	120,512	0.37%

For the Fiscal Year Ended June 30, 2014

Taxpayer	Tax Billed	% of Levy
Delmarva Power and Light	\$ 529,416	1.77%
PUMH of Maryland, Inc	377,331	1.26%
Verizon-MD	235,970	0.79%
Kent Research and Mfg, Inc	204,765	0.69%
Choptank Electric Co-op, Inc	198,200	0.66%
SGM Realty LLC	154,949	0.52%
Kent Crossing	133,569	0.45%
Chesapeake Meadows Limited	123,583	0.41%
Kent Plaza Associates	100,529	0.34%
Brawner Company, Inc	88,018	0.29%

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

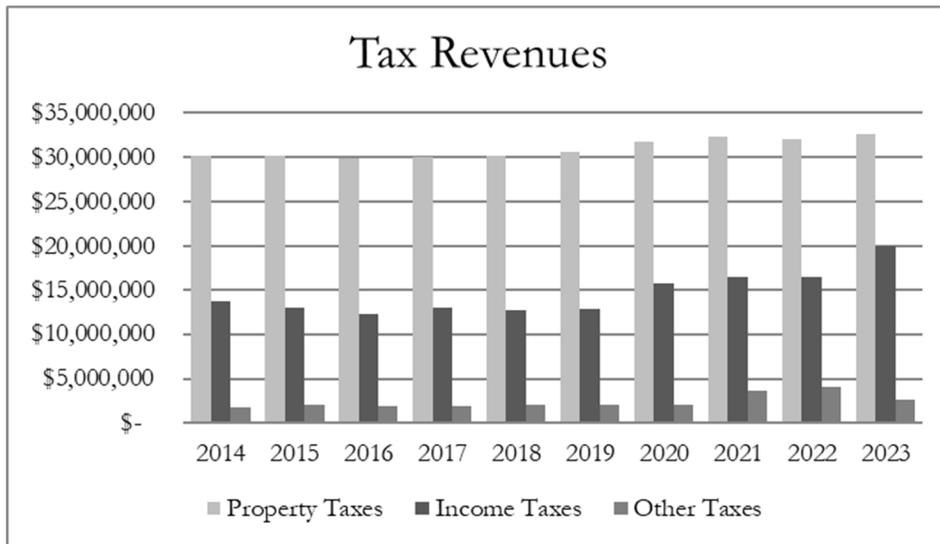
Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2014	\$ 29,881,782	\$ 28,460,998	95.25%	\$ 1,364,624	\$ 29,825,622	99.81%
2015	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%	n/a	31,455,473	96.47%

*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

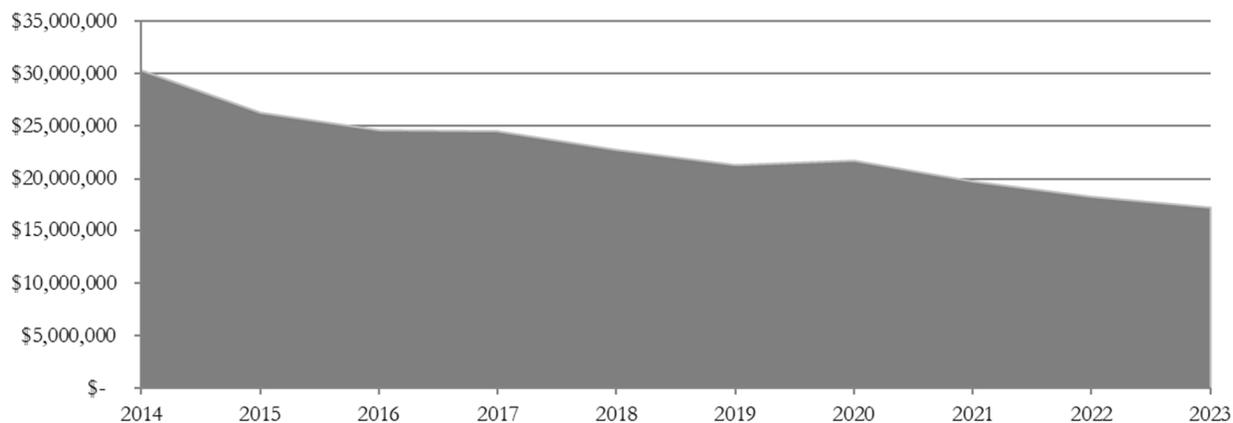
Local General Tax Revenues

	Property Taxes	Income Taxes	Other Taxes	Total Taxes
2014	\$ 30,212,617	\$ 13,696,595	\$ 1,789,859	\$ 45,699,071
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



