



HOWARD COUNTY
MARYLAND

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

Howard County, Maryland

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Certain Appointed Officials

Brandee Ganz

Chief Administrative Officer

Rafiu O. Ighile

Director of Finance

Yosef Kebede

Director of Public Works

Gary W. Kuc

County Solicitor

Lynda D. Eisenberg

Director of Planning and Zoning

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Director of Budget

Lisa Geerman

Acting County Auditor

Financial Advisor

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County Executive

Calvin Ball



Deb Jung
*Chair and
Councilwoman
District 4*



Liz Walsh
*Vice Chair and
Councilwoman
District 1*



Opel Jones
*Councilman
District 2*



Christiana Rigby
*Councilwoman
District 3*



David Yungmann
*Councilman
District 5*



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024



Prepared by the Department of Finance

Howard County, Maryland

**In loving memory of Sima Taghavi
Your legacy of excellence and compassion will forever remain within our hearts.**



INTRODUCTORY SECTION





Table of Contents

Introductory Section

Table of Contents	i
Organizational Chart	iii
Letter of Transmittal	v
Certificate of County Auditor	xv
Certificate of Achievement for Excellence in Financial Reporting	xvi

Financial Section

Independent Auditor’s Report	1
Management’s Discussion and Analysis	5

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position	25
Statement of Activities	27

Fund Financial Statements

Balance Sheet – Governmental Funds	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	29
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis - General Fund	32
Statement of Revenue, Expenditures, and Changes in Fund Balance – Budgetary Basis - Fire Rescue and Reserve Fund	33
Statement of Net Position – Proprietary Funds	34
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	36
Statement of Cash Flows – Proprietary Funds	37
Statement of Fiduciary Net Position – Pension and Other Post – Employment Benefits Trust Funds and Custodial Funds	39
Statement of Changes in Fiduciary Net Position – Pension and Other Post-Employment Benefits Trust Funds and Custodial Funds	40

Discretely Presented Component Units Financial Statements

Combining Statement of Net Position – Component Units	41
Combining Statement of Activities – Component Units	42

Notes to the Financial Statements

Notes to Basic Financial Statements – Index	45
Notes to Basic Financial Statements	46

Required Supplementary Information

General Employee Retirement Fund	
Schedule of Changes in the County's Net Pension Liability and Related Ratios	115
Schedule of County Contributions	117
Howard County Police and Fire Employee's Retirement Plan	
Schedule of Changes in the County's Net Pension Liability and Related Ratios	119
Schedule of County Contributions	121
Other Post-Employment Benefits Funds	123
Length of Service Award Program	126

Combining and Individual Fund Financial Statements and Schedules:

General Fund

Schedule of Revenues and Appropriations from Fund Balances – Budgetary Basis	131
Schedule of Expenditures and Encumbrances – Budgetary Basis	133

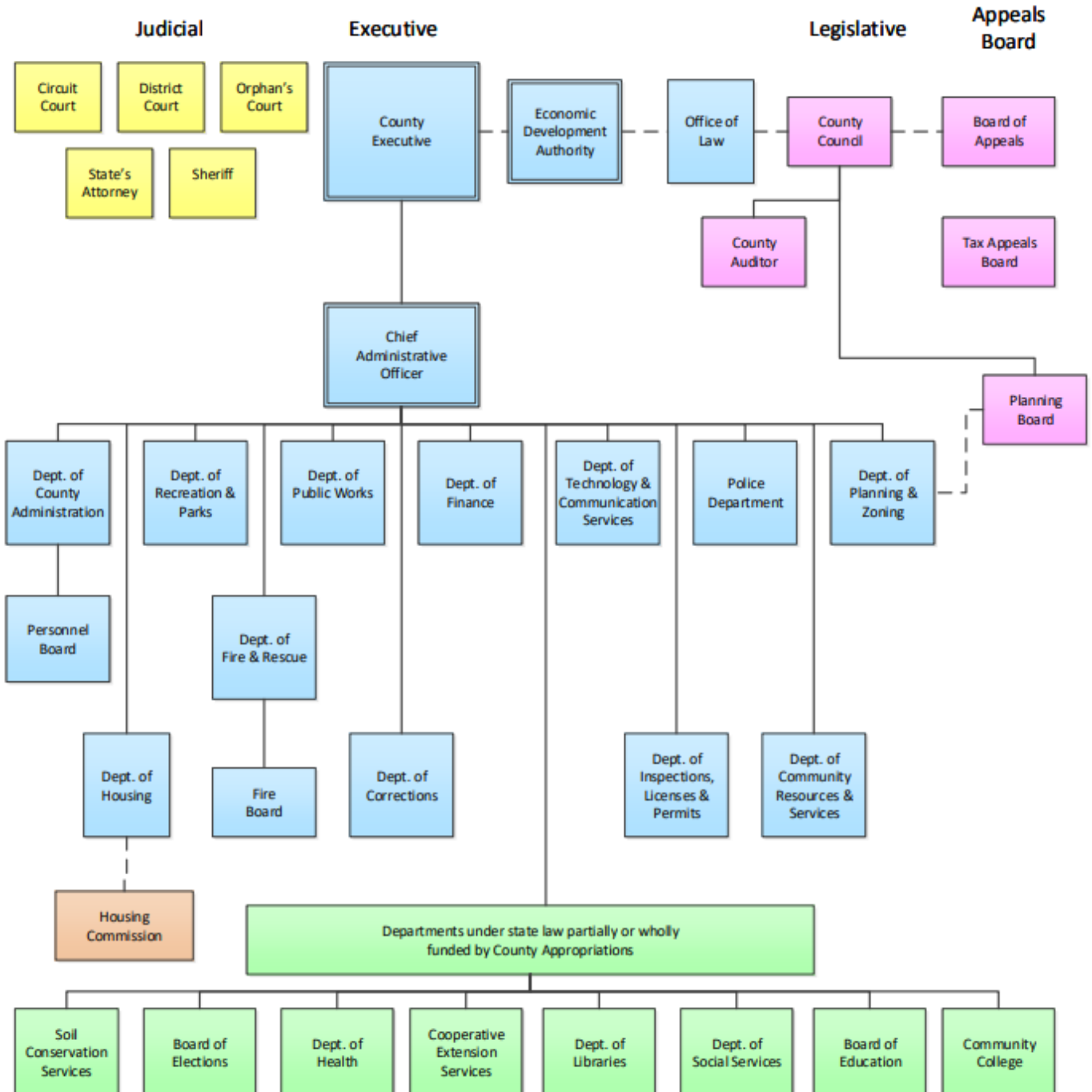
Non-Major Governmental Funds

Combining Balance Sheet – Non-Major Governmental Funds	141
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	142
Combining Balance Sheet – Non-Major Special Revenue Funds	143
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds	145

Table of Contents (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis:	
Agricultural Land Preservation Fund	147
Community Renewal Program Fund	148
Disposable Plastics Reduction Fund	149
Environmental Services Fund	150
Forest Conservation Fund	151
Grants Fund	152
Recreation Program Fund	153
Settlement Fund	154
Speed and School Bus Camera Enforcement Fund	155
Combining Balance Sheet – Non-Major Capital Project Funds	156
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Capital Project Funds	157
Combining Balance Sheet – Non-Major Debt Service Funds	158
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Debt Service Funds	159
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	
Bond Anticipation Note Fund	160
Tax Increment Financing Fund	161
Non-Major Enterprise Funds	
Combining Statement of Net Position	165
Combining Statement of Revenues, Expenses and Changes in Net Position	166
Combining Statement of Cash Flows	167
Internal Service Funds	
Combining Statement of Net Position	171
Combining Statement of Revenues, Expenses and Changes in Net Position	172
Combining Statement of Cash Flows	173
Fiduciary Funds	
Combining Statement of Net Position – Pension and Other Post-Employment Benefits Trust Funds	177
Combining Statement of Changes in Net Position – Pension and Other Post-Employment Benefits Trust Funds	178
Combining Statement of Net Position – Custodial Funds	179
Combining Statement of Changes in Net Position – Custodial Funds	179
Statistical Section	
Index	183
Net Position by Category	185
Changes in Net Position	186
Fund Balances, Governmental Funds	188
Changes in Fund Balances of Governmental Funds	189
Assessed and Estimated Accrual Value of Taxable Property	190
Direct and Overlapping Property Tax Rates	191
Principal Property Taxpayers	192
Property Tax Levies and Collections	193
Ratios of Outstanding Debt by Type	194
Ratios of General Bonded Debt Outstanding	196
Legal Debt Margin	197
Pledged Revenue Coverage – Special Recreation Facility	198
Pledged Revenue Coverage – Annapolis Junction Special Taxing District	199
Pledged Revenue Coverage – Crescent Special Taxing District	200
Demographic and Economic Statistics	201
Principal Employers	202
County Government Employees by Function	203
Operating Indicators by Function/Program	204
Capital Asset Statistics by Function	205

HOWARD COUNTY GOVERNMENT ORGANIZATIONAL CHART





Historic Waverly Manor

The sole surviving property of the Governor's John Eager Howard and George Howard, Maryland's only father-son governors, Historic Waverly Mansion stands as a reminder of our early 19th century foundations. Operated by the County's Department of Recreation & Parks, this elegant Howard County estate is a premier venue for weddings, special events, scout programs, summer camps and more.



HOWARD COUNTY DEPARTMENT OF FINANCE

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November 25, 2024

Honorable County Executive,
Honorable Members of the County Council and
Citizens of Howard County

Ladies and Gentlemen:

FORMAL TRANSMITTAL OF THE ACFR

The audited Annual Comprehensive Financial Report (ACFR) of Howard County, Maryland (the County) for the fiscal year (FY) ended June 30, 2024, is hereby submitted in compliance with Howard County Charter, Section 212 and includes the auditor's opinion issued by the independent public accounting firm of CliftonLarsonAllen LLP hired by the County Council. The annual report was prepared by the Howard County Department of Finance in cooperation with the finance departments of the County's component units.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen LLP, licensed certified public accountants, performed an independent audit and issued an unmodified ("clean") opinion on the County's financial statements for the fiscal year ended June 30, 2024. The Independent Auditor's Report is presented as the first element of the Financial Section of this report.

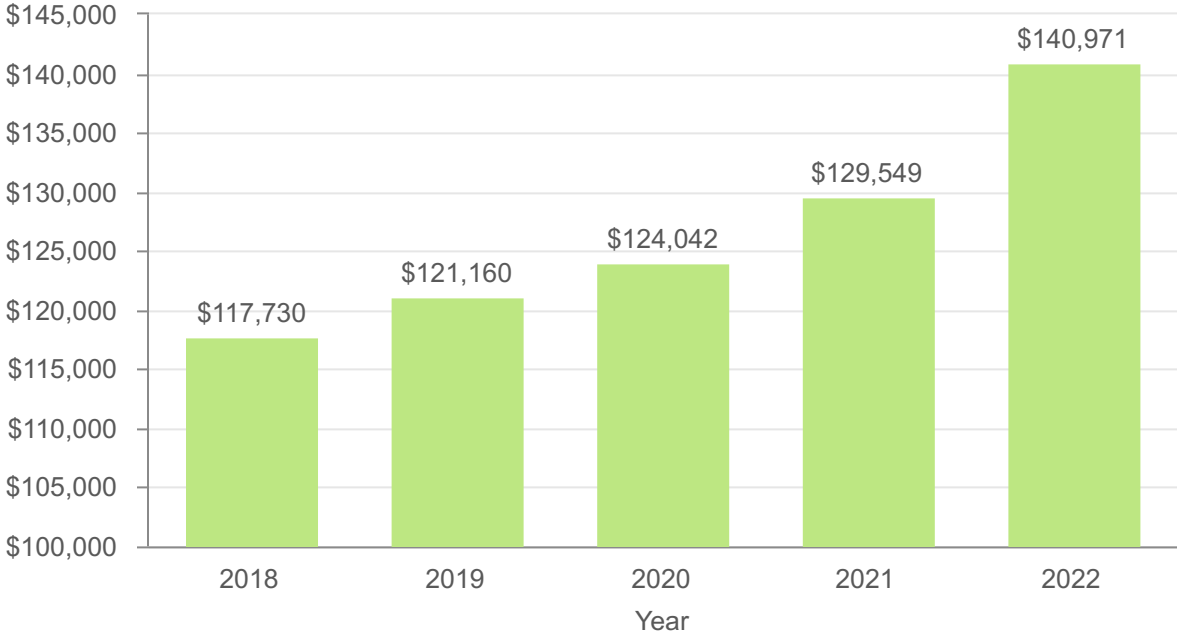
Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Howard County, Maryland was formed in 1851 and was named for the fifth Governor of Maryland, Colonel John Eager Howard. Under a home rule charter adopted in 1968, the County's executive functions are vested in the elected County Executive. The County Council consists of five members elected by district.

Located directly between Baltimore, Maryland and Washington, D.C. and at its closest point is less than four miles from the former and 13 miles from the latter, the County is 251 square miles in area. The County was predominantly agricultural in character until 1966, when construction began on the master-planned community of Columbia. Columbia is unique for its purposeful goal to be an integrated community at a time before the Fair Housing Act of 1968 made it illegal to discriminate in housing based on race, color, national origin or religion. The County's population has grown an average of 1.69% annually since 2000 and is home to approximately 336,001 residents based on estimates by the Howard County Department of Planning and Zoning. Howard County is one of the most affluent, advanced and educated communities in the United States. The Howard County Library System (HCLS) was recognized as one of the best Library Systems in North America and received four stars from the Library Journal Index of Public Service. HCLS is the only four-star library system in the State among libraries with comparable budgets. Columbia and Ellicott City have been ranked in Money Magazine's Best Places to Live for multiple years. According to the U.S. Census Bureau's American Community Survey, Howard County has both the highest median income in the State and one of the highest in the nation. Columbia was also recognized by WalletHub as the "Safest City in America," "Happiest City in America," "Best City for People with Disabilities" and "Best City for Jobs".

Howard County, Maryland Median Household Income



Source: United States Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

COMPONENT UNITS

The County government provides all the local government services as there are no incorporated cities or towns in Howard County. Services provided by the County include police, fire and rescue, sheriff, corrections, public works, planning and zoning, landfill, water and sewer, public housing, and recreation and parks. In addition to general government activities, the governing body has financial accountability for the Howard County Public School System, the Howard Community College, the Howard County Library System, and the Howard County Housing Commission. Therefore, the activities of these entities are included in this annual report. Additional information on all four of these legally separate entities can be found in Note 1A in the Notes to Basic Financial Statements. The financial activities of the Howard County Economic Development Authority, which is also a component unit of the County, are excluded due to immateriality. The Volunteer Fire Districts do not meet the established criteria for inclusion in the reporting entity, and accordingly, are excluded from this report.

BUDGET

The Howard County budget is a comprehensive plan of all monies spent by County departments and agencies. As required by County law, the budget consists of the current operating expenditure and revenue budget (with five-year spending projections), the capital budget and capital program, and the budget message. The annual budget includes all revenues, all expenditures and the projected surplus or deficit in the general fund and all other funds. Funds in the operating budget include appropriations for the following functional areas: education, public safety, public works, community services, general government, legislative and judicial, and capital, debt and reserves. The capital budget includes funds to construct major government facilities such as roads, bridges, schools, libraries, water and sewer infrastructure and fire stations. Capital projects usually take more than a year to complete, unlike the operating budget which covers only one year.

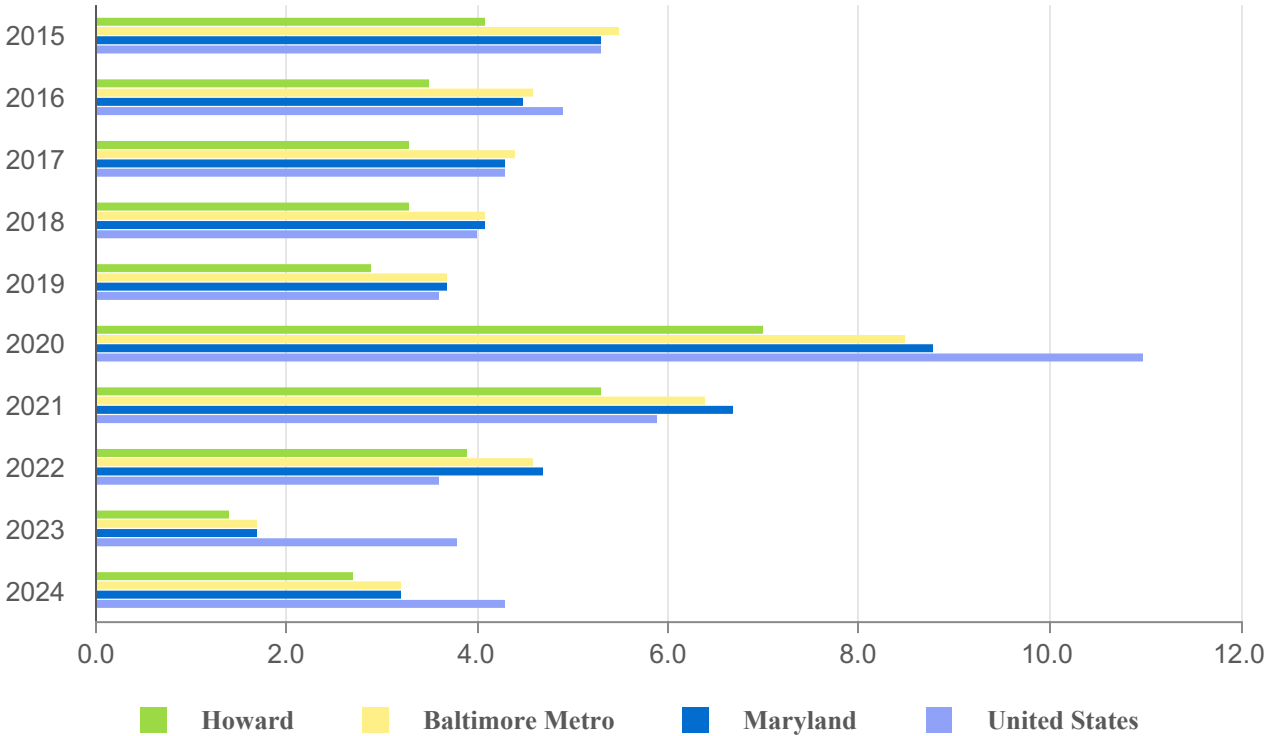
The budget process begins each Fall when the County Executive appoints a Spending Affordability Advisory Committee to establish guidelines for determining debt affordability levels for the upcoming year. County departments and agencies submit budget requests to the Executive in December. After a public process that involves two public hearings and a thorough review of departmental requests, the County Executive submits proposed capital and operating budgets to the County Council by April 1 and 21, respectively. The County Council then conducts a series of public hearings and work sessions in April and May to review the Executive's proposed budget. The County Council cannot change the form of the budget as submitted by the Executive to alter the revenue estimates or to increase any expenditure recommended by the Executive for current or capital purposes unless expressly provided for in State law or to correct mathematical errors. The County Council can reduce the Executive's budget, but not increase it, except in the case of the Public School's budget. The County Council may restore funds back to the level requested by the School Board. After its review, the County Council finalizes the entire budget and sets tax rates, fees and charges needed to generate enough revenue to balance the budget. The Annual Budget must be adopted by the County Council by the first day of the last month of the current fiscal year. Expenditure authority for the operating budget is at the fund and department level in major categories, including personnel costs, various operating expenses and capital cost. Appropriations in the capital budget are determined at the project level on an annual basis.

Once the budget is approved, the County Council can only amend it at the request of the County Executive. The operating budget is amended during the year through the use of supplemental budget appropriation ordinances (SAOs). The County Executive may request at any time during the fiscal year, the approval of an SAO by transferring funds from the County’s budgeted contingency reserves. The capital budget may be amended through the use of Transfer Appropriation Ordinances (TAOs). The County Executive may request, at any time during the fiscal year that a TAO be approved by transferring funds from one capital project to another. At no time may the bottom line of the capital budget be increased. The County maintains an encumbrance system for budgetary control. All unencumbered appropriations of the operating budget lapse at year-end. Unencumbered capital appropriations continue until the specific capital project is closed.

ECONOMIC CONDITION AND OUTLOOK

Howard County continues to have a diverse economic base, taking advantage of a friendly business climate, a highly educated workforce and superb quality of life. It is located in the heart of the corridor between Washington, D.C. and Baltimore. The unemployment rate is expected to remain below the state 3.20% and national 4.30% levels as evidenced by the June 2024 rate of 2.70%. The unemployment rate has continued to decline to pre-pandemic levels.

June Unemployment Rates



LOCAL ECONOMY

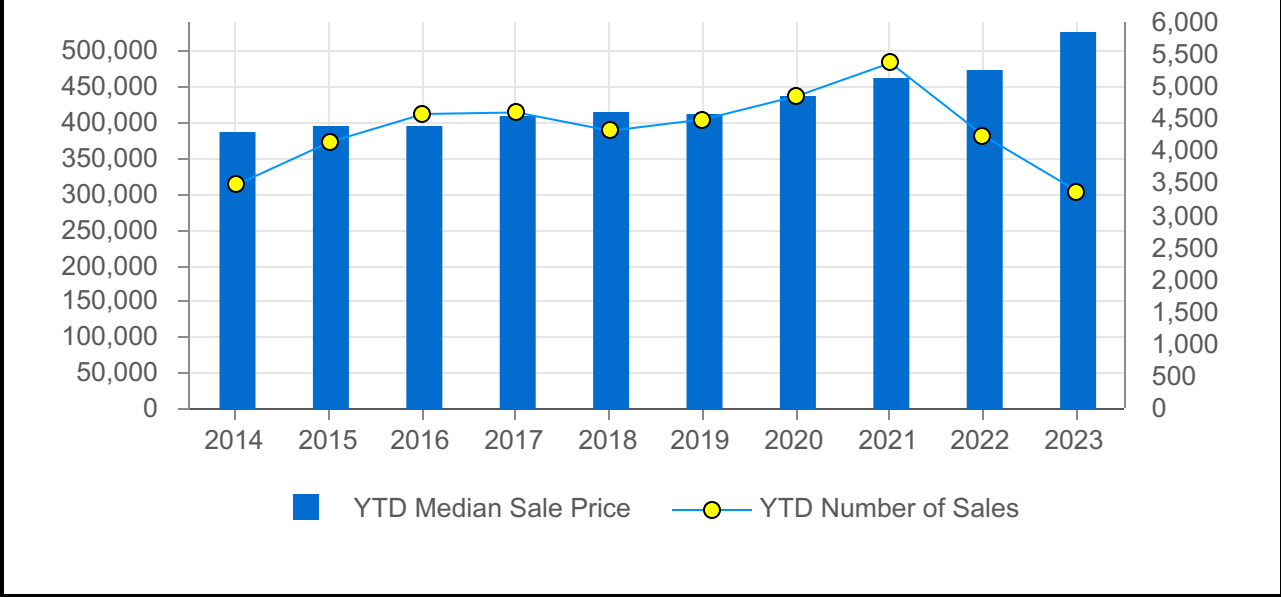
Howard County's ideal geographic location is a major factor in the substantial economic growth across a wide variety of industry sectors. According to the Maryland Department of Labor Licensing and Regulation, over 11,484 businesses in Howard County employ 168,228 workers in industries such as information technology, telecommunications, biotechnology, research and development, wholesale distribution, manufacturing, agriculture and in multinational corporations. The service sector is the largest industry in the County, employing 89.0% of the workforce. In the service industry, government contracts support cybersecurity and information technology programs and will continue to do so with the growth projected at Fort George G. Meade, which is less than two miles outside the County border.

Office space and industrial vacancies remain below 12.0%, and commercial real estate vacancy rates continue to decline. The average for flex and retail vacancy rates remains below 3.2% as reported by CoStar. The year-to-date average vacancy rate for 2024 is 6.9%. FY 2024 property tax revenues increased 4.5% above the previous fiscal year. In its FY 2025 budget, Howard County projects a modest increase in property tax revenues. One-third of property in the County is assessed each year, with increases in assessed values phased in over three years. This triennial assessment of property, the phasing-in of assessment increases, and the County's 5% Homestead Property Tax Credit rate help to stabilize the tax base and tax revenues.

Local income tax is the County's other main revenue source. Income tax collection decreased by (7.9)% when compared to the actual for FY 2023, due to increased capital gains and pandemic related stimulus in the previous year. The FY 2025 projection for income tax collections represents a 2.2% increase from what was budgeted in FY 2024.

Recordation tax, a leading indicator of the health of the local real estate market, continues to fluctuate. FY 2024 revenue from recordation tax decreased (16.4)% from the previous fiscal year. The FY 2025 budget projects a 14.9% increase in recordation tax collections compared to FY 2024. The demand for real estate remains strong, especially in the residential resale market where the average days on market remained at 16 days.

Howard County, Maryland
Median Home Sale Price and Number of Home Sales Trend
As of December



Source: Metropolitan Regional Information Systems Inc.

As a result of continued focus on opportunities to reduce spending and increase efficiencies, the County had a surplus at the end of FY 2024. The adopted budget projects the FY 2025 gross assessable base of Howard County will increase by 5.5% from FY 2024. Homestead Tax Credits applications increased by nearly 1,100, resulting in a net taxable assessment increase of approximately 5.8%. The Homestead Tax Credit limits taxable increases on homeowner occupied properties to 5.0% per year. Approximately 38.3% of homeowner occupied properties in Howard County received this credit in FY 2024.

MAJOR INITIATIVES

The County will continue the strong fiscal management policies which have led to AAA rating from all three major credit rating agencies. The Howard County Circuit Courthouse became the first courthouse on the East Coast to be delivered using a Public Private Partnership (P3) model. The County took occupancy in July 2021 and continues to make monthly payments to operate and maintain the Courthouse for the next 30 years to the high standards established by the County. Howard County will focus on the following priority areas in the future: Ready and Successful Students; Safe and Engaged Communities; Clean and Sustainable Environment; Thriving and Healthy Residents; Reliable and Accessible Infrastructure; Strong and Prosperous Businesses; and Innovative and Efficient Government.

LONG TERM FINANCIAL PLANNING

Rainy Day Fund

County voters approved an amendment to the County Charter to establish a budget stabilization account, also known as a Rainy Day Fund, to provide a financial safety net for the County effective December 3, 1992. The amendment requires all surplus funds in the County be placed in this fund until it reaches 7.0% of the prior year's audited expenditures. The funds may be used if an emergency exists pursuant to the County Charter, or if the County Executive determines that actual revenues will be substantially below the revenues budgeted and reasonable expenditure reduction will not offset the anticipated loss. See Note 1Q in the Notes to Basic Financial Statements for a discussion of the status of the Rainy Day Fund. The Rainy Day Fund's balance is currently at the target level.

Capital Projects and Debt Administration

The County funds its capital programs based on the requirements of the General Plan and supporting master plans for schools, recreation and parks, human services, water and sewer, solid waste, libraries, fire stations and public facilities.

The County plans long and short-term debt issuance to finance its capital budget based on cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The County finances its capital needs on a regular basis dictated by its capital spending pattern. External financial specialists assist the County in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors. Bonds issued by the County mature over a term that does not exceed the economic life of the improvements that they finance.

The County consolidates general County improvements into Consolidated Public Improvement bonds with a term of up to 20 years and water and sewer improvements into Metropolitan District Bonds with a term of up to 30 years. Debt obligations are generally issued through a competitive sale. However, the County has the option to use a negotiated sale process when it will provide significant savings and/or if the terms of the offering are sufficiently complex that a competitive sale may not be financially prudent.

Spending Affordability Advisory Committee

The Spending Affordability Advisory Committee was established by Executive Order in 1987 to provide recommendations and projections for the upcoming budget year. Specifically, the Committee is charged to review in detail the status and projections of revenues and expenditures for the County for the next budget year and subsequent five years; to evaluate future County revenue levels and consider the impact of economic indicators, such as changes in residential personal income and assessable base growth; and to evaluate expenditure levels with consideration of County long-term obligations and the best way to pay for them.

The Committee recommends revenue projections and the amount of new County debt authorization for the upcoming fiscal year. The Committee report includes the effect its recommendations will

have on future budgets. This Committee also assesses the County's ability to repay bond debt and issues an annual report defining debt capacity of the County.

FINANCIAL POLICIES

The financial policies and management practices of Howard County were recognized by all three major rating agencies with a continued Triple-A credit rating, the highest possible rating.

Debt Management Policy

The County adopted an updated debt management policy on October 7, 2009 that establishes the processes employed to manage its debt. The policy sets the parameters for issuing debt and managing outstanding debt. It provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. By establishing a debt policy, the County has recognized the binding commitment to full and timely repayment of all debt. The policy ensures that the County maintains a sound debt position and that credit quality is protected.

Investment Policy

The County's investment policy provides for the safety and liquidity of public funds by minimizing credit and market risk while maintaining a competitive yield on the investment portfolio. Investment activities are governed by State laws. Accordingly, the County invests in: certificates of deposit (Maryland State banks only); repurchase agreements; banker's acceptances; commercial paper; U.S. Government and Federal agency obligations; Treasury and other government mutual funds; supranational issuers; and the State of Maryland investment pool. Repurchase agreements and certificates of deposit are subject to the County's collateralization policy. The investment policy was updated and adopted by the County Council on February 4, 2019. The Association of Public Treasurers of the United States and Canada presented the County with the Association's Investment Policy Certificate of Excellence Award in June 2019. The investment policies for the two Howard County retirement plans establish asset allocation targets, investment manager selection, and investment performance guidelines.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Howard County, Maryland for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the 48th consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized ACFR. This report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

Also, the County received the GFOA's Popular Annual Financial Report (PAFR) Award for the fiscal year ended June 30, 2023. In order to be eligible for the PAFR Award, a government must also submit its annual comprehensive financial report to GFOA's Certificate of Achievement for Excellence in Financial Reporting Program and receive the Certificate for the current fiscal year. Each eligible report is reviewed by judges who evaluate the report based on the following categories: reader appeal, understandability, distribution methods, creativity and other elements.

In addition, the County received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2023. This was the 30th consecutive year the County has received this award. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged as proficient in several categories, including as a policy document, a financial plan, an operations guide and a communication device.

A very special thank you to the Department of Finance for their efforts in preparing and publishing this document. Credit also must be given to the County Executive and the County Council for their unwavering support for maintaining the highest standards of professionalism in the management of Howard County's finances.

Respectfully submitted,



Rafiu O. Ighile, CPA, CGMA, MBA
Director of Finance





OFFICE OF THE COUNTY AUDITOR

Lisa Geerman, CPA
Acting County Auditor

November 25, 2024

CERTIFICATE OF THE COUNTY AUDITOR

Honorable Members of the County Council

Deb Jung, Chairperson
Liz Walsh, Vice Chairperson
Opel Jones
Christiana Rigby
David Yungmann

The Honorable Calvin Ball
County Executive

Article II, Section 212, of the Howard County Charter, requires that a complete audit of all offices, departments, institutions, boards, commissions, corporations, courts, and other agencies of the County Government be prepared for the preceding fiscal year, and submitted to the County Council and to the County Executive, no later than November 30th of each year.

The independent certified public accounting firm of CliftonLarsonAllen LLP has been retained by the County Council to assist the County Auditor in the discharge of this responsibility. I hereby certify that the auditing requirements of Article II, Section 212, of the Howard County Charter have been satisfied for the fiscal year ended June 30, 2024. Also, in accordance with the Charter Amendment approved by the voters of Howard County, I will make copies of this report available to the public at the County Auditor's Office and at the Howard County public libraries.

Respectfully submitted,

Lisa Geerman, CPA
Acting County Auditor



Little Patuxent Square, Downtown Columbia

Located in Downtown Columbia's Lakefront neighborhood, Little Patuxent Square boasts a LEED Gold-certified mixed-use building, combining luxury residential units with Class A office space and modern retail space. A focal point of Downtown Columbia's skyline, Little Patuxent Square offers walkable urban living and tremendous views of Lake Kittamaqundi.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Howard County
Maryland**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION







INDEPENDENT AUDITORS' REPORT

Honorable Members of the County Council
Howard County, Maryland

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Fire and Rescue Reserve Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Howard County Public Schools and Howard County Public Library, which represent 72%, 51%, and 86%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregately discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Howard County Public Schools and Howard County Public Library, is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

Honorable Members of the County Council
Howard County, Maryland

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-22, and the required supplementary information on pages 115-126 as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information


Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Members of the County Council
Howard County, Maryland

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
November 25, 2024

Management's Discussion and Analysis

As management of Howard County, Maryland (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our Letter of Transmittal and the County's basic financial statements. The discussion focuses on the County's primary government, and unless otherwise noted, does not include component units reported separately from the primary government.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1.53 billion. The unrestricted net position, which represents the amounts available to meet the County's ongoing obligations to citizens and creditors, was a deficit of \$267.9 million. The deficit occurs mainly because the County issues debt to fund construction costs for the Howard County Public School System and the Howard Community College, two of its component units, but does not own the corresponding assets. Debt outstanding for these entities amounted to \$521.9 million. The current net book value of the Public School System's buildings and improvements and construction in progress is \$1.35 billion. The County is committed to providing postemployment benefits to its employees. As a result, the County has recognized substantial liabilities in the financial statements for these benefits. As of June 30, 2024, the County had liabilities of \$463.0 million for postemployment benefits which caused the deficit balance in the unrestricted net pension.
- As of June 30, 2024 the County's total government-wide net position increased by \$122.6 million. This increase is primarily due to total revenues of \$2.0 billion, comprised of program revenues, property, local income, and other taxes in excess of \$1.9 billion in total expenses.
- At the close of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$785.7 million, an increase of \$59.9 million over the prior year's ending balances. Specifically, the fund balance of the General Fund decreased by \$19.1 million primarily due to an increase in revenue of \$3.2 million. This was primarily driven by a (6.3)% decrease in the distribution of local income tax of \$(44.3) million and an increase of \$22.0 million in property tax. The fund balance of the General Capital Projects Fund decreased by \$58 million due to timing differences in the receipt of bond and grant proceeds. The fund balance of the Fire and Rescue Reserve Fund increased by \$26.2 million, primary due to property taxes. The fund balance of the Other Governmental Funds decreased by \$(5.2) million due to a decrease in property tax revenues and increased expenses related to debt services.
- At the end of the current fiscal year, approximately \$449.0 million, or 57.1% of the total governmental fund balance, is available to meet the County's current and future needs as mandated by the appropriate level of authority within the County and is properly designated as committed, assigned and unassigned. The available fund balance for the General Fund is \$466.6 million, or 34.5% of total General Fund expenditures.
- The County's total long-term debt increased by \$19.5 million, or (0.9)% during the current fiscal year. The major factors in this increase were the issuance of \$98.9 million Consolidated Public Improvement (CPI) Project Bonds and \$24.3 million in Metropolitan (Metro) District Project Bonds. The County retired \$91.5 million, \$14.0 million, \$0.9 million and \$3.8 million of CPI, Metro, Water Quality Bonds, and Long-term Financed Purchase payments, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements that include: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to 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. In addition, they report the County's net position and how they have changed during the fiscal year.

The *Statement of Net Position* is the Countywide statement presenting information that includes all County assets and deferred outflows of resources and County liabilities and deferred inflows 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. Evaluations of the overall health of the County would extend to other non-financial factors such as diversification of the taxpayer base or the condition of County infrastructure in addition to the financial information provided in this report.

The *Statement of Activities* presents information showing how the government's net position changed during the current fiscal year. All current-year revenues and expenses are included regardless of when cash is received or disbursed. An important purpose of the Statement of Activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

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 (roads, trash collection and disposal, planning and zoning, inspections and permits), legislative and judicial, education, community services (health, housing, aging, and consumer protection), recreation and parks, and capital improvements. The business-type activities of the County include the operations of water and sewer services, watershed restoration and protection services, broadband services, and a public golf course. Fiduciary activities, such as employee pension plans, are not included in the government-wide statements since these assets are not available to fund County programs.

The government-wide financial statements include not only the County, the primary government, but also a legally separate school system, community college, library system, and housing commission for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are located on pages 25-27 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. State and local governments use 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. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregate presentation. Individual fund data for non-major funds is provided in the form of combining statements in the latter section of this report.

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

Since the government-wide focus includes the long-term view while the fund focus includes the short-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

The County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the general, general capital projects, and fire rescue and reserve, all of which are major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements are provided for the general and fire rescue and reserve to demonstrate compliance with this budget. Budgetary statements for non-major special revenue and debt service funds are provided in the combining section of this report.

The basic governmental fund financial statements are located on pages 28-33 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the County charges customers a fee. The County maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer infrastructure and operations, its watershed restoration and protection services, its broadband services, and for the operations of its public golf course. Internal service funds are an accounting structure used to accumulate and allocate costs internally among the County's various functions.

The County uses internal service funds to account for its fleet of vehicles, technology and communication systems, risk management self-insurance program, and employee benefits self-insurance. Because the internal service funds' services predominantly benefit governmental rather than business-type functions, these have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide both long- and short-term financial information consistent with the focus provided by the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, which is a major fund of the County, and combined fund information for the watershed restoration and protection services, broadband services, and golf course operations, which are all non-major funds of the County. Conversely, all internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary funds financial statements are located on pages 34-38 of this report.

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

The basic fiduciary funds financial statements are located on pages 39-40 of this report.

The component unit financial statements are located on pages 41-42 of this report.

Notes to Basic Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Basic Financial Statements are located immediately after the Basic Financial Statements on pages 46-111.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning management's discussion and analysis and the County's progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees. Required supplementary information is located on pages 115-126 of this report.

The combining statements referred to earlier in connection with the general fund, non-major governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on pensions and are considered to be supplementary information. Combining and individual fund statements and schedules begin on page 131 of this report.

The Statistical Section begins on page 185.

Government-Wide Financial Analysis

Over time, changes in net position serve as a useful indicator of a government’s financial position. The County’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1.5 billion at the close of the most recent fiscal year.

Statement of Net Position

The following presents a summary of the Statements of Net Position for the County as of June 30, 2024 and 2023:

Summary of Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 1,388,272,567	\$ 1,294,228,559	\$ 261,545,286	\$ 246,118,438	\$ 1,649,817,853	\$ 1,540,346,997
Capital assets	1,904,839,339	1,882,319,592	903,034,867	891,123,311	2,807,874,206	2,773,442,903
Total assets	<u>3,293,111,906</u>	<u>3,176,548,151</u>	<u>1,164,580,153</u>	<u>1,137,241,749</u>	<u>4,457,692,059</u>	<u>4,313,789,900</u>
Deferred outflows of resources	279,680,005	280,872,944	14,570,365	15,370,384	294,250,370	296,243,328
Total assets and deferred outflows	<u>3,572,791,911</u>	<u>3,457,421,095</u>	<u>1,179,150,518</u>	<u>1,152,612,133</u>	<u>4,751,942,429</u>	<u>4,610,033,228</u>
Liabilities						
Long-term liabilities outstanding	2,184,634,984	2,140,546,631	489,096,840	471,742,675	2,673,731,824	2,612,289,306
Other liabilities	179,576,062	179,849,407	28,506,958	21,959,673	208,083,020	201,809,080
Total liabilities	<u>2,364,211,046</u>	<u>2,320,396,038</u>	<u>517,603,798</u>	<u>493,702,348</u>	<u>2,881,814,844</u>	<u>2,814,098,386</u>
Deferred inflows of resources	316,521,540	361,919,190	22,827,602	25,875,322	339,349,142	387,794,512
Total liabilities and deferred inflows	<u>2,680,732,586</u>	<u>2,682,315,228</u>	<u>540,431,400</u>	<u>519,577,670</u>	<u>3,221,163,986</u>	<u>3,201,892,898</u>
Net position						
Invested in capital assets	987,378,537	956,484,636	464,237,682	477,456,646	1,451,616,219	1,433,941,282
Restricted	336,408,021	311,100,549	10,607,748	12,443,251	347,015,769	323,543,800
Unrestricted (deficits)	<u>(431,727,233)</u>	<u>(492,479,318)</u>	<u>163,873,688</u>	<u>143,134,566</u>	<u>(267,853,545)</u>	<u>(349,344,752)</u>
Total net position	<u>\$ 892,059,325</u>	<u>\$ 775,105,867</u>	<u>\$ 638,719,118</u>	<u>\$ 633,034,463</u>	<u>\$ 1,530,778,443</u>	<u>\$ 1,408,140,330</u>

The County’s current and other assets increased by \$109.5 million or 7.1% from FY 2023. Its assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources at the close of FY 2024 by \$1.5 billion. The largest portion of the County’s net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and right-to-use assets) less any related debt used to acquire or construct those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

It is important to note that although counties in the State of Maryland issue debt for the construction of schools, the school buildings are owned by each county's Board of Education. Ownership reverts to the county if the local board determines a building is no longer needed. The County also funds projects for the Howard County Community College and for intersection improvements to state-owned roads. Therefore, while the County's financial statements include this outstanding debt, they do not include the capital assets funded by the debt. Debt outstanding for these entities amount to \$521.9 million as of June 30, 2024. The negative unrestricted governmental activities' net position of \$431.7 million reflects the imbalance of liabilities without corresponding assets as well as the governmental activities' portion of the County's Net OPEB liability of \$235.1 million and net pension liability of \$207.6 million.

An additional portion of the County's net position \$347.0 million or 22.7% represents resources subject to external restrictions on their usage.

The County's total net position increased by \$122.6 million for FY 2024.

Statement of Activities

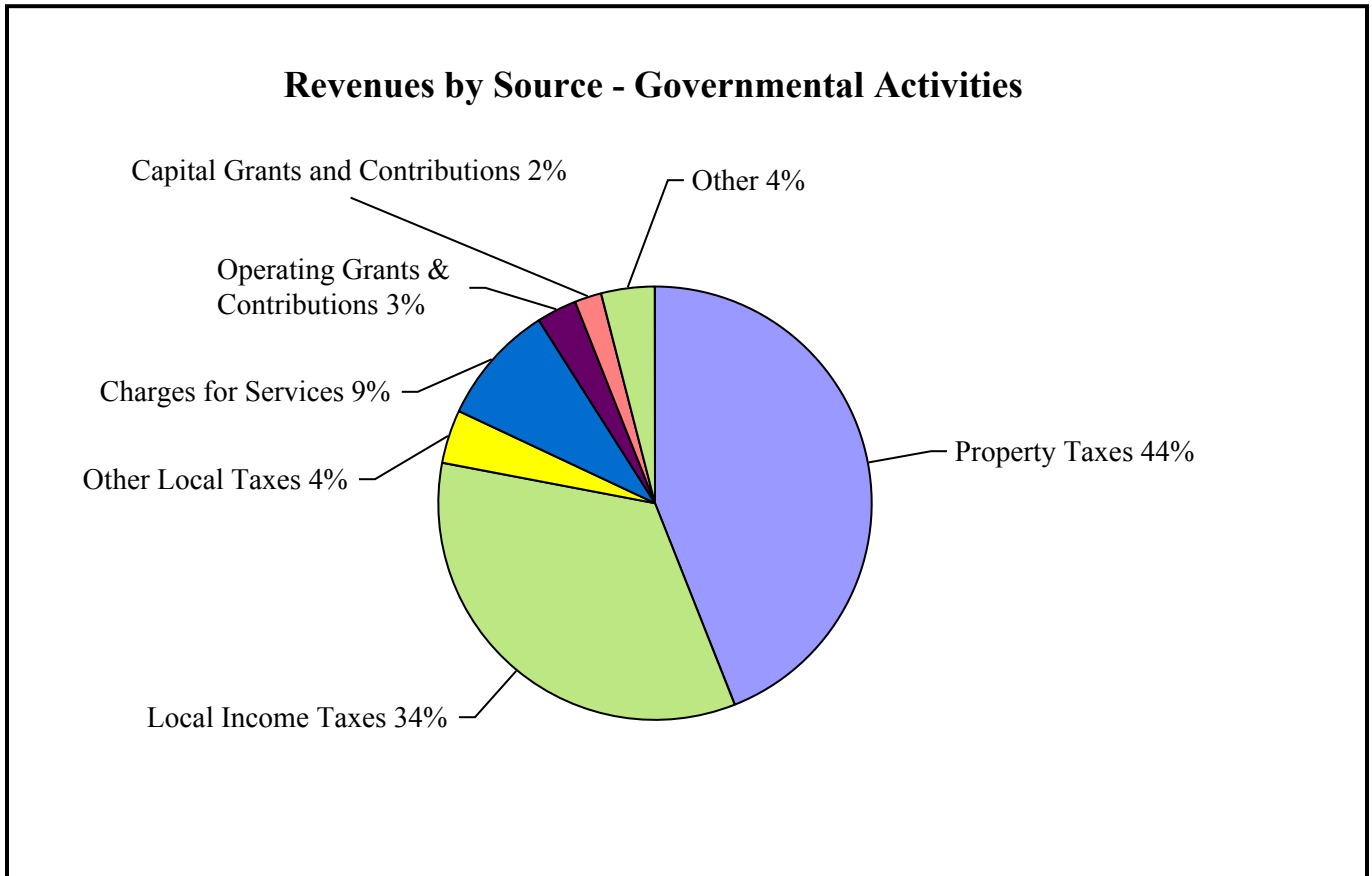
The following table summarizes the County’s change in net position for the years ended June 30, 2024 and 2023:

Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 173,590,802	\$ 177,126,525	\$ 88,264,237	\$ 79,105,731	\$ 261,855,039	\$ 256,232,256
Operating grants and contributions	54,134,653	60,020,345	43,645,135	41,615,800	97,779,788	101,636,145
Capital grants and contributions	44,250,142	20,156,985	3,912,217	5,440,529	48,162,359	25,597,514
General revenues						
Property taxes	819,075,896	783,897,719	—	—	819,075,896	783,897,719
Local income taxes	634,609,612	689,157,003	—	—	634,609,612	689,157,003
Other taxes	73,677,547	77,676,586	—	—	73,677,547	77,676,586
Other	62,034,665	36,642,812	11,763,232	6,377,315	73,797,897	43,020,127
Total revenues	1,861,373,317	1,844,677,975	147,584,821	132,539,375	2,008,958,138	1,977,217,350
Expenses						
General government	81,996,319	68,823,209	—	—	81,996,319	68,823,209
Public safety	309,509,699	281,581,262	—	—	309,509,699	281,581,262
Public works	250,006,072	233,682,852	—	—	250,006,072	233,682,852
Recreation and parks	67,477,901	60,108,042	—	—	67,477,901	60,108,042
Legislative and judicial	41,136,811	39,744,597	—	—	41,136,811	39,744,597
Community services	65,918,126	71,605,180	—	—	65,918,126	71,605,180
State highways	1,240,596	2,906,665	—	—	1,240,596	2,906,665
Education	864,163,515	798,526,488	—	—	864,163,515	798,526,488
Interest on long-term debt	55,410,605	56,003,343	—	—	55,410,605	56,003,343
Water & Sewer	—	—	136,861,719	135,186,205	136,861,719	135,186,205
Other	—	—	12,598,662	10,565,677	12,598,662	10,565,677
Total expenses	1,736,859,644	1,612,981,638	149,460,381	145,751,882	1,886,320,025	1,758,733,520
Increase (decrease) in net position before transfers	124,513,673	231,696,337	(1,875,560)	(13,212,507)	122,638,113	218,483,830
Transfers	(7,560,215)	(14,076,489)	7,560,215	14,076,489	—	—
Change in net position	116,953,458	217,619,848	5,684,655	863,982	122,638,113	218,483,830
Net position - beginning	775,105,867	557,486,019	633,034,463	632,170,481	1,408,140,330	1,189,656,500
Net position - ending	\$ 892,059,325	\$ 775,105,867	\$ 638,719,118	\$ 633,034,463	\$1,530,778,443	\$1,408,140,330

Governmental Activities

During the current fiscal year, net position for governmental activities increased \$117.0 million from the prior fiscal year for an ending balance of \$892.1 million.

General revenue sources continue to be among the County's major sources of revenue. Governmental activities revenues totaled \$1.9 billion for FY 2024 and were comprised of the following:



Taxes constitute the largest source of County revenues, amounting to \$1.5 billion for the current fiscal year.

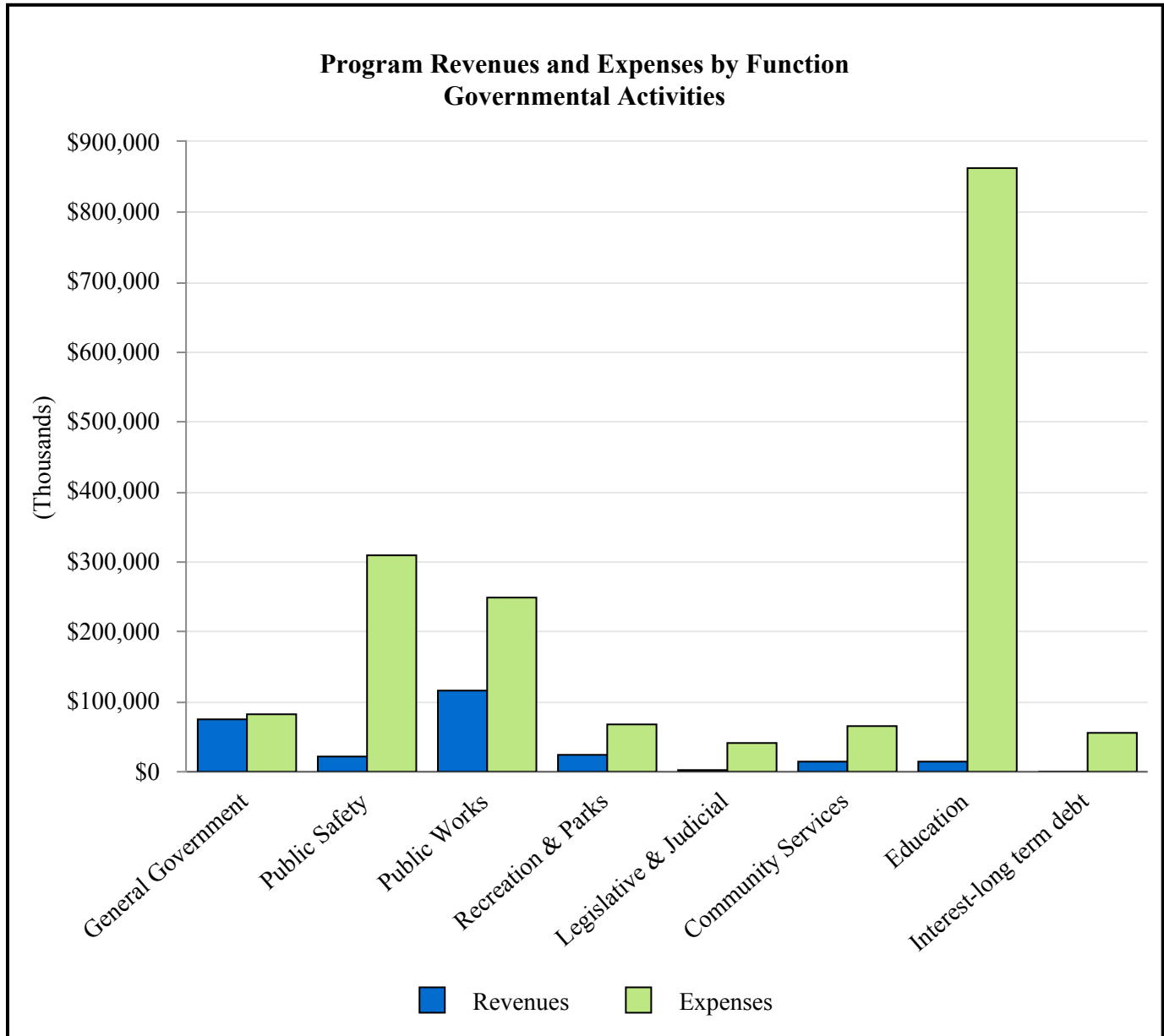
- Property and income taxes combined comprised 78.0% of all County revenues. Each County in Maryland sets its income tax rate within parameters established by the State. The local income tax rate was 3.2% of the State taxable income for calendar years 2024 and 2023. There is no local sales tax in the State of Maryland. Property taxes remains among the largest source of revenues at \$819.1 million for the current fiscal year. The real property tax rate, which is set each year by the County Council, is applied to the assessed value of the property. Real property tax is levied annually on all taxable land and improvements, the current County tax rate is \$1.014/per \$100 assessment.
- Recordation tax revenues decreased by \$3.5 million. The tax is applied to instruments that transfer an interest in real property (deed, lease, easement, contract, etc.) and is imposed on all documents recorded in the Howard County Land Records pursuant to the Howard County Code Section 11.101. State Transfer taxes (Maryland and Howard County). The decrease is due to higher mortgage interest rates that are disincentivizing property transfers and refinancings.

- Operating grants and contributions primarily represent grants from the Federal and State governments and State aid programs. The majority of such revenues are received to fund the following County programs: public safety (\$4.7 million or 8.7%), public works (\$15.4 million or 28.5%), and community services (\$11.5 million or 21.3%).

The governmental activities' expenses increased from \$1.6 billion in the prior year to \$1.7 billion the current year. The most significant increases (decreases) are related to the following functional areas:

- Education
 - Additional funding of approximately \$65.6 million was provided to the Howard County Public School System, Howard Community College and the Howard County Library System in FY2024 over FY2023.
- Public Safety
 - \$14.9 million for cost-of-living and step increases
 - \$10.7 million increase in net liability for Police & Fire Pension plan
 - 26 new Firefighter positions for \$2.4 million were approved in FY2024 to reduce overtime and staff fatigue.
- Public Works
 - \$4.2 million for cost-of-living and step increases
 - \$2.6 million increase in net liability for General Employee Pension plan
 - \$2.3 million increase in the cost of recycling and waste collection and exporting services
 - \$0.8 million increase for road resurfacing and stormwater maintenance
 - \$0.4 million increase for energy management improvements
 - \$0.3 million increase in cost to maintain courthouse
 - \$0.2 million increase for State road construction
- General Government
 - Net increase of \$6.1 million in net liability for pension and OPEB mostly due to interest calculation on the time value of money
 - \$4.0 million for cost-of-living and step increases

Governmental activities program revenues and expenses by function are depicted below:

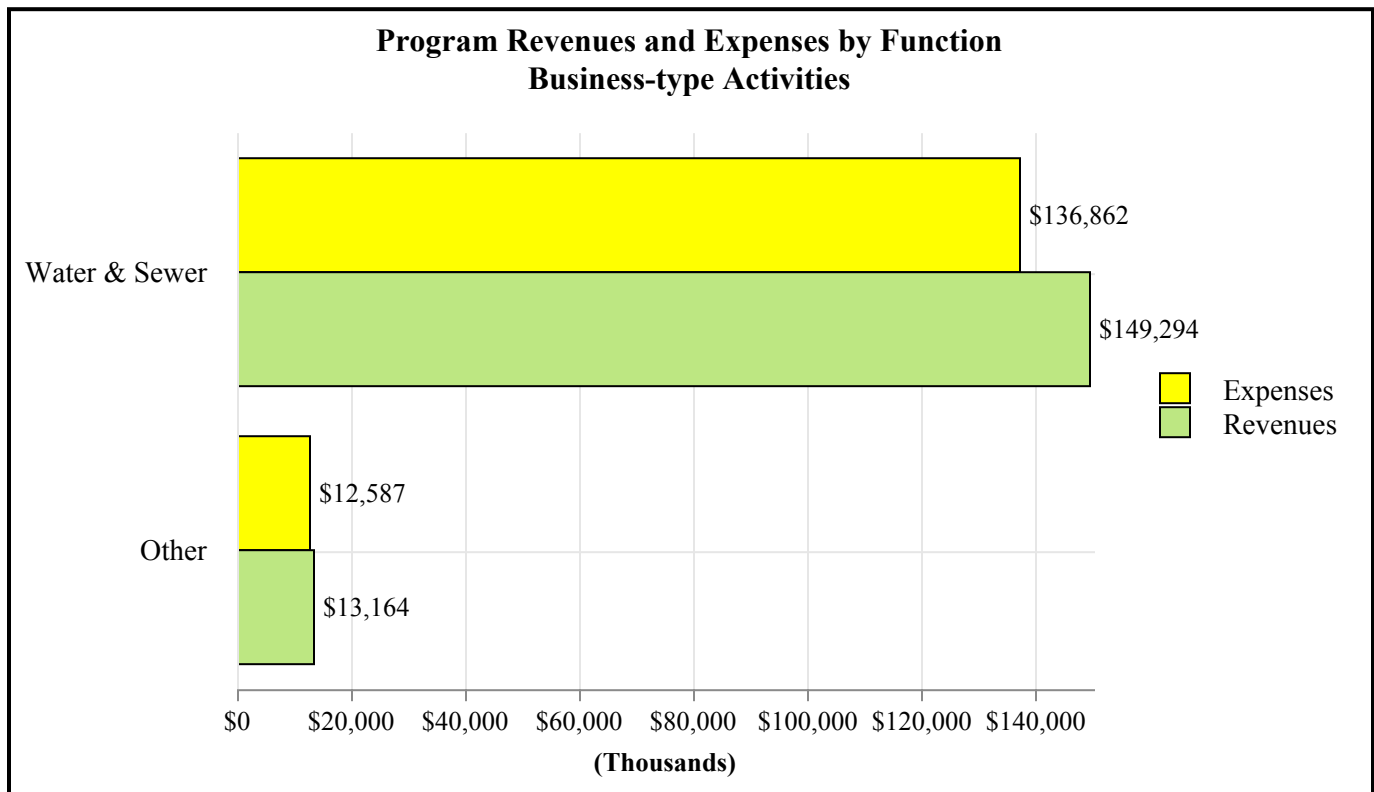


Business-type Activities

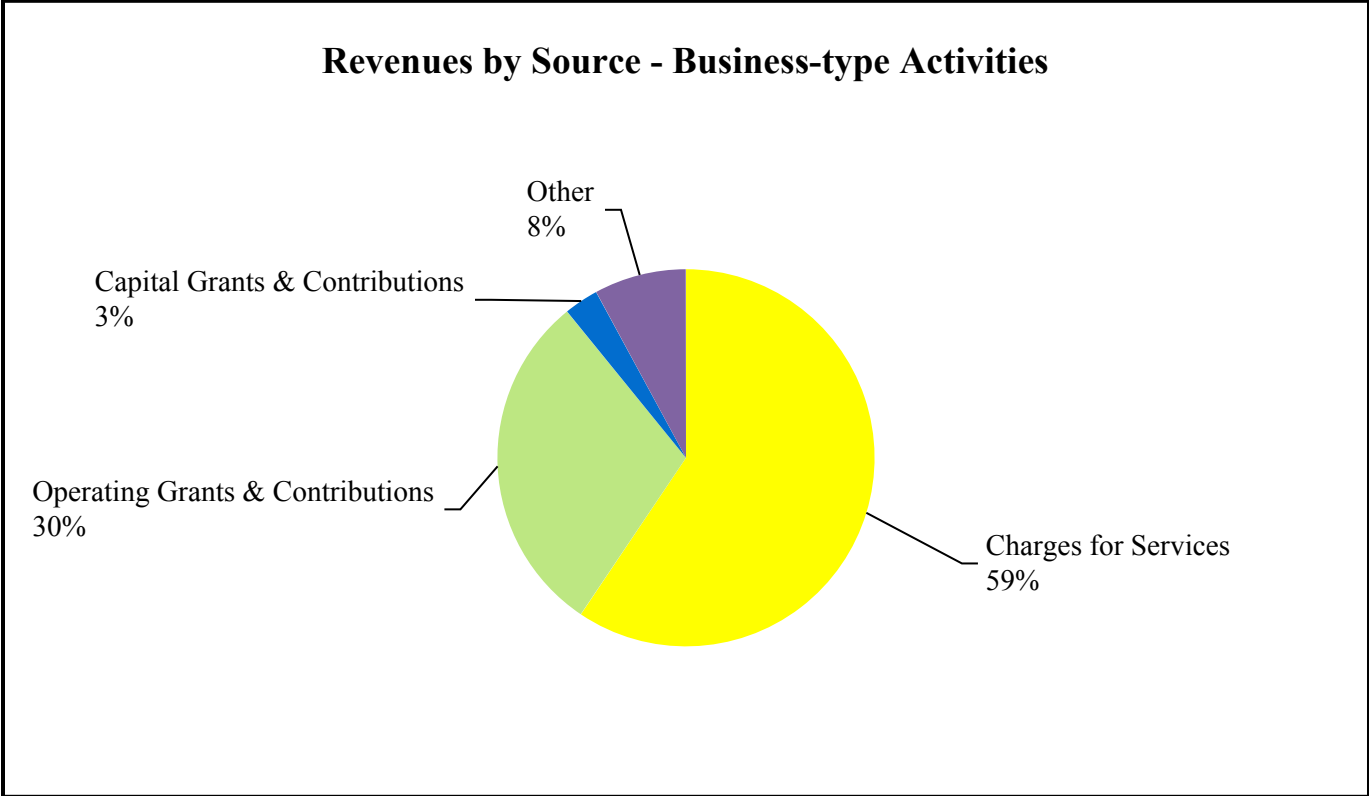
Business-type activities increased the County's net position by \$5.7 million. The components of this increase are as follows:

- Charges for services increased by \$9.2 million due to an increase in water and sewer consumption.
- Operating grants and contributions, which totaled \$43.6 million, represent an annual ad valorem fee levied on all properties within the water and sewer service district. This charge is used primarily to fund debt service payments and pay-as-you-go funding on capital projects.
- \$3.9 million was received in capital contributions. This revenue includes the value of water and sewer lines constructed by developers and donated at no cost to the County. Capital contributions also include front foot revenues assessed to properties connected to the water and sewer system. These front foot revenues fund the debt issued to pay developer rebates. Effective July 1, 2004, the County has not entered into any new rebate contracts. Developers pay for those improvements and are still required to donate the assets to the County. Overall, capital grants and contributions decreased by \$1.5 million from FY 2023.

Business-type activities are shown comparing costs to revenues generated by related services. Both Water and Sewer and other activities consisting of Golf Course, Broadband Services, and Watershed Protection and Restoration, are self-supporting.



Business-type activities revenues were comprised of the following:



Financial Analysis of the County's Funds

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

Governmental Funds

The focus of Howard County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Additionally, 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 County's Council.

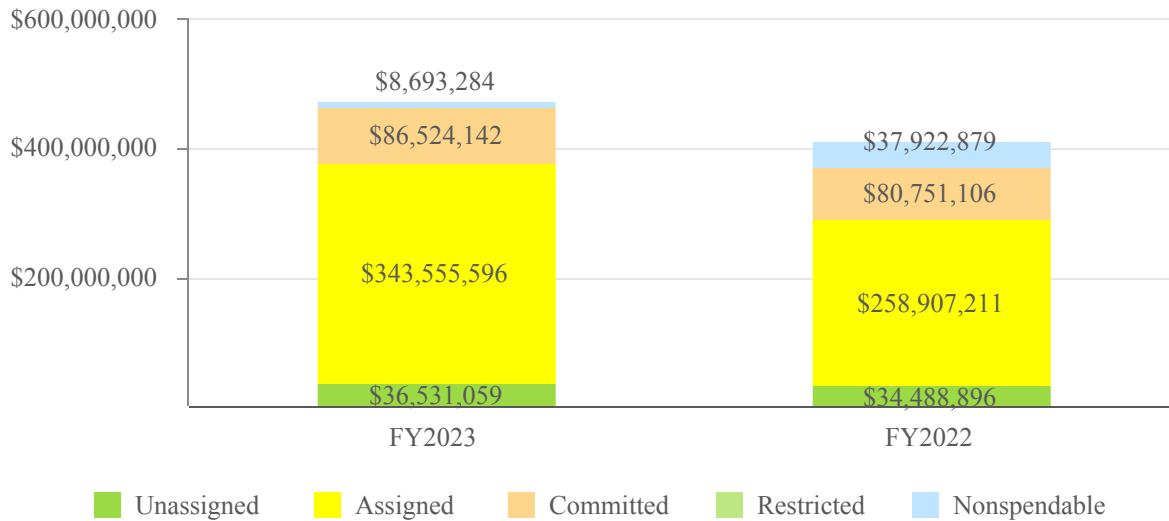
As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$785.7 million, an increase of \$59.9 million in comparison with the prior year. Of this fund balance, \$9.7 million is nonspendable, \$327.0 million is restricted by enabling legislation, \$199.2 million is committed by the County at the highest level of authority, \$358.6 million is assigned by management, and \$108.8 million is a deficit unassigned fund balance.

Major Funds

General Fund

The general fund is the primary operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$36.5 million, while the total fund balance decreased to \$475.3 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 2.7% of total general fund expenditures, while total fund balance represents 34.5% of that same amount.

General Fund Components of Fund Balance



At the end of the current fiscal year, the total general fund balance decreased by \$19.1 million or 3.9% less than the prior year primarily due to a decrease in revenue from property and local taxes.

General Capital Projects

The general capital projects fund, a major fund, is used to track the construction of general county buildings, as well as schools, libraries, and other buildings for the community college. The general capital projects fund balance had a deficit position of \$(49.4) million, partly due to the capital project expenditures occurring prior to revenue being recognized. The fund reports a deficit of unassigned balance of \$107.3 million due to amounts restricted, \$58.0 million for school, tax increment and permanent public improvement projects for the current year.

Fire Rescue and Reserve Fund

The fire rescue and reserve fund, a major fund, is used to account for fire suppression, prevention, and related functions, and emergency medical services within the fire district. The total restricted balance at year-end is \$145.9 million.

Proprietary Funds

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

All assets in the Water and Sewer Proprietary Fund, except those available to fund current liabilities, are considered restricted as a change in the County charter is required to allow these assets to be used for other purposes. The unrestricted net position of the water and sewer operations at fiscal year-end was \$129.8 million and operating income was \$74.0 million. Net position of the Water and Sewer Proprietary Fund decreased by \$4.5 million due to an increase in the cost of purchased water and sewage treatment charges.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. Revisions to the General Fund expenditure original budget (excluding transfers) included County Council approved supplemental and special appropriations and the year-end County Council transfer and County Executive supplemental appropriations.

Final budget compared to actual results. County revenues (excluding use of fund balance) exceeded the budget by \$58.4 million, primarily due to unexpected, sustained high interest income rate, while actual expenditures were less than final budget by \$24.7 million, primarily due to not spending the of the contingency budget.

The most significant differences between estimated revenues and actual revenues were as follows:

General Fund Revenues			
Revenue Source	Estimate Revenues	Actual Revenues	Variance
Property taxes	\$ 646,279,200	\$ 650,563,919	\$ 4,284,719
Other local taxes	\$ 647,050,708	\$ 653,039,473	\$ 5,988,765
Interest on investments	\$ 4,000,000	\$ 43,238,178	\$ 39,238,178

This was primarily due to interest income which outperformed budget as a result of high interest rates. There were small but notable gains as well due to property taxes and other local taxes, including local income tax, admissions tax, local recordation tax, and room rental tax, slightly exceeding estimates.

The County experienced a favorable variance in expenditures primarily due to not spending \$11.7 million of funding from the Community Renewal Fund that was restricted for housing programs. In addition, General Government agencies underspent \$2.0 million and Community Services, Public Works and Legislative and Judicial agencies showed a favorable variance of budget versus actual expenditures of \$0.3 million and \$3.4 million, respectively.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2024 is \$2.8 billion (net of accumulated depreciation/amortization). This investment in capital assets includes land, easements, buildings, improvements, machinery and equipment, park facilities, sidewalks, roads, highways, bridges, water and sewer lines, stormwater management systems, and right-to-use buildings and equipment. The total increase in the County's investment in capital assets for the current fiscal year was 1.2% increase for governmental activities, and a 1.3% increase for business-type activities.

Capital Assets (net of depreciation and amortization)						
	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Land and land improvements	\$ 676,367,387	\$ 667,159,858	\$ 12,593,116	\$ 12,593,116	\$ 688,960,503	\$ 679,752,974
Construction in progress	105,607,039	113,913,309	71,274,950	57,605,411	176,881,989	171,518,720
Buildings and improvements	600,754,850	599,058,331	154,065,596	161,714,755	754,820,446	760,773,086
Machinery and equipment	87,700,278	81,757,467	6,276,191	7,439,433	93,976,469	89,196,900
Infrastructure	319,197,342	322,537,659	656,783,484	649,537,673	975,980,826	972,075,332
Intangible right-to use equipment	115,212,443	97,892,968	2,041,530	2,232,923	117,253,973	100,125,891
Total capital assets	<u>\$ 1,904,839,339</u>	<u>\$1,882,319,592</u>	<u>\$ 903,034,867</u>	<u>\$ 891,123,311</u>	<u>\$2,807,874,206</u>	<u>\$2,773,442,903</u>

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

- \$17.5 million East Columbia 50+ Center
- \$12.8 million Stormwater Drainage Efforts Countywide
- \$5.6 million H-7 Flood Mitigation Facility
- \$5.4 million Compost Processing Facility at Alpha Ridge Landfill
- \$4 million Mt. Ida Property
- \$3.4 million Old Columbia Pike Water Main Rehabilitation

Additional information on the County's capital assets are located in Note 6 on pages 69-71 of this report.

Long-term Debt

At the end of the current fiscal year, the County had total long-term debt outstanding of \$2.1 billion. Of this amount, \$1.8 billion comprises debt backed by the full faith and credit of the government. The remainder of the County’s debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

Outstanding Debt						
	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 1,284,311,885	\$ 1,281,710,588	\$ 460,961,741	\$ 443,756,198	\$1,745,273,626	\$ 1,725,466,786
State water quality and MDE loan	—	—	2,342,429	3,393,678	2,342,429	3,393,678
Tax increment financing bonds	62,980,000	64,175,000	—	—	62,980,000	64,175,000
Agricultural land preservation program	45,217,437	56,433,559	—	—	45,217,437	56,433,559
Availability payment arrangement	97,435,336	99,085,058	—	—	97,435,336	99,085,058
Lease liability	92,529,745	92,169,215	2,156,842	2,316,071	94,686,587	94,485,286
Subscription liability	26,637,235	8,309,914	—	—	26,637,235	8,309,914
Other	12,721,511	16,111,399	2,160,425	2,455,540	14,881,936	18,566,939
Total outstanding debt	<u>\$ 1,621,833,149</u>	<u>\$ 1,617,994,733</u>	<u>\$ 467,621,437</u>	<u>\$ 451,921,487</u>	<u>\$2,089,454,586</u>	<u>\$ 2,069,916,220</u>

The County’s total long-term debt increased by \$19.5 million or (0.9)% during the current fiscal year. The major factors in this increase were the issuance of \$98.6 million in Consolidated Public Improvement (CPI) Project Bonds, and \$24.3 million in Metropolitan (Metro) District Project Bonds. The County retired \$91.5 million, \$14.0 million and \$0.9 million of CPI, Metro, and Water Quality Bonds, respectively. The County maintains an Triple-A rating from both Standard & Poor’s and Fitch Ratings, and an “Aaa” rating from Moody’s Investors Service for general obligation debt.

Local statutes limit the amount of general obligation debt a governmental entity may issue to 4.8% of its total assessed valuation. The current debt limitation for the County is \$3.1 billion, which is significantly more than the County’s outstanding general obligation debt at fiscal year-end.

Additional information on the County’s long-term debt is located in Note 7 starting on page 72 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 current fiscal year budget.

- The unemployment rate for the County was 2.7%. This compares favorably to the state’s unemployment rate of 3.2% and the national rate of 4.3% for the same period.
- The occupancy rate for commercial space as of June 2024 was 93.1% compared to June 2023 of 95.1%. Howard County had an increase of 821,810 total rentable building area (RBA) during this fiscal year.
- Inflationary trends in the region compare favorably to national indices.

In addition, the following factors were considered in preparing the County's budget for the 2025 fiscal year.

- The FY 2025 general fund budget is \$171.1 million or 11.5% more than the FY 2024 budget. This increase is primarily driven by a sizable use of pay-as-you-go for one-time initiatives and a 3-cent property tax shift from the Fire Fund. Excluding use of one-time prior year surplus for pay-as-you-go and the property tax shift, the General Fund budget increases by 4.0% from the prior fiscal year.
- The County's property tax and fire tax rates were changed for FY 2025, in that 3-cents shifted from fire tax to property tax; this shift is cost neutral to property taxpayers. Tax rates for income tax, and transfer and recordation tax rates remained the same for FY 2025. The rates for Water and Sewer charges and refuse collection were increased by approximately 10% and 7%, respectively to cover costs; watershed fees were also adjusted up to keep up with escalating service costs and infrastructure needs. There were no changes to the Building Excise Tax (used to fund road expansion) or the water and sewer ad valorem.
- The County will continue to leverage Federal and State pandemic relief funding, including the American Rescue Plan State and Local Fiscal Recovery Funds. Howard County has allocated 100% of funding received of \$63.3 million as of June 30, 2024. The County is committed to using these funds effectively to ensure a sustainable recovery from the pandemic.

At the end of the current fiscal year, the unassigned fund balance in the general fund was \$36.5 million. The County has appropriated \$196.1 million use of cash pay-as-you-go for high-priority one-time spending items in the 2025 fiscal year budget. The County limits its use of pay-as-you-go to non-recurring costs only, including pay-as-you-go spending on capital projects as a cost-effective alternative to bond financing of the infrastructure projects.

Requests for Information

This financial report is designed to provide a general overview of Howard 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 financial information can be addressed to the:

Department of Finance
3430 Court House Drive
Ellicott City, Maryland 21043
(410) 313-2195
righile@howardcountymd.gov

Complete financial reports are also available on our website: www.howardcountymd.gov.

BASIC FINANCIAL STATEMENTS





Howard County, Maryland
Statement of Net Position
June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Equity in pooled cash and investments	\$ 888,982,452	\$ 41,413,386	\$ 930,395,838	\$ 192,345,396
Cash and securities with fiscal agents	6,225,770	—	6,225,770	—
Investments	—	—	—	167,184,900
Receivables (net of allowance for uncollectibles)	49,666,573	16,320,031	65,986,604	21,991,277
Lease receivables, current	1,295,246	317,543	1,612,789	11,352,084
Due from component units	53,111,160	—	53,111,160	—
Due from other governments	369,718,646	—	369,718,646	81,475,221
Internal balances	(2,351,111)	2,351,111	—	—
Materials and supplies	3,398,732	1,581,589	4,980,321	965,135
Prepays	2,792,548	—	2,792,548	4,303,189
Lease receivables, noncurrent	10,998,413	3,911,236	14,909,649	—
Other noncurrent receivables	4,434,138	120,309	4,554,447	—
Restricted assets:				
Cash and cash equivalent and equity in pooled cash	—	184,922,333	184,922,333	17,680,871
Investments	—	—	—	11,074,431
Water and sewer assessments receivable	—	10,607,748	10,607,748	—
Mortgage receivables	—	—	—	8,262,862
Capital Assets:				
Capital assets not being depreciated	781,974,426	83,868,066	865,842,492	225,971,230
Capital assets, net of accumulated depreciation/amortization	1,122,864,913	819,166,801	1,942,031,714	1,757,722,425
Other noncurrent assets	—	—	—	1,110,895
Total assets	3,293,111,906	1,164,580,153	4,457,692,059	2,501,439,916
DEFERRED OUTFLOWS OF RESOURCES				
Pension plans	181,662,930	4,739,069	186,401,999	24,194,173
Other post-employment benefits	89,408,041	7,089,675	96,497,716	397,918,093
Length of service award program	8,609,034	—	8,609,034	—
Deferred refunding amount	—	2,741,621	2,741,621	—
Derivative instruments - interest rate swap	—	—	—	457,341
Total deferred outflows of resources	<u>279,680,005</u>	<u>14,570,365</u>	<u>294,250,370</u>	<u>422,569,607</u>
Total assets and deferred outflows of resources	3,572,791,911	1,179,150,518	4,751,942,429	2,924,009,523
LIABILITIES				
Current liabilities:				
Accounts payable and other current liabilities	49,618,409	8,569,882	58,188,291	134,179,938
Accrued interest payable	18,206,595	5,811,456	24,018,051	—
Accrued wages and benefits	16,108,262	641,881	16,750,143	698,327
Deposits	16,057,202	1,362,112	17,419,314	873,932
Due to primary government	—	—	—	53,836,466
Short-term loans and notes payable	27,219,270	10,512,157	37,731,427	—
Unearned revenues	52,366,324	1,609,470	53,975,794	48,997,171
Noncurrent liabilities:				
Due within one year	134,854,078	17,059,288	151,913,366	13,198,940
Due in more than one year, net	2,049,780,906	472,037,552	2,521,818,458	1,185,133,419
Total liabilities	2,364,211,046	517,603,798	2,881,814,844	1,436,918,193

(continued)

Howard County, Maryland
Statement of Net Position
June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
DEFERRED INFLOWS OF RESOURCES				
Deferred lease revenue	11,050,961	4,105,364	15,156,325	11,815,888
Pension plans	18,445,419	627,178	19,072,597	4,624,291
Other post- employment benefits	273,071,568	18,095,060	291,166,628	656,755,194
Length of service award program	13,953,592	—	13,953,592	—
Total deferred inflows of resources	316,521,540	22,827,602	339,349,142	673,195,373
Total liabilities and deferred inflows of resources	2,680,732,586	540,431,400	3,221,163,986	2,110,113,566
NET POSITION				
Net investment in capital assets	987,378,537	464,237,682	1,451,616,219	1,691,160,157
Restricted for:				
Business-type operations	—	—	—	9,134,068
Capital projects	—	—	—	16,457,248
Catalyst loan program	2,161,784	—	2,161,784	—
Community reinvestment and repair	1,593,948	—	1,593,948	—
Deferred support	—	—	—	18,896,661
Disposable plastic reduction	774,037	—	774,037	—
Economic development initiatives	1,939,098	—	1,939,098	—
Education	—	—	—	14,167
Fire & rescue services	145,865,941	—	145,865,941	—
Forest conservation	1,525,755	—	1,525,755	—
Housing opportunity trust fund	5,000,000	—	5,000,000	—
Middle Patuxent environmental area program	102,287	—	102,287	—
MIHU Fee-in-Lieu	10,228,196	—	10,228,196	—
Open space	695,104	—	695,104	—
Opioid Abatement	12,754,681	—	12,754,681	—
Parkland watershed facilities	18,246,418	—	18,246,418	—
Permanent public improvement	1,961,632	—	1,961,632	—
Program revenue	419,460	—	419,460	—
Public road facilities	55,561,788	—	55,561,788	—
Public school facilities	55,989,115	—	55,989,115	1,424,157
Speed enforcement	1,011,932	—	1,011,932	—
Storm water construction	—	—	—	—
Tax increment financing project	19,089,292	—	19,089,292	—
Transit services	2,374	—	2,374	—
Vaping	1,485,179	—	1,485,179	—
Workforce development	—	—	—	89,843
Debt services	—	10,607,748	10,607,748	—
Unrestricted (deficits)	(431,727,233)	163,873,688	(267,853,545)	(923,280,344)
Total net position	\$ 892,059,325	\$ 638,719,118	\$ 1,530,778,443	\$ 813,895,957

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

Howard County, Maryland
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 81,996,319	\$ 52,819,164	\$ 21,620,632	\$ 1,256,644	\$ (6,299,879)	\$ —	\$ (6,299,879)	\$ —
Public safety	309,509,699	17,820,901	4,709,102	—	(286,979,696)	—	(286,979,696)	—
Public works	250,006,072	75,689,129	15,431,119	26,006,103	(132,879,721)	—	(132,879,721)	—
Recreation and parks	67,477,901	22,535,923	125,481	1,978,754	(42,837,743)	—	(42,837,743)	—
Legislative and judicial	41,136,811	843,667	727,965	—	(39,565,179)	—	(39,565,179)	—
Community services	65,918,126	3,882,018	11,520,354	—	(50,515,754)	—	(50,515,754)	—
Education	864,163,515	—	—	15,008,641	(849,154,874)	—	(849,154,874)	—
State highways	1,240,596	—	—	—	(1,240,596)	—	(1,240,596)	—
Interest on long-term debt	55,410,605	—	—	—	(55,410,605)	—	(55,410,605)	—
Total governmental activities	1,736,859,644	173,590,802	54,134,653	44,250,142	(1,464,884,047)	—	(1,464,884,047)	—
Business-type activities:								
Broadband	2,880,274	2,145,157	—	—	—	(735,117)	(735,117)	—
Special recreation facility	167,273	740,898	—	—	—	573,625	573,625	—
Water and sewer	136,861,719	75,100,019	43,645,135	3,912,217	—	(14,204,348)	(14,204,348)	—
Watershed	9,551,115	10,278,163	—	—	—	727,048	727,048	—
Total business-type activities	149,460,381	88,264,237	43,645,135	3,912,217	—	(13,638,792)	(13,638,792)	—
Total primary government	\$ 1,886,320,025	\$ 261,855,039	\$ 97,779,788	\$ 48,162,359	(1,464,884,047)	(13,638,792)	(1,478,522,839)	—
Component units:								
Community college	127,530,261	32,441,774	17,283,926	33,954,166	—	—	—	(43,850,395)
Housing commission	64,743,455	28,819,593	5,293,758	16,993,436	—	—	—	(13,636,668)
Library	29,063,524	725,430	879,291	—	—	—	—	(27,458,803)
Public school system	1,394,587,646	23,192,614	248,372,392	49,406,436	—	—	—	(1,073,616,204)
Total component units	\$ 1,615,924,886	\$ 85,179,411	\$ 271,829,367	\$ 100,354,038	—	—	—	(1,158,562,070)
General revenues and transfers:								
Property taxes					819,075,896	—	819,075,896	—
Local income taxes					634,609,612	—	634,609,612	—
Transfer tax					38,565,819	—	38,565,819	—
Recordation tax					17,929,511	—	17,929,511	—
Building excise tax					5,237,059	—	5,237,059	—
Hotel / motel tax					5,932,743	—	5,932,743	—
Admission tax					4,397,789	—	4,397,789	—
Cannabis sales tax					1,593,948	—	1,593,948	—
County development tax					20,678	—	20,678	—
Appropriations from primary government					—	—	—	788,811,087
Intergovernmental, unrestricted					4,571,213	—	4,571,213	348,050,405
Unrestricted investment income					56,178,775	11,920,749	68,099,524	17,856,105
Miscellaneous					1,284,677	(157,517)	1,127,160	52,360,275
Capital contributions					(14,873,772)	14,873,772	—	—
Transfers, net					7,313,557	(7,313,557)	—	—
Total general revenues and transfers					1,581,837,505	19,323,447	1,601,160,952	1,207,077,872
Change in net position					116,953,458	5,684,655	122,638,113	48,515,802
Net position - beginning					775,105,867	633,034,463	1,408,140,330	765,378,155
Net position - ending					\$ 892,059,325	\$ 638,719,118	\$ 1,530,778,443	\$ 813,893,957

The accompanying notes are an integral part of these financial statements

Howard County, Maryland
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	General Capital Projects Fund	Fire and Rescue Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments	\$ 461,756,537	\$ 5,479,808	\$ 148,652,774	\$ 221,655,625	\$ 837,544,744
Cash with fiscal agent	—	—	—	6,225,770	6,225,770
Receivables (net of allowances for uncollectibles)	11,963,844	123,744	4,642,971	31,089,741	47,820,300
Lease receivables	546,305	—	—	9,958	556,263
Due from component units	7,904,765	37,469,818	—	7,736,577	53,111,160
Due from other governments	336,590,646	18,703,148	—	14,424,852	369,718,646
Due from other funds	1,899,005	—	—	422,000	2,321,005
Materials and supplies	778,580	—	627,478	160,905	1,566,963
Prepays	9,939	—	—	212,986	222,925
Total assets	821,449,621	61,776,518	153,923,223	281,938,414	1,319,087,776
LIABILITIES					
Accounts payable / accrued liabilities	10,969,265	18,406,525	957,892	12,208,522	42,542,204
Accrued wages and benefits	10,297,084	48,168	3,810,289	1,047,185	15,202,726
Short-term loans and notes payable	—	22,740,194	—	4,479,076	27,219,270
Deposits and connection fees	14,717,295	—	—	1,264,907	15,982,202
Unearned revenue	327,307	18,758,304	—	33,280,713	52,366,324
Total liabilities	36,310,951	59,953,191	4,768,181	52,280,403	153,312,726
DEFERRED INFLOWS OF RESOURCES					
Unavailable income taxes	293,849,695	—	—	—	293,849,695
Unavailable property taxes	12,207,709	—	359,993	—	12,567,702
Unavailable fees	3,240,340	—	2,301,630	12,313,822	17,855,792
Unavailable grant revenues	—	51,185,310	—	4,086,201	55,271,511
Unavailable lease revenues	536,845	—	—	9,738	546,583
Total deferred inflows	309,834,589	51,185,310	2,661,623	16,409,761	380,091,283
Total liabilities and deferred inflows	346,145,540	111,138,501	7,429,804	68,690,164	533,404,009
FUND BALANCES					
Nonspendable	8,693,284	—	627,478	373,891	9,694,653
Restricted	—	57,950,747	145,865,941	123,194,247	327,010,935
Committed	86,524,142	—	—	112,628,340	199,152,482
Assigned	343,555,596	—	—	15,024,639	358,580,235
Unassigned (deficits)	36,531,059	(107,312,730)	—	(37,972,867)	(108,754,538)
Total fund balances (deficits)	475,304,081	(49,361,983)	146,493,419	213,248,250	785,683,767
Total liabilities, deferred inflows and fund balances	\$ 821,449,621	\$ 61,776,518	\$ 153,923,223	\$ 281,938,414	\$ 1,319,087,776

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

Howard County, Maryland
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

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

Total fund balances - governmental funds (page 28)		\$ 785,683,767
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of certain internal services funds are included in governmental activities in the statement of net position.....		
		64,822,219
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, not reported in the funds:		
Bonds and notes payable	(1,274,869,966)	
Long-term financed purchase obligation	(3,866,509)	
Availability payment arrangement obligation	(97,435,336)	
Lease liability	(92,529,745)	
Subscription based information technology agreements liability	(14,725,636)	
Deferred refunding gain/loss and premium	(124,096,889)	
Other noncurrent liabilities	(7,528,413)	
Accrued interest payable	(18,206,595)	
Compensated absences	(32,640,285)	
Landfill closure and post-closure	(27,138,000)	
Total long-term liabilities		(1,693,037,374)
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.....		
		1,844,741,659
The net pension liability, LOSAP, and OPEB liabilities are not due and payable in the current period and related deferred inflows and outflows are not an available resource, and therefore, are not reported in the funds.		
		(494,587,999)
Other long-term assets are not available to pay for current-period expenditures, and therefore, are either deferred or not reported in the funds:		
Deferred inflows	380,091,282	
Other	4,345,771	
Total other long-term assets		384,437,053
Net position of governmental activities (page 26)		\$ 892,059,325

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

Howard County, Maryland
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	General Capital Projects Fund	Grants Fund	Fire and Rescue Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 650,569,951	\$ —	\$ —	\$ 157,302,156	\$ 6,354,263	\$ 814,226,370
Other local taxes	653,039,473	9,641,455	—	—	35,776,049	698,456,977
State shared taxes	4,571,213	—	—	—	—	4,571,213
Revenues from other governments	13,785,670	14,159,981	—	35,496	39,514,043	67,495,190
Charges for services	11,164,903	—	—	9,444,080	60,110,630	80,719,613
Investment income:						
Interest on investments	35,339,864	2,691,517	—	6,312,291	10,195,610	54,539,282
Installment interest from housing loans	—	—	—	—	65	65
Licenses and permits	5,596,357	—	—	—	716,907	6,313,264
Fines and forfeitures	3,422,784	—	—	7,035	3,244,351	6,674,170
Developer fees	—	63,270	—	—	1,717,621	1,780,891
Payments from component units	387,347	—	—	—	—	387,347
Miscellaneous program revenues	7,308,640	16,964,253	—	70,325	9,898,422	34,241,640
Total revenues	1,385,186,202	43,520,476	—	173,171,383	167,527,961	1,769,406,022
EXPENDITURES						
Current:						
General government	61,262,904	—	—	—	12,860,983	74,123,887
Legislative & judicial	37,041,766	—	—	—	857,216	37,898,982
Public works	90,333,555	2,569,840	—	—	43,649,014	136,552,409
Public safety	172,095,800	—	—	134,193,589	12,060,877	318,350,266
Recreation and parks	27,639,744	—	—	—	23,048,893	50,688,637
Community services	47,609,217	—	—	—	18,610,168	66,219,385
Education	788,808,000	72,818,134	—	—	—	861,626,134
Capital improvements	—	54,361,439	—	—	60,093,003	114,454,442
Debt service:						
Principal payments on debt	101,151,745	—	—	85,000	15,432,452	116,669,197
Interest payments on debt	52,538,961	—	—	547	6,834,154	59,373,662
Total expenditures	1,378,481,692	129,749,413	—	134,279,136	193,446,760	1,835,957,001
Excess (deficiency) of revenues over expenditures	6,704,510	(86,228,937)	—	38,892,247	(25,918,799)	(66,550,979)
OTHER FINANCING SOURCES (USES)						
Lease issued	14,154,745	—	—	161,704	5,084,637	19,401,086
Bond premium	—	10,313,345	—	—	1,814,553	12,127,898
Payment made to escrow agent	—	(16,503,925)	—	—	—	(16,503,925)
Capital-related issuance of debt	28,535	76,476,297	—	—	15,215,262	91,720,094
Refunding bonds issued	—	15,640,000	—	—	—	15,640,000
Installment purchase agreements issued	—	—	—	—	2,853,565	2,853,565
Transfers in	49,354,697	63,395,145	—	—	33,085,962	145,835,804
Transfers out	(89,353,277)	(5,047,443)	—	(12,874,007)	(37,348,002)	(144,622,729)
Total other financing sources (uses)	(25,815,300)	144,273,419	—	(12,712,303)	20,705,977	126,451,793
Net change in fund balances	(19,110,790)	58,044,482	—	26,179,944	(5,212,822)	59,900,814
Fund balances (deficit) - beginning	494,414,871	(107,406,465)	(3,703,119)	120,313,475	338,774,547	846,096,428
Adjustment - changes from/to major to/from nonmajor	—	—	3,703,119	—	(120,313,475)	(120,313,475)
Fund balances - beginning, as restated	494,414,871	(107,406,465)	—	120,313,475	218,461,072	725,782,953
Fund balances (deficit) - ending	\$ 475,304,081	\$ (49,361,983)	\$ —	\$ 146,493,419	\$ 213,248,250	\$ 785,683,767

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

Howard County, Maryland
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds (page 30) \$ 59,900,814

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of the amount by which capital outlays exceed depreciation in the current period is as follows:

Capital outlays	92,339,942	
Less: Depreciation expense	(70,793,925)	
		21,546,017

In the statement of activities, only the gain on the sale of land and buildings is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the land and buildings sold..... (6,907,352)

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 9,456,100

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These amounts represent the net change:

Primary property taxes	4,849,499	
Individual income tax	10,813,515	
Grant revenues	19,652,614	
Charges for services and other.....	(737,797)	
		34,577,831

Long-term debt proceeds (i.e., bonds, leases, installment purchase agreements) provide current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes the current financial resources of governmental funds. Neither transaction 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 amortized in the statement of activities..... (20,134,183)

In the statement of activities, some expenses do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds..... 16,860,699

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities..... 1,653,532

Change in net position of governmental activities (page 27) \$ 116,953,458

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

Howard County, Maryland
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budgetary Basis
General Fund
For the Year Ended June 30, 2024

REVENUES	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Property taxes	\$ 646,279,200	\$ 646,279,200	\$ 650,563,919	\$ 4,284,719
Other local taxes	647,050,708	647,050,708	653,039,473	5,988,765
State shared taxes	4,644,000	4,644,000	4,571,213	(72,787)
Revenues from other governments	10,419,000	11,119,000	13,785,670	2,666,670
Charges for services	9,564,500	9,564,500	11,174,591	1,610,091
Interest on investments	4,000,000	4,000,000	43,238,178	39,238,178
Licenses and permits	4,280,000	4,280,000	5,596,358	1,316,358
Recoveries for inter-fund services	20,711,694	20,711,694	20,634,600	(77,094)
Fines and forfeitures	2,160,000	2,160,000	3,422,784	1,262,784
Component units return of funding	515,310	515,310	387,347	(127,963)
Miscellaneous program revenue	4,990,500	4,990,500	7,308,640	2,318,140
Total revenues	1,354,614,912	1,355,314,912	1,413,722,773	58,407,861
EXPENDITURES				
Current:				
General government	62,536,880	78,642,226	62,959,497	15,682,729
Legislative & judicial	40,047,717	40,047,717	37,590,002	2,457,715
Public works	99,010,873	99,041,880	96,631,134	2,410,746
Public safety	167,719,800	165,546,644	165,253,213	293,431
Recreation and parks	29,207,348	29,266,757	29,192,827	73,930
Community services	33,986,542	32,181,391	31,443,013	738,378
Education	788,808,000	788,808,000	788,808,000	—
Health Department	17,840,006	18,370,902	15,664,466	2,706,436
Debt service:				
Principal payments on debt	98,137,080	100,929,592	100,812,632	116,960
Interest payments on debt	52,301,687	52,387,217	52,181,679	205,538
Total expenditures	1,389,595,933	1,405,222,326	1,380,536,463	24,685,863
Excess (deficiency) of revenues over expenditures	(34,981,021)	(49,907,414)	33,186,310	83,093,724
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	100,494,135	100,494,135	18,133,914	(82,360,221)
Transfers in	48,457,906	48,457,906	48,519,811	61,905
Transfers out	(113,971,020)	(99,044,627)	(98,067,971)	976,656
Total other financing sources (uses)	34,981,021	49,907,414	(31,414,246)	(81,321,660)
Net change in fund balance	—	—	1,772,064	1,772,064
Plus prior year encumbrances lapsed			636,218	
Fund balances - beginning			482,225,744	
Fund balances - ending			\$ 466,500,112	*

(*) See Note 1(P) for ending fund balance reconciliation.