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
2014	\$ 14,200,087	\$ 153,452	\$ 2,240,000	\$ -	\$ 16,593,539	\$ 13,726,642	\$ -	\$ -	\$ 13,726,642	\$ 30,320,181	2014	3.07%	\$ 1,520.27
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%	1101.230253
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	n/a	n/a



- (1) Total of General Obligation Bonds for general government and business-type activities
- (2) See Assessed Value of Taxable and Exempt property page 92
- (3) See Demographic Statistics on page 100

*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)
2014	\$ 27,926,729	0.973%	\$ 1,400.26
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%	n/a

*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 95

(3) See Demographic Statistics for population data on page 103

The County Commissioners of Kent County, Maryland
Debt Capacity: Computation of Net Direct and Overlapping Debt
June 30, 2022

Name of Jurisdiction	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Towns (2)			
Betterton	\$ 241,589	100%	\$ 241,589
Chestertown	923,211	100%	923,211
Galena	-	100%	-
Millington	-	95%	-
Rock Hall (3)	-	100%	-
Subtotal overlapping debt			<u>1,164,800</u>
Kent County Government direct debt (1)			<u>6,018,930</u>
Total direct and overlapping debt			<u><u>\$ 7,183,730</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 103.

(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 Bettertown, Chestertown, Galena, Millington and Rock Hall

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	-	-	-
Legal Debt Margin	\$ 20,000,000	\$ 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

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 (2)	Unemployment Rate (3)
2013	19,944	987,134	31,502	7.20%
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%

(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, 2022

Employer	Employees	Rank	Percentage of Total County Employment
Dixon Valve & Coupling Co.	465	1	4.78%
Washington College	435	2	4.47%
Kent County Board of Education	359	3	3.69%
Kent County Government	288	4	2.96%
LaMotte	235	5	2.41%
University of MD Shore Regional Health	215	6	2.21%
David A. Bramble, Inc.	191	7	1.96%
Heron Point of Chestertown	180	8	1.85%
YMCA Camp Tockwogh	181	9	1.86%
Angelica Nurseries	150	10	1.54%

For the Calendar Year Ended December 31, 2014

Employer	Employees	Rank	Percentage of Total County Employment
Washington College	475	1	n/a
University of MD Shore Regional Health	434	2	n/a
Dixon Valve & Coupling Co.	381	3	n/a
Kent County Board of Education	314	4	n/a
David A. Bramble, Inc.	220	5	n/a
Kent County Government	220	5	n/a
Heron Point of Chestertown	184	7	n/a
Angelica Nurseries	175	8	n/a
Waterman's Crab House	160	9	n/a
LaMotte Industries	155	10	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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Part time positions (FTE)	22	22	26	28	28	26	27	26	26	14
Exempt	28	29	30	37	36	36	39	43	44	40
Full Time Employees	166	169	173	166	168	171	175	173	177	178
Total County Government Employees	216	220	229	231	232	233	241	242	247	232