Health Department's fund balance is combined with the General Fund for the budgetary basis statement only.

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

Howard County, Maryland
Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Fire and Rescue Reserve Fund
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 154,400,000	\$ 154,400,000	\$ 157,301,964	\$ 2,901,964
Revenue from other governments	—	—	35,496	35,496
Charges for services	6,645,000	6,645,000	9,767,131	3,122,131
Fines and forfeitures	1,000	1,000	7,035	6,035
Miscellaneous program revenue	120,000	120,000	70,325	(49,675)
Total revenues	161,166,000	161,166,000	167,181,951	6,015,951
EXPENDITURES				
Public safety:				
Administrative	154,604,272	154,555,272	138,192,202	16,363,070
Debt services:				
Principal payments on debt	—	49,000	49,000	—
Total expenditures	154,604,272	154,604,272	138,241,202	16,363,070
Excess (deficiency) of revenues over expenditures	6,561,728	6,561,728	28,940,749	22,379,021
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,561,728)	(6,561,728)	(6,561,716)	12
Total other financing sources (uses)	(6,561,728)	(6,561,728)	(6,561,716)	12
Net change in fund balance	—	—	22,379,033	22,379,033
Plus prior year encumbrances lapsed			222,970	
Fund balance - beginning			109,786,094	
Fund balance - ending			\$ 132,388,097	*

(*) See Note 1(P) for ending fund balance reconciliation.

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

Howard County, Maryland
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental Activities
	Water and Sewer	Other Funds	Total Funds	Internal Services Funds
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 8,921,348	\$ 32,492,038	\$ 41,413,386	\$ 51,437,708
Property taxes, net	421,796	—	421,796	—
Service billings	14,180,585	132,618	14,313,203	859,742
Other receivables	1,584,841	191	1,585,032	1,074,898
Lease receivables, current	—	317,543	317,543	1,040,824
Materials and supplies	1,581,589	—	1,581,589	1,831,769
Prepays	—	—	—	2,569,623
Restricted assets:				
Equity in pooled cash and cash equivalents	184,922,333	—	184,922,333	—
Water and sewer assessments	2,346,442	—	2,346,442	—
Total current assets	213,958,934	32,942,390	246,901,324	58,814,564
Noncurrent assets:				
Lease receivables, noncurrent	—	3,911,236	3,911,236	10,696,571
Other receivables	—	120,309	120,309	—
Receivables:				
Water and sewer assessments	8,261,306	—	8,261,306	—
Capital assets:				
Land and land improvements	3,068,643	9,524,473	12,593,116	—
Construction in progress	71,274,950	—	71,274,950	—
Buildings and improvements, net	121,529,415	663,064	122,192,479	53,586
Machinery and equipment, net	4,822,011	1,454,180	6,276,191	45,287,464
Infrastructure, net	561,735,862	95,047,622	656,783,484	628,774
Improvement other, net	29,620,348	2,252,769	31,873,117	1,296,412
Intangible right-to-use assets, net	2,041,530	—	2,041,530	—
Intangible right-to-use subscription, net	—	—	—	12,831,443
Total noncurrent assets	802,354,065	112,973,653	915,327,718	70,794,250
Total assets	1,016,312,999	145,916,043	1,162,229,042	129,608,814
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding amount	2,741,621	—	2,741,621	—
Pension plans	4,739,069	—	4,739,069	—
Other post-employment benefits	7,089,675	—	7,089,675	—
Total deferred outflows of resources	14,570,365	—	14,570,365	—
Total assets and deferred outflows of resources	1,030,883,364	145,916,043	1,176,799,407	129,608,814
LIABILITIES				
Current liabilities:				
Due to other funds	—	2,321,005	2,321,005	—
Accounts payable	8,192,045	377,837	8,569,882	6,805,884
Accrued interest payable	—	—	—	268,800
Accrued wages and benefits	557,074	84,807	641,881	889,977
Compensated absences	5,072	700	5,772	15,559
Deposits and connection fees	—	—	—	75,000
Lease liability	167,157	—	167,157	—
Subscription liability	—	—	—	4,554,115
Unpaid insurance claims	—	—	—	9,358,490
Certificate of participation (COPs)	—	—	—	1,500,000
Total current liabilities	8,921,348	2,784,349	11,705,697	23,467,825

(continued)

Howard County, Maryland
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental Activities
	Water and Sewer	Other Funds	Total Funds	Internal Services Funds
Current liabilities payable from restricted assets:				
Deposits and connection fees	1,362,112	—	1,362,112	—
Developer agreement rebates and deposits	50,715	—	50,715	—
Other debt payable	10,754,214	—	10,754,214	—
Certificate of participation (COPs)	255,000	—	255,000	—
Bonds and note payable	14,985,000	1,184,652	16,169,652	—
Loan payable	—	168,935	168,935	—
Interest payable	5,339,951	471,505	5,811,456	—
Total current liabilities payable from restricted assets	32,746,992	1,825,092	34,572,084	—
Total current liabilities	41,668,340	4,609,441	46,277,781	23,467,825
Noncurrent liabilities:				
Developer agreement rebates and deposits	534,709	—	534,709	—
Net OPEB liability	15,605,575	—	15,605,575	—
Net pension liability	4,740,084	—	4,740,084	—
Compensated absences	987,764	136,209	1,123,973	1,348,576
Unpaid insurance claims	—	—	—	15,992,169
Long-term certificate of participation (COPs)	1,320,000	—	1,320,000	897,466
Metropolitan district bonds payable	411,719,820	—	411,719,820	—
Long-term bonds payable	—	32,820,429	32,820,429	—
Lease liability	1,989,685	—	1,989,685	—
Subscription liability	—	—	—	7,357,483
Loans payable	—	617,742	617,742	—
Unearned revenue	1,506,373	103,097	1,609,470	—
Other long-term debt	1,565,535	—	1,565,535	—
Total noncurrent liabilities	439,969,545	33,677,477	473,647,022	25,595,694
Total liabilities	481,637,885	38,286,918	519,924,803	49,063,519
DEFERRED INFLOWS OF RESOURCES				
Deferred lease revenue	—	4,105,364	4,105,364	11,050,960
Pension plans	627,178	—	627,178	—
OPEB	18,095,060	—	18,095,060	—
Total deferred inflows of resources	18,722,238	4,105,364	22,827,602	11,050,960
Total liabilities and deferred inflows of resources	500,360,123	42,392,282	542,752,405	60,114,479
NET POSITION				
Net investment in capital assets	390,092,411	74,145,271	464,237,682	45,788,615
Restricted:				
Debt service	10,607,748	—	10,607,748	—
Unrestricted	129,823,082	29,378,490	159,201,572	23,705,720
Total net position	\$ 530,523,241	\$ 103,523,761	\$ 634,047,002	\$ 69,494,335
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			4,672,116	
Net position of business-type activities			<u>\$ 638,719,118</u>	

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

Howard County, Maryland
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Water and Sewer	Other Funds	Total Funds	Internal Services Funds
Operating revenues:				
User charges	\$ 69,640,859	\$ 12,372,564	\$ 82,013,423	\$ 132,493,537
Insurance recoveries	—	—	—	145,795
Miscellaneous sales and services	4,366,126	778,036	5,144,162	1,312,350
Total operating revenues	74,006,985	13,150,600	87,157,585	133,951,682
Operating expenses:				
Salaries and employee benefits	17,378,187	2,073,014	19,451,201	20,002,830
Contractual services	23,296,355	5,776,293	29,072,648	15,522,618
Supplies and materials	4,753,090	105,715	4,858,805	6,390,478
Business and travel	129,993	4,117	134,110	487,004
Vehicle fuels and supplies	2,587,721	25,607	2,613,328	5,167,293
Purchased water and transmission charges	29,693,042	—	29,693,042	—
Sewage treatment charges	7,155,562	—	7,155,562	—
Share of county administrative expenses	7,255,781	749,477	8,005,258	1,049,713
Insurance claims	1,614	—	1,614	76,327,335
Other administrative	31,251	106,479	137,730	2,361,019
Depreciation and amortization expense	30,872,448	2,623,820	33,496,268	15,662,931
Less: house connection and capitalized overhead costs	(12,300)	—	(12,300)	—
Total operating expenses	123,142,744	11,464,522	134,607,266	142,971,221
Operating income (loss)	(49,135,759)	1,686,078	(47,449,681)	(9,019,539)
Nonoperating revenues (expenses):				
Ad valorem charges	43,087,978	—	43,087,978	—
Water and sewer assessment charges	748,626	—	748,626	—
Interest on investments	10,085,098	1,835,651	11,920,749	1,960,091
Interest expense	(13,383,233)	(1,122,506)	(14,505,739)	(250,550)
Proceeds from the sale or disposition of capital assets	—	—	—	911,471
Gain (loss) on sale of capital assets	(344,408)	—	(344,408)	—
Revenue from other governments	557,157	1,984	559,141	132,038
Other, net	—	186,891	186,891	—
Total nonoperating revenues (expenses)	40,751,218	902,020	41,653,238	2,753,050
Net income (loss) before contributions and transfers	(8,384,541)	2,588,098	(5,796,443)	(6,266,489)
Capital contributions	3,912,217	14,873,772	18,785,989	1,828,190
Transfers in	—	776,443	776,443	7,529,468
Transfers out	—	(8,090,000)	(8,090,000)	(1,428,984)
Change in net position	(4,472,324)	10,148,313	5,675,989	1,662,185
Net position - beginning	534,995,565	93,375,448	628,371,013	67,832,150
Net position - ending	\$ 530,523,241	\$ 103,523,761	\$ 634,047,002	\$ 69,494,335
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			8,666	
Change in net position of business-type activities			<u>\$ 5,684,655</u>	

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

Howard County, Maryland
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental
	Water and Sewer	Other Funds	Total Funds	Internal Services Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 73,683,854	\$ 13,385,724	\$ 87,069,578	\$ 134,052,046
Cash paid to suppliers	(66,465,896)	(5,368,810)	(71,834,706)	(97,430,721)
Cash paid to / for employees	(18,055,761)	(2,075,582)	(20,131,343)	(20,436,407)
Cash paid for inter-fund services used	—	(1,364,485)	(1,364,485)	(606,105)
Other operating disbursements	(9,500,656)	(468,587)	(9,969,243)	(8,482,029)
Net cash provided by (used for) operating activities	<u>(20,338,459)</u>	<u>4,108,260</u>	<u>(16,230,199)</u>	<u>7,096,784</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Inter-fund payable	—	(718,968)	(718,968)	—
Inter-fund operating transfers in	—	(7,409,618)	(7,409,618)	6,100,484
Net cash provided by (used for) noncapital financing activities	<u>—</u>	<u>(8,128,586)</u>	<u>(8,128,586)</u>	<u>6,100,484</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of county bonds	31,688,415	6,695,740	38,384,155	—
Cash receipts from assessments and connection charges	43,942,881	—	43,942,881	—
Revenue from other governments	1,000	1,984	2,984	132,038
Capital contribution	1,051,200	(75,552)	975,648	—
Acquisition and construction of capital assets	(27,928,147)	(13,743)	(27,941,890)	(11,614,377)
Proceeds from the sale or disposition of capital assets	—	—	—	911,471
Certificate of participation (COPs)	(245,000)	—	(245,000)	—
Payment of long-term debt principal	(14,847,330)	(960,130)	(15,807,460)	(1,545,483)
Payment of long-term debt interest	(12,927,373)	—	(12,927,373)	—
Payment of leases	(159,229)	—	(159,229)	(54,330)
Payment of subscription liability	—	—	—	(5,059,973)
Net cash provided by (used for) capital and related financing activities	<u>20,576,417</u>	<u>5,648,299</u>	<u>26,224,716</u>	<u>(17,230,654)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	9,756,085	1,835,651	11,591,736	1,960,091
Net cash provided by investing activities	<u>9,756,085</u>	<u>1,835,651</u>	<u>11,591,736</u>	<u>1,960,091</u>
Net increase (decrease) in cash and cash equivalents	9,994,043	3,463,624	13,457,667	(2,073,295)
Cash and cash equivalents - beginning of the year	183,849,638	29,028,414	212,878,052	53,511,003
Cash and cash equivalents - end of the year	<u>193,843,681</u>	<u>32,492,038</u>	<u>226,335,719</u>	<u>51,437,708</u>

(continued)

Howard County, Maryland
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Water and Sewer	Other Funds	Total Funds	Internal Services Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating (loss) income	(49,135,759)	1,686,078	(47,449,681)	(9,019,539)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization expense	30,872,448	2,623,820	33,496,268	15,662,931
Effect of changes in operating assets and liabilities:			—	
Accounts and other receivables	(437,265)	(59,724)	(496,989)	(377,500)
Property taxes, net	20,713	(21,338)	(625)	—
Lease receivables	—	316,183	316,183	477,870
Materials and supplies	(126,673)	—	(126,673)	(146,590)
Prepaid expenses	—	—	—	(1,837,933)
Accounts payable	(1,022,655)	(86,887)	(1,109,542)	809,390
Accrued wages and benefits	(14,254)	7,729	(6,525)	10,622
Accrued interest payable	—	—	—	145,513
Unpaid insurance claims	—	—	—	2,089,471
Compensated absences	5,886	(5,917)	(31)	(34,145)
Unearned revenue	—	—	—	—
Deferred lease revenues	—	(351,684)	(351,684)	(683,306)
Increase in net OPEB and pension activities	(500,900)	—	(500,900)	—
Total adjustments	28,797,300	2,422,182	31,219,482	16,116,323
Net cash provided by (used for) operating activities	\$ (20,338,459)	\$ 4,108,260	\$ (16,230,199)	\$ 7,096,784

Noncash investing, capital, and financing activities:

In fiscal year 2024, \$2,872,416 was contributed to the Water and Sewer Enterprise Fund by various entities and developers for water and sewer lines and \$1,051,200 in cash.

In fiscal year 2024, \$14,873,772 was contributed from various Capital Project funds to the Watershed Fund.

In fiscal year 2024, the Subscription liability in the Internal Service Funds was \$11,911,598.

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

Howard County, Maryland
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Pension (and OPEB Trust) Funds	Custodial Funds	Total
ASSETS			
Equity in pooled cash	\$ —	\$ 2,173,584	\$ 2,173,584
Receivables:			
Interest and dividends	1,341,036	—	1,341,036
Employer contributions	2,488,209	—	2,488,209
Member contributions	655,491	—	655,491
Sale of investments	990,118	—	990,118
Property taxes	—	165,729	165,729
Prepays	—	8,052	8,052
Other	27,536	493,387	520,923
Investments, at fair value:			
Cash equivalents	147,809	—	147,809
Equities	697,330,395	—	697,330,395
Alternative investments	386,277,356	—	386,277,356
Mutual funds	287,007,955	—	287,007,955
Money market funds	17,489,822	—	17,489,822
Fixed income securities	392,505,155	—	392,505,155
Real assets	69,478,359	—	69,478,359
Prepays	53,861	—	53,861
Total assets	1,855,793,102	2,840,752	1,858,633,854
LIABILITIES			
Accounts payable	54,190	1,626,930	1,681,120
Investments purchased	2,696,878	—	2,696,878
Other	1,598,985	—	1,598,985
Total liabilities	4,350,053	1,626,930	5,976,983
NET POSITION			
Restricted for:			
Pensions	1,558,190,246	—	1,558,190,246
Other post-employment benefits	293,252,803	—	293,252,803
Individuals, organizations, and other governments	—	1,213,822	1,213,822
Net Position	\$ 1,851,443,049	\$ 1,213,822	\$ 1,852,656,871

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

Howard County, Maryland
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Pension (and OPEB Trust) Funds	Custodial Funds	Total
ADDITIONS			
Contributions:			
Employer	\$ 100,842,892	\$ —	\$ 100,842,892
Member	15,995,629	—	15,995,629
Total contributions	116,838,521	—	116,838,521
Investment income (expense):			
Net change in fair value of investments	143,843,119	—	143,843,119
Interest	4,631,414	—	4,631,414
Dividends	28,006,768	—	28,006,768
Other	291,903	—	291,903
Investment expense	(3,481,142)	—	(3,481,142)
Net investment income (loss)	173,292,062	—	173,292,062
Property tax collection for other governments:			
Property taxes	—	76,745,937	76,745,937
Other local taxes and fees	—	129,567	129,567
Miscellaneous revenue	—	947,673	947,673
Total property tax collections and miscellaneous revenue	—	77,823,177	77,823,177
Total additions	290,130,583	77,823,177	367,953,760
DEDUCTIONS			
Benefits	103,341,199	—	103,341,199
Property taxes paid to other governments	—	76,944,855	76,944,855
Administrative expenses	1,270,537	835,103	2,105,640
Contractual services	—	125,803	125,803
Supplies and materials	—	59,893	59,893
Total deductions	104,611,736	77,965,654	182,577,390
Net increase (decrease) in fiduciary net position	185,518,847	(142,477)	185,376,370
Net position - beginning	1,665,924,202	1,356,299	1,667,280,501
Net position - ending	\$ 1,851,443,049	\$ 1,213,822	\$ 1,852,656,871

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

Howard County, Maryland
Combining Statement of Net Position
Component Units
June 30, 2024

	Community College	Housing Commission	Library	Public School System	Total
ASSETS					
Equity in pooled cash and investments	\$ 105,076,613	\$ 15,729,044	\$ 4,861,637	\$ 66,678,102	\$ 192,345,396
Investments	6,292,841	5,559,527	1,790,201	153,542,331	167,184,900
Receivables:					
Due from other governments	41,876,680	—	—	39,598,541	81,475,221
Other	2,904,082	4,026,716	108,973	14,951,506	21,991,277
Lease receivable	—	11,352,084	—	—	11,352,084
Prepays	529,508	2,942,607	741,906	89,168	4,303,189
Materials and supplies	—	—	—	965,135	965,135
Restricted assets:					
Cash and cash equivalents	—	17,620,041	60,830	—	17,680,871
Investments	10,876,641	—	197,790	—	11,074,431
Mortgage receivable	—	8,262,862	—	—	8,262,862
Capital Assets:					
Land and land improvements	413,092	87,168,351	—	40,185,904	127,767,347
Construction in progress	79,990,616	4,895,434	—	6,463,729	91,349,779
Buildings and improvements, net	235,046,500	166,485,413	—	1,343,399,402	1,744,931,315
Machinery and equipment, net	3,520,591	—	687,068	6,923,848	11,131,507
Other capital assets	265,219	254,350	1,780,690	4,553,845	6,854,104
Other noncurrent assets	1,110,895	—	—	—	1,110,895
Right of use asset, net	1,659,603	—	—	—	1,659,603
Total assets	489,562,881	324,296,429	10,229,095	1,677,351,511	2,501,439,916
DEFERRED OUTFLOWS					
Pension plans	954,148	340,767	—	22,899,258	24,194,173
Other post- employment benefits	9,245,309	846,681	4,652,839	383,173,264	397,918,093
Derivative instruments - interest rate swap	—	457,341	—	—	457,341
Total deferred outflows	10,199,457	1,644,789	4,652,839	406,072,522	422,569,607
Total assets and deferred outflows	499,762,338	325,941,218	14,881,934	2,083,424,033	2,924,009,523
LIABILITIES					
Current liabilities:					
Accounts payable and other current liabilities	12,332,500	3,902,626	788,875	117,155,937	134,179,938
Accrued salaries and benefits	—	—	698,327	—	698,327
Deposits	22,165	851,767	—	—	873,932
Due to primary government	46,099,889	7,736,577	—	—	53,836,466
Unearned revenue	2,288,511	2,095,428	423,087	44,190,145	48,997,171
Long-term liabilities:					
Due within one year	3,196,610	4,619,855	—	5,382,475	13,198,940
Due in more than one year, net	31,441,548	273,732,761	13,434,463	866,524,647	1,185,133,419
Total liabilities	95,381,223	292,939,014	15,344,752	1,033,253,204	1,436,918,193
DEFERRED INFLOWS					
Pension plans	1,050,749	142,394	—	3,431,148	4,624,291
Other post- employment benefits	24,881,540	1,249,722	13,182,350	617,441,582	656,755,194
Deferred lease revenue	—	11,815,888	—	—	11,815,888
Total deferred inflows	25,932,289	13,208,004	13,182,350	620,872,730	673,195,373
Total liabilities and deferred inflows	121,313,512	306,147,018	28,527,102	1,654,125,934	2,110,113,566
NET POSITION					
Net investment in capital assets	308,118,270	(17,182,633)	2,467,758	1,397,756,762	1,691,160,157
Restricted for:					
Glenn wastewater treatment plant	—	—	—	1,424,157	1,424,157
Workforce development	—	—	—	89,843	89,843
Education	14,167	—	—	—	14,167
Deferred support	18,638,041	—	258,620	—	18,896,661
Capital projects	—	—	—	16,457,248	16,457,248
Business-type operations	—	9,134,068	—	—	9,134,068
Unrestricted	51,678,348	27,842,765	(16,371,546)	(986,429,911)	(923,280,344)
Total net position (deficit)	\$ 378,448,826	\$ 19,794,200	\$ (13,645,168)	\$ 429,298,099	\$ 813,895,957

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

Howard County, Maryland
Statement of Activities
Component Units
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Community College	Housing Commission	Library	Public School System	Total
Component units:									
Community college	\$ 127,530,261	\$ 32,441,774	\$ 17,283,926	\$ 33,954,166	\$ (43,848,395)	\$ —	\$ —	\$ —	\$ (43,848,395)
Housing commission*	64,743,455	28,819,593	5,293,758	16,993,436	—	(13,636,668)	—	—	(13,636,668)
Library	29,063,524	725,430	879,291	—	—	—	(27,458,803)	—	(27,458,803)
Public school system	1,394,587,646	23,192,614	248,372,392	49,406,436	—	—	—	(1,073,616,204)	(1,073,616,204)
Total component units	\$1,615,924,886	\$ 85,179,411	\$ 271,829,367	\$ 100,354,038	\$ (43,848,395)	\$ (13,636,668)	\$ (27,458,803)	\$ (1,073,616,204)	\$ (1,158,560,070)
General revenues:									
Appropriations from primary government					42,400,000	—	25,221,000	721,190,087	788,811,087
Intergovernmental, unrestricted					40,164,214	—	3,389,220	304,496,971	348,050,405
Investment income					7,013,428	1,591,311	101,649	9,149,717	17,856,105
Miscellaneous					—	14,549,912	—	37,810,363	52,360,275
Total general revenues					89,577,642	16,141,223	28,711,869	1,072,647,138	1,207,077,872
Change in net position					45,729,247	2,504,555	1,253,066	(969,066)	48,517,802
Net position - beginning					332,719,579	17,289,645	(14,898,234)	430,267,165	765,378,155
Net position - ending					\$378,448,826	\$ 19,794,200	\$ (13,645,168)	\$ 429,298,099	\$ 813,895,957

*Financial statements for the Housing Commission are reported on a calendar year basis.

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

NOTES TO BASIC FINANCIAL STATEMENTS





Notes to Basic Financial Statements Index

<u>NOTE DESCRIPTION</u>	<u>PAGE</u>
1. Summary of Significant Accounting Policies	46
A. The Reporting Entity	46
Discretely Presented Component Units	46
B. Government-Wide and Fund Financial Statements	47
C. Measurement Focus, Basis of Accounting and Financial Statement Presentation	47
D. Budgetary Process	49
E. Deposits and Investments	50
Cash Equivalents	50
Investments	50
F. Loans Receivable	50
G. Inventory and Prepaids	50
H. Capital Assets	51
I. Compensated Absences	51
J. Self-Insurance	51
K. Water and Sewer Assessments	51
L. Deferred Outflows/Inflows of Resources	52
M. Net Position Flow Assumptions	52
N. Fund Balance Flow Assumptions	52
O. Fund Balance	53
P. Reconciliation Between GAAP and Budgetary Basis	54
Q. Budget Stabilization Account	54
R. Fair Value Measurements	55
S. Leases and Subscription-Based Information Technology Arrangements	55
T. Implementation of New Accounting Principles	56
2. Equity in Pooled Cash and Cash Equivalents and Investments	57
3. Receivables	66
4. Interfund Receivables, Payables and Transfers	67
5. Property Tax and Transfer Tax	68
6. Capital Assets	69
7. Long-Term Obligations	72
A. Primary Government	72
B. Component Units	79
8. Short-Term Debt	80
9. Conduit Debt	80
10. Leases and Subscription-Based Information Technology Arrangements	80
11. Restricted Assets	85
12. Fund Equity	86
13. Landfill Closure and Post-Closure Care Cost	87
14. Tax Abatement	88
15. Pension Plans	89
16. Other Post-Employment Benefits	98
17. Length of Service Award Program	106
18. Deferred Compensation Plan	108
19. Risk Management	109
20. Fund Disclosures	109
21. Restatement of Beginning Fund Balance	109
22. Commitments and Contingencies	110
A. Grants	110
B. Construction	110
C. Encumbrances	110
D. Litigation	110

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies

A. The Reporting Entity

Howard County, Maryland (the County), was formed in 1851 under a commission form of government. Under home rule charter since 1968, the County is governed by an elected County Executive and a five-member County Council serving separate executive and legislative functions.

The basic financial statements include Howard County, Maryland as the primary government and its significant component units, entities for which the County is considered to be financially accountable. The component units include the activities of the Howard County Public School System, the Library, the Community College, and the Housing Commission. The Volunteer Fire Districts have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report. The component units are included in the County's reporting entity because of the significance of their operational or financial relationship with the County in that the County approves budgetary requests and provides a significant amount of funding.

Discretely Presented Component Units

The financial data of the County's component units are discretely presented in a column separate from the financial data of the primary government. They are reported in a separate column to emphasize that they are legally separate from the County. The following are the County's component units that are included in the reporting:

The Howard County Public School System is responsible for the operation of special education, elementary, middle and high schools. The Board of Education is comprised of five members elected by County voters. The County is responsible for levying taxes and has budgetary control over the Board.

The Howard County Library System operates various library branches throughout the County. The Library is governed by a seven-member board nominated by the County Executive and approved by the County Council. The County approves the Library's annual budget and provides substantial funding to the Library.

The Howard Community College provides educational services by offering two-year associate degrees and a continuing education program. The Community College is governed by a seven-member board appointed by the Governor of Maryland. The County approves the College's annual budget and provides substantial funding to the College.

The Howard County Housing Commission is a public corporation established by Maryland and Howard County law to act as builder, developer, owner, and manager of housing for eligible participants. The Commission is comprised of seven commissioners appointed by the County Executive and approved by the County Council. The County provides substantial funding to the Commission and approves its annual budget.

Financial information regarding the component units is included in the component units combining statements. Annual financial reports for individual component units can be obtained from their respective administrative offices:

Howard County Public School System
10910 Route 108
Ellicott City, Maryland 21042

Howard County Library System
9411 Frederick Road
Ellicott City, Maryland 21042

Howard Community College
10901 Little Patuxent Parkway
Columbia, Maryland 21044

Howard County Housing Commission
9770 Patuxent Woods Drive, Suite 100
Columbia, Maryland 21046

B. Government-Wide and Fund Financial Statements

The Statement of Net Position and Statement of Activities present financial information on all of the non-fiduciary activities of the primary government and its component units. Generally, the effect of interfund activity has been removed from these statements with the exception of interfund services provided and used. Government activities, which primarily are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities displays the extent to which direct expenses are offset by program revenues for each function of governmental activities and for each segment of business-type activities. Direct expenses are those that can be attributed to a specific function or segment. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become 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. The County considers all revenues, with the exception of income tax revenue, to be available if they are collected within sixty days after the end of the current fiscal period. Income tax revenue is considered to be available if it is collected within thirty days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Howard County the right-to-use assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, other local taxes, state shared taxes, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

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 required to be accounted for in another fund. The Health Department Fund is included for reporting purposes.

The *General Capital Projects Fund* is used to account for the construction of general capital projects such as senior centers, community centers, and administrative buildings, in addition to public schools and buildings for the Community College.

The *Fire and Rescue Reserve Fund* is used to account for fire suppression, prevention, and related functions, and emergency medical services within the fire district. The County Council may specifically authorize the use of all or any designated part of the fire tax for capital improvements.

The County reports the following major proprietary fund:

The *Water and Sewer Fund* accounts for the County's water and sewer operations, construction or acquisition of capital assets, and related debt service costs. All assets, except those available to fund current liabilities, are considered restricted because a change in the charter is required to allow these assets to be used for other purposes.

The County reports the following other fund types:

Special Revenues Funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. This definition establishes that at least one restricted or committed revenue source must be the foundation of the special revenue fund. The following revenue sources are included in special revenue funds: local transfer tax, grants, settlement funds (opioid, cannabis and vaping), forest conservation developer fees, residential trash collection and disposal fees, registration fees for recreational programs and fines for speed enforcement.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, except those accounted for in the General Capital Projects Fund and proprietary fund types.

Debt Service Funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Non-Major Enterprise Funds are used to account for the activities of the Special Recreation Facility Fund, Watershed Protection and Restoration Fund and Broadband Fund. The Special Recreation Facility Fund accounts for the operations and related debt service costs of a public golf course. The Watershed Protection and Restoration Fund accounts for the maintenance, operations, and improvement of the local stormwater management system. The Broadband Fund accounts for broadband services to private sector businesses as well as non-County government agencies and County departments and component units. All assets, except those available to fund current liabilities, are considered restricted because a change in the charter is required to allow these assets to be used for other purposes.

Internal Service Funds are funds used to account for goods and services furnished by one County department to another County department on a cost reimbursement basis. Internal Service Funds account for centralized vehicle fleet services; technology and communication operation; risk management activities for workers' compensation, general liability, environmental, vehicle and property insurance; and County employee health benefit costs.

The County reports the following fiduciary fund types:

Pension and Other Employee Benefit Trust Funds are used to account for all activities of the Employees' Retirement System of Howard County (defined benefit plan), Employees' Retirement Savings Plan (defined contribution plan), Deferred Compensation Plan, and Retiree Health Benefits Trust, including accumulation of resources for, and payment of, retirement annuities or other benefits and administrative costs. Annual Financial Reports for both pension trust funds can be obtained from the administrative office at Howard County, Maryland, Director of Finance, 3430 Court House Drive, Ellicott City, Maryland, 21043 or from the website at www.howardcountymd.gov.

Custodial Funds are used to account for activities carried out exclusively for the benefit of those outside of the government but not administered through plans that meet the GASB definition of postemployment benefit or other fiduciary trusts. The custodial funds used by the County are used to account for resources held in a custodial capacity on behalf of parties outside the government, including money paid by residents for state property tax, the detention center inmates, friends of RNC, police contraband, and multifarious funds donated to be used by the Law Library, the Revenue Authority and the Domestic Violence Center.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is the charges between water and sewer operations and other County departments because the elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Enterprise Funds and Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first and then unrestricted resources as they are needed.

D. Budgetary Process

Pursuant to County Charter, the County Executive's capital and operating portions of the budget for all County funds are submitted to the County Council by April 1 and 21, respectively. The County Council holds public hearings before passing the annual budget appropriation ordinance. If the County Council does not pass the budget ordinance, the Executive's proposed budget ordinance stands adopted. The adopted budget becomes effective July 1, and provides the spending authority at the individual department level for the operations of the County government with the unexpended or unencumbered appropriation authority of the operating budget expiring the following June 30. Transfer of appropriations between general classifications of expenditures in the current expense budget within the same office or department and within the same fund may be authorized by the Executive. Transfers between offices, departments, institutions, boards, commissions or other agencies of the County government and within the same fund of the current expense budget may be made during the last quarter of the fiscal year and then only on the recommendation of the Executive and with the approval of the Council. Capital unencumbered appropriations continue until the capital project is closed.

During the fiscal year, the County Council, upon the request of the County Executive, may approve transfers between projects in the capital budget, but it may not increase the total size of the capital budget. The County Council, at any time during the fiscal year, may approve supplemental operating budget requests from the County Executive. The budgeted contingency reserve, which may not exceed 4% of the appropriated budget, is the funding source for supplemental requests. After April 1 of each year, the Council may also, at the request of the Executive, approve transfers between departments in the operating budgets. The Council may approve supplemental budgets from unappropriated funds only in emergencies affecting "life, health, and property." Additionally, the County Executive has the authority to make transfers within a department at any time during the year without approval of the County Council. During fiscal year 2024, the Council approved four operating budget supplements and there were no capital budget transfers.

Budgetary data, as revised, is presented in the Basic Financial Statements for the General and Grant Funds. Outstanding encumbrances are included in the final budget as actual expenditure amounts in those statements because they remain in force and do not lapse until the end of the subsequent fiscal year. Lapsed appropriations are reported as additions to fund balance on a budgetary basis. Grant Fund appropriations are multi-year and do not lapse until

grant expiration. Expenditures and encumbrances of both the governmental and proprietary funds may not legally exceed appropriations at the functional, agency and program levels.

E. Deposits and Investments

Cash Equivalents

The County considers all demand deposits and investments with a maturity of three months or less when purchased to be cash and cash equivalents.

Investments

The County follows Governmental Accounting Standards Board (GASB) Statement 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, which requires marketable securities to be carried at fair value. The County has an internal investment pool that is available for use by all funds.

Pension Trust Fund Fair Value Measurement

The investments of the Pension Trust Funds are reported at fair value or net asset value, as further described in Note 2. The securities of the Pension Trust Funds traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments in the Governmental Funds represent stripped-coupon U.S. Treasury securities stated at fair value in the Agricultural Land Preservation Fund. They are also reported in aggregate as part of U.S. Government Securities in the Equity in Pooled Cash and Cash Equivalents and Investments note.

Also, in accordance with investment policy, the Pension Trust Funds may invest in collateralized mortgage obligations (CMO) and putable bonds. These investments are reported as part of U.S. Government Agency notes in the Equity in Pooled Cash and Cash Equivalents and Investments note disclosure.

Other Post-Employment Benefits (OPEB) Trust Fund Fair Value Measurement

The objective of the OPEB Trust Funds is to achieve long-term growth of assets by maximizing long-term rates of return on investments and minimizing the risk of loss to fulfill the County's current and long-term OPEB obligations. The Trust investments are reported at fair value, which is generally based upon quoted market prices at year-end. Beginning in fiscal year 2023, the County's investment policy allocation was revised to include alternative investments in addition to growth and income assets. Alternatives may consist of non-traditional asset classes such as hedge funds, private equity, private debt, and real assets, when deemed appropriate. The fair value for alternative investments is determined using unit values supplied by the fund managers which are based upon the fund managers' appraisals of the fund's underlying holdings. Such values involve subjective judgment and may differ from amounts which would be realized if such holdings were actually sold. The investments of the OPEB Trust Funds are further described in Note 2.

F. Loans Receivable

For purposes of the fund financial statements, housing loans in the Community Renewal Fund are charged to the budget upon funding, and the loans are recorded with an offset to a committed fund balance account. A receivable, "due from component units," along with an offset to non-spendable fund balance, is recorded in the General Fund as the Howard Community College has an agreement to reimburse the County for bond issues related to the construction costs of a parking deck and the Horowitz Visual and Performing Arts Center. For purposes of the government-wide financial statements, neither housing loans nor the receivable from the College are included in restricted Net Position accounts.

G. Inventory and Prepaids

Materials and Supplies

Materials and supplies are valued at cost, using the weighted average method. Materials and supplies are recorded as assets when purchased, and charged to expenditures/expenses when consumed. This is referred to as the consumption method of inventory accounting. The County also has some materials and supplies that are expensed off directly when

purchased, as they are consumable items purchased for use within the County, for examples include office supplies, paper towels and cleaning materials.

Prepays

The County uses the consumption method to account for prepaid. Prepays include payments made to vendors for services that will benefit future periods beyond the end of the fiscal year. In governmental funds, fund balance equivalent to year-end prepaid values is classified as nonspendable to indicate that portion of the fund balance is not available in a spendable form.

H. Capital Assets

As Howard County constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease equipment, the measurement of which is discussed in Note 10). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Betterments and major improvements that significantly increase values, change capacities or extend useful lives are capitalized. Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). The threshold for capital assets as defined by Howard County was raised to include assets with an initial, individual cost of \$10,000 or greater and an estimated useful life in excess of one year. Such assets are recorded at historical or at estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date donated.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the intangible right-to-use equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings	50
Improvements	5-50
Machinery, equipment, and vehicles	5-20
Intangible right-to-use equipment	1-50
Infrastructure	15-40
Water and sewer lines	50-100

I. Compensated Absences

County employees are granted vacation, personal, and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days. Classified employees are limited to an accrual of forty days and executive exempt employees are limited to an accrual of one hundred days. Employees who terminate employment are not reimbursed for accumulated sick leave. Payments when made to terminated employees for accumulated vacation leave are charged as expenditures/expenses, primarily in the General Fund, Special Revenue Funds, and Proprietary Funds. Accumulated vacation benefits at year-end are recorded as obligations in the Statement of Net Position and Proprietary Fund Statements.

J. Self-Insurance

The County establishes its funding of claims liabilities as they occur. This funding level includes provisions for indemnity, medical losses, and allocated loss adjustment expenses which are all classified as incremental claim adjustment expenses. Unpaid insurance claims in the self-insurance funds include liabilities for unpaid claims based upon individual case estimates for claims reported and claims incurred but not reported (IBNR) as of fiscal year-end.

K. Water and Sewer Assessments

Water and sewer assessments are charged to property owners on a 30-year basis to recover the debt service on bonds used to construct main and lateral water and sewer lines which benefit such properties. A water and sewer assessments receivable (restricted assets) is established for the entire uncollected assessed amount. The portion of the receivable relating to bond principal is credited to Net Position and the portion representing interest is recognized as revenue when billed.

From 1980 to 2004, the receivable increased as the water and sewer system was being built. The receivable is now declining and will continue to do so as debt is retired and there are minimal new assessments. The Water and Sewer ad valorem charge (billed annually to all property within the Metropolitan District) is sufficient to fund the debt service related to the cost of infrastructure.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred *outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The government has several items that qualify for reporting in this category. First is the deferred refunding amount reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The remaining line items are related to the pension, OPEB, and Length Of Service Award Program (LOSAP) plans reported in the government-wide statement of net position and encompass the following: changes in actuarial assumptions are amortized over the average expected remaining service life of employees, and the difference between expected and actual experience and the difference between projected and actual earnings on pension plan investments are amortized over five years. The final item is for pension, OPEB, and LOSAP contributions made subsequent to the measurement date.

In addition to liabilities, the statement of net position reports a separate section for deferred *inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has several types of deferred inflows of resources that qualify for reporting in this category. In the government-wide statement of net position, the government reports the following items related to the pension, OPEB, and LOSAP plans: Changes in actuarial assumptions and changes in actuarial experience study are amortized over the average expected remaining service life of employees, and investment earnings greater than projected are amortized over five years. In addition, the government-wide financial statements reports deferred amounts related to leases.

Under the modified accrual basis of accounting, several deferred inflows of resources are reported as unavailable revenues. In the governmental balance sheet, the government reports deferred inflows of resources from income and property taxes, fees, grant revenues, and lease revenues. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available.

M. Net Position Flow Assumptions

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.

N. 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.

O. Fund Balance

In the fund financial statements, fund balance is classified based on the extent to which the County is bound to observe constraints on the specific purposes for which the amounts can be spent. Fund balance is reported within one of the five fund balance categories listed below:

Nonspendable – Includes fund balance amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact such as a permanent fund and (3) receivables due in more than one year. Not in spendable form includes items that are not expected to be converted to cash, such as inventories, prepaid items and long term loan receivables.

Restricted – Includes fund balance amounts that are restricted to specific purposes when constraints are placed on the use of resources by external parties, constitution provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purpose stipulated in the legislation.

Committed – Includes fund balance amounts for which constraints have been imposed by the government itself, using the highest level of decision-making authority via County ordinances. In addition, these constraints can only be removed or changed through formal action by the Council.

Assigned – Includes fund balance amounts intended to be used for specific purposes. It is County policy that the County Executive assigns fund balance amounts in the General Fund at the recommendation of both the Director of Finance and the Budget Administrator. In addition, GASB 54 requires all residual amounts in special revenue funds to be reported as assigned.

Unassigned – Represents the residual fund balance of the General Fund (cannot be reported in other Governmental Funds unless amount is reported negative) after the above fund balance categories are reported.

P. Reconciliation Between GAAP and Budgetary Basis

The General and Special Revenue Funds of the primary government have legally adopted annual budgets. The “Statement of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis” of the General Fund and the Fire and Rescue Reserve Fund are prepared on a basis consistent with their budgets and are reported within the basic financial statements. The “Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis” for Non-major Special Revenue Funds are prepared on a basis consistent with those budgets and are presented as supplementary information. The budgets are prepared using encumbrance accounting wherein encumbrances are treated as expenditures of the current period, including certain contractual services. Also, the budgets include appropriations of prior year fund balances as other sources in the current year. The "Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds" is prepared on a basis consistent with GAAP wherein encumbrances are treated only as an assignment of fund balance, prior year fund balances are not included as other sources, and contractual services/expenditures are recorded on a modified accrual basis.

The financial statements are reconciled below:

	General Fund	Fire and Rescue Reserve Fund
Budgetary basis - revenues and other sources over expenditures and other uses	\$ 1,772,064	\$ 22,379,033
Appropriation from fund balance	(18,133,914)	—
Current year encumbrances outstanding	10,070,622	7,203,319
Prior year encumbrances expended this year	(12,180,201)	(2,913,985)
Effect of recording contractual service expenditures modified accrual basis	(16,470,251)	(327,268)
Unbudgeted transfers	23,732,861	(6,150,587)
Other	(7,901,971)	5,989,432
GAAP basis - net change in fund balance	<u>\$ (19,110,790)</u>	<u>\$ 26,179,944</u>

The ending fund balances are reconciled as follows:

	General Fund	Fire and Rescue Reserve Fund
Budgetary basis - ending fund balance	\$ 466,500,112	132,388,097
Adjustments:		
Elimination of encumbrances outstanding	14,794,087	15,280,643
Accruals	(1,840,962)	(185,328)
Other	(4,149,156)	(989,993)
GAAP basis - ending fund balance	<u>\$ 475,304,081</u>	<u>\$ 146,493,419</u>

Q. Budget Stabilization Account

The County has established a budget stabilization account (also known as the Rainy Day Fund) to provide funding in cases of revenue shortfalls, which would not include anticipated revenue shortfalls unless the shortfall was quantified, and was of a magnitude that would distinguish it from other shortfalls that regularly occur during the normal course of governmental operation or emergency situations affecting life, health, or property. The County Charter sets a goal of maintaining the account at seven percent of audited General Fund expenditures for the most recently completed fiscal year at the time the budget is prepared. When the fiscal year 2024 budget was prepared, the fiscal year 2022 financial statements were the most recently completed and audited. Therefore, the charter target is based upon fiscal year 2022 audited expenditures. An increase of \$4,047,059 was made to the fund in fiscal year 2024 which resulted in achieving the charter target of \$85,034,977.

The budget stabilization account is calculated as follows:

Budget Fiscal Year	Audited Expenditures from Fiscal Year	Audited Expenditures*	Percentage	Charter Target
2024	2022	\$ 1,214,785,389	7%	\$ 85,034,977
2025	2023	\$ 1,284,202,931	7%	\$ 89,894,205
2026	2024	\$ 1,367,135,692	7%	\$ 95,699,498

*Budgetary expenditures and encumbrances less pay-as-you-go expenditures.

R. Fair Value Measurements

Howard County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset:

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

S. Leases and Subscription-Based Information Technology Arrangements

Lessee: The County is a lessee for noncancellable leases of equipment and real estate. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements for all contracts with an initial contract value of \$40,000 or more.

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

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments;

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The County is a lessor for noncancellable leases of buildings and infrastructure. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements for all contracts with an initial contract value of \$40,000 or more.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable and adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts;

- The County uses its estimated incremental borrowing rate as the discount rate for lease, unless it is explicitly stated in the lease agreement.
- The lease term includes the noncancellable period explicitly stated within the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements

The County has entered into various subscription agreements that convey control of the right-to-use another entity's combination of IT software and tangible capital assets, for a variety of governmental purpose ranging from payroll to computer software. The County recognizes subscription liabilities with an initial, contract value of \$40,000 or more.

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

Key estimates and judgments related to subscription include how the County determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments;

- The County uses the interest rate charged by the subscription provider as the discount rate. When the interest rate is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for subscription.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

T. Implementation of New Accounting Principles

During the fiscal year ended June 30, 2024, the County adopted the following new accounting standard.

GASB Statement No. 100 - Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62. is in effect for fiscal years beginning after June 15, 2023. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. GASB 100 impacts how entities define an accounting error or change which includes changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. The required changes, if required, are reflected in the County's financial statements.

2. Equity in Pooled Cash and Cash Equivalents and Investments

The County's cash and cash equivalents and investments are managed separately from the Pension and Other Post-Employment Benefits Trust funds and each is discussed separately below.

A. County's Cash and Cash Equivalents and Investments

The County maintains a cash, cash equivalents, and investment pool that is available for use by all funds except the Pension and Other Post-Employment Benefits Trust funds. Each County fund is allocated interest income based on its share of the investment pool. Except as otherwise legislated, interest income earned by Governmental and Internal Service Funds is transferred to the General Fund.

Custodial Credit Risk - Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy requires at least 102% collateralization of deposits. The carrying amount of total deposits, including certificates of deposit, was \$14,837,595 and the bank balance was \$13,485,355 at fiscal year-end. The bank balance was covered by federal depository insurance or by collateral held by the County's agent in the County's name. Petty cash was \$12,749 at June 30, 2024.

The County's component units had a combined bank balance of \$102,732,156. All bank balances were covered by federal depository insurance or by collateral held by the component unit's agent in the component unit's name. The component units do not have a policy covering deposits.

The table below reconciles the County's deposits and investments to the Government-Wide Statement of Net Position and the Statement of Fiduciary Net Position:

	Primary Government	Component Units	Custodial Funds
Statement of Net Position Amounts:			
Equity in pooled cash and investments	\$ 930,395,838	\$ 192,345,396	\$ 2,173,584
Cash with fiscal agent	6,225,770	—	—
Restricted equity in pooled cash and cash equivalents	184,922,333	17,680,871	—
Investments	—	178,259,331	—
Total	\$ 1,121,543,941	\$ 388,285,598	\$ 2,173,584
Deposits and Investment Summary:			
Carrying value of cash deposits	\$ 12,664,011	\$ 210,026,267	\$ 2,173,584
Fair value of Investments	1,108,879,930	178,259,331	—
Total	\$ 1,121,543,941	\$ 388,285,598	\$ 2,173,584

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, bankers' acceptances, commercial paper, 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 fair value of at least 102% of the investment's cost plus accrued interest.

The County's policy is more restrictive than State law, limiting the percentage of total portfolio that can be invested in certain investment types. These investment types, and the maximum percentage of the portfolio that can be invested in each are: U.S. Treasury Obligations – 100%, U.S. Government Agency and U.S. Government-Sponsored Enterprises – 90.0%, repurchase agreements – 90.0%, collateralized certificates of deposit – 5.0%, bankers' acceptances – 30.0%, commercial paper – 10.0%, mutual funds – 60.0% and supranational issuers – 40.0%. State law places no limits on these types of investments. Another restriction the County has is to limit the maximum amount invested through any broker, dealer or other financial institution to 40.0% of the portfolio. In addition, all component units have investment policies.

Investments of the County and its Component Units at fiscal year-end:

Investment type	Fair Value		
	Primary Government	Component Units	Total Reporting Entity
U.S. Government Securities	\$ 61,429,466	\$ —	\$ 61,429,466
U.S. Government - Sponsored Enterprises	671,334,207	—	671,334,207
Supranationals	—	—	—
Commercial Paper	23,021,832	—	23,021,832
Maryland Local Govt. Investment Pool	219,602,592	154,439,472	374,042,064
Money market funds	133,491,833	—	133,491,833
Fixed income	—	4,547,666	4,547,666
Mutual funds	—	12,474,191	12,474,191
Interest in irrevocable trust	—	147,625	147,625
Treasury bills	—	1,090,850	1,090,850
Equity in properties under home ownership	—	5,559,527	5,559,527
Total	\$1,108,879,930	\$ 178,259,331	\$1,287,139,261

Fair Value Measurement

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of June 30, 2024:

	Total	Primary Government		
		(Level 1)	(Level 2)	(Level 3)
Investments by fair value level:				
U.S. Government Securities	\$ 61,429,466	\$ 61,429,466	\$ —	\$ —
U.S. Government - Sponsored Enterprises	671,334,207	—	671,334,207	—
Commercial Paper	23,021,832	—	23,021,832	—
Total investments by fair value level	\$ 755,785,505	\$ 61,429,466	\$ 694,356,039	\$ —
Investments measured at amortized cost:				
Maryland Local Govt. Investment Pool	219,602,592			
Money market funds	133,491,833			
Total investments measured at amortized cost	\$ 353,094,425			
Total investments	\$ 1,108,879,930			

The Component Units has the following recurring fair value measurements as of June 30, 2024:

	Component Units			
	Total	(Level 1)	(Level 2)	(Level 3)
Investments by fair value level:				
Treasury bills	\$ 1,090,850	\$ 1,090,850	\$ —	\$ —
Fixed income	4,547,666	4,547,666	—	—
Mutual funds	12,474,191	12,474,191	—	—
Interest in irrevocable trust	147,625	—	—	147,625
Total investments by fair value level	<u>\$ 18,260,332</u>	<u>\$ 18,112,707</u>	<u>\$ —</u>	<u>\$ 147,625</u>
Investments measured at amortized cost:				
Maryland Local Govt. Investment Pool	154,439,472			
Total investments measured at amortized cost	<u>\$ 154,439,472</u>			
Investments measured at the net asset value (NAV):				
Equity in properties under home ownership	5,559,527			
Total investments measured at the NAV	<u>\$ 5,559,527</u>			
Total investments	<u>\$ 178,259,331</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy refers to securities not traded on an active market but for which observable market inputs are readily available. Level 3 of the fair value hierarchy refers to securities with valuation methodology that are unobservable and significant to the fair value measurement. Fixed income securities are priced on a daily basis, mark to market, using a variety of third party pricing sources, market data and methodologies.

Interest Rate Risk: The County’s investment policy requires that the majority of investments have a maturity of one year or less, except for U.S. Treasury stripped coupon securities purchased as part of the Agricultural Land Preservation Program (see Note 7). These securities have no coupon and have long-term maturity lengths; therefore, they are very interest-rate sensitive. If market interest rates were to rise, the fair value of these securities would decline further than a similar coupon-paying Treasury security. Conversely, if market interest rates were to fall, the fair value of these securities would rise further than a similar coupon-paying Treasury security. The County plans to hold these securities to their maturity.

The following is a list of County investments included in the computation of weighted average maturities:

Investment type	Fair Value/ Amortized Cost	Weighted Average Maturity (in years)
U.S. Government Securities	\$ 61,429,466	0.72
U.S. Government - Sponsored Enterprises	671,334,207	0.4
Commercial Paper	23,021,832	0.14
Total	<u>\$ 755,785,505</u>	
Portfolio weighted average maturity		0.42

The Maryland Local Government Investment Pool (MLGIP) was created under the Annotated Code of Maryland. The intent of the pool is to provide a safe investment vehicle for short-term investments. The MLGIP is administrated by the Maryland State Treasurer. Participation is voluntary and eligibility is regulated by MLGIP Local Government Article. The MLGIP and the money market funds used by the County are operated in accordance with Rule 2a-7 of the Investment Company Act of 1940 and not registered with the Securities and Exchange Commission (SEC). The County’s investments in these pools are not included in the computation of weighted average maturity. The unit value is at amortized cost with a \$1 per share value.

Credit Risk: State law limits investments in bankers' acceptances and commercial paper to the highest short-term debt letter and numerical rating by at least one nationally recognized statistical rating organization. All investments in U.S. Government Sponsored Enterprises are rated AA+ by Standard & Poor's. The Maryland Local Government Investment Pool and the money market fund are both rated AAA by Standard & Poor's. Investments in short-term commercial paper is rated P-1 by Moody's Investors Service.

Concentration of Credit Risk: The County's investment policy places no limit on the amount the County may invest in any one issuer. More than 5.0% of the County's investments are in the Federal Home Loan Bank, Federal Agricultural Mortgage Corporation, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Federal Farm Credit Bank. At fiscal year-end, investments in these U.S. Government Sponsored Enterprises represent 88.94% of the County's total investments.

B. Pension Trust Funds' Cash and Investments

The County's Pension Trust funds, the Howard County Police and Fire Employees' Retirement Plan, and the Howard County Retirement Plan (the Plans) share commingled funds that are allocated based on each Plan's percentage of ownership. The Plans have an investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long-term total return consistent with the level of risk assumed. To help achieve this return, professional investment managers are employed by the Plans to manage the Plans' assets. The Plans employ State Street Bank as trustee for their assets.

Investments. The Plans' investment policy includes an asset allocation plan for investments:

Asset Class	Minimum Allocation	Target	Maximum Allocation
Equities	32.0%	42.0%	52.0%
Alternative investments	21.0%	26.0%	31.0%
Fixed income	16.0%	26.0%	36.0%
Real assets	2.0%	6.0%	11.0%

Investments at fiscal year-end:

Investment type	Fair Value/NAV
Equities	\$ 697,330,395
Alternative investments	381,352,507
Money market funds	16,104,725
Fixed income	392,505,155
Real assets	69,478,359
Total	<u>\$ 1,556,771,141</u>

Interest rate risk: The Plans' investment policy does not place any limits on the professional investment managers with respect to the duration of investments managed for the Plans. The following is a list of County Plan investments included in the computation of weighted average maturities:

Investment type	Fair Value/ NAV	Weighted Average Maturity (in years)
Corporate bonds	\$ 26,269,521	11.67
U.S. Government - Sponsored Enterprises	29,595,973	25.54
Government Issued / Treasuries	10,244,237	26.80
Other asset backed securities	3,595,784	28.69
Collateralized mortgage obligations	3,662,548	35.91
Municipal securities	966,049	11.92
Commingled funds and preferred stock identified as fixed income for reporting purposes	318,171,043	N/A
Total	\$ 392,505,155	N/A
Portfolio weighted average maturity		21.14

Credit Risk: The demand deposit accounts (DDA's) held by State Street Bank are unrated, as are the mutual funds used by the Plans. At fiscal year-end, the Plans' fixed income investments had the following risk characteristics:

Standard & Poor's Rating or Comparable	Fair Value
AA to A-	\$ 6,025,628
BBB to BB-	23,531,917
Not rated	362,947,610
Total	\$ 392,505,155

Custodial Credit Risk: State Street Bank invests in interest bearing demand deposit accounts in the name of the Plan for all accounts and pays interest equal to the effective Federal Funds rate, which are included in money markets on the Statements of Fiduciary Net Position. At fiscal year-end, the amount in this fund at fair value was \$16,104,725 which was partially used for settlement of open purchases of \$2,696,878. All other investments of the fund are held by State Street Bank as trustee in the Plans' names.

Credit Risk - Currency Forward Contracts, Futures and Options: One of the Plan's investment objectives is to diversify assets in accordance with the Modern Portfolio Theory (MPT) in order to reduce overall risk. Consistent with this objective, the Plan invested in some funds that hold currency forward-contracts and invest in futures, warrants and options. This strategy is undertaken to protect the dollar value of underlying international investments. The Plan's share of fair value or gains and (losses) from currency forward contracts, warrants, and futures were \$68,310, \$51, \$327,751 respectively for the fiscal year.

Foreign Currency Risk: The Plans' exposure to foreign currency risk derives from its investments in foreign currency or instruments denominated in foreign currency. Investments in such securities are limited to a maximum net currency exposure of 34.5% at any given time. These pool of assets may also include hedged assets, therefore, reducing the overall currency risk. The Plans were also exposed to foreign currency risk through the Pool's investments in Euro denominated alternative investments. The pool total of these investments were \$14,282,728 and \$16,341,761 in fiscal years 2024 and 2023, respectively.

Derivatives - Interest Rate, Credit Default, Total Return Swaps: In accordance with the investment policy, during fiscal year 2024, the private debt fund invested in interest rate swaps, credit default swaps, and total return swaps. In fiscal year 2024, the private credit fund reported \$5,084, \$72,374, and \$1,092, respectively for the fiscal year

Fair Value Measurement

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. It has the following recurring fair value measurements as of June 30, 2024:

	Total	Fair Value Measurement Using		
		(Level 1)	(Level 2)	(Level 3)
Investments by fair value level:				
Debt securities:				
Collateralized Mortgage Obligations (Fannie Mae and Freddie Mac)	\$ 3,662,548	\$ —	\$ 3,662,548	\$ —
Corporate bonds	26,269,521	—	26,269,521	—
Commingled funds (fixed income)	99,531,971	54,494,412	45,037,559	—
FHLMC and FNMA bonds	29,595,973	—	29,595,973	—
U.S. Treasury Securities	10,244,237	—	10,244,237	—
Municipals bonds	966,049	—	966,049	—
Other asset backed securities	3,595,785	—	3,595,785	—
Preferred stock	1,021,523	1,021,523	—	—
Total debt securities	<u>174,887,607</u>	<u>55,515,935</u>	<u>119,371,672</u>	<u>—</u>
Equity securities:				
Common Stocks	433,098,981	433,098,981	—	—
Emerging Market Equity Portfolio	117,407,953	117,407,953	—	—
Real Estate Investment Trusts (REITS)	2,015,875	2,015,875	—	—
Total equity securities	<u>552,522,809</u>	<u>552,522,809</u>	<u>—</u>	<u>—</u>
Total investment by fair value level	<u>\$ 727,410,416</u>	<u>\$ 608,038,744</u>	<u>\$ 119,371,672</u>	<u>\$ —</u>
Investments measured at the net asset value (NAV):				
Private equity funds	\$ 202,708,443			
Private credit funds	53,087,888			
Hedge funds	125,556,177			
Real assets funds	69,478,359			
International equity funds	85,989,674			
Commingled fund within international equities	58,817,912			
Commingled fund within international fixed income	33,352,164			
Commingled fund within domestic fixed income	184,265,383			
Total investments measured at the NAV	<u>813,256,000</u>			
Total investments measured at fair value/NAV*	<u>\$ 1,540,666,416</u>			

*Does not include money market funds totaling \$16,104,725.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy refers to securities not traded on an active market but for which observable market inputs are readily available. Fixed income securities are priced on a daily basis, mark to market, using a variety of third party pricing sources, market data and methodologies.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented below:

	Fair Value	Unfunded Commitments	Frequency (if Currently Eligible)	Notice Period
Private equity funds	\$ 202,708,443	\$ 87,509,510	Illiquid	N/A
Private debt funds	53,087,888	23,475,049	Illiquid	N/A
Equity Hedge fund 1	65,253,114	—	Quarterly	65 days
Equity Hedge fund 2	60,303,063	—	Semi Annually	95 days
Real assets funds	69,478,359	16,432,028	Illiquid	N/A
International equity funds	85,989,674	—	Monthly	15 days
Commingled fund within international equities	58,817,912	—	Weekly	3 days
Commingled fund within international fixed income	33,352,164	—	Bi-monthly	5 days
Commingled fund within domestic fixed income	184,265,383	—	Daily	1 day
Total	<u>\$ 813,256,000</u>	<u>\$ 127,416,587</u>		

Private Equity Funds: Private equity investment strategies include buyout, venture capital, growth capital, and special situations. The Private Equity portfolio seeks to deliver long-term, risk-adjusted returns superior to those of comparable public markets. Investments in the asset class are achieved primarily through commingled, closed-end funds and may also include fund of funds, direct and co-investment opportunities. Exposures are diversified by manager, region, strategy, and vintage year. Private equity investments are illiquid, and distributions are received over the life of the investments, which can range between 10 and 15 years. These investments do not have set redemption schedules therefore options for exit are limited to sale on the secondary market. Capital commitments are made to these types of investments and funds are invested through a call down structure. The fair value of the partnership interest is based on NAV provided by the General Partner. The partnership's financial statements are audited annually as of December 31 and the NAV is adjusted quarterly by additional contributions to and distributions from the partnership, the net earnings and losses, and unrealized gains and losses resulting from changes in fair value, as determined by the General Partner.

Private Debt Funds: Private credit investment strategies will focus on identifying market dislocations and credit-intensive assets, specifically in loan portfolios, corporate securities, structured credit, hard assets and special opportunities. The Private Credit portfolio invests in commingled funds. The objective of the fund is to provide income from the premium yields along with a return over Liquid Credit over the life of the fund, which can range between 6 and 8 or more years. The fund employs a flexible and opportunistic mandate allowing for investments in a variety of strategies irrespective of market conditions and geographies. These investments do not have set redemption schedules therefore options for exit are limited to sale on the secondary market. Capital commitments are made to these types of investments and funds are invested through a call down structure. The fair value of the partnership interest is based on NAV provided by the General Partner. The partnership's financial statements are audited annually as of December 31 and the NAV is adjusted quarterly by additional contributions to and distributions from the partnership, the net earnings and losses, and unrealized gains and losses resulting from changes in fair value, as determined by the General Partner.

Hedge Funds: This represents investments in two Hedge FOF managers. Each FOF manager invests in underlying hedge funds to provide a broadly diversified portfolio. One invests with 10-20 underlying managers/funds to execute its global market strategy. The other invests in 20-40 underlying managers/funds in a relative value mandate. The hedge fund strategy is designed to diversify by manager/fund to reduce single manager/fund risk while offering portfolio diversification and provide a return profile that is uncorrelated to the rest of the assets in the portfolio. The fair values of the investments are determined using the NAV per share (or its equivalent) of the investments. These funds have liquidity restrictions of 3 to 6 months.

Real Assets Strategies: This represents funds that invest in Private Real Estate and Private Real Assets. The objective of the portfolio seeks to provide portfolio diversification, current income, and protection against unanticipated inflation. Real Estate investments are often classified by core or non-core (value-added or opportunistic). The Real Estate strategies deployed include a U.S. focused property strategy (core/core plus) and a global Fund of Funds (FOF) strategy. The global FOF manager invests across Directs, Primaries, and Secondaries. Within Private Real assets, the natural resources

investments are deployed through a FOF strategy and may invest in 10-25 underlying relationships as they build a diversified portfolio with exposure to oil, natural gas, agriculture, timber, and other natural resources. The infrastructure managers will invest in direct portfolio companies in communications, transportations, and energy transition sectors. Capital commitments are made to these types of investments and funds are invested through a call down structure. These funds have liquidity restrictions for the life of the investment, 7-10 years. Options for exit are limited to sale on the secondary market. The fair value of the partnership interest is based on NAV provided by the General Partner. The partnership's financial statements are audited annually as of December 31 and the NAV is adjusted quarterly by additional contributions to and distributions from the partnership, the net earnings and losses, and unrealized gains and losses resulting from changes in fair value, as determined by the General Partner.

International Developed Equity Funds: This represents investments primarily in equity securities of international developed markets (non-U.S. issuers) with the objective of achieving a long-term return above a passive benchmark (MSCI EAFE). The managers implemented are complimentary as one focuses on growth-oriented companies and the other has a value focus. Foreign securities are valued based on quotations from the primary market in which they are traded and translated at each valuation date from the local currency into U.S. dollars using current exchange rates. The Funds may enter forward foreign currency exchange contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar-denominated investment securities.

International Emerging Equities (Commingled Fund): This represents investments within international markets to further diversify the developed market segments by investing in developing markets that have lower correlations with developed economies. The managers implemented are complimentary as one focuses on growth-oriented companies and the other has a value focus. Foreign securities are valued based on quotations from the primary market in which they are traded and translated at each valuation date from the local currency into U.S. dollars using current exchange rates. The Funds may enter forward foreign currency exchange contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar-denominated investment securities. The objective of the international emerging equity portfolio is to achieve a long-term return above a passive benchmark (MSCI EM Index).

Emerging Market Debt Strategy (Commingled Fund): This represents investments primarily in a globally diversified portfolio of high-quality sovereign bonds and currencies in emerging markets (non-U.S. issuers). The objective of this fund is to generate income, preserve capital, and enhance principal above a passive benchmark (JP Morgan GBI-EM Global Diversified Index). NAV for the Fund is only calculated twice a month on the last business day and the 15th (or next business day if the 15th is a non-business day). The ownership interest is only in the units of the Fund, not the underlying holding or securities of the Fund.

Core Fixed Income Strategies (Commingled Funds): This represents investments within US Investment Grade Fixed Income. The primary role of this portfolio is intended to provide income and downside protection to the portfolio in periods of financial market stress. Core fixed income is made up of US Treasuries and liquid credit. The primary role of the U.S. Treasuries portfolio is to provide capital preservation, liquidity, and to increase the diversification of the Plan as a whole. Treasuries and TIPS are passively managed. The primary role of the Liquid Credit strategy is to generate added yield compared to Treasuries over a full market cycle and provide diversification for the Plan. This manager will be well diversified, and may include, but is not limited to, investment grade and non-investment grade corporate debt, emerging market debt, and asset-backed securities. The objective of the Core Fixed Income portfolio is to achieve a long-term return above a passive benchmark (Bloomberg US Aggregate Bond Index).

C. Other Post-Employment Benefits (OPEB) Trust Funds' Cash, Cash Equivalents and Investments

The County's OPEB Trust funds have an investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long-term total return consistent with the level of risk assumed. To help achieve this return, professional investment managers are employed by the Plans to manage the Plans' assets. The Trust employs U.S. Bank as the custodian of its assets.

Investments. The Plans' investment policy includes an asset allocation plan for investments:

Asset Class	Minimum Allocation	Target	Maximum Allocation
Equities	1.0%	60.0%	59.0%
Fixed income	10.0%	30.0%	50.0%
Alternative investments	—%	10.0%	20.0%

Investments of the Plans at fiscal year-end:

Investment type	Fair Value/Amortized Cost
Cash	\$ 147,809
Mutual funds	287,007,955
Money market funds	1,385,097
Alternative Investments	4,924,894
Total	<u>\$ 293,465,755</u>

Credit Risk: The Maryland Local Government Investment Pool, included in Money Market Funds in the above schedule, is rated AAA by Standard & Poor's. The money market funds used by U.S. Bank are unrated, as are the mutual funds used by the Plans.

Other Post- Employment Benefits (OPEB) Trust Funds' Fair Value Measurement

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. It has the following recurring fair value measurements as of June 30, 2024:

	Total	Fair Value Measurement Using		
		(Level 1)	(Level 2)	(Level 3)
Investments by fair value level:				
Mutual funds:				
Mutual funds - equity	\$ 190,087,289	\$ 190,087,289	\$ —	\$ —
Mutual funds - fixed Income	96,920,666	96,920,666	—	—
Alternative Investments	4,924,849	—	—	4,924,849
Total investments	<u>291,932,804</u>	<u>287,007,955</u>	<u>—</u>	<u>4,924,849</u>
Total investment by fair value level *	<u>\$ 291,932,804</u>	<u>\$ 287,007,955</u>	<u>\$ —</u>	<u>\$ 4,924,849</u>

*Does not include cash and money market funds totaling \$1,532,905 which represents securities that have remaining maturities of less than one year and may be measured at amortized cost.

3. Receivables

Receivables at fiscal year-end of the County's major individual funds and other aggregate remaining funds (including non-major governmental funds, non-major proprietary funds, internal service funds, and fiduciary funds), including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	General Capital Project Fund	Fire & Rescue Reserve Fund	Water and Sewer Fund	Fiduciary Funds	Non-Major and Other Funds	Total
Receivables							
Property taxes	\$ 12,999,829	\$ —	\$ 2,205,793	\$ 421,796	\$ 165,729	\$ 144,015	\$ 15,937,162
Due from other governments	336,590,646	18,703,148	—	—	—	14,424,852	369,718,646
Due from component units	7,904,765	37,469,818	—	—	—	7,736,577	53,111,160
Lease Receivable	546,305	—	—	—	—	15,976,132	16,522,437
Housing loans	—	—	—	—	—	18,217,326	18,217,326
Economic development loans	—	—	—	—	—	673,846	673,846
Other	1,656,677	123,744	2,437,178	1,584,841	5,995,777	13,226,377	25,024,594
Service billings	—	—	—	14,180,585	—	132,618	14,313,203
Water and sewer assessments	—	—	—	10,607,748	—	—	10,607,748
Gross receivables	<u>359,698,222</u>	<u>56,296,710</u>	<u>4,642,971</u>	<u>26,794,970</u>	<u>6,161,506</u>	<u>70,531,743</u>	<u>524,126,122</u>
Less: Allowance for uncollectibles	<u>(2,692,662)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,692,662)</u>
Total Receivables	<u>\$ 357,005,560</u>	<u>\$ 56,296,710</u>	<u>\$ 4,642,971</u>	<u>\$ 26,794,970</u>	<u>\$ 6,161,506</u>	<u>\$ 70,531,743</u>	<u>\$ 521,433,460</u>

Property tax, services billings and water and sewer assessments receivables in the proprietary funds are liens on real property that will be sold via the annual tax sale process if not paid; therefore, an allowance has not been established. Due from other governments consists of uncollected tax and grant revenues from Federal and State governments.

Amounts other than leases receivable are (net of allowance for doubtful accounts).

4. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables:

The composition of interfund balances (Due to/from other funds) at fiscal year-end is as follows:

Due from other funds	Due to other funds	Amount
General Fund	Special Recreation Facility	\$ 1,899,005
Recreation Program Fund	Special Recreation Facility	422,000
Total Inter-fund Receivable/Payable		\$ 2,321,005

The balances are cash deficits related to normal operations.

Transfers:

Interfund transfers for the year consisted of the following:

Fund	General Fund	General Capital Projects Fund	Fire and Rescue Reserve Fund	Non-Major Governmental Funds					Internal Service Funds	*Total Transfer In
				Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds			
Major Funds										
General Fund	\$ —	\$ 5,047,443	\$ 6,474,539	\$ 15,999,994	\$ 314,700	\$ 20,833,308	\$ —	\$ 678,984	\$ 49,348,968	
General Capital Projects Fund	63,395,145	—	—	—	—	—	—	—	63,395,145	
Non-Major Funds										
Special Revenue	246,753	—	—	—	—	—	—	—	246,753	
Debt Service	1,924,064	—	—	—	—	—	—	—	1,924,064	
Capital Projects	16,955,145	—	5,670,000	200,000	—	—	8,090,000	—	30,915,145	
Enterprise Funds	26,443	—	—	—	—	—	—	750,000	776,443	
Internal Service Funds	6,800,000	—	729,468	—	—	—	—	—	7,529,468	
*Total Transfer Out	\$ 89,347,550	\$ 5,047,443	\$ 12,874,007	\$ 16,199,994	\$ 314,700	\$ 20,833,308	\$ 8,090,000	\$ 1,428,984	\$ 154,135,986	

* Note: Variances may exist due to rounding

The transfers from the General Fund are the disbursement of pay-as-you-go funding to various capital projects, funding of bond anticipation note, debt service expenditures in excess of interest income, and interest allocation to various funds. Transfer tax revenue is dedicated to various functions in the Capital Projects and Non-Major Special Revenue Funds. Part of that revenue is then transferred to the General Fund to cover each function's share of debt service costs for the year. Transfers from the Enterprise Funds are to pay for highway and storm management related capital projects.

The chart above does not reflect a \$5,727 interfund transfer between the General Fund and Health Fund, which is reported with the General Fund.

5. Property Tax and Transfer Tax

The County's real property tax is levied each July 1 on the assessed value certified as of that date for all taxable real property located in the County. Assessed values are established by the Maryland State Department of Assessments and Taxation at 100% of estimated market value. The State uses January 1 as the date of finality and processes additions, deletions and corrections throughout the year. A revaluation of all property is required to be completed every three years. County taxes are due and payable, and become a lien on the property, on July 1 of each fiscal year. A discount of ½ % is allowed if payment is made in July. Property taxes are billed and payable semi-annually on properties designated as "principal residence" unless a taxpayer makes an election to pay annually. The first installment is due by September 30 while the second installment is due December 31. If delinquent, taxes are charged a penalty and interest 1.5% each month that they remain unpaid. If the annual payment election is made, taxes become delinquent October 1 and are charged a penalty and interest 1.5% each month that taxes remain unpaid. Tax lien certificates are sold at a public auction in May or June for properties with delinquent taxes. Property taxes levied during the current year are recorded as receivables and revenue, net of estimated uncollectible amounts of personal property tax. The net receivables uncollected 60 days after year-end are recorded as deferred inflows of resources as described in Note 3.

The Howard County code imposes a transfer tax on every instrument of writing conveying title to real or leasehold property offered for sale in Howard County. The Code specifies that the proceeds should be distributed to the School Site Acquisition and Construction Fund 25.0%, The Park Land Watershed Facilities Fund 25.0%, and the remainder in the general fund of the County, with the stipulation that the County Council shall budget this remainder as follows: Agricultural Land Preservation Fund 50.0% plus interest; Community Renewal Fund 25.0%; and Fire Service Building and Equipment Fund 25.0%. An additional tax increase in 2019 distributed proceeds to the General Fund to be used for capital projects for Howard County Public System 25.0%; capital projects for Department of Recreation and Parks 25.0%; community improvement and housing 25.0%; and acquisition or leasing of land for new fire house sites and training facilities, the acquisition and maintenance of fire equipment, and supplementation of financial needs of fire companies.

6. Capital Assets

Capital asset activity for governmental activities for the fiscal year was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land and land improvements	\$ 667,159,858	\$ 9,962,917	\$ 755,388	\$ —	\$ 676,367,387
Construction in progress	113,913,309	93,772,438	102,078,708	—	105,607,039
Total capital assets, not being depreciated	781,073,167	103,735,355	102,834,096	—	781,974,426
Capital assets being depreciated/amortized:					
Buildings	619,638,950	29,901,817	5,719,773	—	643,820,994
Improvements other than buildings	332,131,318	11,162,387	2,138,897	—	341,154,808
Machinery and equipment*	254,102,156	23,550,715	13,347,440	250,708	264,556,139
Infrastructure	642,212,009	16,010,026	—	—	658,222,035
Intangible right-to-use buildings and equipment	102,508,022	8,542,350	5,225,283	—	105,825,089
Intangible right-to-use subscriptions	11,856,941	26,214,396	1,748,090	—	36,323,247
Total capital assets, being depreciated/amortized	1,962,449,396	115,381,691	28,179,483	250,708	2,049,902,312
Less accumulated depreciation/amortization for:					
Buildings	161,182,439	14,909,540	749,805	—	175,342,174
Improvements other than buildings	191,529,499	19,488,176	2,138,897	—	208,878,778
Machinery and equipment	172,344,689	17,600,168	13,069,605	(19,391)	176,855,861
Infrastructure	319,674,350	19,350,343	—	—	339,024,693
Intangible right-to-use buildings and equipment	13,778,282	7,399,258	2,896,634	—	18,280,906
Intangible right-to-use subscriptions	2,693,714	7,709,364	1,748,091	—	8,654,987
Total accumulated depreciation/amortization	861,202,973	86,456,849	20,603,032	(19,391)	927,037,399
Total capital assets, being depreciated/amortized, net	1,101,246,423	28,924,842	7,576,451	231,317	1,122,864,913
Governmental activities capital assets, net	\$ 1,882,319,590	\$ 132,660,197	\$ 110,410,547	\$ 231,317	\$ 1,904,839,339

*In fiscal year 2024, increases include \$738,915 contributed to the Technology and Communications fund by the Grant Fund and Capital Fund. In fiscal year 2024, increases include \$1,281,321 contributed from the Paygo and Water and Sewer funds to the Fleet fund.

(continued)

Depreciation/amortization expense was charged to functions/programs of governmental activities as follows:

Governmental activities:	Amount
General government	\$ 16,150,165
Public safety	10,239,281
Public facilities	47,951,109
Legislative and judicial	263,282
Community services	601,192
Recreation and parks	8,608,387
Education	2,643,433
Total depreciation/amortization expense - governmental activities	<u>\$ 86,456,849</u>

Capital asset activity for business-type activities for the fiscal year was as follows:

Business-type Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land and land improvements	\$ 12,593,116	\$ —	\$ —	\$ —	\$ 12,593,116
Construction in progress	57,605,411	37,801,346	24,131,807	—	71,274,950
Total capital assets, not being depreciated	70,198,527	37,801,346	24,131,807	—	83,868,066
Capital assets being depreciated/amortized:					
Buildings	238,250,441	—	—	—	238,250,441
Improvements other than buildings	100,339,156	861,100	—	—	101,200,256
Machinery and Equipment	20,820,754	454,518	44,906	(250,708)	20,979,658
Infrastructure*	1,057,556,009	30,706,507	—	—	1,088,262,516
Intangible right-to-use equipment	2,615,710	—	—	—	2,615,710
Total capital assets, being depreciated/amortized	1,419,582,070	32,022,125	44,906	(250,708)	1,451,308,581
Less accumulated depreciation/amortization for:					
Buildings	111,430,125	4,627,837	—	—	116,057,962
Improvements other than buildings	65,444,717	3,882,422	—	—	69,327,139
Machinery and Equipment	13,381,320	1,333,919	31,163	19,391	14,703,467
Infrastructure	408,018,337	23,460,695	—	—	431,479,032
Intangible right-to-use equipment	382,787	191,393	—	—	574,180
Total accumulated depreciation/amortization	598,657,286	33,496,266	31,163	19,391	632,141,780
Total capital assets, being depreciated/amortized, net	820,924,784	(1,474,141)	13,743	(231,317)	819,166,801
Business-type activities capital assets, net	\$ 891,123,311	\$ 36,327,205	\$ 24,145,550	\$ (231,317)	\$ 903,034,867

*In fiscal year 2024, increases include \$2,872,416 contributed to the Water and Sewer Enterprise Fund by various entities and developers for water and sewer lines.

In fiscal year 2024, increases include \$12,409,595 contributed from various Capital Project Funds to the Watershed Fund.

Depreciation/amortization expense was charged to functions/programs of business-type activities as follows:

Business-type activities:	
Water and sewer system	\$ 30,872,447
Golf course	140,830
Inter-County Broadband	949,826
Watershed	1,533,163
Total depreciation/amortization expense - business-type activities	\$ 33,496,266

7. Long-Term Obligations

A. Primary Government

The changes in long-term obligations for the primary government for the fiscal year are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Consolidated public improvement bonds	\$ 1,158,932,320	\$ 91,691,560	\$ 90,576,350	\$1,160,047,530	\$ 95,045,349
Tax increment financing bonds	64,175,000	15,640,000	16,835,000	62,980,000	1,060,000
Deferred refunding premium	122,778,268	12,128,784	10,642,697	124,264,355	—
Certificate of participation	12,820,000	—	2,695,000	10,125,000	2,880,000
Long-term financed purchase	3,291,399	28,535	723,423	2,596,511	359,511
Availability payment arrangement	99,085,058	—	1,649,722	97,435,336	1,735,127
Lease liability	92,169,215	6,308,766	5,948,236	92,529,745	5,189,379
Subscription liability	8,309,914	26,169,395	7,842,074	26,637,235	7,564,290
Net OPEB liability	229,812,603	5,239,649	—	235,052,252	—
Net pension liability	176,456,482	31,108,343	—	207,564,825	—
Length of service award program liability	26,105,060	75,288	—	26,180,348	—
Landfill closure obligation	26,542,000	596,000	—	27,138,000	7,105,124
Agricultural land preservation program	56,433,559	2,853,565	14,069,687	45,217,437	3,971,183
Compensated absences	32,389,602	5,988,481	4,390,743	33,987,340	585,625
Unpaid Claims	23,261,188	5,594,448	3,504,977	25,350,659	9,358,490
Other noncurrent liability	7,984,963	—	456,552	7,528,411	—
Total governmental activities	2,140,546,631	203,422,814	159,334,461	2,184,634,984	134,854,078
Business-type Activities:					
Consolidated public improvement bonds - Watershed Protection	22,731,838	5,234,472	861,216	27,105,094	1,056,002
Consolidated public improvement bonds - Broadband	1,265,842	1,943,969	62,434	3,147,377	128,650
Metropolitan district bonds	389,845,000	24,285,000	13,960,000	400,170,000	14,985,000
Deferred refunding premium	29,913,519	2,127,612	1,501,861	30,539,270	—
Certificates of participation - water meter	1,820,000	—	245,000	1,575,000	255,000
State water quality revolving loan	2,443,071	—	887,319	1,555,752	242,057
MDE Loan	950,607	—	163,930	786,677	168,935
Major water and sewer agreements	635,539	100,230	150,345	585,424	50,715
Lease liability	2,316,071	—	159,229	2,156,842	167,157
Net pension liability	3,435,037	1,305,047	—	4,740,084	—
Net OPEB liability	15,256,375	349,200	—	15,605,575	—
Compensated absences	1,129,776	94,470	94,501	1,129,745	5,772
Total business-type activities	471,742,675	35,440,000	18,085,835	489,096,840	17,059,288
Total long-term obligations	\$ 2,612,289,306	\$238,862,814	\$ 177,420,296	\$2,673,731,824	\$ 151,913,366

The County is subject to State and County law which limits the amount of applicable General County debt outstanding to 4.8% of the assessed value of real property and personal property located in the County. At fiscal year-end the statutory debt limit was \$3,073,101,367 providing a debt margin of \$1,807,099,858. The authorized, unissued General County Bonds, Metropolitan District Bonds and Tax Increment Finance Bonds at fiscal year-end were \$350,675,897, \$201,851,750 and \$41,775,000, respectively. It is the County's intent to use such unissued bonds to fund future capital projects. There is no overlapping municipal bonded debt in the County and the County is in compliance with debt agreement provisions.

Funding Source for Other Non-debt Related Liabilities

Net other post-employment benefit (OPEB) liabilities are liquidated with Employee Benefit Fund resources. Net pension liabilities (assets) are liquidated with General Fund resources. Compensated absences are liquidated by the governmental funds that incurred the associated personnel cost.

Metropolitan District bonds and their related interest charges are being financed from front foot benefit assessment charges, ad valorem taxes and in-aid-of-construction charges. In the event such revenues and charges are insufficient to finance the debt service, the full faith and credit and unlimited taxing power of the County are irrevocably pledged to the payment of the principal and interest of these bonds.

On March 12, 2024, the County issued \$96,615,000 in Consolidated Public Improvement Project Bonds 2024 Series A and \$24,285,000 in Metropolitan District Project Bonds Series B and \$2,255,000 in Consolidated Public Improvement Project Taxable Bonds Series C. The true interest costs were 3.39%, 3.82% , and 5.07% for the Series A, B and C respectively. The County issued these bonds to pay off \$78,882,344 of outstanding Consolidated Public Improvement Bond Anticipation Notes, 2023 Series (BANs), reimburse the County for costs related to capital projects, and to pay bond issuance costs.

The County issues debt to finance the construction of certain capital facilities of its component units and to finance major water and sewer projects done in conjunction with the City of Baltimore (the "City") and Baltimore County, which affects the "unrestricted" net position component in the statement of net position.

The following summarizes these situations in which the County is reporting the debt in its financial statements, while the corresponding assets are reported by the other reporting entity.

- The Board of Education (Public School System) and the Community College have no authority to issue bonded debt. The authority rests with the County subject to approval of the Council. The County had approximately \$521,900,289 of its net Consolidated Public Improvement general obligation bonds outstanding that are related to capital facilities of the component units at fiscal year end.
- The Metropolitan District Act requires Baltimore City to provide water to the County's Metropolitan District. The City also treats sewage from the Metropolitan District at cost. The County has agreed to pay the City on a pro rata basis for construction of certain City-owned water and sewer capital projects that serve the Metropolitan District. Since 2004, the County has contributed approximately \$92.7 million toward these City-owned facilities that are funded primarily with bond proceeds. The County estimates 4.18% of its net Metropolitan District general obligation bonds outstanding or \$16.7 million is related to these facilities at fiscal year-end.

Since 1993, the County has participated in the State Water Quality Revolving Loan Program. Under this program, the State makes loans to local governments with interest rates that are below the market rate for tax exempt financing. As of fiscal year-end, the County has borrowed \$91,255,779, of which \$77,045,779 was borrowed by the Water and Sewer Enterprise Fund to expand the County's water reclamation. The outstanding balances of these loans are \$1,555,753.

Industrial revenue bonds issued by the County for the benefit of private businesses in the County are neither debt of nor charges against the general credit or taxing power of the County. These amounts are not included in general long-term debt (see Note 9).

In prior years, the County defeased certain Consolidated Public Improvement and Metropolitan District bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included as long-term obligations of the County. At fiscal year-end, \$103,245,000 of Consolidated Public Improvement Bonds and \$44,400,000 of Metropolitan District Bonds were considered defeased.

Under its Agricultural Land Preservation Program, the County acquires development rights on a parcel of agricultural property by entering into an installment purchase agreement with the property owner. The County acquires the development rights to the land in perpetuity. Historically, under the terms of the agreement, the County paid the property owner semiannual interest payments for 30 years and minimal portions of the installment purchase price until maturity. The remaining amount of the purchase price was paid at the end of 30 years with a balloon payment. Upon execution of an agreement, the County purchased stripped-coupon U.S. Treasury obligations in amounts sufficient to equal the balloon payment in 30 years (see Note 2). Under the current program, the County pays five or ten percent of the purchase price at closing, with equal annual principal payments over 15 or 20 years with interest.

Direct Placements

The County issues tax-exempt bond anticipation notes (BANs) in order to provide interim financing for a portion of the costs of on-going capital projects. On May 11, 2023 the County entered a Credit Agreement for a \$200,000,000 Line of Credit which is repaid annually with the proceeds of General Obligation bonds. The outstanding amount of such notes as of June 30, 2024 was \$37,731,426. The agreement will expire on May 11, 2025 and the County intends to pay off prior to the expiration date.

On November 20, 2018, the County borrowed \$1,646,000 from Sandy Spring Bank to fund a portion of the cost of a storm water restoration project located at 1960 Daisy Road in Woodbine, Maryland. The loan was made through the Maryland Department of the Environment (the "MDE") Linked Deposit Water Quality Program. MDE has placed \$1,646,000 on deposit with Sandy Spring Bank for the ten-year term of the loan. The interest earned on the funds on deposit will be used to offset the market interest rate.

A summary of debt service requirements to maturity, including principal and interest, for certain long-term obligations at fiscal year-end are below:

Debt service requirements of governmental activities:

Year ending	General County Bonds		Agricultural Land Program	
	Principal	Interest	Principal	Interest
June 30:				
2025	\$ 95,045,349	\$ 45,361,771	\$ 3,971,183	\$ 1,282,310
2026	92,267,974	41,688,949	4,532,183	1,178,254
2027	90,283,127	37,654,174	9,196,183	887,951
2028	87,933,375	33,589,240	6,109,183	617,492
2029	84,966,022	29,500,355	3,951,183	386,389
2030-2034	375,723,876	94,972,272	11,373,757	897,708
2035-2039	248,896,803	35,608,154	4,603,737	230,898
2040-2044	84,931,004	5,843,583	1,480,028	24,714
Total	<u>\$ 1,160,047,530</u>	<u>\$ 324,218,498</u>	<u>\$ 45,217,437</u>	<u>\$ 5,505,716</u>

Year ending	Long-term Financed Purchase		Certificates of Participation	
	Principal	Interest	Principal	Interest
June 30:				
2025	\$ 359,511	\$ 39,758	\$ 2,880,000	\$ 434,250
2026	283,000	34,664	2,230,000	306,500
2027	287,000	30,120	1,335,000	217,375
2028	292,000	25,512	1,450,000	147,750
2029	297,000	20,816	1,140,000	83,000
2030-2034	1,078,000	34,816	1,090,000	27,250
2035-2039	—	—	—	—
2040-2044	—	—	—	—
Total	<u>\$ 2,596,511 (1)</u>	<u>\$ 185,686 (1)</u>	<u>\$ 10,125,000</u>	<u>\$ 1,216,125</u>

(1) Reflects amortization of final approved contracts whereas the financial statements reflect the actual drawn amounts.

Debt service requirements of business-type activities:

Year ending	Metro District Bonds		Water Quality Bonds		Watershed Protection	
	Principal	Interest	Principal	Interest	Principal	Interest*
June 30:						
2025	\$ 14,985,000	\$ 14,079,781	\$ 242,057	\$ 32,010	\$ 1,056,002	\$ 1,135,362
2026	15,465,000	13,450,245	245,272	28,795	1,091,126	1,100,461
2027	15,985,000	12,712,520	248,538	25,529	1,146,663	1,044,516
2028	15,855,000	11,970,355	251,856	22,211	1,205,544	985,711
2029	16,575,000	11,228,911	242,153	18,842	1,267,025	923,897
2030-2034	81,220,000	46,274,568	325,876	22,789	7,359,843	3,596,050
2035-2039	86,165,000	31,773,002	—	—	9,112,150	1,843,754
2040-2044	75,490,000	19,056,339	—	—	4,866,741	348,116
2045-2049	60,645,000	7,831,744	—	—	—	—
2050-2054	17,785,000	1,168,525	—	—	—	—
Total	<u>\$ 400,170,000</u>	<u>\$ 169,545,990</u>	<u>\$ 1,555,752</u>	<u>\$ 150,176</u>	<u>\$ 27,105,094</u>	<u>\$ 10,977,867</u>

Year ending	Broadband		MDE		Certificates of Participation Water Meter	
	Principal	Interest *	Principal	Interest *	Principal	Interest *
June 30:						
2025	\$ 128,650	\$ 117,201	\$ 168,935	\$ 21,336	\$ 255,000	\$ 72,375
2026	125,900	120,260	174,058	16,213	270,000	59,250
2027	130,211	115,972	179,336	10,935	285,000	45,375
2028	136,082	111,412	184,762	5,509	300,000	30,750
2029	141,953	106,541	79,586	647	310,000	15,500
2030-2034	776,281	452,204	—	—	155,000	3,875
2035-2039	941,046	286,926	—	—	—	—
2040-2044	767,254	91,396	—	—	—	—
2045-2049	—	—	—	—	—	—
2050-2054	—	—	—	—	—	—
Total	<u>\$ 3,147,377</u>	<u>\$ 1,401,912</u>	<u>\$ 786,677</u>	<u>\$ 54,640</u>	<u>\$ 1,575,000</u>	<u>\$ 227,125</u>

*Includes administrative fees.