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

GENERAL GOVERNMENT	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Commissioner's Office (1)	4	4	4	4	4	4	4	4	5	4
Planning, Housing & Zoning	8	9	9	9	9	9	9	9	10	9
Human Resources	3	3	3	3	3	3	3	3	3	4
Finance	7	7	7	7	7	7	7	8	8	8
Information Technology	5	6	6	6	6	6	6	6	6	6
Tourism & Economic Development	3	3	4	4	4	4	4	4	4	4
State's Attorney's Office (2)	5	5	6	6	7	7	7	7	7	9
Circuit Court (2)	3	3	3	3	3	3	5	5	5	5
Soil Conservation Service (2)	0	0	0	0	0	0	0	0	0	0
Family & Community Partnerships	2	2	3	3	3	3	3	4	4	3
PUBLIC SAFETY										
Sheriff's Office (2)	28	28	27	27	25	26	28	28	28	28
Detention Center	27	28	29	29	29	29	29	29	30	28
Office of Emergency Services	25	26	26	26	28	31	33	33	33	36
PUBLIC WORKS										
Administration	2	2	2	2	2	1	1	1	3	5
County Roads	29	29	29	29	29	29	29	29	29	29
Waste Management	8	8	8	8	8	8	8	8	8	7
Public Landings	1	1	1	1	1	1	1	1	1	1
Buildings & Grounds	13	13	13	13	15	15	15	15	15	9
LEISURE SERVICES										
Parks & Recreation	6	6	8	8	8	8	8	8	8	8
BUSINESS-TYPE ACTIVITIES										
Water & Wastewater Services	15	15	15	15	13	13	14	14	14	15
	194	198	203	203	204	207	214	216	221	218

(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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	5	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	24	25	25	25	25
Shared Septic Systems	2	2	2	2	2	2	2	2	2	3
Meters/Meter Vaults	2	2	2	2	2	2	2	2	2	2
Kent County Sheriff Department										
Vehicles in Service	27	27	26	28	28	28	28	25	26	27

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
General Government										
Planning & Zoning (1)										
Number of Permits Issued for:										
Accessory Buildings/Garages/Carports	70	77	87	89	77	102	75	77	89	100
Agricultural Buildings	23	23	16	21	21	17	20	17	12	20
Boat Lift	-	3	3	-	-	-	-	-	-	-
Commercial Addition/Alteration	7	13	9	8	6	8	10	7	6	2
Deck/Porch	31	23	41	27	34	21	25	21	19	12
New Commercial Building	1	7	6	7	3	7	2	2	7	11
New Single Family Residence	33	44	18	23	26	24	29	32	39	39
Other	28	46	25	-	-	-	-	-	-	-
Pier	21	14	19	22	14	28	15	21	19	25
Residential Addition/Alteration/Attached Garage	53	53	63	84	103	91	97	90	74	104
Sediment Control	20	29	36	21	27	37	40	43	46	46
Sign	12	7	4	8	12	8	2	3	4	6
Solar Panels	-	34	69	51	-	-	-	-	-	-
Swimming Pool	9	13	16	12	11	18	13	18	18	21
Bulkhead/Retaining Wall	5	7	13	4	-	-	-	-	-	-
Demolition	72	98	68	77	69	75	63	69	58	65
Logging	18	22	15	9	23	17	9	17	8	10
Use Permit	12	19	11	24	11	14	8	11	14	14
Total Permits Issued	415	532	519	487	437	467	408	428	413	475
Public Safety										
Alcohol Beverage Control										
Number of Licenses Issued	64	67	69	72	63	61	61	61	70	66
Number of Violations	6	2	-	2	1	-	3	5	-	14
Sheriff's Office (1)										
Number of Physical Arrests	1,557	596	436	575	604	517	401	502	534	446
Traffic Violations	3,678	3,580	3,711	4,212	4,155	2,757	5,554	3,370	4,844	7,809
Public Works										
Total Water Treated Annually (millions of gallons)	46	51	49	53	48	43	50	46	46	46
Total Wastewater Treated Annually (millions of gallons)	82	76	57	49	55	65	58	53	52	42

(Continued)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Education										
Number of Personnel										
Teachers	164	156	161	158	159	162	158	155	175	175
Administrators	21	19	23	21	17	21	22	24	25	24
Support	118	123	111	115	116	135	126	131	139	138
Other	18	16	13	12	20	18	19	22	17	22
Number of Students	2117	2106	2030	1895	1965	1914	1909	1809	1780	1763
Number of High School Graduates	142	161	126	133	140	119	133	142	127	133

(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**