Special Obligation Bonds

March 11, 2014, the County issued its first Special Obligation Bonds (Annapolis Junction Town Center) 2014 Series in the amount of \$17 million, with an overall true interest cost of 6.148%. The proceeds were used to construct a 704-space parking garage on 12.73 acres of land dedicated for commuter rail patrons. The County had previously designated the 12.73 acres as a Development District, at the site of the MARC Savage Commuter Rail Station. The land is state-owned, thus no real property taxes were paid to the County for this property. However, County management anticipates opportunities for local economic development by putting tax-exempt property on the local tax roll while improving transportation infrastructure. The outstanding bonds in the amount of \$16,145,000 were refunded on June 27, 2024 with an overall true interest cost of 4.704%.

A companion special taxing district was created as a backup for the Special Obligation bonds. Special taxes will be imposed on property owners located within the special taxing district in any year where the tax increment collections are lower than the next year's debt service obligation and TIF District expenses. The special taxes are also to be pledged for the repayment of the Special Obligation bonds.

These bonds are not general obligation bonds of the County; rather they are special obligations of the County payable solely from the incremental real property taxes collected within the Development District, any special taxes imposed and collected from the companion Special Tax District, and any Base Realignment and Closure (BRAC) Zone Grant awarded by the State of Maryland. The project was approved for designation as a BRAC Zone in June 2009. The total amount of pledged revenue is \$23,974,017. A reserve fund in the amount of \$1,564,500 was established as part of the refunding debt issuance. This reserve will not be available for other purposes until the final maturity of the bonds in fiscal year 2044. Additionally, as of fiscal year end, \$870 is being held by an escrow agent for fiscal year 2025 debt service. Pledged revenues of \$1,581,378 were recognized in fiscal year 2024. The outstanding debt of \$15,640,000 is included in the primary government's long-term debt on the Statement of Net Position.

The bond offering is part of an overall Public Private Partnership (P3) development project known as Annapolis Junction Town Center. When completed, the entire development project will be a comprehensive mixed-use State Transit-Oriented Development (TOD) and will include 100,000 square feet of Class A office space, 416 luxury apartment units, a 150-room hotel, 17,250 square feet of retail space and the 700-space parking garage (financed by the general obligations bonds). The project will also include two additional parking garages, to be funded privately, to separately support parking needs for businesses and residents.

On October 19, 2017, the County issued \$48,225,000 of Special Obligation Bonds (Downtown Columbia Project) Series 2017 A, with an overall true interest cost of 4.48%. The development project consists of the re-development of a portion of the downtown area in the unincorporated master-planned community of Columbia, Maryland, one of the first master-planned communities in the United States. Howard Research and Development Corporation intends to develop the downtown area in multiple phases over approximately 15 to 20 years. The Development District is comprised of approximately 148.6 acres within Downtown Columbia excluding The Mall and Merriweather-Symphony Woods neighborhoods. The Special Taxing District consists of an approximately 65-acre parcel located within the Crescent neighborhood of the Development District. Special taxes will be imposed on property owners located within the special taxing district in any year where the tax increment revenues are lower than the next year's debt service obligation and District expenses.

The bond proceeds are being used to finance the construction of roads, intersections, related water, sewer and storm water improvements and an EMT/Quick Strike Facility in the Special Taxing District and to pay bond issuance costs. These bonds are not general obligation bonds of the County; rather they are special obligations of the County payable solely from the incremental real property taxes collected on the Phase One properties and any special taxes imposed and collected within the Crescent Special Taxing District. The Phase One properties include The Metropolitan, m.flats, TEN.M, One Merriweather, Two Merriweather, Area One Parking garage, Project 3 Office A, Project 3 Multifamily B, Project 3 Multifamily C, Project 3 Office B, Project # Retail and Area Three Parking garage.

The total amount of pledged revenue is \$73,923,599. A reserve fund in the amount of \$3,921,283 was established as part of the debt issuance. This reserve will not be available for other purposes until the final maturity of the bonds in fiscal year 2047. Additionally, as of fiscal year end, \$118,694 is being held by an escrow agent for fiscal year 2025 debt service. Pledged revenues of \$5,231,902 were recognized in fiscal year 2024. The outstanding debt of \$47,340,000 is included in the primary government's long-term debt on the Statement of Net Position.

A summary of debt service requirements to maturity, including principal and interest, for the TIF governmental activities at fiscal year-end are below.

Debt service requirements of TIF governmental activities:

Year ending	Tax Increment Financing Bonds		
	Principal	Interest	Annual Debt Service
June 30:			
2025	\$ 1,060,000	\$ 2,562,085	\$ 3,622,085
2026	1,160,000	2,800,469	3,960,469
2027	1,425,000	2,751,219	4,176,219
2028	1,540,000	2,690,969	4,230,969
2029	1,660,000	2,625,719	4,285,719
2030-2034	10,240,000	11,935,500	22,175,500
2035-2039	14,680,000	9,324,438	24,004,438
2040-2044	23,290,000	5,178,625	28,468,625
2045-2049	7,925,000	534,374	8,459,374
Total	<u>\$ 62,980,000</u>	<u>\$ 40,403,398</u>	<u>\$ 103,383,398</u>

Availability Payment Arrangement

On July 27, 2018, the Howard County Council adopted CB54-2018 approving a multi-year Project Agreement between Howard County, Maryland and a special purpose entity formed by Edgemoor-Star America Judicial Partners (“ESJP” or the Project Company) for the design, construction, partial financing, operation and maintenance of a new Courthouse and related Parking Structure to be located on the Project Site located at 9250 Judicial Way (formerly known as 9240 and 9250 Bendix Road) in Ellicott City. The County reached commercial and financial close with ESJP on October 16, 2018. Council Bill 41-2017 authorized the issuance of General Obligation bonds to finance the milestone payment. The County paid ESJP \$78 million upon occupancy in July 2021.

The County makes monthly payments consisting of capital and facilities management charges, meeting GASB Statement No. 94’s definition of an Availability Payment Arrangement. The County has recognized \$100,653,579 at an imputed discount rate of 5.07%, and will continue to make monthly payments to the Project Company through 2051, or the “expiration date.” The fixed capital charge is for the design, build and construction of the Courthouse. The facilities management charge is index-linked and related to the Project Company’s performance in operating and maintaining the Courthouse. The facilities management charges are recognized as outflows on the financial statements. The Project Company is responsible for obtaining and repaying all construction and other financing necessary for the Project at its own cost and risk and without recourse to the County and, exclusively bears the risk of any changes in the interest rate, payment provisions or the other terms and conditions of its financing.

A summary of the fixed capital charges required to maturity, including principal and interest, for the long-term obligations at fiscal year-end are below:

Year ending	Courthouse Availability Payment		
	Principal	Interest	Annual Debt Service
June 30:			
2025	\$ 1,735,127	\$ 4,888,421	\$ 6,623,548
2026	1,824,953	4,798,595	6,623,548
2027	1,919,429	4,704,119	6,623,548
2028	2,018,796	4,604,752	6,623,548
2029	2,123,308	4,500,240	6,623,548
2030-2034	12,383,692	20,734,048	33,117,740
2035-2039	15,938,681	17,179,059	33,117,740
2040-2044	20,514,203	12,603,537	33,117,740
2045-2049	26,403,220	6,714,520	33,117,740
2050-2051	12,573,927	673,169	13,247,096
Total	<u>\$ 97,435,336</u>	<u>\$ 81,400,460</u>	<u>\$ 178,835,796</u>

B. Component Units

The changes in long-term obligations for the component units for the fiscal year are as follows:

Component Unit	Beginning Balance	Additions	Reductions	Ending Balance
Community College:				
Compensated absences, net OPEB liability and net pension liability (asset)	\$ 35,563,228	\$11,588,736	\$12,513,807	\$ 34,638,157
Housing:*				
Loans, compensated absences and net pension liability	248,486,437	33,559,080	3,692,900	278,352,617
Library:				
Compensated absences and net OPEB liability	13,247,244	1,488,837	1,301,618	13,434,463
Public School System:				
Long-term financed purchase, workers compensation, compensated absences, net OPEB liability and net pension liability (asset)	847,771,155	32,550,653	8,414,686	871,907,122
Total	<u>\$ 1,145,068,064</u>	<u>\$79,187,306</u>	<u>\$25,923,011</u>	<u>\$1,198,332,359</u>

*Financial statements for the Housing Commission are reported on a calendar year basis

8. Short-Term Debt

The changes in short-term debt for the primary government for the fiscal year are as follows:

Type	Beginning Balance	Issued	Retired	Ending Balance
Bond Anticipation Notes	\$ 39,964,080	\$ 77,723,653	\$ 79,956,306	\$ 37,731,427

Bond anticipation notes (BANS) are issued to finance expenditures of certain capital projects and will be repaid from the proceeds when the County issues debt.

The County issues tax-exempt bond anticipation notes (BANs) in order to provide interim financing for a portion of the costs of on-going capital projects. On May 11, 2023 the County entered a Credit Agreement for a \$200,000,000 Line of Credit which is repaid annually with the proceeds of General Obligation bonds. The outstanding amount of such notes as of June 30, 2024 was \$37,731,426. The agreement will expire on May 11, 2025 and the County intends to pay-off prior to the expiration date.

9. Conduit Debt

From time-to-time, the County has issued Industrial Revenue Bonds, Economic Revenue Development Bonds, Retirement Community Revenue Bonds, and Recovery Zone Facility Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

At fiscal year-end, there were 13 series of conduit debt outstanding. The aggregate principal amount outstanding for the 9 series issued after July 1, 1996 was \$71,791,883. The aggregate principal amount outstanding for the 4 series issued prior to June 30, 1996 could not be determined; however, their original issue amounts totaled \$23,880,000.

10. Leases and Subscription-Based Information Technology Arrangements

Leases

County as Lessee

The County has entered into various lease agreements as lessee primarily for office space and office equipment. Leases have initial terms from 2 to 26 years with an average length of 12 years, and contain one or more renewals at the County's option, most commonly for five-year periods and others at one or three-year periods. The County has generally included these renewal periods in the lease term when it is reasonably certain that the County will exercise the renewal option. The County's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes, and insurance, which are expensed as incurred as variable lease payments. For office space leases that include variable payments, those include payments for the County's proportionate share of the building's property taxes, insurance, and common area maintenance. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments. These rates range from 0.4170% to 3.3980%.

This year the County entered into a new 69 month lease for office space. An initial lease liability was recorded in the amount of \$746,452. As of June 30, 2024, the value of the lease liability is \$634,229. The County is required to make monthly fixed payments of \$10,449. The lease has an interest rate of 2.2300%. The value of the right-to-use asset as of June 30, 2024 is \$746,452 with accumulated amortization of \$129,818 included with Buildings in the table below. The County has 11 extension options, each for 12 months.

The County agreed to a 180 month lease for the use of office space. An initial lease liability was recorded in the amount of \$560,832. As of June 30, 2024, the value of the lease liability is \$534,607. The monthly fixed payments are \$3,309 with an

interest rate of 2.2300%. The value of the right-to-use asset as of June 30, 2024 is \$560,832 with accumulated amortization of \$34,178 included with Buildings below. There are two extension options for 60 months.

Lastly, the County entered into an 84 month lease for speed cameras. An initial lease liability was recorded in the amount of \$4,523,805. As of June 30, 2024, the value of the lease liability is \$4,256,384. The required monthly fixed payments are \$47,280. The lease has an interest rate of 2.2740%. The value of the right-to-use asset as of June 30, 2024, is \$4,523,805 with accumulated amortization of \$323,129 included with Equipment on table below. This lease has six extension options, each for 12 months.

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

	Governmental Activities	Business-Type Activities	Total
Intangible right-to-use assets being amortized:			
Buildings	\$ 101,301,284	\$ 2,615,710	\$ 103,916,994
Equipment	4,523,805	—	4,523,805
Total intangible right-to-use assets being amortized	<u>105,825,089</u>	<u>2,615,710</u>	<u>108,440,799</u>
Less accumulated amortization for:			
Buildings	17,960,926	574,180	18,535,106
Equipment	323,129	—	323,129
Total accumulated amortization	<u>18,284,055</u>	<u>574,180</u>	<u>18,858,235</u>
Intangible right-to-use assets being amortized, net:			
Buildings	83,340,358	2,041,530	85,381,888
Equipment	4,200,676	—	4,200,676
Total intangible right-to-use assets, being amortized, net	<u>\$ 87,541,034</u>	<u>\$ 2,041,530</u>	<u>\$ 89,582,564</u>
Lease liability:			
Current	\$ 5,189,379	\$ 167,157	\$ 5,356,536
Noncurrent	87,340,366	1,989,685	89,330,051
Total Lease liability	<u>\$ 92,529,745</u>	<u>\$ 2,156,842</u>	<u>\$ 94,686,587</u>

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 5,189,379	\$ 1,940,647	\$ 7,130,026
2026	5,199,976	1,838,893	7,038,869
2027	5,453,036	1,732,477	7,185,513
2028	5,398,567	1,621,583	7,020,150
2029	5,622,738	1,506,297	7,129,035
Thereafter	65,666,049	10,218,238	75,884,287
Total	<u>\$ 92,529,745</u>	<u>\$ 18,858,135</u>	<u>\$ 111,387,880</u>

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 167,157	\$ 37,521	\$ 204,678
2026	175,355	34,440	209,795
2027	183,831	31,209	215,040
2028	192,594	27,822	220,416
2029	201,651	24,276	225,927
Thereafter	1,236,254	65,157	1,301,411
Total	<u>\$ 2,156,842</u>	<u>\$ 220,425</u>	<u>\$ 2,377,267</u>

County as Lessor

The County leases out some of its buildings and land. Most leases have initial terms from 2 to 24 years with an average length of 10 years and contain one to four more renewals at the County's option for typically five-year periods. The County has included these renewal periods in the lease term when they are both noncancellable and reasonably certain to be exercised. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments. These rates range from 0.4170% to 3.1130%. Although the County is exposed to changes in the residual value at the end of the current leases, the County typically enters into new operating leases and therefore will not immediately realize any reduction in residual value at the end of these leases.

The County amended 14 leases at Long Reach Village Center to extend the term and rental payments primarily through 03/31/2025 or 03/31/2027. There were no new lease agreements for this fiscal year.

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

	Governmental Activities	Business-Type Activities	Total
Revenues			
Lease Revenue	\$ 1,102,925	\$ 316,168	\$ 1,419,093
Interest Revenue	246,272	88,406	334,678
Total Revenue	<u>\$ 1,349,197</u>	<u>\$ 404,574</u>	<u>\$ 1,753,771</u>

At June 30, 2024, the principal and interest requirements to maturity for the lease receivable are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 1,295,246	\$ 232,274	\$ 1,527,520
2026	955,690	214,929	1,170,619
2027	890,634	199,758	1,090,392
2028	760,852	185,108	945,960
2029	673,968	171,226	845,194
Thereafter	7,717,268	974,199	8,691,467
Total	<u>\$ 12,293,658</u>	<u>\$ 1,977,494</u>	<u>\$ 14,271,152</u>

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 322,128	\$ 82,446	\$ 404,574
2026	328,204	76,370	404,574
2027	334,397	70,177	404,574
2028	319,687	63,887	383,574
2029	262,327	58,247	320,574
Thereafter	2,662,036	277,398	2,939,434
Total	<u>\$ 4,228,779</u>	<u>\$ 628,525</u>	<u>\$ 4,857,304</u>

Subscription-Based Information Technology Arrangements

The County has entered into various subscription agreements that convey control of the right-to-use another entity's combination of IT software and tangible capital assets, for a variety of governmental purpose ranging from payroll to computer software. Subscriptions have initial terms from 1 to 10 years with an average length of four years and contain none or more renewals at the county's option, most commonly for 1-year periods and others at 5 years. The County has generally included these renewal periods in the subscription term when it is reasonably certain that the County will exercise the renewal option. The County's subscriptions generally do not include termination options for either party to the subscription or restrictive financial or other covenants. As the interest rate implicit in the County's subscription is not readily determinable, the County utilizes its incremental borrowing rate to discount the subscription payments. The following agreements were entered into during FY 2024 and are included in the Subscription class activities in the chart below:

On 07/01/2023, the County entered into a 36 month subscription for the use of Microsoft. An initial subscription liability was recorded in the amount of \$6,155,249. As of 06/30/2024, the value of the subscription liability is \$4,062,680. The County is required to make annual fixed payments of \$2,092,568. The subscription has an interest rate of 2.3100%. The value of the right-to-use asset as of 06/30/2024 is \$6,155,249 with accumulated amortization of \$2,051,750. The County has two extension options, each for 12 months.

On 07/24/2023, the County entered into a 48 month subscription for the use of On Premises Calling. An initial subscription liability was recorded in the amount of \$1,486,009. As of 06/30/2024, the value of the subscription liability is \$1,099,427. The County is required to make annual fixed payments of \$386,583. The subscription has an interest rate of 2.7190%. The value of the right-to-use asset as of 06/30/2024 is \$1,486,009 with accumulated amortization of \$347,767. The County has three extension options, each for 12 months.

On 07/24/2023, the County entered into a 48 month subscription for the use of Security EA. An initial subscription liability was recorded in the amount of \$2,090,447. As of 06/30/2024, the value of the subscription liability is \$1,546,621. The County is required to make annual fixed payments of \$543,826. The subscription has an interest rate of 2.7190%. The value of the right-to-use asset as of 06/30/2024 is \$2,090,447 with accumulated amortization of \$489,223. The County has three extension options, each for 12 months.

On 08/01/2023, the County entered into a 36 month subscription for the use of ACCELA INC. An initial subscription liability was recorded in the amount of \$692,697. As of 06/30/2024, the value of the subscription liability is \$466,563. The County is required to make annual fixed payments of \$226,134. The subscription has an interest rate of 2.8480%. The value of the right-to-use asset as of 06/30/2024 is \$692,697 with accumulated amortization of \$211,658. The County has two extension options, each for 12 months.

On 12/21/2023, the County entered into a 60 month subscription for the use of Body Worn Cameras & Related Products/Svs. An initial subscription liability was recorded in the amount of \$12,053,043. As of 06/30/2024, the value of the subscription liability is \$10,971,219. The County is required to make monthly fixed payments of \$1,081,824. The subscription has an interest rate of 3.4510%. The value of the right-to-use asset as of 06/30/2024 is \$12,053,043 with accumulated amortization of \$1,272,266. The County has four extension options, each for 12 months.

On 01/01/2024, the County entered into a 60 month subscription for the use of Workiva. An initial subscription liability was recorded in the amount of \$282,726. As of 06/30/2024, the value of the subscription liability is \$229,107. The County is required to make annual fixed payments of \$53,619. The subscription has an interest rate of 2.2820%. The value of the right-to-use asset as of 06/30/2024 is \$282,726 with accumulated amortization of \$28,273. The County has four extension options, each for 12 months.

On 03/14/2024, the County entered into a 24 month subscription for the use of Cellebrite Guardian. An initial subscription liability was recorded in the amount of \$172,215. As of 06/30/2024, the value of the subscription liability is \$85,015. The County is required to make annual fixed payments of \$87,200. The subscription has an interest rate of 2.5700%. The value of the right-to-use asset as of 06/30/2024 is \$172,215 with accumulated amortization of \$25,593. The County has one extension option for 12 months.

On 04/01/2024, the County entered into a 36 month subscription for the use of Darkhorse Emergency Corp. An initial subscription liability was recorded in the amount of \$116,704. As of 06/30/2024, the value of the subscription liability is \$76,704. The County is required to make annual fixed payments of \$40,000. The subscription has an interest rate of

2.8510%. The value of the right-to-use asset as of 06/30/2024 is \$161,704 with accumulated amortization of \$13,475. The County has two extension options, each for 12 months.

At June 30, 2024, the statement of net position included the following amounts relating to subscription:

	Governmental Activities	Business-Type Activities	Total
Intangible right-to-use subscription assets being amortized:			
Software	\$ 36,323,247	\$ —	\$ 36,323,247
Total intangible right-to-use subscription assets being amortized	<u>36,323,247</u>	<u>—</u>	<u>36,323,247</u>
Less accumulated amortization for:			
Software	8,654,985	—	8,654,985
Total accumulated amortization	<u>8,654,985</u>	<u>—</u>	<u>8,654,985</u>
Intangible right-to-use subscription assets being amortized, net:			
Software	27,668,262	—	27,668,262
Total intangible right-to-use subscription assets, being amortized, net	<u>\$ 27,668,262</u>	<u>\$ —</u>	<u>\$ 27,668,262</u>
Subscription liability:			
Current	\$ 7,564,290	\$ —	\$ 7,564,290
Noncurrent	19,072,945	—	19,072,945
Total Subscription liability	<u>\$ 26,637,235</u>	<u>\$ —</u>	<u>\$ 26,637,235</u>

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 7,564,290	\$ 749,021	\$ 8,313,311
2026	8,030,381	551,507	8,581,888
2027	5,587,968	328,810	5,916,778
2028	4,685,208	163,992	4,849,200
2029	214,382	19,253	233,635
2030-2032	555,006	23,438	578,444
Total	<u>\$ 26,637,235</u>	<u>\$ 1,836,021</u>	<u>\$ 28,473,256</u>

11. Restricted Assets

Federal and State grants, water and sewer assessments, user charges, in-aid-of-construction charges, developer contributions, and bond and loan proceeds for purposes of construction of the water and sewer system are restricted. The cumulative amounts of other non-operating revenues are available for construction activities and reflected as restricted net position. Assets and liabilities arising from the construction and operation of the County's publicly owned golf course are restricted in the Special Recreation Facility Fund. Restricted assets also include funds that are legally restricted for special purposes such as public housing projects.

12. Fund Equity

The governmental fund balances at June 30, 2024 are composed of the following:

	General Fund	General Capital Projects Funds	Fire and Rescue Reserve Fund	Other Governmental Funds	Total
FUND BALANCES					
Nonspendable:					
Materials and supplies	\$ 778,580	—	\$ 627,478	\$ 160,905	\$ 1,566,963
Prepaid items	9,939	—	—	212,986	222,925
Long-term receivable:					
Due from component units	7,904,765	—	—	—	7,904,765
Total nonspendable	8,693,284	—	627,478	373,891	9,694,653
Restricted for:					
Catalyst loan program	—	—	—	2,161,784	2,161,784
Community reinvestment and repair	—	—	—	1,593,948	1,593,948
Disposable plastics reduction	—	—	—	770,607	770,607
Economic development initiative	—	—	—	1,939,098	1,939,098
Fire & rescue services	—	—	145,865,941	—	145,865,941
Forest conservation	—	—	—	1,525,755	1,525,755
Housing opportunity trust fund	—	—	—	5,000,000	5,000,000
Middle Patuxent environmental area program	—	—	—	102,287	102,287
MIHU Fee-in-Lieu	—	—	—	10,228,196	10,228,196
Opioid abatement	—	—	—	3,800,545	3,800,545
Parkland watershed facilities	—	—	—	18,246,418	18,246,418
Permanent public improvement contribution	—	1,961,632	—	—	1,961,632
Program revenue	—	—	—	419,460	419,460
Public road facilities	—	—	—	55,561,788	55,561,788
Public school facilities	—	55,989,115	—	—	55,989,115
Speed enforcement	—	—	—	1,011,932	1,011,932
Tax increment financing project	—	—	—	19,089,292	19,089,292
Transit services	—	—	—	2,374	2,374
Vaping	—	—	—	1,045,659	1,045,659
Total restricted	—	57,950,747	145,865,941	123,194,247	327,010,935
Committed for:					
Budget stabilization account	85,034,977	—	—	—	85,034,977
Agricultural land preservation	—	—	—	29,193,013	29,193,013
Citizen's election	1,489,165	—	—	—	1,489,165
Community renewal programs	—	—	—	36,792,051	36,792,051
Environmental services	—	—	—	25,223,040	25,223,040
Firehouse & training facilities	—	—	—	21,420,236	21,420,236
Total committed	86,524,142	—	—	112,628,340	199,152,482

(continued)

	General Fund	General Capital Projects Funds	Fire and Rescue Reserve Fund	Other Governmental Funds	Total
Assigned for:					
FY 2026 capital projects	50,000,000	—	—	—	50,000,000
Capital projects	—	—	—	15,024,639	15,024,639
Educator loan assistance program	900,000	—	—	—	900,000
FY 2025 budgeted one-time initiatives	84,387,300	—	—	—	84,387,300
FY 2026 one-time operating initiatives	20,000,000	—	—	—	20,000,000
FY 2025 budgeted PAYGO contribution to capital projects	111,705,000	—	—	—	111,705,000
School capital projects	10,000,000	—	—	—	10,000,000
Policy reserve	43,387,763	—	—	—	43,387,763
Purchase commitments	12,511,012	—	—	—	12,511,012
Subsequent year's budget stabilization account	10,664,521	—	—	—	10,664,521
Total assigned	343,555,596	—	—	15,024,639	358,580,235
Unassigned	36,531,059	(107,312,730)	—	(37,972,867)	(108,754,538)
Total fund balance	\$ 475,304,081	\$(49,361,983)	\$ 146,493,419	\$ 213,248,250	\$ 785,683,767

13. Landfill Closure and Post-Closure Care Cost

State and Federal laws and regulations require the County to place a final cover cap on closed cells at the currently operating Alpha Ridge Landfill and to perform certain maintenance and monitoring functions at the landfill site for a minimum period of 30 years after closure. The County recognizes a portion of these costs in each operating period based on landfill capacity used as of each fiscal year-end. Closure and post-closure care costs are paid after each cell is filled to capacity. The closure cap for a 70-acre inactive landfill cell was completed in fiscal year 2000. A separate active lined landfill cell is projected to close no earlier than 2050 if current operating conditions continue and will be capped at that time. In addition, the County has constructed closure caps and groundwater treatment systems at two older closed landfills, and the post-closure operating cost are included in the Environmental Services Fund budget. The long-term liability for these older landfills has been removed from long-term debt. Future total closure and post-closure care costs for the Alpha Ridge Landfill as determined through engineering studies will approximate \$34,243,124. Actual costs may differ due to inflation or future design changes. The County ceased using the Alpha Ridge Landfill as its primary disposal site as of March 1997, and thus it is not expected to use the landfill to its full capacity in the foreseeable future. The County is exporting waste to a regional landfill in Virginia. The remaining capacity at the landfill will be held for backup or future use. At fiscal year-end, the County has recognized \$27,138,000 of these costs. This cumulative amount reported to date is based on the use of 70.71% of the existing cell and 100% of the closed cell. The total current cost of closure and post-closure care to be recognized in future years is \$7,105,124. The County intends to finance these costs through the proceeds of bonds and through its annual operating budget. The General Fund has been used in prior years to liquidate the liability.

14. Tax Abatements

As of June 30, 2024 the County provides tax abatements through the Pilot Program and Commercial or Industrial Business Program.

PILOT (Payment in Lieu of Taxes)

Nixon Farm

In accordance with Howard County Council Resolution No. 11-2018, the County approved the terms and conditions of a Payment in Lieu of Taxes Agreement with the owners of 2800 Nixon's Farm Lane, LLC, regarding the construction and operation of an alternative and renewable energy project. Pursuant to Section 7-514 of the Tax-Property Article of the Annotated Code of Maryland, the County permits the owners to make payments in lieu of County real property taxes. The code provides, among other things, that real property may be exempt from County property tax and to induce the development of sustainable energy projects, the County agrees to abate County real property taxes for the property on a sliding scale as follows:

- a) For years 1 through 7 from the effective date, all Howard County real property taxes for the Property shall be abated and the owners shall pay to the County in lieu of such taxes, \$1 each year;
- b) For years 8 through 14 from the effective date, the owners shall receive a thirty percent (30.0%) abatement of all Howard County real property taxes for the property;
- c) For years 15 through 20 from the Effective Date, the owners shall receive a twenty percent (20.0%) abatement of all Howard County real property taxes for the property.

No other commitments were made by the County as part of this agreement.

Housing

In accordance with Howard County Code Sec. 13.1320. Property of Commission tax-exempt; exemption of property from levy and execution, the property of the Commission is declared to be used for essential public and governmental purposes and the Commission and its property are exempt from all taxes and special assessments of the County or the State. The Housing Commission which is a separate legal entity serves as the Public Housing Authority for the purpose of developing and managing housing resources for low and moderate income residents of Howard County. The Commission also owns and manages residential property, maintains these properties, develops affordable housing opportunities for the citizens of Howard County through partnerships with developers or land acquisition for development, and operates the Housing Choice Voucher. In lieu of County taxes and special assessments, the Commission makes payments to the County in an amount set by mutual agreement between the Commission and the County; provided, however, that the sum to be paid to the County does not exceed an amount equal to the regular taxes levied upon similar property.

By virtue of this agreement, all real property of the Commission is exempt from levy and sale and no execution or other judicial process shall issue against the same, nor shall any judgment against the Commission be a charge or lien upon its real property. The provisions shall not limit a right to foreclose or otherwise enforce:

- (1) Any mortgage or deed of trust recorded against any property of the Commission; or
- (2) Any pledge or lien given by the Commission on its rents, fees, or revenues.
- (3) May not deprive the County of its right to collect any service charge agreed upon in lieu of taxes in the same manner as all such taxes are now, or may hereafter be, collectible under the laws of this State and of the County.

No other commitments were made by the County as part of these agreements.

Commercial or Industrial Business

In accordance with § 9-315(a)(3) of the Tax-Property Article, Annotated Code of Maryland, there is a Howard County property tax credit against the tax on real property owned or occupied by a commercial or industrial business that engaged in an activity identified in the Howard County Economic Development Strategic Plan as a target for the County's business attraction and retention efforts.

A commercial or industrial business qualifies for a tax credit under this section if the business:

- (1) Applies for the credit under procedures of Howard County Code Sec.20.123-Commerical or industrial business
- (2) (i) Owns real property in Howard County that is new construction, or an improvement to an existing facility; or
(ii) Subject to the provisions of subsection (f)(2) of this section, rents or leases real property in Howard County that is new construction or an improvement to an existing facility;
- (3) Is currently or will be doing business in Howard County;
- (4) Will employ at least 12 additional full-time local employees by the second year in which the credit is allowed, not including an employee filling a job created when a job function is shifted from an existing location in the State to Howard County; and
- (5) Makes a substantial investment in Howard County which includes the acquisition of a building, land, or equipment that totals at least \$2,000,000; or the creation of ten positions with salaries greater than the current average wage in Howard County.

The tax credit under this section shall be granted annually for a term not to exceed ten years beginning with the first tax year in which the real property tax would increase as a result of an increase in assessment due to new construction or an improvement to an existing facility. The tax credit under this section may not exceed the amount of the County property tax imposed on the property that is a result of an increase in assessment due to the new construction or improvement. Because taxes are abated after the qualifying spending has taken place, there are no provisions for recapturing abated taxes. No other commitments were made by the County as part of these agreements.

For the fiscal year ended June 30, 2024, the County abated taxes totaling \$1,656,344 including the following tax abatement agreements that exceeds 10.0% of the total amount abated:

Tax Abatement Program	Amount of Taxes Abated
PILOT (Payment in Lieu of Taxes)	\$ 1,622,957

15. Pension Plans

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Howard County Retirement Plan (HCRP) and Police and Fire Employees’ Plan (PFEP) and additions to/deductions from the two plans’ fiduciary net position have been determined on the same basis as they were reported by each plan as of the June 30, 2023 measurement date. The financial statements of the Plans were prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Employee and employer contributions are recognized as revenues in the period in which employee services are performed and expenses, benefits, and refunds are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Investments were reported at fair value.

General Information about the Pension Plans

The Howard County Retirement Plan (“Retirement Plan”) and the Howard County Police and Fire Plan (“Police and Fire Plan”) are single-employer defined benefit public employee retirement plans administered by Howard County, Maryland, which provide retirement benefits as well as death and disability benefits and cost-of-living adjustments.

The Plans were established and operate under the provisions of the Howard County Code, Sections 1.400, 1.401 to 1.478, and 1.401A to 1.478A. Essentially all the County full-time benefited and part-time benefited employees are eligible to participate in one of the Retirement Plans, except for certain exceptions provided for in Howard County Code Section 1.406.

Responsibilities for administration and operation of the Retirement Plan and Police and Fire Plan vest in Retirement Committees with seven members each (“Committees”). The Committees have authority to establish and amend the respective benefit and contribution provisions.

Generally, the majority of employees of the primary government, except certain police officers and fire personnel, participate in the Retirement Plan, which was established July 1, 1995. As of that date, approximately 73 percent of the

County employees participating in the Maryland State Retirement Systems, described below, transferred to the Retirement Plan. Police officers and fire personnel participate in the Police and Fire Plan, which was established July 1, 1990. The remaining employees of the primary government participate in the State Employees Retirement System (“Retirement System”) established October 1, 1941, and the State Employees’ Pension System (“Pension System”) established January 1, 1980. These cost-sharing multiple-employer defined benefit systems administered by the Maryland State Retirement Systems were established under the provisions of Article 73B of the Annotated Code of Maryland. Responsibility for administration and operation of the systems vests in a 14-member Board of Trustees (“Trustees”). The respective costs and related pension liability of the Retirement Plan are not significant.

Both the Retirement Plan and the Police and Fire Plan issue separate audited financial reports which may be obtained by writing to: Howard County, Maryland, Director of Finance, 3430 Court House Drive, Ellicott City, Maryland 21043, or by accessing the reports online at www.howardcountymd.gov.

A. Howard County Retirement Plan:

Under the Retirement Plan, participants become vested after five years of eligibility service and are entitled to a benefit beginning at age 62. If an employee leaves employment or dies before five years of eligibility service, accumulated employee contributions plus interest are refunded to the employee or designated beneficiary.

A participant who becomes totally and permanently disabled may retire prior to normal retirement and receive a benefit. Both disability and death benefits vary if incurred in the line of duty.

Participating general employees with 30 years of eligibility service, regardless of age, or who attain the age of 62 and older, with two to five years of eligibility service (for a total of 67 years), are entitled to a normal retirement benefit. For creditable service earned prior to June 30, 2012, the benefit is 1.55% of the participant’s average compensation times the participant’s creditable service; for creditable service after July 1, 2012, the multiplier is 1.66%. The Plan permits early retirement for participants who attain the age of 55 with at least 15 years of Eligibility Service or have 25 years of eligibility service, regardless of age. For early retirement, the benefit is reduced by 0.5% for each month that the benefit begins prior to normal retirement date.

For participating AFSCME Local 3085, the benefit is 1.66% of the participant’s average compensation times all years of creditable service.

Participating Corrections employees are entitled to receive a normal retirement benefit of 2.5% of average compensation multiplied by years of creditable service (up to 20 years) plus 1.0% of average compensation multiplied by creditable service greater than 20 years but less than 30 years (excluding sick leave, which is always credited at 1.0% of average compensation). Normal retirement is the attainment of age 62 and older, with two to five years of eligibility service (for a total of 67 years), or the completion of 20 years of eligibility service regardless of age.

Annually, the retirement benefits are adjusted for cost of living adjustment (“COLA”). The Plan uses the Consumer Price Index (“CPI-U”) for the Baltimore/Columbia/Towson area as published by the Bureau of Labor Statistics to calculate the change in retiree allowances each July. The Maximum annual COLA is 3.0%. A retiree must be in pay status 12 or more months to be awarded a COLA.

Employees covered by benefit terms

At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,048
Inactive employees entitled to but not yet receiving benefits	244
Active employees	1,884
Total	<u>3,176</u>

Deferred Retirement Option Program: As of fiscal year 2024, the Plan offers a program called Deferred Retirement Option Plan (DROP) to Corrections employees. This is a voluntary benefit program which offers qualified active Participants, who would be entitled to retire and receive benefits, the option to continue working. An individual DROP record is created and

is credited with the monthly retirement benefits that would have been paid during the DROP period had the participant actually retired. The record is also credited with interest. The DROP record is paid to the employee, in addition to the benefit payment entitled under the defined benefit plan based on the earlier years of service, when the employee eventually retires. Participating members may elect distribution as one lump sum payment, a rollover or in monthly payments. The balance held by the Plan as of June 30, 2024 and 2023 was \$666,523 and \$467,384, respectively.

Contributions: The Plan is authorized to establish or amend the obligation to make contributions under the provisions of Sections 1.423 and 1.465 of the Howard County Code. The Plan's funding policy provides for periodic employer contributions at actuarial determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate adequate assets to pay benefits when due. Participant contributions are 8.5% of base pay for participating Corrections participants with less than 20 years of creditable service, 0.0% for Corrections participants with greater than 20 years of creditable service, and, effective January 1, 2014, 3.0% of base pay for other participants. The County funds the remainder of the cost of its employees' participation in the Retirement Plan which was 12.30% of covered payroll in fiscal year 2024 and 10.80% of covered payroll in fiscal year 2023. Expenses incurred in the administration and operation of the Plan are funded by the Plan.

Net Pension Liability (Asset)

The County's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023.

Actuarial Assumption: The total pension liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Varies by service, Corrections 3.75% to 6.25% and all other employees from 3.75% to 6.30%, including inflation
Investment rate of return	7.15%, net of pension plan investment expense, including inflation
Mortality	Corrections and deputy sheriff employees: Pub-2010 Safety Employees/Retirees/Disabled/Contingent Survivors Amount-Weighted Mortality with generational projection from the 2010 base year using scale MP-2021 All other employees: Pub-2010 General Employees/Retirees/Disabled/Contingent Survivors Amount-Weighted Mortality with generational projection from the 2010 base year using scale MP-2021

The actuarial assumptions used in the July 1, 2022 valuation were based on the 2022 Experience Study covering the period of July 1, 2017 through June 30, 2022.

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.

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

Asset Class	Target Allocation	Long-term Expected Rate of Return
Equities	42.0%	4.87%
Fixed income	26.0%	3.06%
Alternative investments	26.0%	6.75%
Real assets	6.0%	4.35%
Total	100.0%	N/A

For the measurement year ended June 30, 2023 the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 8.20%.

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

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at June 30, 2022	\$ 614,805,127	\$ 564,137,606	\$ 50,667,521
Changes for the year:			
Service cost	19,785,396	—	19,785,396
Interest	43,540,174	—	43,540,174
Changes of benefit terms	—	—	—
Differences between expected and actual experience	19,698,841	—	19,698,841
Changes of assumptions	7,036,827	—	7,036,827
Contributions - employer	—	16,093,684	(16,093,684)
Contributions - member	—	5,244,021	(5,244,021)
Net investment income	—	47,813,631	(47,813,631)
Benefit payments, including refunds of employee contributions	(28,502,013)	(28,502,013)	—
Administrative expense	—	(508,952)	508,952
Net changes	61,559,225	40,140,371	21,418,854
Balance as of June 30, 2023	\$ 676,364,352	\$ 604,277,977	\$ 72,086,375

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of the County and the component units participating in the General Employees Plan (Economic Development Authority (1) and Housing Commission), calculated using the discount rate of 7.25%, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability (asset)	\$ 156,282,198	\$ 70,057,395	\$ (1,900,678)
Economic Development Authority ¹	2,302,551	1,032,176	(28,004)
Housing Commission	2,223,644	996,804	(27,043)
Total	<u>\$ 160,808,393</u>	<u>\$ 72,086,375</u>	<u>\$ (1,955,725)</u>

¹Economic Development Authority statements are not included in the County's ACFR due to immateriality.

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports for both Plans.

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

For the year ended June 30, 2024, the County and the participating component units recognized pension expense of \$23,601,848 and \$688,143 respectively. The County's share of deferred outflows of resources and deferred inflows of resources related to the pension is reported below. The portions allocated to the component units are not reported due to immateriality for Economic Development Authority and a different fiscal year end for Housing:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,105,195	\$ 8,256,067
Changes of assumptions	10,445,680	—
Net difference between projected and actual earnings on pension plan investments	21,612,973	—
Changes in proportion	187,611	161,520
Contributions subsequent to the measurement date	19,717,794	—
Total	<u>\$ 69,069,253</u>	<u>\$ 8,417,587</u>

Deferred outflows of resources reported \$19,717,794, related to the pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability(asset) in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ 6,661,837
2026	2,979,555
2027	21,416,815
2028	2,088,461
2029	4,075,781
Thereafter	3,711,423
Total	<u>\$ 40,933,872</u>

B. Police and Fire Plan:

All of the County’s full-time career police and fire officers hired on or after July 1, 1990 must enroll in the Police and Fire Plan. The Plan provides retirement benefits as well as death and disability benefits and cost-of-living adjustment.

Participants become vested after five years of eligibility service and are entitled to a benefit beginning at age 62. Terminated vested employees with less than 20 years of service will receive a benefit equal to 2.5% of average compensation times the number of years of creditable service, payable at age 62. If an employee leaves employment or dies before five years of eligibility service, accumulated employee contributions plus interest are refunded to the employee or the designated beneficiary. A participant who becomes totally and permanently disabled may retire prior to normal retirement and receive a benefit. Both disability and death benefits vary if incurred in the line of duty.

Employees who attain the age of 62 with at least five years of eligibility service and employees who have completed 20 years of eligibility service, if at least 10 years were served as a covered employee, are entitled to a normal retirement benefit. The amount will vary, based on the number of years of creditable service, from 50% (with 20 years of service) to 80% (with 30 years of service) of average compensation for police, and from 50% (with 20 years of service) to 70% (with 30 years of service) of average compensation for firefighters.

Annually, the retirement benefits are adjusted for COLA. The Plan uses the CPI-U for the Baltimore/Columbia/Towson area as published by the Bureau of Labor Statistics to calculate the change in retiree allowances each July. The Maximum annual COLA is 2%. A retiree must be in pay status 12 or more months to be awarded a COLA.

Employees covered by benefit terms

At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	513
Inactive employees entitled to but not yet receiving benefits	32
Active employees	969
Total	<u>1,514</u>

Deferred Retirement Option Program: The Plan offers a program called Deferred Retirement Option Plan (DROP). This is a voluntary benefit program which offers qualified active Participants, who would be entitled to retire and receive benefits, the option to continue working. An individual DROP record is created and is credited with the monthly retirement benefits that would have been paid during the DROP period had the participant actually retired. The record is also credited with the required employee contributions and interest. The payment is made to the employee, in addition to the benefit payment entitled under the defined benefit plan based on the earlier years of service, when the employee eventually retires. Participating members may elect distribution as one lump sum payment, a rollover or in monthly payments. Balance held by the plan as of June 30, 2024 and 2023 was \$13,378,542 and \$14,599,616, respectively.

Contributions: The Plan is authorized to establish or amend the obligations to make contributions under the provisions of the Howard County Code, Sections 1.423A and 1.465A. The Plan’s funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. For employees with less than 30 years of service, participant contributions are 11.6% of pay for participating Police Department Employees and 7.7% of pay for participating Fire Department Employees. Employees with 30 or more years pay no participant contributions. The County funds the remainder of the cost of its employees’ participation in the Police and Fire Plan, which was 35.30% and 34.80% of covered payroll in fiscal years 2024 and 2023, respectively.

Net Pension Liability

The County's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023.

Actuarial Assumptions: The total pension liability in the July 1, 2022 actuarial valuation rolled forward to June 30, 2023 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Varies by service; Police: 4.00% to 7.25% and Fire: 4.00% to 10.00%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Mortality	Pub- 2010 Safety Employees/Retirees/Disabled/Contingent Survivors Amount-Weighted Mortality with generational projection from the 2010 base year using scale MP 2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the 2022 Experience Study covering the period of July 1, 2017 through June 30, 2022.

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.

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

Asset Class	Target Allocation	Long-term Expected Rate of Return
Equities	42.0%	4.87%
Fixed income	26.0%	3.06%
Alternative investments	26.0%	6.75%
Real assets	6.0%	4.35%
Total	100.0%	N/A

For the measurement year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 8.20%.

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

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 884,799,952	\$ 754,157,419	\$ 130,642,533
Changes for the year:			
Service cost	26,090,919	—	26,090,919
Interest	62,587,031	—	62,587,031
Changes of benefit terms	636,487	—	636,487
Differences between expected and actual experience	16,760,297	—	16,760,297
Changes of assumptions	10,706,061	—	10,706,061
Contributions - employer	—	33,884,709	(33,884,709)
Contributions - member	—	9,286,782	(9,286,782)
Net investment income	—	62,545,758	(62,545,758)
Benefit payments, including refunds of employee contributions	(43,061,140)	(43,061,140)	—
Administrative expense	—	(541,435)	541,435
Net changes	73,719,655	62,114,674	11,604,981
Balance as of June 30, 2023	<u>\$ 958,519,607</u>	<u>\$ 816,272,093</u>	<u>\$ 142,247,514</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County, calculated using the discount rate of 7.25 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25 percent) or 1 percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
County's net pension liability	<u>\$ 272,734,264</u>	<u>\$ 142,247,514</u>	<u>\$ 34,823,220</u>

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports for both Plans.

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

For the year ended June 30, 2023 the County recognized pension expense of \$40,755,517. The County reported outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,099,321	\$ 10,655,010
Changes of assumptions	27,208,894	—
Net difference between projected and actual earnings on pension plan investments	31,273,694	—
Contributions subsequent to the measurement date	36,750,837	—
Total	<u>\$ 117,332,746</u>	<u>\$ 10,655,010</u>

Deferred outflows of resources reported \$36,750,837 related to the pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability(asset) in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ 14,195,466
2026	8,485,652
2027	31,785,500
2028	2,649,480
2029	4,085,505
Thereafter	8,725,296
Total	<u>\$ 69,926,899</u>

C. Employer Aggregate Pension Disclosure:

	Howard County Retirement Plan	Police & Fire Plan	Total
Balance as of June 30, 2024:			
Total net pension liabilities (asset)	\$ 70,057,395	\$ 142,247,514	\$ 212,304,909
Total deferred outflows of resources from pension	\$ 69,069,253	\$ 117,332,746	\$ 186,401,999
Total deferred inflows of resources from pension	\$ 8,417,587	\$ 10,655,010	\$ 19,072,597
For the year ended June 30, 2024			
Total pension expense	\$ 23,601,848	\$ 40,755,517	\$ 64,357,365

Note: Excludes component units. EDA is not included in the ACFR due to immateriality; Housing Commission has a different fiscal year end; Public Schools, Community College and Library participate in the Maryland State Retirement Plans.

The aggregate amount of the pension expenses for the HCRP, the PFEP, and the LOSAP is \$ 65,433,957.

D. Component Units:

Generally, all employees of three of the component units (Board of Education, Howard Community College and Library) are covered by the Maryland State Retirement and Pension System (the System), which is a cost-sharing, multi-employer defined benefit pension plan. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers and employees of participating governmental units. The plans are administered by the State Retirement Agency.

As of June 30, 2024, the Howard County School System and Howard County Community College proportions for the System were 0.271% and 0.0145%, respectively. Howard County School System and Howard County Community College reported net pension liabilities of \$62,442,098 and \$3,243,887, respectively. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For the year ended June 30, 2024, Howard County School System and Howard County Community College recognized pension expense of \$9,330,469 and \$779,514 (related to the employee's system only and does not include amounts that may be included in the state paid benefits), respectively. Howard County Library has no expense for pension costs, is not responsible for unfunded pension obligation and did not report any net pension liability due to a special funding situation.

16. Other Post-Employment Benefits (OPEB)

Summary of Significant Accounting Policies

For purposes of measuring the net Other Post-Employment Benefits (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 Howard County OPEB Plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they were reported by the plan as of June 30, 2023 which is the measurement date. The financial statements of the Plan were prepared using the accrual basis of accounting. Expenditures are recognized on the accrual basis as retirees' insurance costs are incurred. The Plan's insurance costs are paid by the retirees, the County and its component units through the County's self-insurance fund (internal service fund).

Plan Description

The County's OPEB plan is a Cost-Sharing Multiple Employer Defined Benefit Healthcare Plan. Per Section 1.406B of Howard County Bill No. 14-2008, the County established an irrevocable trust for administering the plan assets and paying healthcare costs on behalf of the participants. The Plan includes the County (consisting of the County government and Howard County Soil Conservation District) and its component units: Howard Community College, Howard County Public School System, and Howard County Library. The Plan is administered and overseen by a Board of Trustees comprised of the Chief Administrative Officer, the Director of Finance, and Budget Administrator.

The County provides a post-employment health insurance program in addition to the pension benefits described in Note 15. These post-employment benefits are subject to change at any time. All employees who retire from the County may participate in the program. To be eligible, the retiree must have a minimum of 15 years of County service and immediately begin receiving a monthly retirement plan benefit. Effective December 1, 2019, the retiree health policy was changed to provide that an eligible retiree does not have to be enrolled in the health insurance plan immediately preceding retirement to enroll at a future date. The County will pay a percentage of the retiree's health insurance premium based upon these criteria. This percentage varies with the number of years of service attained by the employee. Other retirees who do not meet the eligibility criteria are permitted to participate in the retirees' health insurance program by paying the full premium at the group rate.

The component units provide medical benefits to eligible employees who retire from employment with the entity. The eligibility requirements vary among different entities. Each entity pays a percentage of the health insurance premium based on certain criteria. In addition to medical benefits, the school system offers life insurance benefits to eligible retirees who have provided 10 years of service with the school system and have retired from the Howard County Public School System.

Plan membership per the actuarial valuation as of January 1, 2022 consisted of the following:

Retirees and beneficiaries receiving benefits	4,087
Active plan members	10,263
Deferred vested terminations	17
Total	<u>14,367</u>

There are no separate financial statements for the Plan.

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

The Plan's funding policy provides for the County to contribute to the trust as determined by the County budget. During the fiscal year, the County's proportionate share of the collective net other post-employment benefits liability is 23.29% of the \$13,500,000 contributed to the trust by the County, or \$3,144,150. The County budget for fiscal year 2024 included funding for pay-as-you-go OPEB costs as well as \$13,500,000 to the trust.

Based on the most recent actuarial valuation which was prepared as of January 1, 2022 (February 1, 2022 for non-School groups) and rolled forward to June 30, 2023, the actuarially calculated proportionate share of total OPEB liability as of the measurement date of June 30, 2023 was \$307,805,466 and there was \$57,147,639 of actuarial plan assets; therefore, the net OPEB liability for the County was \$250,657,827. The plan fiduciary net position as a percentage of the total OPEB liability was 18.57%.

Actuarial Assumptions: The collective total OPEB liability for the June 30, 2023 measurement date was determined by actuarial valuation as of January 1, 2022, with update procedures used to roll forward the total OPEB liability to June 30, 2023. The actuarial methods and significant assumptions used by the actuary are summarized on the next page to conform to the disclosure requirements for GASB Statement 75.

A summary of the assumptions included in the June 30, 2024 report are as follows:

Actuarial cost method	Entry Age Normal
Projected cash flows	Discount rate of 4.60% applied to investments in fiscal years 2023 through 2042.
Municipal bond rate	4.13% as of 6/30/23 based on S&P's Municipal Bond 20-year high-grade rate index
Interest assumption	Equivalent single discount rate of 4.60% as of 6/30/23
Inflation	2.65%
Long-term expected real rate of return, based on geometric means	4.85% for Equity investments (based on 45% target allocation), 2.46% for Fixed Income investments (based on 23% target allocation), 6.21% for Alternative investments (based on 26% target allocation), and 4.33% for Real Asset investments (based on 6% target allocation), or a total of 4.60%
Healthcare cost trend rate	4.14%

The long-term expected rate of return on 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 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.

For the fiscal year-ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 9.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

In measuring the total liability and determining the discount rate, the actuary projected cash flows by assuming that the County will continue to make the current contribution levels increasing 3% per annum. These contributions were first allocated to the normal cost for future hires. The present value of payments through 2043 was determined using the expected rate of return of assets of 7.25% and using the bond rate of 4.13% for benefit payments after 2043. The equivalent single rate is 4.60%. Based on these assumptions, the plan is expected to become insolvent in 2043.

The end-of-year net OPEB liability for the County is calculated below:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2023	\$ 294,872,768	\$ 49,891,914	\$ 244,980,854
Changes for the year:			
Service Cost	11,652,284	—	11,652,284
Interest	13,342,073	—	13,342,073
Experience loss/(gain)	(5,060,424)	—	(5,060,424)
Contributions - Employer	—	9,169,723	(9,169,723)
Net investment income	—	4,689,287	(4,689,287)
Changes in assumptions	(409,046)	—	(409,046)
Benefit payments	(6,592,189)	(6,592,189)	—
Administrative expenses	—	(11,096)	11,096
Net Changes	<u>12,932,698</u>	<u>7,255,725</u>	<u>5,676,973</u>
Balances at June 30, 2024	<u>\$ 307,805,466</u>	<u>\$ 57,147,639</u>	<u>\$ 250,657,827</u>

The following presents what the County's Total and Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease	Discount Rate	1% Increase
	3.60%	4.60%	5.60%
Discount Rate Sensitivity			
Total OPEB liability	\$ 364,065,926	\$ 307,805,470	\$ 263,087,285
Net OPEB liability	\$ 306,918,291	\$ 250,657,835	\$ 205,939,650

The following presents what the County's Total and Net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher:

	1% Decrease	Medical Trend	1% Increase
	3.14%	4.14%	5.14%
Trend Sensitivity Year 2075			
Total OPEB liability	\$ 261,049,157	\$ 307,805,470	\$ 369,250,702
Net OPEB liability	\$ 203,901,521	\$ 250,657,835	\$ 312,103,067

For the year-ended June 30, 2024, the County recognized OPEB expense of \$(8,097,831). At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,072,962	\$ 66,516,003
Changes of assumptions	74,145,501	128,771,693
Changes in proportion	6,806,208	95,878,932
Net difference between projected and actual earnings on OPEB plan investments	3,261,395	—
Contributions subsequent to the measurement date	10,211,650	—
Total	<u>\$ 96,497,716</u>	<u>\$ 291,166,628</u>

Deferred outflows of resources reported \$10,211,650 related to the OPEB liability resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ (29,439,849)
2026	(29,537,767)
2027	(27,840,955)
2028	(26,499,553)
2029	(28,280,286)
Thereafter	<u>(63,282,152)</u>
Total	<u>\$ (204,880,562)</u>

Employer Aggregate Disclosure

	* Howard County Government	Howard County Public Schools	Howard Community College	Howard County Library	**Howard County Housing Commission	**Howard County Economic Development Authority (EDA)	Total
Balance as of June 30, 2024:							
Total proportion of net OPEB liabilities	\$ 250,657,835	\$ 783,938,027	\$ 28,197,661	\$ 12,161,587	\$ 860,997	\$ 430,498	\$ 1,076,246,605
Total proportion of OPEB net position	\$ 57,147,635	\$ 178,730,518	\$ 6,428,802	\$ 2,772,728	\$ 196,299	\$ 98,150	\$ 245,374,132
Total deferred outflows of resources from OPEB	\$ 96,497,716	\$ 383,173,262	\$ 10,089,813	\$ 4,652,837	\$ 358,272	\$ 204,229	\$ 494,976,129
Total deferred inflows of resources from OPEB	\$ 291,166,627	\$ 617,441,584	\$ 24,870,317	\$ 13,182,352	\$ 1,249,721	\$ 462,647	\$ 948,373,248
For the year ended June 30, 2024:							
Total OPEB expense	\$ (8,097,831)	\$ 27,435,805	\$ (22,735)	\$ (243,365)	\$ (62,670)	\$ 1,971	\$ 19,011,175

* Enterprise Fund share of net OPEB liability, OPEB assets, deferred outflows, and deferred inflows is \$15,605,576, \$3,557,925, \$7,089,061, and 18,095,675, respectively. The portion allocated to the Howard County Soil Conservation District for net OPEB liability, OPEB assets, deferred outflows, and deferred inflows is \$322,875, \$73,612, \$196,639, and \$357,219, respectively.

** EDA is not included in the ACFR due to immateriality and the Housing Commission has a different fiscal year end.

Plan Perspective under GASB Statement No. 74

The OPEB plan is presented in accordance with the provisions of GASB Statement No. 74, "Financial Reporting for Post-employment Benefit Plans Other than Pension Plans," which supersedes Statement No. 43. A separate actuarial valuation report was prepared using January 1, 2024 census data from the County, Community College, Public Schools, rolled forward to June 30, 2024.

Plan membership per the actuarial valuation as of January 1, 2024 consisted of the following:

Retirees and beneficiaries receiving benefits	4,454
Active plan members	10,719
Deferred vested terminations	—
Total	<u>15,173</u>

A summary of the assumptions included in the June 30, 2024 report are as follows:

Actuarial cost method	Entry Age Normal
Interest assumption	Discount rate of 4.80% as of 6/30/24
Inflation	2.65%
Municipal bond rate	4.21% as of 6/30/24 based on S&P's municipal bond 20-year high-grade rate index
Projected cash flows	Long-term expected rate of return was applied to fiscal years 2024 through 2044
Long-term expected real rate of return, based on geometric means	2.95% for Equity investments (based on 60% target allocation), 0.66% for Fixed Income investments (based on 30% target allocation), and 0.56% for Alternative investments (based on 10% target allocation), or a total of 4.17%
Mortality	SOA RPH-2014 Combined Healthy tables with generational projection from 2006 base year using MP-2017 Mortality Improvement Scale

The long-term expected rate of return on 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 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.

For the fiscal year-ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 13.65%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

In measuring the total liability and determining the discount rate, the actuary projected cash flows by assuming that the County will continue to make the current contribution levels increasing 3.00% per annum. These contributions were first allocated to the normal cost for future hires. The present value of payments through calendar year-end 2044 was determined using the expected rate of return on assets of 7.25%. For calendar years after 2044, the present value of benefit payments was ascertained by using the expected rate of return on assets of 13.67% and using the bond rate of 4.21%. The equivalent single rate is 4.80%.

Based on the aforementioned methods and assumptions, the components of the County's Net OPEB liability as of June 30, 2024 were as follows:

Total OPEB liability	\$ 1,388,646,991
Plan fiduciary net position	293,014,042
County's net OPEB liability	<u>\$ 1,095,632,949</u>
Plan fiduciary net position as a percentage of the total OPEB liability	21.10%

The following presents what the County's Total and Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

Discount Rate Sensitivity	1% Decrease 3.80%	Discount Rate 4.80%	1% Increase 5.80%
Total OPEB liability	\$ 1,644,005,162	\$ 1,388,646,991	\$ 1,185,771,398
Net OPEB liability	\$ 1,350,991,120	\$ 1,095,632,949	\$ 892,757,356

The following presents what the County's Total and Net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher:

Trend Sensitivity Year 2075	1% Decrease 3.09%	Discount Rate 4.09%	1% Increase 5.09%
Total OPEB liability	\$ 1,179,658,313	\$ 1,388,646,991	\$ 1,661,240,829
Net OPEB liability	\$ 886,644,271	\$ 1,095,632,949	\$ 1,368,226,787

Financial Statements

Summary financial information for the Other Post-Employment Benefits trust is presented below:

Statement of Net Position

Assets	
Receivables:	
Interest and dividends	\$ 524,955
Investments, at fair value:	
Cash	147,809
Alternative investments	4,924,849
Mutual funds	287,007,955
Money market funds	1,385,097
Total assets	<u>293,990,665</u>
Liabilities	
Accounts payable	54,190
Other	683,672
Total liabilities	<u>737,862</u>
Net position held in trust for other post-employment benefits	<u>\$ 293,252,803</u>

Statement of Changes in Net Position

Additions	
Contributions:	
Employer	\$ 43,845,635
Total contributions	<u>43,845,635</u>
Investment income (expense):	
Net change in fair value of investments	27,397,416
Interest	1,061,016
Dividends	6,683,509
Investment expense	(478,849)
Net investment income	<u>34,663,092</u>
Total additions	<u>78,508,727</u>
Deductions	
Benefits	30,593,426
Administrative expenses	36,630
Total deductions	<u>30,630,056</u>
Change in net position	<u>47,878,671</u>
Net position - beginning of year	<u>245,374,132</u>
Net position - end of year	<u>\$ 293,252,803</u>

17. Length of Service Award Program

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Howard County Length of Service Award Program (LOSAP) have been determined on the full accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

General Information about the Pension Plans

The Howard County Length of Service Award Program (LOSAP) is a single-employer defined benefit retirement plan administered by Howard County, Maryland. The LOSAP provides retirement and death benefits to volunteer firefighting and emergency medical service personnel who donate their time and services to one of the six volunteer fire corporations in the County.

The LOSAP was established and operates under the provisions of the Howard County Code, Sections 17.102 and 17.103. It was established in 1991 and last amended effective January 1, 2015. Separate financial statements for the program are not issued.

Under the LOSAP, participants become vested after 25 years of eligible service beginning at age 50. No benefit is paid if service is less than 25 years.

There are no disability benefits. A death benefit equal to the total of six months LOSAP payment is paid to the designated beneficiary. In addition, \$5,000 is paid to the designated beneficiary for burial expenses.

Participants aged 50 years with 25 years of eligibility service are entitled to a normal retirement benefit. Effective January 1, 2015, a monthly benefit is equal to 1.00% of the current annual starting salary of a trainee in the Department of Fire and Rescue Services (which was \$557 as of January 1, 2022), plus \$10 for each full year of certified active service over 25 years. The monthly amount representing 1.00% of the current starting salary of a trainee cannot exceed \$1,540.51 based on limitations presented in the County Code.

All benefits are paid from the Fire and Rescue Reserve Fund as they become due. This is an unfunded program; therefore, there are no assets in the program.

Employees covered by benefit terms

At January 1, 2022 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	106
Active employees	288
Total	<u>394</u>

Net Pension Liability

The County's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to June 30, 2023.

Actuarial Assumption: The total pension liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 %
Salary increases	Not Applicable
Interest	3.86% compounded annually
Investment rate of return	3.86%
Mortality	RP-2014 Mortality Table, Blue Collar, with generational projection using Improvement Scale MP-2017

Discount rate: The 20-year general obligation bond discount rate used to measure the total pension liability was 3.86%.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	\$ 26,105,060	\$ —	\$ 26,105,060
Changes for the year:			
Service cost	751,694	—	751,694
Interest	975,033	—	975,033
Differences between expected and actual experience	—	—	—
Changes of assumptions	(785,228)	—	(785,228)
Contributions - employer	—	866,211	(866,211)
Benefit payments	(866,211)	(866,211)	—
Net changes	75,288	—	75,288
Balance as of June 30, 2022	<u>\$ 26,180,348</u>	<u>\$ —</u>	<u>\$ 26,180,348</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County LOSAP, calculated using the discount rate of 3.86%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.86%) or 1 percentage-point higher (4.86%) than the current rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
County's net pension liability	<u>\$ 31,374,193</u>	<u>\$ 26,180,348</u>	<u>\$ 22,209,915</u>

Pension plan fiduciary net position: There are no separately issued financial reports for the LOSAP.

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

For the year ended June 30, 2024, the County recognized pension expense of \$1,076,592. The County reported outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,087,183	\$ 4,864,480
Changes of assumptions	5,603,849	9,089,112
Contributions subsequent to the measurement date	918,002	—
Total	\$ 8,609,034	\$ 13,953,592

Other than contributions subsequent to the measurement date \$918,002, which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024, amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the fiscal years ended June 30:

2025	\$ (650,135)
2026	(650,133)
2027	(440,093)
2028	(1,891,992)
2029	(2,518,029)
Thereafter	(112,178)
Total	\$ (6,262,560)

18. Deferred Compensation Plan

Deferred compensation plans are available to all County employees. The plans were established in accordance with Internal Revenue Code Section 457. A deferred compensation plan offers employees an opportunity to defer a portion of their salary along with the related Federal and State income taxes until future years. The deferred compensation funds are not available to employees until termination, retirement, death, or unforeseeable emergency. The County does not report those assets and liabilities in the financial statements of the County.

19. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The reporting entity, excluding the Howard County Public School System, has established two internal service funds to account for and finance its uninsured risks of loss. The reporting entity's risk financing techniques include a combination of risk retention through self-insurance and risk transfer using a risk pool. The Employee Benefits Self-Insurance Fund provides full coverage for employee benefits and long-term disability claims. The Risk Management Self-Insurance Fund provides coverage up to a maximum of \$1,000,000 for each automobile liability claim, \$1,000,000 for each general liability claim, \$100,000 for each property damage claim, and unlimited coverage for each workers' compensation claim.

The reporting entity belongs to the Maryland Local Government Insurance Trust ("LGIT"), which provides insurance for claims in excess of coverage for the entity's property, general, and automobile liability coverages. LGIT consists of various counties and local municipalities. It was created to provide broader insurance coverages than those available from commercial insurers, as well as loss control and risk management services. The County pays an annual premium to LGIT for this coverage.

Liability claims settled by the County in the past five fiscal years have not exceeded the Risk Management Fund's \$1,000,000 retention to trigger payment by LGIT; however, a few small property claims have exceeded the \$100,000 retention and have been paid by LGIT. All funds and component units of the reporting entity, excluding the Howard County Public School System, participate in the risk management program and make payments to the internal service funds based on a combination of actuarial estimates and historical cost information. These amounts are needed to pay prior and current year claims and to establish a reserve for future claims and/or catastrophic losses. The Howard County Public School System has its own risk management programs.

At fiscal year-end, the combined Net Position for the two self-insurance internal service funds was \$6,887,117. The combined claims liability of the two funds, \$25,350,659, is based on generally accepted accounting principles, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The changes in the combined self-insurance funds' unpaid claims liability in fiscal years 2024 and 2023 are presented below:

	Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	End of Year	Expected Amount Due Within One Year
2024	\$23,261,188	\$76,327,335	\$(74,237,864)	\$25,350,659	\$9,358,490
2023	\$23,389,970	\$71,734,610	\$(71,863,392)	\$23,261,188	\$8,028,333

The current portion is included in the noncurrent liabilities - due within one year and the noncurrent portion is included in noncurrent liabilities - due in more than one year, on the government-wide Statement of Net Position.

20. Fund Disclosure

Individual Fund Disclosure

The General Capital Projects Fund, a major fund, plans to eliminate its deficit fund balance of \$(49,361,983) through receipt of future grant revenues and future bond sales.

The Grants Fund, a non-major fund, will eliminate its deficit of \$(3,582,892) through receipt of future grant revenues.

The Recreation Program Fund, a non-major fund, will plan to eliminate its deficit fund balance of \$(1,830,549) through receipt of future revenues.

21. Restatement of Beginning Net Position and Fund Balance

The Grants Special Revenue Fund previously met the criteria to be reported as a major governmental fund. However effective July 1, 2023 the fund no longer met this criteria to be reported as a major fund and is reported as a non major governmental fund in the fiscal year ending June 30, 2024.

The Fire Rescue and Reserve Fund previously met the criteria to be reported as a non major governmental fund. However effective July 1, 2023 the fund no longer met this criteria to be reported as a non major fund and is reported as a major governmental fund in the fiscal year ending June 30, 2024.

The effect of the change to or within is shown below:

June 30, 2023 As Previously Reported	Funds	
	Special Revenue Fund	Major Governmental Funds
Changes in Fund Presentation from Major to Nonmajor	\$ (3,703,199)	\$ 3,703,199
Changes in Fund Presentation from Nonmajor to Major	120,313,475	(120,313,475)
June 30, 2024 As Restated	<u>\$ 116,610,276</u>	<u>\$ (116,610,276)</u>

22. Commitments and Contingencies

A. Grants

The County receives grant funds, principally from the U.S. Government, for various County programs. Expenditures from certain of these funds are subject to audit by the grantor, and the County is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of County management, no material refunds will be required as a result of expenditures disallowed by the grantors.

B. Construction

The County had \$860,877,408 authorized, but unobligated capital project appropriations at fiscal year-end.

Construction Commitments:

Total construction encumbrances outstanding at fiscal year-end were \$214,580,539:

Water and Sewer capital projects	\$ 27,550,041
General Improvements capital projects	152,846,718
Fire capital projects	1,009,870
Library capital projects	167,877
Recreation and Parks capital projects	4,979,343
Storm Drain capital projects	12,372,411
Highway capital projects	20,981,577
Less: Construction Accruals	(5,327,298)
Total	<u>\$ 214,580,539</u>

C. Encumbrances

The County uses “encumbrances” to control expenditure commitments for the year. Encumbrances represent commitments related to contracts executed, but not yet performed, and purchase orders not yet fulfilled. Commitments for such expenditure of monies are encumbered to reserve applicable appropriations. Encumbrance accounting is employed as part of the budgetary integration for all governmental funds. As of June 30 2024, certain amounts which were available for specific purposes have been encumbered in the governmental funds.

Encumbrances are included in the County’s governmental fund balances as follows:

Major Governmental Funds	
General Fund	\$ 12,511,012
Fire and Rescue Reserve Fund	15,447,538
Non-Major Governmental Funds	<u>33,962,002</u>
Total	<u>\$ 61,920,552</u>

D. Litigation

The County participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the County’s compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County’s anticipates such amounts, if any, will be immaterial. In addition to those suits in which claims for liability are adequately covered by insurance, the County may be a defendant in various suits involving tort claims, violations of civil rights, breach of contract, inverse condemnation, and other suits arising in the normal course of business. In the opinion of the County Attorney, the estimated liability of the County in the resolution of these cases is \$0, as the County’s liability on these claims is determined to be not probable.



Baltimore & Ohio Ellicott City Station Museum

The oldest surviving railroad station in the United States, the Baltimore & Ohio Ellicott City Station Museum is a key feature of Howard County's historic mill town. Managed by the Department of Recreation & Parks' Historic and Cultural Resources Section, the museum transports visitors back in time with its exhibits, HO-scale model depicting the first 13 miles of the Baltimore Ohio Railroad from Baltimore to Ellicott City and the recently restored 1927 Caboose.

REQUIRED SUPPLEMENTARY INFORMATION





Howard County, Maryland
Howard County Retirement Plan
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios

Last 10 Fiscal Years

(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability *										
Service cost	\$ 19,383	\$ 19,785	\$ 19,363	\$ 19,359	\$ 18,342	\$ 17,330	\$ 16,919	\$ 15,861	\$ 15,093	\$ 14,073
Interest	47,938	43,540	40,899	39,129	37,417	34,964	32,786	30,959	29,046	27,198
Changes of benefit terms	—	—	(384)	—	—	—	—	—	—	—
Differences between expected and actual experience	19,864	19,699	926	(5,043)	(9,115)	(5,973)	379	(6,369)	(4,093)	(2,741)
Changes of assumptions	8,924	7,037	1,718	785	743	9,529	—	—	—	(851)
Benefit payments, including refunds of member contributions	65,821	(28,502)	(23,694)	(21,238)	(20,068)	(19,013)	(16,809)	(15,379)	(13,700)	(12,375)
Net change in total pension liability	161,930	61,559	38,828	32,992	27,319	36,837	33,275	25,072	26,346	25,304
Total pension liability - beginning	676,363	614,804	575,976	542,984	515,665	478,828	445,553	420,481	394,135	368,831
Total pension liability - ending (a)	838,293	676,363	614,804	575,976	542,984	515,665	478,828	445,553	420,481	394,135
Plan fiduciary net position										
Contributions - employer	20,246	16,094	16,347	15,889	15,034	14,155	14,841	14,179	13,428	13,967
Contributions - member	6,051	5,244	4,897	4,857	4,749	4,378	4,156	3,904	3,757	3,573
Net investment income/ (loss)	58,543	47,814	(60,064)	133,778	16,691	31,355	35,808	45,447	4,743	9,983
Benefit payments, including refunds of member contributions	(30,288)	(28,502)	(23,695)	(21,238)	(20,067)	(19,012)	(16,809)	(15,379)	(13.7)	(12,375)
Administrative expense	(628)	(509)	(417)	(424)	(397)	(439)	(351)	(336)	(0.341)	(311)
Net change in plan fiduciary net position	53,924	40,141	(62,932)	132,862	16,010	30,437	37,645	47,815	7,887	14,837
Plan fiduciary net position - beginning	604,278	564,137	627,069	494,207	478,197	447,760	410,115	362,300	354,413	339,576
Plan fiduciary net position - ending (b)	658,202	604,278	564,137	627,069	494,207	478,197	447,760	410,115	362,300	354,413
County's net pension liability (asset) - ending (a)-(b)	<u>\$180,091</u>	<u>\$ 72,085</u>	<u>\$ 50,667</u>	<u>\$ (51,093)</u>	<u>\$ 48,777</u>	<u>\$37,468</u>	<u>\$ 31,068</u>	<u>\$ 35,438</u>	<u>\$ 58,181</u>	<u>\$ 39,722</u>
Plan fiduciary net position as a percentage of the total pension liability	78.52%	89.34%	91.76%	108.87%	91.02%	92.73%	93.51%	92.05%	86.16%	89.92%

(continued)

Howard County, Maryland
Howard County Retirement Plan
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Covered payroll	\$164,605	\$149,016	\$138,538	\$ 134,649	\$ 129,605	\$123,090	\$119,686	\$114,349	\$108,292	\$ 103,462
County's net pension liability as a percentage of covered payroll	51.02%	48.37%	36.57%	(37.95)%	37.64%	30.44%	25.96%	30.99%	53.73%	38.39%
Expected average remaining service years of all participants	7	7	7	7	7	7	7	7	7	7

* The measurement date for the pension liability is as of June 30 of the fiscal year stated.

Note to Schedule:

Benefit changes: None

Change of assumptions: The discount rate was changed from 7.25% to 7.15%

Howard County, Maryland
Howard County Retirement Plan
Required Supplementary Information
Schedule of County Contributions
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution (ADC)	\$ 17,284	\$ 14,455	\$16,208	\$ 15,889	\$15,034	\$14,155	\$ 14,003	\$13,265	\$ 13,428	\$13,967
Contributions in relation to the actuarially determined contribution	20,246	16,094	16,347	15,889	15,034	14,155	14,841	14,179	13,428	13,967
Contribution deficiency/ (excess)	<u>\$ (2,962)</u>	<u>\$ (1,639)</u>	<u>\$ (139)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (838)</u>	<u>\$ (914)</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 164,605	\$ 149,016	\$138,538	\$134,649	\$129,605	\$123,090	\$119,685	\$114,349	\$108,292	\$103,462
Contributions as a percentage of covered payroll	12.30%	10.80%	11.80%	11.80%	11.60%	11.50%	12.40%	12.40%	12.40%	13.50%
Actuarially determined contribution (ADC)	10.50%	9.70%	11.70%	11.80%	11.60%	11.50%	11.70%	11.60%	12.40%	13.50%

(continued)

Notes to Schedule:

Valuation date:

Actuarially determined contribution (ADC) amounts are calculated as of the beginning of the fiscal year (July 1) for the fiscal year immediately following the current fiscal year. Actuarial valuations are performed every year. The assumptions shown below are those used in the 7/1/2022 actuarial valuation to calculate the FY 2024 ADC. Assumptions used to determine contributions in the past may not have been the same.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Open amortization for surplus using level percent of pay, increasing 2.75% per year
Remaining amortization period	Surplus amortization base is 30 years
Asset valuation method	5-year smoothed fair value
Inflation	2.50%
Salary increases	Varies by service for Corrections employees and all other employees - Corrections 3.75% to 6.25%, including inflation. All others: 3.75% to 6.30%, including inflation.
Investment rate of return	7.15%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by participant age and service
Mortality	Corrections and deputy sheriff employees: Pub-2010b Safety Employees/Retirees/Disabled/Contingent Survivors Amount-Weighted Mortality with generational projection from the 2010 base year using scale MP-2021. All other employees: Pub-2010 General Employees/Retirees/Disabled/Contingent Survivors Amount-Weighted Mortality with generational projection from the 2010 base year using scale MP-2021
Cost-of-living increases	2.50%

Howard County, Maryland
Howard County Police and Fire Employees' Retirement Plan
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability*										
Service cost	\$ 28,072	\$ 26,091	\$ 25,875	\$ 24,446	\$ 23,123	\$ 22,278	\$ 21,109	\$ 19,163	\$ 18,974	\$ 17,708
Interest	67,954	62,588	58,775	56,037	53,578	50,713	46,900	43,426	39,998	36,208
Changes of benefit terms	—	636	—	—	—	—	—	—	(1,705)	—
Differences between expected and actual experience	1,949	16,760	(3,780)	(2,382)	(8,607)	(2,667)	13,530	6,319	7,599	(1,596)
Changes of assumptions	12,854	10,706	10,802	5,066	4,770	3,936	—	—	—	16,621
Benefit payments, including refunds of member contributions	(42,460)	(43,061)	(35,133)	(34,634)	(34,320)	(27,572)	(24,755)	(20,422)	(17,890)	(18,941)
Net change in total pension liability	<u>68,369</u>	<u>73,720</u>	<u>56,539</u>	<u>48,533</u>	<u>38,544</u>	<u>46,688</u>	<u>56,784</u>	<u>48,486</u>	<u>46,976</u>	<u>50,000</u>
Total pension liability - beginning	958,520	884,800	828,261	779,728	741,184	694,496	637,712	589,226	542,250	492,250
Total pension liability - ending (a)	<u>\$ 1,026,889</u>	<u>\$ 958,520</u>	<u>\$ 884,800</u>	<u>\$ 828,261</u>	<u>\$ 779,728</u>	<u>\$ 741,184</u>	<u>\$ 694,496</u>	<u>\$ 637,712</u>	<u>\$ 589,226</u>	<u>\$ 542,250</u>
Plan fiduciary net position										
Contributions - employer	36,751	33,885	33,226	31,923	31,105	27,720	26,337	24,729	21,636	22,530
Contributions - member	9,945	9,287	8,749	8,374	8,184	8,125	7,859	7,387	7,041	7,006
Net investment income/ (loss)	80,086	62,546	(78,059)	171,695	24,964	39,639	46,560	55,956	6,459	11,531
Benefit payments, including refunds of member contributions	(42,460)	(43,061)	(35,134)	(34,634)	(34,321)	(27,571)	(24,755)	(20,421)	(17,889)	(18,941)
Administrative expense	(606)	(542)	(459)	(401)	(413)	(457)	(355)	(344)	(327)	(368)
Net change in plan fiduciary net position	<u>83,716</u>	<u>62,115</u>	<u>(71,677)</u>	<u>176,957</u>	<u>29,519</u>	<u>47,456</u>	<u>55,646</u>	<u>67,307</u>	<u>16,920</u>	<u>22,126</u>
Plan fiduciary net position - beginning	816,272	754,157	825,834	648,877	619,358	571,902	516,256	448,949	432,029	410,271
Plan fiduciary net position - ending (b)	<u>899,988</u>	<u>816,272</u>	<u>754,157</u>	<u>825,834</u>	<u>648,877</u>	<u>619,358</u>	<u>571,902</u>	<u>516,256</u>	<u>448,949</u>	<u>410,293</u>
County's net pension liability - ending (a)-(b)	<u>\$ 126,901</u>	<u>\$ 142,248</u>	<u>\$ 130,643</u>	<u>\$ 2,427</u>	<u>\$ 130,851</u>	<u>\$ 121,826</u>	<u>\$ 122,594</u>	<u>\$ 121,456</u>	<u>\$ 140,277</u>	<u>\$ 131,957</u>

(continued)

Howard County, Maryland
Howard County Police and Fire Employees' Retirement Plan
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios

Last 10 Fiscal Years

(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan fiduciary net position as a percentage of the total pension liability	87.64%	85.16%	85.23%	99.71%	83.22%	83.56%	82.35%	80.95%	76.19%	75.66%
Covered payroll	\$104,110	\$97,370	\$92,810	\$90,179	\$87,868	\$83,746	\$81,037	\$80,814	\$72,121	\$70,406
County's net pension liability as a percentage of covered payroll	121.89%	146.09%	140.76%	2.69%	148.92%	145.47%	151.28%	150.29%	194.50%	187.42%
Expected average remaining service years of all participants	8	8	9	9	9	9	9	9	10	10

* The measurement date for the pension liability is as of June 30 of the fiscal year stated.

Note to Schedule:

Benefit changes: No changes.

Change of assumptions: The discount rate was changed from 7.25% to 7.15%.

Howard County, Maryland
Howard County Police and Fire Employees' Retirement Plan
Schedule of County Contributions
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$33,419	\$33,300	\$33,226	\$30,841	\$31,105	\$27,720	\$ 26,337	\$24,729	\$21,636	\$22,530
Contributions in relation to the actuarially determined contribution	36,751	33,885	33,226	31,923	31,105	27,720	26,337	24,729	21,636	22,530
Contribution deficiency (excess)	<u>\$(3,332)</u>	<u>\$(585)</u>	<u>\$—</u>	<u>\$(1,082)</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>
Covered payroll	\$104.11	\$97,370	\$92,810	\$90,179	\$87,868	\$83,746	\$81,037	\$80,814	\$72,121	\$70,406
Contributions as a percentage of covered payroll	35.30%	34.80%	35.80%	35.40%	35.40%	33.10%	32.50%	30.60%	30.00%	32.00%
Actuarially determined contribution (ADC)	32.10%	34.20%	35.80%	34.20%	35.40%	33.10%	32.50%	30.60%	30.00%	32.00%

(continued)

Notes to Schedule:

Valuation date:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year. Actuarial valuations are performed every year. The assumptions shown below are those used in the 7/1/2021 actuarial valuation to calculate the FY 2023 ADC. Assumptions used to determine contributions in the past may not have been the same.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit .
Amortization method	Level percentage of pay increasing 2.75% per year
Remaining amortization period	Remaining Amortization periods range from 1 to 15 years.
Asset valuation method	5-year smoothed fair value
Inflation	2.50%
Salary increases	Varies by service; Police: 4.00% to 7.25% and Fire: 4.00% to 10.00%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by participant age and service.
Mortality	Pub-2010 Safety Employees/Retirees/Disabled/Contingent Survivors Amount-Weighted Mortality with generational projection from the 2010 base year using scale MP-2021
Cost-of-living increases	2.00%

Howard County, Maryland
Other Post-Employment Benefits (OPEB) Fund
Required Supplementary Information
Schedule of Employer's Proportionate Share of Net OPEB Liability
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	***
Total OPEB liability*								
Employer's proportion of the net OPEB liability	23.29%	23.29%	29.39%	29.39%	32.09%	32.09%	30.75%	
Employer's proportionate share of net OPEB liability	\$250,658	\$245,069	\$541,917	\$478,006	\$430,355	\$376,331	\$339,983	
Covered-employee payroll**	\$264,603	\$243,608	\$228,015	\$211,936	\$193,828	\$193,828	\$184,681	
Employer's proportionate share of the net OPEB liability as a percentage of covered-employee payroll	105.56%	99.40%	42.08%	44.34%	45.04%	51.50%	54.32%	
Plan fiduciary net position as a percentage of total OPEB liability	18.57%	16.92%	11.43%	9.81%	10.31%	9.94%	8.62%	

* The measurement date for the OPEB liability is as of June 30 of the fiscal year stated.

** OPEB does not require contributions from plan members.

*** Information for FY 2017 and earlier is not available

This schedule is presented to illustrate the requirement to show information for 10 years.

However, until a full 10-year trend is completed, governments should present information for which information is available.

Howard County, Maryland
Other Post-Employment Benefits (OPEB) Fund
Required Supplementary Information
Schedule of Changes in the OPEB Trust's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years

(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability *								
Service cost	\$ 50,374	\$ 50,031	\$ 109,288	\$ 92,226	\$ 70,433	\$ 60,150	\$ 55,049	\$ 64,957
Interest	62,408	57,287	49,775	50,782	52,729	51,309	47,145	40,906
Differences between expected and actual experience	63,783	(21,728)	(302,354)	(4,981)	14,834	(3,241)	(65,034)	—
Changes of assumptions	(78,945)	(1,756)	(646,133)	165,906	195,487	107,691	77,712	(162,653)
Benefit payments	(30,593)	(28,305)	(26,230)	(25,561)	(25,425)	(22,755)	(22,627)	(23,244)
Net change in total OPEB liability	67,027	55,529	(815,654)	278,372	308,058	193,154	92,245	(80,034)
Total OPEB liability - beginning	1,321,621	1,266,092	2,081,746	1,803,374	1,495,316	1,302,162	1,209,916	1,289,950
Total OPEB liability - ending (a)	1,388,648	1,321,621	1,266,092	2,081,746	1,803,374	1,495,316	1,302,161	1,209,916
Plan fiduciary net position								
Contributions - employer	43,846	39,372	37,269	36,649	38,425	38,381	38,627	36,324
Net investment income/ (loss)	34,424	20,134	(34,642)	49,841	9,789	9,285	9,200	9,912
Benefit payments	(30,593)	(28,305)	(26,230)	(25,561)	(25,425)	(22,755)	(22,627)	(23,244)
Administrative expense	(37)	(48)	(41)	(15)	(68)	(106)	(56)	(3)
Net change in plan fiduciary net position	47,640	31,153	(23,644)	60,914	22,721	24,805	25,144	22,989
Plan fiduciary net position - beginning	245,374	214,221	237,865	176,951	154,230	129,425	104,281	\$ 81,292
Plan fiduciary net position - ending (b)	293,014	245,374	214,221	237,865	176,951	154,230	129,425	104,281
County's net OPEB liability - ending (a)-(b)	<u>\$1,095,634</u>	<u>\$1,076,247</u>	<u>\$1,051,871</u>	<u>\$ 1,843,881</u>	<u>\$ 1,626,423</u>	<u>\$ 1,341,086</u>	<u>\$1,172,736</u>	<u>\$1,105,635</u>
Plan fiduciary net position as a percentage of the total OPEB liability	21.10%	18.57%	16.92%	11.43%	9.81%	10.31%	9.94%	8.62%
Covered employee payroll***	1,159,786	925,232	889,390	873,313	852,377	798,788	799,110	760,624
County's net OPEB liability as a percentage of covered-employee payroll	94.47%	116.32%	118.27%	211.14%	190.81%	167.89%	146.76%	145.36%
Expected average remaining service years of all participants	9	9	9	10	10	10	10	10

* The measurement date for the OPEB liability is as of June 30 of the fiscal year stated.

** OPEB does not require contributions from plan members.

*** In FY 2022 Total Covered payroll updated to agree with the previous year's payroll reported by Howard County Public School System.

Notes to Schedule:

Benefit changes: None

Changes of assumptions. Discount rate at June 30, 2023 is 4.60% and at June 30, 2024 is 4.80% .

Information for FY 2016 and earlier is not available.

Howard County, Maryland
Other Postemployment Benefits
Required Supplementary Information
Schedule of Investment Returns

Last 10 Fiscal Years

Year ending June 30:	Annual money- weighted rate of return, net of investment expenses
2024	13.65%
2023	9.29%
2022	(14.16)%
2021	27.76%
2020	6.37%
2019	7.07%
2018	8.53%
2017	11.65%
2016	2.02%
2015	2.65%
2014	17.26%

Howard County, Maryland
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability								
Service cost	\$ 752	\$ 1,314	\$ 1,465	\$ 676	\$ 727	\$ 837	\$ 1,026	\$ 1,027
Interest	975	817	901	776	806	823	714	655
Changes of benefit terms	—	—	—	—	—	—	—	—
Differences between expected and actual experience	—	(6,314)	—	4,870	—	(1,417)	—	—
Changes of assumptions	(785)	(10,527)	4,383	5,644	1,815	(263)	(2,771)	—
Benefit payments, including refunds of member contributions	(866)	(843)	(798)	(756)	(759)	(721)	(669)	(610)
Net change in total pension liability	76	(15,553)	5,951	11,210	2,589	(741)	(1,700)	1,072
Total pension liability - beginning	26,105	41,658	35,707	24,497	21,908	22,649	24,349	23,277
Total pension liability - ending (a)	26,181	26,105	41,658	35,707	24,497	21,908	22,649	24,349
Plan fiduciary net position								
Net investment income	—	—	—	—	—	—	—	—
Benefit payments, including refunds of member contributions	—	—	—	—	—	—	—	—
Administrative expense	—	—	—	—	—	—	—	—
Net change in plan fiduciary net position	—	—	—	—	—	—	—	—
Plan fiduciary net position - beginning	—	—	—	—	—	—	—	—
Plan fiduciary net position - ending (b)	—	—	—	—	—	—	—	—
County's net pension liability - ending (a)-(b)	<u>\$ 26,181</u>	<u>\$ 26,105</u>	<u>\$ 41,658</u>	<u>\$ 35,707</u>	<u>\$ 24,497</u>	<u>\$ 21,908</u>	<u>\$ 22,649</u>	<u>\$ 24,349</u>
Plan fiduciary net position as a percentage of the total pension liability	— %	—%	—%	—%	—%	—%	—%	—%
Covered-employee payroll*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
County's net pension liability as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Expected average remaining service years of all participants	7	7	7	7	8	8	10	10

* OPEB does not require contributions from plan members.

Notes to Schedule:

Benefit changes: None

Changes of assumptions: Discount rate changed from 3.69% to 3.86%.

Assets: There are no assets accumulated in a trust to pay related benefits. All benefits are paid on a pay-as-you-go basis.

Information for FY 2015 and earlier not available

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**





GENERAL FUND





Howard County, Maryland
Schedule of Revenues and Appropriations from Fund Balances - Budgetary Basis
General Fund
For the Year Ended June 30, 2024

	Budget Amounts		Revenues	Variance with Final Budget
	Original	Final		
Property taxes:				
Real, personal and corporate	\$ 643,859,200	\$ 643,859,200	\$ 646,658,506	\$ 2,799,306
Payment in lieu of taxes	2,650,000	2,650,000	2,687,509	37,509
Additions and abatements	(1,200,000)	(1,200,000)	(828,115)	371,885
Interest on taxes	970,000	970,000	2,046,019	1,076,019
Total property taxes	646,279,200	646,279,200	650,563,919	4,284,719
Other local taxes:				
Heavy equipment	800,000	800,000	983,333	183,333
Local income tax surcharge	622,050,708	622,050,708	623,796,097	1,745,389
Admission tax	2,800,000	2,800,000	4,397,789	1,597,789
Local recordation tax	16,800,000	16,800,000	17,929,511	1,129,511
Room rental tax	4,600,000	4,600,000	5,932,743	1,332,743
Total other local taxes	647,050,708	647,050,708	653,039,473	5,988,765
State shared taxes:				
Highway	4,644,000	4,644,000	4,571,213	(72,787)
Total state shared taxes	4,644,000	4,644,000	4,571,213	(72,787)
Revenues from other governments	9,769,000	9,769,000	11,805,323	2,036,323
Charges for services:				
Boarding prisoners	740,000	740,000	908,189	168,189
Cable TV franchise fees	4,600,000	4,600,000	4,584,347	(15,653)
Civil marriage	11,000	11,000	13,890	2,890
Developer - water and sewer overhead	200,000	200,000	218,360	18,360
Development - review fees	460,000	460,000	1,143,135	683,135
Extension development agreement fees	20,000	20,000	22,000	2,000
House type revision fees	80,000	80,000	77,900	(2,100)
Master in chancery fees	—	—	68	68
Other charges for services	30,000	30,000	27,454	(2,546)
Parking meters	15,000	15,000	13,645	(1,355)
Planning and zoning fees	400,000	400,000	535,112	135,112
Police records check discovery fee	40,000	40,000	57,583	17,583
Recreation and parks	55,000	55,000	72,578	17,578
Rental housing inspection fees	1,300,000	1,300,000	2,085,860	785,860
Sale of maps and publications	38,000	38,000	32,596	(5,404)
Sheriff fees	150,000	150,000	287,573	137,573
Tax certificates	450,000	450,000	314,300	(135,700)
Weekender inmate fees	—	—	6,523	6,523
Food and beverage	85,000	85,000	86,184	1,184
Total charges for services	8,674,000	8,674,000	10,487,297	1,813,297
Interest on investments	4,000,000	4,000,000	41,333,193	37,333,193

(Continued)

Howard County, Maryland
Schedule of Revenues and Appropriations from Fund Balances - Budgetary Basis
General Fund
For the Year Ended June 30, 2024

	Budget Amounts		Revenues	Variance with Final Budget
	Original	Final		
Licenses and permits:				
Animal licenses	57,000	57,000	47,154	(9,846)
Beer, wine and liquor	200,000	200,000	336,521	136,521
Building	2,000,000	2,000,000	2,725,656	725,656
Concert/special event permit fees	40,000	40,000	60,812	20,812
Electrical	850,000	850,000	1,052,518	202,518
Marriage licenses	—	—	9,135	9,135
Marriage license surcharge	80,000	80,000	91,170	11,170
Mobile home park	—	—	6,450	6,450
Other	—	—	21	21
Peddlers and solicitors	13,000	13,000	13,800	800
Plumbing	600,000	600,000	725,642	125,642
Signs	40,000	40,000	36,175	(3,825)
Traders	400,000	400,000	491,304	91,304
Total licenses and permits	4,280,000	4,280,000	5,596,358	1,316,358
Recoveries for interfund services:				
Agricultural land preservation fund	244,788	244,788	244,788	—
Finance - employee health benefits fund	33,511	33,511	—	(33,511)
Fire and rescue fund	7,915,171	7,915,171	7,915,171	—
Forest conservation pro rata share	29,622	29,622	29,622	—
General County capital projects pro rata share	680,000	680,000	546,000	(134,000)
Housing and community development	515,105	515,105	515,105	—
Office of law - self insurance	514,059	514,059	504,000	(10,059)
Pension plan	665,542	665,542	753,245	87,703
Public works operations - utility	6,166,191	6,166,191	6,166,199	8
Public works - water & sewer capital projects pro rata share	270,000	270,000	270,000	—
Recreation and parks	1,534,333	1,534,333	1,534,333	—
Streetlight districts	10,000	10,000	6,200	(3,800)
Waste management pro rata share	1,733,021	1,733,021	1,733,021	—
Watershed pro rata share	400,351	400,351	416,916	16,565
Total recoveries for interfund services	20,711,694	20,711,694	20,634,600	(77,094)
Fines and forfeitures	2,160,000	2,160,000	3,422,784	1,262,784
Component units return of funding:				
Community college	327,000	327,000	327,598	598
Economic development authority	188,310	188,310	59,749	(128,561)
Total component units return of funding	515,310	515,310	387,347	(127,963)
Miscellaneous revenues:				
Citizen election contribution	—	—	188	188
Commissions, rents and concessions	120,000	120,000	805,071	685,071
Miscellaneous program revenue	500,000	500,000	507,974	7,974
Other revenue	1,104,000	1,104,000	5,951,481	4,847,481
Sale of property and equipment	—	—	43,926	43,926
Total miscellaneous revenue	1,724,000	1,724,000	7,308,640	5,584,640
Total revenues	1,349,807,912	1,349,807,912	1,409,150,147	59,342,235
Other financing sources:				
Transfers in:				
Operating transfer	10,889,000	10,889,000	10,952,000	63,000
Community renewal program fund - debt	146,270	146,270	146,256	(14)
Fire and rescue reserve fund - debt	3,242,680	3,242,680	3,242,670	(10)
Recreation program fund - debt	7,417,540	7,417,540	7,417,512	(28)
Excise tax - debt	8,658,020	8,658,020	8,657,546	(474)
Public school system - debt	3,705,410	3,705,410	3,705,394	(16)
Environmental services fund	1,203,360	1,203,360	1,203,179	(181)
Master lease debt service reimbursement	162,620	162,620	162,248	(372)
Total other financing sources	35,424,900	35,424,900	35,486,805	61,905
Appropriation from fund balance	100,494,135	100,494,135	18,133,914	(82,360,221)
Total revenues and other financing sources	\$ 1,485,726,947	\$ 1,485,726,947	\$ 1,462,770,866	\$ (22,956,081)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2024

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
GENERAL GOVERNMENT						
Office of the County Executive	\$ 2,721,556	\$ 2,721,556	\$ 2,471,075	\$ —	\$ 2,471,075	\$ 250,481
Office of the County Administrator:						
Bureau of staff services:						
Staff services	2,940,634	2,940,634	2,554,023	47,500	2,601,523	339,111
Environmental sustainability	924,670	924,670	898,706	—	898,706	25,964
Office of human rights	1,787,201	1,787,201	1,589,264	3,141	1,592,405	194,796
Workforce development	707,040	707,040	680,967	—	680,967	26,073
Total bureau of staff services	6,359,545	6,359,545	5,722,960	50,641	5,773,601	585,944
Bureau of management services:						
Budget division	1,476,363	1,581,363	1,502,334	15,892	1,518,226	63,137
Human resources	3,310,220	3,270,220	3,010,148	73,000	3,083,148	187,072
Purchasing division	2,112,120	2,032,120	1,906,765	—	1,906,765	125,355
Central services	814,511	814,511	780,528	—	780,528	33,983
Public information	1,370,486	1,385,486	1,334,728	20,000	1,354,728	30,758
Total bureau of management services	9,083,700	9,083,700	8,534,503	108,892	8,643,395	440,305
Total Office of the County Administrator	15,443,245	15,443,245	14,257,463	159,533	14,416,996	1,026,249
Department of Economic Development	3,197,405	3,197,405	3,197,405	—	3,197,405	—
Department of Finance:						
Office of the director	2,291,898	2,245,698	2,234,416	—	2,234,416	11,282
Office of the controller	3,040,844	2,905,825	2,740,518	118,983	2,859,501	46,324
Office of business management and customer service	2,708,919	2,851,919	2,571,071	212,249	2,783,320	68,599
Bureau of recordation and banking services	936,391	937,491	897,868	7,700	905,568	31,923
Bureau of disbursements	1,166,308	1,046,873	884,227	36,553	920,780	126,093
Total Department of Finance	10,144,360	9,987,806	9,328,100	375,485	9,703,585	284,221
Office of Law	5,963,486	5,918,026	5,276,016	263,636	5,539,652	378,374
Technology and Communication services	389,307	389,307	311,695	61,571	373,266	16,041
General fund contingency	12,000,000	11,653,000	—	—	—	11,653,000
Non-departmental expenses	12,677,521	29,331,881	24,361,577	2,895,941	27,257,518	2,074,363
Total General Government	62,536,880	78,642,226	59,203,331	3,756,166	62,959,497	15,682,729
LEGISLATIVE AND JUDICIAL						
Legislative:						
County council	4,597,694	4,590,162	3,745,815	231,337	3,977,152	613,010
County auditor	2,065,258	2,065,258	1,577,025	157,570	1,734,595	330,663
Board of license commissioners	147,726	147,726	141,398	—	141,398	6,328
Zoning board	95,034	102,566	102,565	—	102,565	1
Board of appeals	87,252	87,252	35,885	—	35,885	51,367
Total Legislative	6,992,964	6,992,964	5,602,688	388,907	5,991,595	1,001,369

(continued)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2024

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
Judicial:						
Circuit court	3,961,327	3,961,327	3,812,748	—	3,812,748	148,579
Sheriff's department	11,564,724	11,564,724	11,474,293	17,341	11,491,634	73,090
State attorney's office	12,184,524	12,184,524	11,637,836	—	11,637,836	546,688
Total Judicial	<u>27,710,575</u>	<u>27,710,575</u>	<u>26,924,877</u>	<u>17,341</u>	<u>26,942,218</u>	<u>768,357</u>
Board of election supervisors	<u>3,126,512</u>	<u>3,126,512</u>	<u>2,800,602</u>	<u>—</u>	<u>2,800,602</u>	<u>325,910</u>
Election expense	<u>2,217,666</u>	<u>2,217,666</u>	<u>1,814,025</u>	<u>41,562</u>	<u>1,855,587</u>	<u>362,079</u>
Total Legislative and Judicial	<u><u>40,047,717</u></u>	<u><u>40,047,717</u></u>	<u><u>37,142,192</u></u>	<u><u>447,810</u></u>	<u><u>37,590,002</u></u>	<u><u>2,457,715</u></u>
PUBLIC WORKS						
Department of Public Works:						
Office of the director	6,368,502	6,261,502	5,289,000	291,126	5,580,126	681,376
Total office of the director	<u>6,368,502</u>	<u>6,261,502</u>	<u>5,289,000</u>	<u>291,126</u>	<u>5,580,126</u>	<u>681,376</u>
Bureau of engineering:						
Administrative management division	344,136	344,136	316,221	—	316,221	27,915
Transportation & watershed management	1,631,761	1,631,761	1,585,115	—	1,585,115	46,646
Construction inspection division	3,952,674	3,530,574	3,447,085	—	3,447,085	83,489
Survey and drafting division	1,019,560	1,001,660	998,437	—	998,437	3,223
Total bureau of engineering	<u>6,948,131</u>	<u>6,508,131</u>	<u>6,346,858</u>	<u>—</u>	<u>6,346,858</u>	<u>161,273</u>
Bureau of highways:						
Operations	1,914,364	1,764,364	1,752,411	—	1,752,411	11,953
Highway maintenance division	20,594,610	21,121,610	19,540,078	1,442,326	20,982,404	139,206
Traffic engineering division	2,648,102	2,618,102	2,113,071	452,107	2,565,178	52,924
Total bureau of highways	<u>25,157,076</u>	<u>25,504,076</u>	<u>23,405,560</u>	<u>1,894,433</u>	<u>25,299,993</u>	<u>204,083</u>
Bureau of facilities:						
Administration	8,767,607	8,729,767	8,726,611	521	8,727,132	2,635
Building and ground maintenance	17,929,680	18,514,521	17,467,570	1,046,951	18,514,521	—
Total bureau of facilities	<u>26,697,287</u>	<u>27,244,288</u>	<u>26,194,181</u>	<u>1,047,472</u>	<u>27,241,653</u>	<u>2,635</u>
Bureau of environmental services:						
Stormwater management	1,337,555	1,337,555	1,318,758	—	1,318,758	18,797
Total bureau of environmental services	<u>1,337,555</u>	<u>1,337,555</u>	<u>1,318,758</u>	<u>—</u>	<u>1,318,758</u>	<u>18,797</u>
Total Department of Public Works	<u><u>66,508,551</u></u>	<u><u>66,855,552</u></u>	<u><u>62,554,357</u></u>	<u><u>3,233,031</u></u>	<u><u>65,787,388</u></u>	<u><u>1,068,164</u></u>
Department of Inspections, Licenses and Permits:						
Operations division	2,878,705	2,768,070	2,623,832	31,217	2,655,049	113,021
Inspection and enforcement division	4,001,544	3,884,044	3,846,484	—	3,846,484	37,560
Plan review division	1,730,236	1,749,236	1,742,168	—	1,742,168	7,068
Licenses and permits division	1,016,655	999,655	990,215	—	990,215	9,440
Total Department of Inspections, Licenses and Permits	<u>9,627,140</u>	<u>9,401,005</u>	<u>9,202,699</u>	<u>31,217</u>	<u>9,233,916</u>	<u>167,089</u>

(continued)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2024

	Budget Amounts		Expenditures	Encumbrances	Expenditures and Encumbrances	Variance with Final Budget
	Original	Final				
Department of Planning and Zoning:						
Office of the director	1,885,229	1,894,298	1,710,010	183,033	1,893,043	1,255
Division of land development	1,429,212	1,411,367	1,411,043	—	1,411,043	324
Division of research	1,098,152	1,021,817	1,012,339	5,794	1,018,133	3,684
Public service and zoning administration	1,206,310	1,185,550	1,185,534	—	1,185,534	16
Environmental and community planning	612,585	613,385	613,133	—	613,133	252
Development engineering division	1,342,023	1,365,602	1,365,401	—	1,365,401	201
Conservation easements program	702,124	693,757	693,336	—	693,336	421
Total Department of Planning and Zoning	8,275,635	8,185,776	7,990,796	188,827	8,179,623	6,153
Soil Conservation District	1,289,395	1,289,395	1,282,616	—	1,282,616	6,779
Department of Transportation	13,310,152	13,310,152	12,073,085	74,506	12,147,591	1,162,561
Total Public Works	99,010,873	99,041,880	93,103,553	3,527,581	96,631,134	2,410,746
PUBLIC SAFETY						
Police Department:						
Administrative command	1,575,525	1,211,225	1,188,276	18,598	1,206,874	4,351
Animal control division	2,276,188	2,106,996	2,096,980	5,326	2,102,306	4,690
Command operations	42,801,685	41,553,783	41,525,726	12,093	41,537,819	15,964
Bureau of criminal investigations	43,745	43,745	43,745	—	43,745	—
Investigation and special operations	328,249	341,699	340,801	—	340,801	898
Information and technology bureau	22,167,269	21,421,937	21,419,258	2,470	21,421,728	209
Management services bureau	11,495,894	11,757,467	11,689,281	44,561	11,733,842	23,625
Office of the chief	15,511,614	16,454,949	16,449,888	2,809	16,452,697	2,252
Operations support	8,243,599	6,811,535	6,802,457	—	6,802,457	9,078
Special operations bureau	10,147,505	11,116,857	11,072,520	28,492	11,101,012	15,845
Investigative support bureau	6,020,677	5,201,398	5,074,380	119,551	5,193,931	7,467
Criminal investigation command	23,978,046	24,509,583	24,408,765	29,508	24,438,273	71,310
Total Police Department	144,589,996	142,531,174	142,112,077	263,408	142,375,485	155,689
Department of Corrections	23,106,654	23,015,470	22,701,825	175,903	22,877,728	137,742
Total Public Safety	167,696,650	165,546,644	164,813,902	439,311	165,253,213	293,431
RECREATION AND PARKS						
Department of Recreation and Parks	29,207,348	29,266,757	29,172,710	20,117	29,192,827	73,930
Total Recreation and Parks	29,207,348	29,266,757	29,172,710	20,117	29,192,827	73,930

(continued)

Howard County, Maryland
Schedule of Expenditures and Encumbrances - Budgetary Basis
General Fund
For the Year Ended June 30, 2024

	Budget Amounts		Expenditures	Encumbrances	Expenditures	Variance with Final Budget
	Original	Final			and Encumbrances	
COMMUNITY SERVICES						
Department of social services	803,655	803,655	715,080	—	715,080	88,575
Department of community resources and services	13,914,002	13,986,636	12,889,456	494,485	13,383,941	602,695
Consumer affairs division	447,456	466,206	466,206	—	466,206	—
Office on aging	3,823,118	3,731,734	3,728,542	—	3,728,542	3,192
Cooperative extension services	544,487	544,487	544,486	—	544,486	1
Health and mental hygiene	1,805,151	—	—	—	—	—
Community services	12,648,673	12,648,673	12,488,429	116,329	12,604,758	43,915
Total Community Services	33,986,542	32,181,391	30,832,199	610,814	31,443,013	738,378
EDUCATION						
Public schools	721,187,000	721,187,000	721,187,000	—	721,187,000	—
Community college	42,400,000	42,400,000	42,400,000	—	42,400,000	—
Library	25,221,000	25,221,000	25,221,000	—	25,221,000	—
Total Education	788,808,000	788,808,000	788,808,000	—	788,808,000	—
DEBT SERVICE						
Principal payment on debt	98,137,080	100,782,488	100,524,815	140,714	100,665,529	116,959
Interests payments on debt	52,301,687	52,365,217	51,748,397	411,283	52,159,680	205,537
Total Debt Service	150,438,767	153,147,705	152,273,212	551,997	152,825,209	322,496
Total expenditures and encumbrances before transfers out	1,371,755,927	1,386,682,320	1,355,349,099	9,353,796	1,364,702,895	21,979,425
OTHER FINANCING USES						
Health department	11,227,855	13,033,006	13,033,006	—	13,033,006	—
General government	2,850,000	2,850,000	1,873,344	—	1,873,344	976,656
Recreation and parks	286,030	226,621	226,621	—	226,621	—
Paygo - capital	76,135,000	76,135,000	76,135,000	—	76,135,000	—
Paygo - operating	23,472,135	6,800,000	6,800,000	—	6,800,000	—
Total Other Financing Uses	113,971,020	99,044,627	98,067,971	—	98,067,971	976,656
Total Expenditures, Encumbrances and Other Financing Uses	\$ 1,485,726,947	\$ 1,485,726,947	\$ 1,453,417,070	\$ 9,353,796	\$ 1,462,770,866	\$ 22,956,081

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Health Department Fund
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from other governments	\$ 650,000	\$ 1,350,000	\$ 1,980,347	\$ 630,347
Charges for services	890,500	890,500	687,294	(203,206)
Interest on investments	—	—	1,904,985	1,904,985
Miscellaneous program revenue	3,266,500	3,266,500	—	(3,266,500)
Total revenue	4,807,000	5,507,000	4,572,626	(934,374)
EXPENDITURES				
Community services:				
General health services	14,790,006	15,320,902	15,007,836	313,066
Grant programs	3,050,000	3,050,000	656,630	2,393,370
Debt services:				
Principal payment on debt	—	147,104	147,103	1
Interests payments on debt	—	22,000	21,999	1
Total expenditures	17,840,006	18,540,006	15,833,568	2,706,438
Excess (deficiency) of revenues over expenditures	(13,033,006)	(13,033,006)	(11,260,942)	1,772,064
OTHER FINANCING SOURCES (USES)				
Transfers in	13,033,006	13,033,006	13,033,006	—
Total other financing sources (uses)	13,033,006	13,033,006	13,033,006	—
Net change in fund balance	—	—	1,772,064	1,772,064
Plus: Prior year encumbrances lapsed			10,256	
Fund balances - beginning			4,669,968	
Fund balances - ending			\$ 6,452,288	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			\$ 6,452,288	
Adjustments required under GAAP:				
Fund balance, end of the fiscal year			1,216,512	
			\$ 7,630,735	



Ellicott City Snow

From snowstorms to rainstorms and floods, Howard County's beloved historic Ellicott City, continues to stand strong. To help strengthen and preserve the rich historical tapestry that makes Ellicott City unique, Howard County Executive Calvin Ball's transformative Ellicott City Safe and Sound plan implements state-of-the-art flood mitigation measures to minimize future flood risks. This plan features high ground access points, an outdoor tone alert system, two water conveyance projects, five flood mitigation ponds and more, all geared towards ensuring the safety and well-being of all.

NON-MAJOR GOVERNMENTAL FUNDS





Howard County, Maryland
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
ASSETS				
Equity in pooled cash and investments	\$ 116,402,748	\$ 91,862,470	\$ 13,390,407	\$ 221,655,625
Cash with fiscal agents	—	—	6,225,770	6,225,770
Receivables (net of allowances for uncollectibles)	48,033,301	5,204,252	23,575	53,261,128
Due from other funds	422,000	—	—	422,000
Prepays	212,986	—	—	212,986
Material and supplies	160,905	—	—	160,905
Total assets	165,231,940	97,066,722	19,639,752	281,938,414
LIABILITIES				
Accounts payable / accrued liabilities	5,459,051	6,227,154	522,317	12,208,522
Accrued wages and benefits	1,026,114	21,071	—	1,047,185
Short-term loans and notes payable	—	4,479,076	—	4,479,076
Deposits and connection fees	1,064,907	200,000	—	1,264,907
Unearned revenue	32,457,879	794,691	28,143	33,280,713
Total liabilities	40,007,951	11,721,992	550,460	52,280,403
DEFERRED INFLOWS OF RESOURCES				
Unavailable fees	10,353,724	1,960,098	—	12,313,822
Unavailable lease revenues	9,738	—	—	9,738
Unavailable grant revenues	4,086,201	—	—	4,086,201
Total deferred inflows	14,449,663	1,960,098	—	16,409,761
Total liabilities and deferred inflows	54,457,614	13,682,090	550,460	68,690,164
FUND BALANCES				
Nonspendable:				
Inventory	160,905	—	—	160,905
Prepaid Items	212,986	—	—	212,986
Restricted:				
Catalyst loan program	2,161,784	—	—	2,161,784
Community reinvestment and repair	1,593,948	—	—	1,593,948
Disposable plastics reduction	770,607	—	—	770,607
Economic development initiatives	1,939,098	—	—	1,939,098
Forest conservation	1,525,755	—	—	1,525,755
Housing opportunity trust fund	5,000,000	—	—	5,000,000
Middle Patuxent environmental area program	102,287	—	—	102,287
MIHU Fee-in-lieu	10,228,196	—	—	10,228,196
Open space	—	695,104	—	695,104
Opioid Abatement	3,800,545	—	—	3,800,545
Parkland watershed facilities	—	18,246,418	—	18,246,418
Program revenue	419,460	—	—	419,460
Public road facilities	—	55,561,788	—	55,561,788
Speed enforcement	1,011,932	—	—	1,011,932
Tax incremental financing project	—	—	19,089,292	19,089,292
Transit services	2,374	—	—	2,374
Vaping	1,045,659	—	—	1,045,659
Committed:				
Agricultural land preservation	29,193,013	—	—	29,193,013
Community renewal programs	36,792,051	—	—	36,792,051
Environmental services	25,223,040	—	—	25,223,040
Fire house & training facilities	—	21,420,236	—	21,420,236
Assigned:				
Capital projects	—	15,024,639	—	15,024,639
Unassigned	(10,409,314)	(27,563,553)	—	(37,972,867)
Total fund balances	110,774,326	83,384,632	19,089,292	213,248,250
Total liabilities, deferred inflows and fund balances	\$ 165,231,940	\$ 97,066,722	\$ 19,639,752	\$ 281,938,414

Howard County, Maryland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
REVENUES				
Property taxes	\$ 97,847	\$ —	\$ 6,256,416	\$ 6,354,263
Other local taxes	15,112,806	20,663,243	—	35,776,049
Revenues from other governments	31,852,114	7,661,929	—	39,514,043
Charges for services	60,110,630	—	—	60,110,630
Licenses and permits	—	716,907	—	716,907
Investment income:				
Interest on investments	5,504,533	4,036,746	654,331	10,195,610
Installment interest from housing loans	65	—	—	65
Fines and forfeitures	3,244,351	—	—	3,244,351
Developer fees	180,237	1,537,384	—	1,717,621
Miscellaneous program revenue	9,605,349	290,374	2,699	9,898,422
Total revenues	125,707,932	34,906,583	6,913,446	167,527,961
EXPENDITURES				
Current:				
General government	11,763,280	—	1,097,703	12,860,983
Legislative and judicial	857,216	—	—	857,216
Public works	43,649,014	—	—	43,649,014
Public safety	12,060,877	—	—	12,060,877
Recreation and parks	23,048,893	—	—	23,048,893
Community services	18,610,168	—	—	18,610,168
Capital improvements	3,132,301	56,960,702	—	60,093,003
Debt service:				
Principal payments on debt	14,651,781	—	780,671	15,432,452
Interest payments on debt	2,180,075	—	4,654,079	6,834,154
Total expenditures	129,953,605	56,960,702	6,532,453	193,446,760
Excess (deficiency) of revenues over expenditures	(4,245,673)	(22,054,119)	380,993	(25,918,799)
OTHER FINANCING SOURCES (USES)				
Bond premium	—	1,814,553	—	1,814,553
Capital-related issuance of debt	—	14,909,690	305,572	15,215,262
Installment purchase agreements issued	2,853,565	—	—	2,853,565
Lease proceeds	5,084,637	—	—	5,084,637
Transfers in	246,753	30,915,145	1,924,064	33,085,962
Transfers out	(16,199,994)	(20,833,308)	(314,700)	(37,348,002)
Total other financing sources	(8,015,039)	26,806,080	1,914,936	20,705,977
Net change in fund balances	(12,260,712)	4,751,961	2,295,929	(5,212,822)
Fund balances - beginning	243,348,513	78,632,671	16,793,363	338,774,547
Adjustment to beginning balance	(120,313,475)	—	—	(120,313,475)
Fund balances - beginning, as restated	123,035,038	78,632,671	16,793,363	218,461,072
Fund balances - ending	\$ 110,774,326	\$ 83,384,632	\$ 19,089,292	\$ 213,248,250

Howard County, Maryland
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2024

	Agricultural Land Preservation Fund	Community Renewal Program Fund	Disposable Plastics Reduction Fund	Environmental Services Fund	Forest Conservation Fund	Grants Fund	Recreation Program Fund	Settlement Fund	Speed & School Bus Camera Enforcement Fund	Total
ASSETS										
Equity in pooled cash and investments	\$ 29,111,675	\$ 26,767,582	\$ 731,829	\$ 26,792,265	\$ 1,535,025	\$ 18,899,943	\$ 5,783,647	\$ 5,491,710	\$ 1,289,072	116,402,748
Receivables:										
Property taxes	—	—	—	144,015	—	—	—	—	—	144,015
Lease Receivables	—	—	—	—	—	—	9,958	—	—	9,958
Due from other funds	—	—	—	—	—	—	422,000	—	—	422,000
Due from other governments	—	—	—	—	—	9,139,527	—	298,298	—	9,437,825
Due from component unit	—	7,736,577	—	—	—	—	—	—	—	7,736,577
Housing loans	—	18,217,326	—	—	—	—	—	—	—	18,217,326
Economic development loans	—	—	—	—	—	673,846	—	—	—	673,846
Other	98,995	74,245	79,844	358,014	—	1,116,274	40,263	10,043,800	2,319	11,813,754
Prepays	—	3,021	—	—	—	209,965	—	—	—	212,986
Materials and supplies	—	—	—	—	—	—	160,905	—	—	160,905
Total assets	29,210,670	52,798,751	811,673	27,294,294	1,535,025	30,039,555	6,416,773	15,833,808	1,291,391	165,231,940
LIABILITIES										
Accounts payable / accrued liabilities	8,591	723,003	28,330	1,698,723	—	1,916,323	820,004	—	264,077	5,459,051
Accrued wages and benefits	9,066	52,480	9,306	180,646	9,270	204,036	545,928	—	15,382	1,026,114
Deposits and connection fees	—	—	—	—	—	624,171	440,736	—	—	1,064,907
Unearned revenue	—	—	—	191,885	—	25,835,078	6,430,916	—	—	32,457,879
Total liabilities	17,657	775,483	37,636	2,071,254	9,270	28,579,608	8,237,584	—	279,459	40,007,951
DEFERRED INFLOWS OF RESOURCES										
Unavailable fees	—	—	3,430	—	—	956,638	—	9,393,656	—	10,353,724
Unavailable lease revenues	—	—	—	—	—	—	9,738	—	—	9,738
Unavailable grant revenues	—	—	—	—	—	4,086,201	—	—	—	4,086,201
Total deferred inflows of resources	—	—	3,430	—	—	5,042,839	9,738	9,393,656	—	14,449,663
Total liabilities and deferred inflows of resources	17,657	775,483	41,066	2,071,254	9,270	33,622,447	8,247,322	9,393,656	279,459	54,457,614

(continued)

Howard County, Maryland
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2024

	Agricultural Land Preservation Fund	Community Renewal Program Fund	Disposable Plastics Reduction Fund	Environmental Services Fund	Forest Conservation Fund	Grants Fund	Recreation Program Fund	Settlement Fund	Speed & School Bus Camera Enforcement Fund	Total
FUND BALANCES										
Nonspendable:										
Inventory	—	—	—	—	—	—	160,905	—	—	160,905
Prepaid items	—	3,021	—	—	—	209,965	—	—	—	212,986
Restricted:										
Catalyst loan program	—	—	—	—	—	2,161,784	—	—	—	2,161,784
Community reinvestment and repair	—	—	—	—	—	—	—	1,593,948	—	1,593,948
Disposable Plastics Reduction	—	—	770,607	—	—	—	—	—	—	770,607
Economic development initiatives	—	—	—	—	—	1,939,098	—	—	—	1,939,098
Forest conservation	—	—	—	—	1,525,755	—	—	—	—	1,525,755
Housing opportunity trust fund	—	5,000,000	—	—	—	—	—	—	—	5,000,000
Middle Patuxent environmental area program	—	—	—	—	—	102,287	—	—	—	102,287
MIHU Fee-in-lieu	—	10,228,196	—	—	—	—	—	—	—	10,228,196
Opioid abatement	—	—	—	—	—	—	—	3,800,545	—	3,800,545
Program revenue	—	—	—	—	—	419,460	—	—	—	419,460
Speed enforcement	—	—	—	—	—	—	—	—	1,011,932	1,011,932
Transit services	—	—	—	—	—	2,374	—	—	—	2,374
Vaping settlement	—	—	—	—	—	—	—	1,045,659	—	1,045,659
Committed:										
Agricultural land preservation	29,193,013	—	—	—	—	—	—	—	—	29,193,013
Community renewal programs	—	36,792,051	—	—	—	—	—	—	—	36,792,051
Environmental services	—	—	—	25,223,040	—	—	—	—	—	25,223,040
Unassigned	—	—	—	—	—	(8,417,860)	(1,991,454)	—	—	(10,409,314)
Total fund balances (deficits)	29,193,013	52,023,268	770,607	25,223,040	1,525,755	(3,582,892)	(1,830,549)	6,440,152	1,011,932	110,774,326
Total liabilities, deferred inflows and fund balances	\$ 29,210,670	\$ 52,798,751	\$ 811,673	\$ 27,294,294	\$ 1,535,025	\$ 30,039,555	\$ 6,416,773	\$ 15,833,808	\$ 1,291,391	\$ 165,231,940

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
For the Year Ended June 30, 2024

	Agricultural Land Preservation Fund	Community Renewal Program Fund	Disposable Plastics Reduction Fund	Environmental Services Fund	Fire and Rescue Reserve Fund	Forest Conservation Fund	Grants Fund	Recreation Program Fund	Settlement Fund	Speed & School Bus Camera Enforcement Fund	Total
REVENUES											
Property taxes	\$ —	\$ —	\$ —	\$ 97,847	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 97,847
Other local taxes	7,734,129	5,784,729	—	—	—	—	—	—	1,593,948	—	15,112,806
Revenues from other governments	—	—	—	41,583	—	—	31,765,293	45,238	—	—	31,852,114
Charges for services	—	—	—	37,350,797	—	—	624,859	22,134,929	—	45	60,110,630
Investment income:											
Interest on investments	1,695,289	1,263,333	24,200	1,335,198	—	77,030	829,673	140,415	93,180	46,215	5,504,533
Installment interest from housing loans	—	65	—	—	—	—	—	—	—	—	65
Fines and forfeitures	—	—	1,091	205	—	10,318	27	10,912	—	3,221,798	3,244,351
Developer fees	—	—	—	—	—	180,237	—	—	—	—	180,237
Miscellaneous program revenue	730	2,093,674	571,365	305,236	—	—	3,465,652	267,370	2,887,408	13,914	9,605,349
Total revenues	9,430,148	9,141,801	596,656	39,130,866	—	267,585	36,685,504	22,598,864	4,574,536	3,281,972	125,707,932
EXPENDITURES											
General government	357,395	—	736,017	—	—	—	10,669,868	—	—	—	11,763,280
Legislative and judicial	—	—	—	—	—	—	857,216	—	—	—	857,216
Public works	1,269,968	—	—	34,138,345	—	—	8,240,701	—	—	—	43,649,014
Public safety	—	—	—	—	—	—	5,280,897	—	—	6,779,980	12,060,877
Recreation and parks	—	—	—	—	—	549,816	8,905	22,490,172	—	—	23,048,893
Community services	58,202	7,316,851	—	—	—	—	11,235,115	—	—	—	18,610,168
Capital improvements	3,132,301	—	—	—	—	—	—	—	—	—	3,132,301
Debt service:											
Principal payments on debt	14,069,687	—	—	—	—	—	26,225	—	—	555,869	14,651,781
Interest payments on debt	2,110,232	—	—	—	—	—	11,163	—	—	58,680	2,180,075
Total expenditures	20,997,785	7,316,851	736,017	34,138,345	—	549,816	36,330,090	22,490,172	—	7,394,529	129,953,605
Excess (deficiency) of revenues over expenditures	(11,567,637)	1,824,950	(139,361)	4,992,521	—	(282,231)	355,414	108,692	4,574,536	(4,112,557)	(4,245,673)

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
For the Year Ended June 30, 2024

	Agricultural Land Preservation Fund	Community Renewal Program Fund	Disposable Plastics Reduction Fund	Environmental Services Fund	Fire and Rescue Reserve Fund	Forest Conservation Fund	Grants Fund	Recreation Program Fund	Settlement Fund	Speed & School Bus Camera Enforcement Fund	Total
OTHER FINANCING SOURCES (USES)											
Installment purchase agreements issued	2,853,565	—	—	—	—	—	—	—	—	—	2,853,565
Lease proceeds	—	—	—	—	—	—	560,832	—	—	4,523,805	5,084,637
Transfers in	—	—	—	—	—	20,132	—	226,621	—	—	246,753
Transfers out	(952,000)	(11,409,589)	(24,200)	(2,538,377)	—	—	(796,019)	(140,414)	(93,180)	(246,215)	(16,199,994)
Total other financing sources (uses)	1,901,565	(11,409,589)	(24,200)	(2,538,377)	—	20,132	(235,187)	86,207	(93,180)	4,277,590	(8,015,039)
Net change in fund balances	(9,666,072)	(9,584,639)	(163,561)	2,454,144	—	(262,099)	120,227	194,899	4,481,356	165,033	(12,260,712)
Fund balances - beginning	38,859,085	61,607,907	934,168	22,768,896	120,313,475	1,787,854	(3,703,119)	(2,025,448)	1,958,796	846,899	243,348,513
Adjustment - changes from nonmajor to major	—	—	—	—	(120,313,475)	—	—	—	—	—	(120,313,475)
Fund balances - beginning, as restated	38,859,085	61,607,907	934,168	22,768,896	—	1,787,854	(3,703,119)	(2,025,448)	1,958,796	846,899	123,035,038
Fund balances - ending	\$ 29,193,013	\$ 52,023,268	\$ 770,607	\$ 25,223,040	\$ —	\$ 1,525,755	\$ (3,582,892)	\$ (1,830,549)	\$ 6,440,152	\$ 1,011,932	\$110,774,326

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Agricultural Land Preservation Fund
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Local taxes	\$ 7,600,000	\$ 7,600,000	\$ 7,734,129	\$ 134,129
Investment income	250,000	250,000	1,695,289	1,445,289
Miscellaneous program revenue	10,287,000	10,287,000	730	(10,286,270)
Total revenues	18,137,000	18,137,000	9,430,148	(8,706,852)
EXPENDITURES				
Public works:				
General Government	357,412	357,412	357,395	17
Administrative	1,699,226	1,699,226	1,269,968	429,258
Capital improvements	—	—	3,132,301	(3,132,301)
Community Services	58,202	58,202	58,202	—
Debt service:				
Principal payments on debt	14,178,090	14,178,090	14,069,687	108,403
Interest payments on debt	2,140,570	2,140,570	2,110,232	30,338
Total debt service	16,318,660	16,318,660	16,179,919	138,741
Total expenditures	18,433,500	18,433,500	20,997,785	(2,564,285)
Excess (deficiency) of revenues over expenditures	(296,500)	(296,500)	(11,567,637)	(11,271,137)
OTHER FINANCING SOURCES				
Appropriation from fund balance	1,248,500	1,248,500	1,248,500	—
Installment purchase agreements issued	—	—	2,853,565	2,853,565
Transfers out	(952,000)	(952,000)	(952,000)	—
Total other financing sources	296,500	296,500	3,150,065	2,853,565
Net change in fund balance	—	—	(8,417,572)	(8,417,572)
Fund balance - beginning			39,017,155	
Fund balance - ending			\$ 29,351,083	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			\$ 29,351,083	
Adjustments required under GAAP:				
Credit adjustments			(158,070)	
Fund balance, end of the fiscal year			\$ 29,193,013	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Community Renewal Program Fund
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Local taxes	\$ 5,700,000	\$ 5,700,000	\$ 5,784,729	\$ 84,729
Installment interest from housing loans	—	—	65	65
Miscellaneous program revenue	2,500,000	2,500,000	2,093,675	(406,325)
Total revenues	8,200,000	8,200,000	7,878,469	(321,531)
EXPENDITURES				
Community services:				
Revolving loan program income	200,000	200,000	7,337	192,663
Housing initiatives	15,130,380	15,130,380	11,127,672	4,002,708
Housing and community development administration	7,191,956	7,191,956	5,043,732	2,148,224
Total expenditures	22,522,336	22,522,336	16,178,741	6,343,595
Excess (deficiency) of revenues over expenditures	(14,322,336)	(14,322,336)	(8,300,272)	6,022,064
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	24,468,606	24,468,606	18,446,528	(6,022,078)
Transfers out	(10,146,270)	(10,146,270)	(10,146,256)	14
Total other financing sources (uses)	14,322,336	14,322,336	8,300,272	(6,022,064)
Net change in fund balance	—	—	—	—
Less appropriation from fund balance			(18,446,528)	
Fund balance - beginning			47,903,763	
Fund balance - ending			\$ 29,457,235	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			\$ 29,457,235	
Adjustments required under GAAP:				
Elimination of encumbrances outstanding			8,194,659	
Cumulative housing loans expenditures			15,448,325	
Cumulative bad debt expense			(1,076,951)	
Fund balance, end of the fiscal year			\$ 52,023,268	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Disposable Plastics Reduction Fund
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ 1,091	\$ (909)
Miscellaneous program revenue	675,000	675,000	571,365	(103,635)
Total revenues	677,000	677,000	572,456	(104,544)
EXPENDITURES				
General Government:				
Administrative	1,177,000	1,177,000	726,801	450,199
Total expenditures	1,177,000	1,177,000	726,801	450,199
Excess (deficiency) of revenues over expenditures	(500,000)	(500,000)	(154,345)	345,655
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	500,000	500,000	154,345	(345,655)
Total other financing sources (uses)	500,000	500,000	154,345	(345,655)
Net change in fund balance	—	—	—	—
Plus: prior year encumbrances lapsed			84,980	
Less appropriation from fund balance			(154,345)	
Fund balance - beginning			771,804	
Fund balance - ending			\$ 702,439	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			\$ 702,439	
Adjustments required under GAAP:				
Elimination of encumbrances outstanding			93,403	
Accruals			(23,750)	
Cumulative bad debt expense			(1,485)	
Fund balance, end of the fiscal year			\$ 770,607	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Environmental Services Funds
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 30,000	\$ 30,000	\$ 97,847	\$ 67,847
Revenue from other governments	—	—	41,583	41,583
Charges for services	36,430,800	36,430,800	37,342,941	912,141
Fines and forfeitures	—	—	205	205
Miscellaneous program revenue	330,000	330,000	305,235	(24,765)
Total revenues	36,790,800	36,790,800	37,787,811	997,011
EXPENDITURES				
Public works:				
Administrative	3,312,660	3,312,660	2,744,867	567,793
Operations	16,200,677	16,377,477	15,887,757	489,720
Collections	5,950,769	6,265,769	6,118,718	147,051
Recycling	10,123,294	9,631,494	9,369,107	262,387
Total expenditures	35,587,400	35,587,400	34,120,449	1,466,951
Excess (deficiency) of revenues over expenditures	1,203,400	1,203,400	3,667,362	2,463,962
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,203,400)	(1,203,400)	(1,203,179)	221
Total other financing sources (uses)	(1,203,400)	(1,203,400)	(1,203,179)	221
Net change in fund balance	—	—	2,464,183	2,464,183
Plus: Prior year encumbrance lapsed			514,279	
Fund balance - beginning			21,818,091	
Fund balance - ending			\$ 24,796,553	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			\$ 24,796,553	
Adjustments required under GAAP:				
Elimination of encumbrances outstanding			654,666	
Accruals			(137,148)	
Cumulative bad debt expense			(91,031)	
Fund balance, end of the fiscal year			\$ 25,223,040	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Forest Conservation Fund
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Interest on investments	\$ 25,000	\$ 25,000	\$ 77,030	\$ 52,030
Fines and forfeitures	—	—	10,318	10,318
Developer contributions - mitigation	175,000	175,000	180,237	5,237
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>267,585</u>	<u>67,585</u>
EXPENDITURES				
Public Works:				
Forest mitigation	707,028	707,028	529,684	177,344
Total expenditures	<u>707,028</u>	<u>707,028</u>	<u>529,684</u>	<u>177,344</u>
Excess (deficiency) of revenues over expenditures	<u>(507,028)</u>	<u>(507,028)</u>	<u>(262,099)</u>	<u>244,929</u>
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	507,028	507,028	262,099	(244,929)
Total other financing sources (uses)	<u>507,028</u>	<u>507,028</u>	<u>262,099</u>	<u>(244,929)</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Less: Appropriation from fund balance			(262,099)	
Fund balance - beginning			<u>1,787,854</u>	
Fund balance - ending			<u>\$ 1,525,755</u>	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			<u>1,525,755</u>	
Fund balance, end of the fiscal year			<u>\$ 1,525,755</u>	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Grants Fund
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from other agencies:				
Grants from federal government	\$ 21,635,144	\$ 21,633,144	\$ 19,765,520	\$ (1,867,624)
Grants from state government	16,379,821	16,179,821	11,796,950	(4,382,871)
Other local grants	347,500	449,500	202,825	(246,675)
Total revenue from other agencies	38,362,465	38,262,465	31,765,295	(6,497,170)
Charges for services	3,730,000	3,730,000	991,922	(2,738,078)
Interest on investments	5,000	5,000	33,655	28,655
Fines and forfeitures	—	—	27	27
Miscellaneous program revenue	27,571,369	27,571,369	3,465,652	(24,105,717)
Total revenues	69,668,834	69,568,834	36,256,551	(33,312,283)
EXPENDITURES				
General government	33,026,343	32,926,343	9,888,394	23,037,949
Legislative & judicial	1,350,304	1,350,304	851,401	498,903
Public works	9,920,178	9,920,178	8,162,613	1,757,565
Public safety	6,375,692	6,375,692	5,182,915	1,192,777
Recreation & parks	147,650	147,650	8,891	138,759
Community services	18,848,667	18,812,261	11,112,339	7,699,922
Debt service:				
Principal payments on debt	—	26,236	26,225	11
Interest payments on debt	—	10,170	10,170	—
Total expenditures	69,668,834	69,568,834	35,242,948	34,325,886
Excess (deficiency) of revenues over expenditures	—	—	1,013,603	1,013,603
Net change in fund balance	—	—	1,013,603	1,013,603
Plus: Prior year encumbrances lapsed			163,821	
Fund balances - beginning			(2,072,922)	
Fund balances - ending			\$ (895,498)	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			\$ (895,498)	
Adjustments:				
Elimination of encumbrances outstanding			575,325	
Accruals			(7,632)	
Cumulative bad debt expense			(1,058,068)	
Elimination of loan expenses			(19,736)	
Credit adjustment for leased asset			(2,177,283)	
Fund balance, end of the fiscal year			\$ (3,582,892)	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Recreation Program Fund
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from other governments	\$ —	\$ —	\$ 45,238	\$ 45,238
Charges for services	24,060,306	24,060,306	22,135,097	(1,925,209)
Fines and forfeitures	70,000	70,000	10,912	(59,088)
Miscellaneous program revenue	175,000	175,000	267,370	92,370
Total revenues	24,305,306	24,305,306	22,458,617	(1,846,689)
EXPENDITURES				
Recreation and parks:				
Administrative	24,591,336	24,591,336	21,977,597	2,613,739
Total expenditures	24,591,336	24,591,336	21,977,597	2,613,739
Excess (deficiency) of revenues over expenditures	(286,030)	(286,030)	481,020	767,050
OTHER FINANCING SOURCES (USES)				
Transfers in	286,030	286,030	226,621	(59,409)
Total other financing sources (uses)	286,030	286,030	226,621	(59,409)
Net change in fund balance	—	—	707,641	707,641
Plus: Prior year encumbrances lapsed			46,720	
Fund balance - beginning			(2,444,643)	
Fund balance - ending			<u>\$ (1,690,282)</u>	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			\$ (1,690,282)	
Adjustments required under GAAP:				
Elimination of encumbrances outstanding			99,148	
Accruals			(235,321)	
Cumulative bad debt expense			(4,094)	
Fund balance, end of the fiscal year			<u>\$ (1,830,549)</u>	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Settlement Fund
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other local taxes	\$ —	\$ —	\$ 1,593,948	\$ 1,593,948
Miscellaneous program revenue	800,000	800,000	2,887,408	2,087,408
Total revenues	800,000	800,000	4,481,356	3,681,356
EXPENDITURES				
General Government:				
Administrative	1,500,000	1,500,000	—	1,500,000
Total expenditures	1,500,000	1,500,000	—	1,500,000
Excess (deficiency) of revenues over expenditures	(700,000)	(700,000)	4,481,356	5,181,356
Net change in fund balance	—	—	4,481,356	4,481,356
Fund balance - beginning			1,958,796	
Fund balance - ending			\$ 6,440,152	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			6,440,152	
Fund balance, end of the fiscal year			\$ 6,440,152	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Speed & School Bus Camera Enforcement Fund
For the Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 3,750,000	\$ 3,750,000	\$ 3,221,798	\$ (528,202)
Charges for services	—	—	45	45
Miscellaneous program revenue	15,000	15,000	13,914	(1,086)
Total revenues	<u>3,765,000</u>	<u>3,765,000</u>	<u>3,235,757</u>	<u>(529,243)</u>
EXPENDITURES				
Public safety:				
Administrative	3,975,501	3,975,501	2,461,306	1,514,195
Debt services:				
Principal payments on debt	918,525	918,525	555,869	362,656
Interest payments on debt	—	—	50,614	(50,614)
Total expenditures	<u>4,894,026</u>	<u>4,894,026</u>	<u>3,067,789</u>	<u>1,826,237</u>
Excess (deficiency) of revenues over expenditures	<u>(1,129,026)</u>	<u>(1,129,026)</u>	<u>167,968</u>	<u>1,296,994</u>
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	1,329,026	1,329,026	165,041	(1,163,985)
Transfers out	(200,000)	(200,000)	(200,000)	—
Total other financing sources (uses)	<u>1,129,026</u>	<u>1,129,026</u>	<u>(34,959)</u>	<u>(1,163,985)</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>133,009</u>	<u>133,009</u>
Plus: prior year encumbrances lapsed			—	
Less: appropriation from fund balance			(165,041)	
Fund balance - beginning			<u>1,052,018</u>	
Fund balance - ending			<u>\$ 1,019,986</u>	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			\$ 1,019,986	
Adjustments:				
Elimination of encumbrances outstanding			144,714	
Accruals			(152,779)	
Cumulative bad debt expense			11	
Fund balance, end of the fiscal year			<u>\$ 1,011,932</u>	

Howard County, Maryland
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2024

	Fire Service Bldg & Equip Fund	Highway & Storm Drainage Fund	Recreation and Parks Fund	Total
ASSETS				
Equity in pooled cash and investments	\$ 36,419,615	\$ 43,749,449	\$ 11,693,406	\$ 91,862,470
Due from other governments	—	3,597,387	1,389,640	4,987,027
Other	74,246	19,235	123,744	217,225
Total assets	36,493,861	47,366,071	13,206,790	97,066,722
LIABILITIES				
Accounts payable/accrued liability	38,687	5,010,968	1,177,499	6,227,154
Accrued wages and benefits	10,299	10,772	—	21,071
Short-term loans and notes payable	—	4,432,539	46,537	4,479,076
Deposits and connection fees	—	200,000	—	200,000
Unearned revenue	—	794,691	—	794,691
Total liabilities	48,986	10,448,970	1,224,036	11,721,992
DEFERRED INFLOWS OF RESOURCES				
Unavailable grant revenues	—	898,278	1,061,820	1,960,098
Total liabilities and deferred inflows of resources	48,986	11,347,248	2,285,856	13,682,090
FUND BALANCES				
Restricted:				
Open space	—	—	695,104	695,104
Parkland watershed facilities	—	—	18,246,418	18,246,418
Public road facilities	—	55,561,788	—	55,561,788
Committed:				
Firehouse & training facilities	21,420,236	—	—	21,420,236
Assigned:				
Capital projects	15,024,639	—	—	15,024,639
Unassigned	—	(19,542,965)	(8,020,588)	(27,563,553)
Total fund balances	36,444,875	36,018,823	10,920,934	83,384,632
Total liabilities, deferred inflows and fund balances	\$ 36,493,861	\$ 47,366,071	\$ 13,206,790	\$ 97,066,722

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
For the Year Ended June 30, 2024

	Fire Service Bldg & Equip Fund	Highway & Storm Drainage Fund	Recreation and Parks Fund	Total
REVENUES				
Other local taxes	\$ 5,784,729	\$ 5,237,059	\$ 9,641,455	\$ 20,663,243
Revenues from other governments	—	3,824,662	3,837,267	7,661,929
Interest on investments	1,129,704	2,513,136	393,906	4,036,746
Licenses and permits	—	716,907	—	716,907
Developer contributions	74,241	1,460,403	2,740	1,537,384
Miscellaneous program revenues	43,052	247,322	—	290,374
Total revenues	<u>7,031,726</u>	<u>13,999,489</u>	<u>13,875,368</u>	<u>34,906,583</u>
EXPENDITURES				
Capital improvements	<u>5,553,049</u>	<u>42,080,750</u>	<u>9,326,903</u>	<u>56,960,702</u>
Total expenditures	<u>5,553,049</u>	<u>42,080,750</u>	<u>9,326,903</u>	<u>56,960,702</u>
Excess (deficiency) of revenues over expenditures	<u>1,478,677</u>	<u>(28,081,261)</u>	<u>4,548,465</u>	<u>(22,054,119)</u>
OTHER FINANCING SOURCES (USES)				
Bond premium	—	1,674,145	140,408	1,814,553
Capital related debt issued	—	13,755,999	1,153,691	14,909,690
Transfers in	5,670,000	25,245,145	—	30,915,145
Transfers out	<u>(4,364,345)</u>	<u>(8,657,545)</u>	<u>(7,811,418)</u>	<u>(20,833,308)</u>
Total other financing sources (uses)	<u>1,305,655</u>	<u>32,017,744</u>	<u>(6,517,319)</u>	<u>26,806,080</u>
Net change in fund balances	2,784,332	3,936,483	(1,968,854)	4,751,961
Fund balances - beginning	<u>33,660,543</u>	<u>32,082,340</u>	<u>12,889,788</u>	<u>78,632,671</u>
Fund balances - ending	<u>\$ 36,444,875</u>	<u>\$ 36,018,823</u>	<u>\$ 10,920,934</u>	<u>\$ 83,384,632</u>

Howard County, Maryland
Combining Balance Sheet
Non-Major Debt Service Funds
June 30, 2024

	Bond Anticipation Note Fund	Tax Increment Financing Fund	Total
ASSETS			
Equity in pooled cash and investments	\$ 77,568	\$ 13,312,839	\$ 13,390,407
Cash and securities with fiscal agents	—	6,225,770	6,225,770
Other	—	23,575	23,575
Total assets	<u>77,568</u>	<u>19,562,184</u>	<u>19,639,752</u>
LIABILITIES			
Accounts payable / accrued liabilities	77,568	444,749	522,317
Unearned revenue	—	28,143	28,143
Total liabilities	<u>77,568</u>	<u>472,892</u>	<u>550,460</u>
FUND BALANCES			
Restricted:			
Tax incremental financing project	—	19,089,292	19,089,292
Total fund balances	<u>—</u>	<u>19,089,292</u>	<u>19,089,292</u>
Total liabilities and fund balances	<u>\$ 77,568</u>	<u>\$ 19,562,184</u>	<u>\$ 19,639,752</u>

Howard County, Maryland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Debt Service Funds
For the Year Ended June 30, 2024

	Bond Anticipation Note Fund	Tax Financing Increment Fund	Total
REVENUES			
Property taxes	\$ —	\$ 6,256,416	\$ 6,256,416
Interest on investments	—	654,331	654,331
Miscellaneous program revenue	—	2,699	2,699
Total revenues	—	6,913,446	6,913,446
EXPENDITURES			
Current:			
General government	552,470	545,233	1,097,703
Debt service:			
Principal payments on debt	90,671	690,000	780,671
Interest payments on debt	1,586,495	3,067,584	4,654,079
Total expenditures	2,229,636	4,302,817	6,532,453
Excess (deficiency) of revenues over expenditures	(2,229,636)	2,610,629	380,993
OTHER FINANCING SOURCES (USES)			
Capital-related issuance of debt	305,572	—	305,572
Transfers in	1,924,064	—	1,924,064
Transfers out	—	(314,700)	(314,700)
Total other financing sources (uses)	2,229,636	(314,700)	1,914,936
Net change in fund balances	—	2,295,929	2,295,929
Fund balances - beginning	—	16,793,363	16,793,363
Fund balances - ending	\$ —	\$ 19,089,292	\$ 19,089,292

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Bond Anticipation Notes
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest on investments	\$ —	\$ —	\$ —	\$ —
Total revenues	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
EXPENDITURES				
General government:				
Bond anticipation notes	330,000	330,000	195,373	134,627
Debt service:				
Issuance costs	1,329	1,329	306,377	(305,048)
Principal payments on debt	146,171	94,771	90,671	4,100
Interest payments on debt	2,702,500	2,753,900	1,586,495	1,167,405
Total expenditures	<u>3,180,000</u>	<u>3,180,000</u>	<u>2,178,916</u>	<u>1,001,084</u>
Excess (deficiency) of revenues over expenditures	<u>(3,180,000)</u>	<u>(3,180,000)</u>	<u>(2,178,916)</u>	<u>1,001,084</u>
OTHER FINANCING SOURCES				
Capital related debt issued	330,000	330,000	305,572	(24,428)
Transfers in	2,850,000	2,850,000	1,873,344	(976,656)
Total other financing sources	<u>3,180,000</u>	<u>3,180,000</u>	<u>2,178,916</u>	<u>(1,001,084)</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - beginning			<u>—</u>	
Fund balances - ending			<u>\$ —</u>	

Howard County, Maryland
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Tax Increment Financing Fund
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 4,629,399	\$ 4,629,399	\$ 6,256,416	\$ 1,627,017
Interest on investments	144,000	144,000	339,631	195,631
Miscellaneous program revenue	—	—	2,699	2,699
Total revenues	4,773,399	4,773,399	6,598,746	1,825,347
EXPENDITURES				
General government:				
Tax incremental financing	1,230,345	605,125	91,412	513,713
Debt Service:				
Issuance costs	—	625,220	453,821	171,399
Principal payments on debt	690,000	690,000	690,000	—
Interest payments on debt	3,067,590	3,067,590	3,067,584	6
Total expenditures	4,987,935	4,987,935	4,302,817	685,118
Excess of revenues over expenditures	(214,536)	(214,536)	2,295,929	2,510,465
OTHER FINANCING SOURCES				
Appropriation from fund balance	214,536	214,536	—	(214,536)
Total other financing sources	214,536	214,536	—	(214,536)
Net change in fund balance	—	—	2,295,929	2,295,929
Fund balances - beginning			16,793,363	
Fund balances - ending			\$ 19,089,292	
The ending fund balance is reconciled as follows:				
Budgetary basis, end of the fiscal year			19,089,292	
Fund balance, end of the fiscal year			\$ 19,089,292	



Howard County Aerial Farmland

Agriculture has always played an essential role in Howard County’s history, rural heritage and economy. To support Howard County’s agricultural community and this vital industry, Howard County Executive Calvin Ball announced in December of 2023, the creation of the County’s Office of Agriculture. Only the third in Maryland, this office is tasked with bringing agricultural programs and staff closer to Howard County’s farming community, to help develop and promote agricultural learning and agri-recreation among residents and visitors, and to support county farms and farmers.

NON-MAJOR ENTERPRISE FUNDS





Howard County, Maryland
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2024

	Broadband	Special Recreation Facility	Watershed Protection & Restoration	Total
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 9,672,889	\$ —	\$ 22,819,149	32,492,038
Receivables:				
Service billings	132,618	—	—	132,618
Lease receivables	98,939	218,604	—	317,543
Total current assets	9,904,637	218,604	22,819,149	32,942,390
Noncurrent assets:				
Lease receivables	342,898	3,568,338	—	3,911,236
Restricted assets:				
Other receivables	31,509	—	88,800	120,309
Capital assets:				
Land and land improvements	—	8,684,896	839,577	9,524,473
Buildings and improvements, net	—	382,535	280,529	663,064
Machinery and equipment, net	966,973	718	486,489	1,454,180
Infrastructure, net	7,243,965	—	87,803,657	95,047,622
Improvement Other, net	—	1,443,134	809,635	2,252,769
Total noncurrent assets	8,585,345	14,079,621	90,308,687	112,973,653
Total assets	18,489,982	14,298,225	113,127,836	145,916,043
LIABILITIES				
Current liabilities:				
Due to other funds	—	2,321,005	—	2,321,005
Accounts payable	73,990	—	303,847	377,837
Accrued wages and benefits	24,410	—	60,397	84,807
Compensated absences	228	—	472	700
Unearned revenue	—	103,097	—	103,097
Total current liabilities	98,628	2,424,102	364,716	2,887,446
Current liabilities payable from restricted assets:				
Bond payable	128,650	—	1,056,002	1,184,652
Loan payable	—	—	168,935	168,935
Interest payable	42,096	—	429,409	471,505
Total current liabilities payable from restricted assets	170,746	—	1,654,346	1,825,092
Total current liabilities	269,374	2,424,102	2,019,062	4,712,538
Noncurrent liabilities:				
Compensated absences	44,314	—	91,895	136,209
Bond payable	3,031,529	—	29,788,900	32,820,429
Loan payable	—	—	617,742	617,742
Total noncurrent liabilities	3,075,843	—	30,498,537	33,574,380
Total liabilities	3,345,217	2,424,102	32,517,599	38,286,918
DEFERRED INFLOWS OF RESOURCES				
Deferred lease revenues	435,101	3,670,263	—	4,105,364
Total deferred outflows of resources	435,101	3,670,263	—	4,105,364
Total assets and deferred outflows of resources	3,780,318	6,094,365	32,517,599	42,392,282
NET POSITION				
Net investment in capital assets	5,050,759	10,511,283	58,583,229	74,145,271
Restricted:				
Unrestricted	9,658,905	(2,307,423)	22,027,008	29,378,490
Total net position	\$ 14,709,664	\$ 8,203,860	\$ 80,610,237	\$ 103,523,761

Howard County, Maryland
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2024

	Broadband	Special Recreation Facility	Watershed Protection & Restoration	Total
Operating revenues:				
User charges	\$ 2,121,213	\$ —	\$ 10,251,351	\$ 12,372,564
Miscellaneous sales and services	12,310	740,898	24,828	778,036
Total operating revenues	2,133,523	740,898	10,276,179	13,150,600
Operating expenses:				
Salaries and employee benefits	664,291	—	1,408,723	2,073,014
Contractual services	1,132,928	—	4,643,365	5,776,293
Supplies and materials	60,065	—	45,650	105,715
Business and travel	1,453	—	2,664	4,117
Vehicle fuels and supplies	—	—	25,607	25,607
Other administrative expenses	—	—	106,479	106,479
Share of county administrative expenses	—	—	749,477	749,477
Depreciation and amortization expense	949,827	140,830	1,533,163	2,623,820
Total operating expenses	2,808,564	140,830	8,515,128	11,464,522
Operating income (loss)	(675,041)	600,068	1,761,051	1,686,078
Nonoperating revenues (expenses):				
Interest on investments	388,867	12,588	1,434,196	1,835,651
Interest expense	(60,076)	(26,443)	(1,035,987)	(1,122,506)
Revenue from other governments	—	—	1,984	1,984
Other, net	(11,634)	—	198,525	186,891
Total nonoperating revenues (expenses)	317,157	(13,855)	598,718	902,020
Net income (loss) before contributions and transfers	(357,884)	586,213	2,359,769	2,588,098
Capital contributions	—	—	14,873,772	14,873,772
Transfers in	750,000	26,443	—	776,443
Transfers out	—	—	(8,090,000)	(8,090,000)
Change in net position	392,116	612,656	9,143,541	10,148,313
Net position - beginning	14,317,548	7,591,204	71,466,696	93,375,448
Net position - ending	\$ 14,709,664	\$ 8,203,860	\$ 80,610,237	\$ 103,523,761

Howard County, Maryland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2024

	Broadband	Special Recreation Facility	Watershed Protection & Restoration	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 2,171,383	\$ 959,502	\$ 10,254,839	\$ 13,385,724
Cash paid to suppliers	(1,053,660)	(253,122)	(4,062,028)	(5,368,810)
Cash paid to / for employees	(672,891)	—	(1,402,691)	(2,075,582)
Cash paid for interfund services used	(211,244)	—	(1,153,241)	(1,364,485)
Other operating disbursements	—	—	(468,587)	(468,587)
Net cash provided by operating activities	<u>233,588</u>	<u>706,380</u>	<u>3,168,292</u>	<u>4,108,260</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund payable		(718,968)		(718,968)
Interfund operating transfers in (out)	<u>730,004</u>	<u>—</u>	<u>(8,139,622)</u>	<u>(7,409,618)</u>
Net cash provided by (used for) noncapital financing activities	<u>730,004</u>	<u>—</u>	<u>(8,139,622)</u>	<u>(7,409,618)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from the sale of county bonds	1,894,338	—	4,801,402	6,695,740
Acquisition and construction of capital assets	(54,652)	—	(20,900)	(75,552)
Capital contributions	—	—	(13,743)	(13,743)
Revenue from other governments	—	—	1,984	1,984
Payment of long-term debt	(40,653)	—	(919,477)	(960,130)
Net cash provided by capital and related financing activities	<u>1,799,033</u>	<u>—</u>	<u>3,849,266</u>	<u>5,648,299</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	<u>388,867</u>	<u>12,588</u>	<u>1,434,196</u>	<u>1,835,651</u>
Net cash provided by investing activities	<u>388,867</u>	<u>12,588</u>	<u>1,434,196</u>	<u>1,835,651</u>
Net increase in cash and cash equivalents	3,151,492	—	312,132	3,463,624
Cash and cash equivalents - beginning	<u>6,521,397</u>	<u>—</u>	<u>22,507,017</u>	<u>29,028,414</u>
Cash and cash equivalents - ending	<u>9,672,889</u>	<u>—</u>	<u>22,819,149</u>	<u>32,492,038</u>

(continued)

Howard County, Maryland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2024

	<u>Broadband</u>	<u>Special Recreation Facility</u>	<u>Watershed Protection & Restoration</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating (loss) income	<u>(675,041)</u>	<u>600,068</u>	<u>1,761,051</u>	<u>1,686,078</u>
Adjustments to reconcile operating income to net cash:				
Depreciation and amortization expense	949,827	140,830	1,533,163	2,623,820
Effect of changes in operating assets and liabilities:				
Accounts and other receivables	(59,724)	—	—	(59,724)
Property taxes, net	—	—	(21,338)	(21,338)
Lease receivables	97,579	218,604	—	316,183
Accounts payable	26,236	—	(113,123)	(86,887)
Accrued wages and benefits	1,565	—	6,164	7,729
Compensated absences	(8,292)	—	2,375	(5,917)
Deferred lease revenues	<u>(98,562)</u>	<u>(253,122)</u>	<u>—</u>	<u>(351,684)</u>
Total adjustments	<u>908,629</u>	<u>106,312</u>	<u>1,407,241</u>	<u>2,422,182</u>
Net cash provided by operating activities	<u>\$ 233,588</u>	<u>\$ 706,380</u>	<u>\$ 3,168,292</u>	<u>\$ 4,108,260</u>

Noncash investing, capital, and financing activities:

In fiscal year 2024, \$14,873,772 was contributed from various Capital Project funds to the Watershed Fund.

INTERNAL SERVICE FUNDS





Howard County, Maryland
Combining Statement of Net Position
Internal Services Funds
June 30, 2024

	Employee Benefits Self- Insurance	Fleet Operations	Technology and Communications	Risk Management Self-Insurance	Total
ASSETS					
Current assets:					
Equity in pooled cash and investments	\$ 8,338,868	\$ 10,784,346	\$ 7,716,060	\$ 24,598,434	\$ 51,437,708
Service billings	706,626	125,589	20,627	6,900	859,742
Other receivables	717,029	247,152	22,350	88,367	1,074,898
Lease receivables	—	—	1,040,824	—	1,040,824
Prepays	—	17,629	2,101,994	450,000	2,569,623
Materials and supplies	—	1,737,270	94,499	—	1,831,769
Total current assets	9,762,523	12,911,986	10,996,354	25,143,701	58,814,564
Noncurrent assets:					
Lease receivables	—	—	10,696,571	—	10,696,571
Capital assets:					
Buildings and improvements, net	—	53,586	—	—	53,586
Machinery and equipment, net	—	30,926,771	14,291,068	69,625	45,287,464
Infrastructure, net	—	169,461	459,313	—	628,774
Improvement other, net	—	1,251,796	44,616	—	1,296,412
Intangible right-to-use subscriptions, net	—	—	12,622,109	209,334	12,831,443
Total noncurrent assets	—	32,401,614	38,113,677	278,959	70,794,250
Total assets	9,762,523	45,313,600	49,110,031	25,422,660	129,608,814
LIABILITIES					
Current liabilities:					
Accounts payable	1,511,755	542,385	3,828,932	922,812	6,805,884
Accrued interest payable	—	—	267,870	930	268,800
Accrued wages and benefits	185,535	178,863	487,221	38,358	889,977
Compensated absences	2,248	—	13,311	—	15,559
Deposits and connection fees	—	—	75,000	—	75,000
Unpaid insurance claims	4,624,395	—	—	4,734,095	9,358,490
Subscriptions	—	—	4,453,577	100,538	4,554,115
Long-term certificate of participation (COPs)	—	—	1,500,000	—	1,500,000
Total current liabilities	6,323,933	721,248	10,625,911	5,796,733	23,467,825
Noncurrent liabilities:					
Compensated absences	22,359	399,157	866,850	60,210	1,348,576
Unpaid insurance claims	94,375	—	—	15,897,794	15,992,169
Subscriptions	—	—	7,254,821	102,662	7,357,483
Long-term certificate of participation (COPs)	—	—	897,466	—	897,466
Total noncurrent liabilities	116,734	399,157	9,019,137	16,060,666	25,595,694
Total liabilities	6,440,667	1,120,405	19,645,048	21,857,399	49,063,519
DEFERRED INFLOWS OF RESOURCES					
Deferred lease revenue	—	—	11,050,960	—	11,050,960
Total deferred inflows of resources	—	—	11,050,960	—	11,050,960
Total liabilities and deferred inflows of resources	6,440,667	1,120,405	30,696,008	21,857,399	60,114,479
NET POSITION					
Net investment in capital assets	—	32,401,614	13,311,242	75,759	45,788,615
Unrestricted	3,321,856	11,791,581	5,102,781	3,489,502	23,705,720
Total net position	\$ 3,321,856	\$ 44,193,195	\$ 18,414,023	\$ 3,565,261	\$ 69,494,335

Howard County, Maryland
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Employee Benefits Self- Insurance	Fleet Operations	Technology and Communications	Risk Management Self-Insurance	Total
Operating revenues:					
User charges	\$ 69,109,551	\$ 22,448,974	\$ 29,930,975	\$ 11,004,037	\$ 132,493,537
Insurance recoveries	—	—	—	145,795	145,795
Miscellaneous sales and services	—	23,594	1,288,756	—	1,312,350
Total operating revenues	69,109,551	22,472,568	31,219,731	11,149,832	133,951,682
Operating expenses:					
Salaries and employee benefits	698,751	5,037,210	12,705,464	1,561,405	20,002,830
Contractual services	326,321	2,148,262	8,580,851	4,467,184	15,522,618
Supplies and materials	1,438	2,505,345	3,855,004	28,691	6,390,478
Business and travel	—	25,834	457,750	3,420	487,004
Vehicle fuels and supplies	—	5,065,188	78,281	23,824	5,167,293
Share of County administrative expenses	25,040	453,656	—	571,017	1,049,713
Insurance claims	68,354,072	—	—	7,973,263	76,327,335
Other administrative	2,275,673	—	—	85,346	2,361,019
Depreciation and amortization expense	—	7,361,728	8,170,645	130,558	15,662,931
Total operating expenses	71,681,295	22,597,223	33,847,995	14,844,708	142,971,221
Operating income (loss)	(2,571,744)	(124,655)	(2,628,264)	(3,694,876)	(9,019,539)
Nonoperating revenues (expenses):					
Interest on investments	246,723	233,562	198,699	1,281,107	1,960,091
Interest expense	—	—	(249,922)	(628)	(250,550)
Revenue from other governments	—	112,500	—	19,538	132,038
Gain/(loss) from the sale or disposition of capital assets	—	911,471	—	—	911,471
Total nonoperating revenues (expenses)	246,723	1,257,533	(51,223)	1,300,017	2,753,050
Net income (loss) before contributions and transfers	(2,325,021)	1,132,878	(2,679,487)	(2,394,859)	(6,266,489)
Capital contributions	—	1,089,684	738,506	—	1,828,190
Transfers in	—	6,800,000	729,468	—	7,529,468
Transfers out	(246,723)	(233,562)	(948,699)	—	(1,428,984)
Change in net position	(2,571,744)	8,789,000	(2,160,212)	(2,394,859)	1,662,185
Net position - beginning	5,893,600	35,404,195	20,574,235	5,960,120	67,832,150
Net position - ending	\$ 3,321,856	\$ 44,193,195	\$ 18,414,023	\$ 3,565,261	\$ 69,494,335

Howard County, Maryland
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Employee Benefits Self- Insurance	Fleet Operations	Technology and Communications	Risk Management Self- Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 68,826,605	\$ 22,418,968	\$ 31,703,879	\$ 11,102,594	\$ 134,052,046
Cash paid to suppliers	(71,804,423)	(8,278,919)	(6,704,454)	(10,642,925)	(97,430,721)
Cash paid to / for employees	(710,295)	(5,020,568)	(13,140,553)	(1,564,991)	(20,436,407)
Cash paid for quasi-external transactions	(90,368)	(2,361,854)	(5,908,458)	(121,349)	(8,482,029)
Other operating cash disbursements	—	—	(78,281)	(527,824)	(606,105)
Net cash provided by (used for) operating activities	<u>(3,778,481)</u>	<u>6,757,627</u>	<u>5,872,133</u>	<u>(1,754,495)</u>	<u>7,096,784</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating subsidies and transfers to other funds	(246,723)	6,566,438	(219,231)	—	6,100,484
Net cash provided by (used for) noncapital financing activities	<u>(246,723)</u>	<u>6,566,438</u>	<u>(219,231)</u>	<u>—</u>	<u>6,100,484</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	—	(11,603,862)	(10,515)	—	(11,614,377)
Proceeds from the sale or disposition of capital assets	—	911,471	—	—	911,471
Payment of long-term debt	—	—	(1,545,483)	—	(1,545,483)
Revenue from other governments	—	112,500	—	19,538	132,038
Payment of leases	—	—	(54,330)	—	(54,330)
Payment of subscriptions	—	—	(4,954,551)	(105,422)	(5,059,973)
Net cash (used for) capital and related financing activities	<u>—</u>	<u>(10,579,891)</u>	<u>(6,564,879)</u>	<u>(85,884)</u>	<u>(17,230,654)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	246,723	233,562	198,699	1,281,107	1,960,091
Net cash provided by investing activities	<u>246,723</u>	<u>233,562</u>	<u>198,699</u>	<u>1,281,107</u>	<u>1,960,091</u>
Net increase (decrease) in cash and cash equivalents	(3,778,481)	2,977,736	(713,278)	(559,272)	(2,073,295)
Cash and cash equivalents - beginning	12,117,349	7,806,610	8,429,338	25,157,706	53,511,003
Cash and cash equivalents - ending	<u>8,338,868</u>	<u>10,784,346</u>	<u>7,716,060</u>	<u>24,598,434</u>	<u>51,437,708</u>

(continued)

Howard County, Maryland
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Employee Benefits Self- Insurance	Fleet Operations	Technology and Communications	Risk Management Self- Insurance	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	(2,571,744)	(124,655)	(2,628,264)	(3,694,876)	(9,019,539)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation and amortization expense	—	7,361,728	8,170,645	130,558	15,662,931
Effect of changes in operating assets and liabilities:					
Accounts and other receivables	(282,945)	(53,600)	6,283	(47,238)	(377,500)
Lease receivables	—	—	477,870	—	477,870
Supplies and materials	—	(146,590)	—	—	(146,590)
Prepaid expenses	270,628	(6,567)	(2,101,994)	—	(1,837,933)
Accounts payable	(1,330,493)	(318,200)	2,463,288	(5,205)	809,390
Accrued wages and benefits	(89,759)	18,655	81,269	457	10,622
Deposits and connection fees	—	—	—	—	—
Compensated absences	(1,032)	26,856	(58,579)	(1,390)	(34,145)
Unpaid insurance claims	226,864	—	—	1,862,607	2,089,471
Deferred lease revenue	—	—	(683,306)	—	(683,306)
Total adjustments	(1,206,737)	6,882,282	8,500,397	1,940,381	16,116,323
Net cash provided by operating activities	\$ (3,778,481)	\$ 6,757,627	\$ 5,872,133	\$ (1,754,495)	\$ 7,096,784

Noncash investing, capital, and financing activities:

In fiscal year 2024, \$1,133,276 was contributed from Non Departmental and Enterprise Funds to the Fleet fund. Losses on dispositions were \$43,592.

In fiscal year 2024, \$738,505 was contributed to the Tech Comm fund by Capital and Grants Fund.

FIDUCIARY FUNDS





Howard County, Maryland
Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2024

	Howard County Retirement Plan	Howard County Police and Fire Employees' Retirement Plan	Howard County Other Post- Employment Benefits Fund	Total
ASSETS				
Receivables:				
Employer contributions	\$ 1,005,333	\$ 1,482,876	\$ —	\$ 2,488,209
Member contributions	264,532	390,959	—	655,491
Interest and dividends	344,470	471,611	524,955	1,341,036
Sale of investments	417,931	572,187	—	990,118
Other	11,623	15,913	—	27,536
Investments, at fair value:				
Cash	—	—	147,809	147,809
Equities	294,344,731	402,985,664	—	697,330,395
Alternative investments	160,969,752	220,382,755	4,924,849	386,277,356
Mutual funds	—	—	287,007,955	287,007,955
Money market funds	7,370,667	8,734,058	1,385,097	17,489,822
Fixed income securities	165,677,310	226,827,845	—	392,505,155
Real assets	29,326,972	40,151,387	—	69,478,359
Prepays	23,982	29,879	—	53,861
Total assets	659,757,303	902,045,134	293,990,665	1,855,793,102
LIABILITIES				
Accounts payable	—	—	54,190	54,190
Investments purchased	1,138,358	1,558,520	—	2,696,878
Other	416,652	498,661	683,672	1,598,985
Total liabilities	1,555,010	2,057,181	737,862	4,350,053
NET POSITION				
Restricted for:				
Pension, other post-employment benefits, individuals, organizations and other governments	\$ 658,202,293	\$ 899,987,953	\$ 293,252,803	\$ 1,851,443,049

Howard County, Maryland
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2024

	Howard County Retirement Plan	Howard County Police and Fire Employees' Retirement Plan	Howard County Other Post- Employment Benefits Fund	Total
ADDITIONS				
Contributions:				
Employer	\$ 20,246,420	\$ 36,750,837	\$ 43,845,635	\$ 100,842,892
Member	6,050,873	9,944,756	—	15,995,629
Total contributions	26,297,293	46,695,593	43,845,635	116,838,521
Investment income (expense):				
Net change in fair value of investments	49,184,611	67,261,092	27,397,416	143,843,119
Interest	1,511,361	2,059,037	1,061,016	4,631,414
Dividends	9,032,725	12,290,534	6,683,509	28,006,768
Other	123,863	168,040	—	291,903
Investment expense	(1,309,614)	(1,692,679)	(478,849)	(3,481,142)
Net investment income (loss)	58,542,946	80,086,024	34,663,092	173,292,062
Total additions	84,840,239	126,781,617	78,508,727	290,130,583
DEDUCTIONS				
Benefits	30,288,011	42,459,762	30,593,426	103,341,199
Administrative expenses	627,912	605,995	36,630	1,270,537
Total deductions	30,915,923	43,065,757	30,630,056	104,611,736
Change in net position	53,924,316	83,715,860	47,878,671	185,518,847
Net position - beginning	604,277,977	816,272,093	245,374,132	1,665,924,202
Net position - ending	\$ 658,202,293	\$ 899,987,953	\$ 293,252,803	\$ 1,851,443,049

Howard County, Maryland
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024

	Detention Center		Sheriff's	State Property	Trust and			
	Inmate and	Friends of	Writ of	Tax and	Agency	Police		
	Work Release	RNC	Execution	Interest	Multifarious	Contraband	Total	
ASSETS								
Equity in pooled cash	\$ 103,766	\$ 10,054	\$ 415	\$ 1,627,396	\$ 242,995	\$ 188,958	\$ 2,173,584	
Receivables:								
Property taxes	—	—	—	165,729	—	—	165,729	
Prepays	—	—	—	—	8,052	—	8,052	
Other receivables and billings	—	—	—	473,774	19,613	—	493,387	
Total assets	103,766	10,054	415	2,266,899	270,660	188,958	2,840,752	
LIABILITIES								
Accounts payable and other liabilities	—	—	—	1,626,930	—	—	1,626,930	
Total liabilities	—	—	—	1,626,930	—	—	1,626,930	
NET POSITION								
Restricted for:								
Individuals, organizations and other governments	\$ 103,766	\$ 10,054	\$ 415	\$ 639,969	\$ 270,660	\$ 188,958	\$ 1,213,822	

Howard County, Maryland
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024

	Detention Center Inmate and Work Release	Friends of RNC	Sheriff's Writ of Execution	State Property Tax and Interest	Trust and Agency Multifarious	Police Contraband	Total
ADDITIONS							
Miscellaneous revenue	\$ 837,586	\$ 5,284	\$ —	\$ —	\$ 74,061	\$ 30,742	\$ 947,673
Property taxes	—	—	—	76,745,937	—	—	76,745,937
Other local taxes and fees	—	—	—	129,567	—	—	129,567
Total additions	837,586	5,284	—	76,875,504	74,061	30,742	77,823,177
DEDUCTIONS							
Administrative expenses	811,177	—	—	—	23,926	—	835,103
Contractual services	—	190	67,500	—	28,650	29,463	125,803
Supplies and materials	—	—	—	—	59,893	—	59,893
Property taxes paid to other governments	—	—	—	76,944,855	—	—	76,944,855
Total deductions	811,177	190	67,500	76,944,855	112,469	29,463	77,965,654
Change in net position	26,409	5,094	(67,500)	(69,351)	(38,408)	1,279	(142,477)
Net position - beginning	77,357	4,960	67,915	709,320	309,068	187,679	1,356,299
Net position - ending	\$ 103,766	\$ 10,054	\$ 415	\$ 639,969	\$ 270,660	\$ 188,958	\$ 1,213,822

STATISTICAL SECTION





Statistical Section (Unaudited)

Index

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

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

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

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

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



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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 754,407,588	772,350,290	834,114,554	826,399,982	841,929,843	860,749,049	852,772,538	1,007,748,724	956,484,636	987,378,537
Restricted	100,314,009	109,620,128	114,206,491	153,326,501	142,249,607	137,408,939	181,632,342	289,172,801	311,100,549	336,408,021
Unrestricted (a)	<u>(942,920,000)</u>	<u>(991,153,043)</u>	<u>(1,207,393,428)</u>	<u>(1,003,960,300)</u>	<u>(997,456,851)</u>	<u>(835,908,499)</u>	<u>(686,403,499)</u>	<u>(739,435,506)</u>	<u>(492,479,318)</u>	<u>(431,727,233)</u>
Subtotal governmental activities net position	<u>(88,198,403)</u>	<u>(109,182,625)</u>	<u>(259,072,383)</u>	<u>(24,233,817)</u>	<u>(13,277,401)</u>	<u>162,249,489</u>	<u>348,001,381</u>	<u>557,486,019</u>	<u>775,105,867</u>	<u>892,059,325</u>
Business-type activities										
Net investment in capital assets	410,168,067	410,561,263	414,126,888	419,010,628	456,887,408	440,510,473	470,068,555	463,785,341	477,456,646	464,237,682
Restricted	48,241,852	42,470,585	27,949,207	24,709,724	21,823,966	19,238,763	16,973,269	14,934,635	12,443,251	10,607,748
Unrestricted	<u>107,862,198</u>	<u>138,508,000</u>	<u>157,835,870</u>	<u>151,054,737</u>	<u>146,526,725</u>	<u>161,100,810</u>	<u>141,729,290</u>	<u>149,908,311</u>	<u>143,134,566</u>	<u>163,873,688</u>
Subtotal business-type activities net position	<u>566,272,117</u>	<u>591,539,848</u>	<u>599,911,965</u>	<u>594,775,089</u>	<u>625,238,099</u>	<u>620,850,046</u>	<u>628,771,114</u>	<u>628,628,287</u>	<u>633,034,463</u>	<u>638,719,118</u>
Primary government										
Net investment in capital assets	1,164,575,655	1,182,911,553	1,248,241,442	1,245,410,610	1,298,817,251	1,301,259,522	1,322,841,093	1,471,534,065	1,433,941,282	1,451,616,219
Restricted	148,555,861	152,090,713	142,155,698	178,036,225	164,073,573	156,647,702	198,605,611	304,107,436	323,543,800	347,015,769
Unrestricted	<u>(835,057,802)</u>	<u>(852,645,043)</u>	<u>(1,049,557,558)</u>	<u>(852,905,563)</u>	<u>(850,930,126)</u>	<u>(674,807,689)</u>	<u>(544,674,209)</u>	<u>(589,527,195)</u>	<u>(349,344,752)</u>	<u>(267,853,545)</u>
Total primary government net position	<u>\$ 478,073,714</u>	<u>482,357,223</u>	<u>340,839,582</u>	<u>570,541,272</u>	<u>611,960,698</u>	<u>783,099,535</u>	<u>976,772,495</u>	<u>1,186,114,306</u>	<u>1,408,140,330</u>	<u>1,530,778,443</u>

(a) Deficits occur in unrestricted net position for governmental activities because the County issues debt to fund construction costs for the Public School and Community College, yet these component units own the capital assets. See the Management's Discussion and Analysis for further details.

Howard County, Maryland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 75,558,318	66,234,421	66,948,584	58,020,097	65,241,233	74,316,453	123,183,109	72,881,510	68,823,209	81,996,319
Public safety	208,298,711	207,170,029	230,134,183	217,378,984	249,887,935	273,690,808	272,893,187	264,850,920	281,581,262	309,509,699
Public works	179,349,488	156,707,838	168,834,876	194,980,993	207,843,230	191,131,750	184,376,252	215,560,704	233,682,852	250,006,072
Recreation and parks	37,193,427	42,880,875	47,094,291	25,923,502	54,344,080	44,155,887	33,372,823	53,247,567	60,108,042	67,477,901
Legislative and judicial	27,110,955	26,070,345	27,693,094	27,484,681	30,139,996	33,526,457	34,562,766	34,828,987	39,744,597	41,136,811
Community services	48,650,488	45,928,376	44,497,229	47,215,901	50,250,870	51,744,649	57,793,879	64,131,907	71,605,180	65,918,126
State highways	763,353	3,341,087	5,842,868	4,934,098	9,286,446	4,140,382	1,381,137	2,374,495	2,906,665	1,240,596
Education	669,067,653	717,742,080	739,013,105	701,633,749	710,311,491	703,269,393	753,121,391	798,493,045	798,526,488	864,163,515
Interest on long-term debt	43,648,543	49,977,613	57,494,607	61,452,013	51,541,615	56,026,136	56,785,423	58,538,363	56,003,343	55,410,605
Total governmental activities expenses	1,289,640,936	1,316,052,664	1,387,552,837	1,339,024,018	1,428,846,896	1,432,001,915	1,517,469,967	1,564,907,498	1,612,981,638	1,736,859,644
Business-type activities:										
Water and sewer	97,764,211	95,781,698	101,312,345	105,229,515	113,056,969	111,856,075	122,881,576	125,680,688	135,186,205	136,861,719
Other	5,977,330	6,551,799	7,356,981	6,585,542	7,163,586	8,262,267	8,213,268	8,724,615	10,565,677	12,587,028
Total business-type activities expenses	103,741,541	102,333,497	108,669,326	111,815,057	120,220,555	120,118,342	131,094,844	134,405,303	145,751,882	149,448,747
Total primary government expenses	1,393,382,477	1,418,386,161	1,496,222,163	1,450,839,075	1,549,067,451	1,552,120,257	1,648,564,811	1,699,312,801	1,758,733,520	1,886,308,391
Program revenues										
Governmental activities:										
Charges for services										
General government	40,365,251	41,462,547	52,783,407	47,092,030	48,266,394	43,695,157	60,623,707	50,096,105	58,443,515	52,819,164
Public works	48,319,370	50,419,335	48,313,166	49,740,333	49,166,390	57,391,094	60,818,074	68,987,581	70,006,565	75,689,129
Recreation and parks	17,471,881	18,231,380	20,182,293	19,791,578	20,905,820	17,099,764	8,302,208	16,804,547	20,492,234	22,535,923
Other	25,188,353	13,987,065	10,672,780	13,053,507	14,129,641	19,846,183	19,114,022	24,838,162	28,184,211	15,008,641
Operating grants and contributions	35,864,017	40,094,831	39,402,540	43,351,124	40,559,501	60,278,746	97,683,224	84,412,904	60,020,345	54,134,653
Capital grants and contributions	16,814,899	27,792,294	18,163,355	24,455,008	18,377,194	19,701,167	4,329,549	17,378,972	20,156,985	44,250,142
Total governmental activities program revenues	184,023,771	191,987,452	189,517,541	197,483,580	191,404,940	218,012,111	250,870,784	262,518,271	257,303,855	264,437,652
Business-type activities:										
Charges for services										
Water and sewer	64,133,085	64,965,916	64,761,724	64,642,532	64,833,505	65,876,003	65,967,446	66,280,906	66,179,696	75,100,019
Other	14,129,334	14,256,985	13,906,569	13,712,093	11,544,895	11,301,111	12,477,557	12,670,736	12,926,035	13,152,584
Operating grants and contributions	30,010,057	31,339,509	32,669,952	33,958,088	35,349,018	36,112,163	40,565,784	40,510,564	41,615,800	43,645,135
Capital grants and contributions	51,939,661	14,728,750	10,262,423	11,976,929	43,164,177	9,928,803	12,591,770	10,376,098	5,440,529	3,912,217
Total business-type activities program revenues	160,212,137	125,291,160	121,600,668	124,289,642	154,891,595	123,218,080	131,602,557	129,838,304	126,162,060	135,809,955
Total primary government program revenues	\$ 344,235,908	317,278,612	311,118,209	321,773,222	346,296,535	341,230,191	382,473,341	392,356,575	383,465,915	400,247,607

(continued)

Howard County, Maryland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (expenses)/revenue										
Governmental activities	\$(1,105,617,165)	(1,124,065,212)	(1,198,035,296)	(1,141,540,438)	(1,237,441,956)	(1,213,989,804)	(1,266,599,183)	(1,302,389,227)	(1,355,677,783)	(1,464,884,047)
Business-type activities	54,470,596	22,957,663	12,931,342	12,474,585	34,671,040	3,099,738	507,713	(4,573,119)	(19,589,822)	(13,638,792)
Total primary government net expenses	(1,051,146,569)	(1,101,107,549)	(1,185,103,954)	(1,129,065,853)	(1,202,770,916)	(1,210,890,066)	(1,266,091,470)	(1,306,962,346)	(1,375,267,605)	(1,478,522,839)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	559,405,539	586,123,532	608,458,370	630,762,037	654,794,565	708,947,753	738,646,472	756,762,754	783,897,719	819,075,896
Local income taxes	412,674,188	431,743,893	436,993,783	466,935,173	496,679,385	577,958,870	619,513,011	652,606,282	689,157,003	634,609,612
Other local taxes	68,300,957	72,656,951	77,911,373	77,122,059	69,739,135	77,803,643	95,715,172	110,008,159	77,676,586	73,677,547
Intergovernmental, unrestricted	1,553,636	1,836,227	1,763,063	1,590,437	1,673,415	3,308,303	2,997,085	3,879,455	4,093,213	4,571,213
Unrestricted investment income	2,840,722	5,054,711	1,206,178	4,998,389	13,585,602	9,972,730	1,258,028	(5,763,261)	29,765,757	56,178,775
Miscellaneous	970,104	3,347,590	90,510	2,700,739	2,513,727	1,421,705	1,238,098	1,390,858	2,783,842	1,284,677
Transfers	3,696,843	2,318,086	5,389,399	9,151,633	9,412,543	19,489,201	13,807,937	(7,010,382)	(14,076,489)	(7,560,215)
Subtotal governmental activities	1,049,441,989	1,103,080,990	1,131,812,676	1,193,260,467	1,248,398,372	1,398,902,205	1,473,175,803	1,511,873,865	1,573,297,631	1,581,837,505
Business-type activities:										
Unrestricted investment income	242,826	823,902	830,024	2,434,920	5,998,775	2,615,899	253,254	957,282	6,348,339	6,348,339
Miscellaneous	23,318	3,804,252	150	53,351	(794,262)	(10,728)	3,033	4,822	28,976	28,976
Transfers	(3,696,843)	(2,318,086)	(5,389,399)	(9,151,633)	(9,412,543)	(19,489,201)	(13,807,937)	7,010,382	14,076,489	7,560,215
Subtotal business-type activities	(3,430,699)	2,310,068	(4,559,225)	(6,663,362)	(4,208,030)	(16,884,030)	(13,551,650)	7,972,486	20,453,804	19,323,447
Total primary government	1,046,011,290	1,105,391,058	1,127,253,451	1,186,597,105	1,244,190,342	1,382,018,175	1,459,624,153	1,519,846,351	1,593,751,435	1,601,160,952
Net position balances										
Governmental activities:										
Change in net position, governmental activities	(48,149,278)	(20,984,222)	(66,222,620)	51,720,029	10,956,416	175,526,890	185,751,892	209,484,638	217,619,848	116,953,458
Net position, beginning-governmental activities	36,049,061	(88,198,403)	(131,849,763)	(198,072,383)	(24,233,817)	(13,277,401)	162,249,489	348,001,381	557,486,019	775,105,867
Restatement	(76,098,186)	—	—	122,118,537	—	—	—	—	—	—
Net position, ending-governmental activities	(88,198,403)	(109,182,625)	(198,072,383)	(24,233,817)	(13,277,401)	162,249,489	348,001,381	557,486,019	775,105,867	892,059,325
Business-type activities:										
Change in net position, business-type activities	53,039,897	25,267,731	8,372,117	5,811,223	30,463,010	(4,388,053)	7,921,068	3,399,367	863,982	5,684,655
Net position, beginning-business-type activities	515,183,757	566,272,117	591,539,848	599,911,965	594,775,089	625,238,099	620,850,046	628,771,114	632,170,481	633,034,463
Restatement	(1,951,537)	—	—	(10,948,099)	—	—	—	—	—	—
Net position, ending-business-type activities	566,272,117	591,539,848	599,911,965	594,775,089	625,238,099	620,850,046	628,771,114	632,170,481	633,034,463	638,719,118
Total primary government	\$ 478,073,714	482,357,223	401,839,582	570,541,272	611,960,698	783,099,535	976,772,495	1,189,656,500	1,408,140,330	1,530,778,443

Howard County, Maryland
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ 8,140,178	7,632,118	9,045,255	12,600,473	12,265,039	11,477,512	10,721,886	37,922,879	9,428,875	8,693,284
Restricted	—	1,972,282	2,070,419	1,024,450	—	—	—	—	—	—
Committed	61,260,575	64,172,639	67,382,973	71,338,939	73,958,202	75,845,302	82,464,279	80,751,106	82,157,508	86,524,142
Assigned	34,992,177	53,577,009	31,953,418	49,382,483	35,997,183	99,392,985	218,420,188	258,907,211	326,681,455	343,555,596
Unassigned	3,295,630	12,015,718	26,239,270	7,898,186	18,387,493	21,834,102	24,517,933	34,488,896	76,147,033	36,531,059
Total general fund	107,688,560	139,369,766	136,691,335 (a)	142,244,531	140,607,917	208,549,901	336,124,286	412,070,092	494,414,871	475,304,081
All other governmental funds										
Nonspendable	22,166,070	648,352	644,176	656,721	671,042	681,117	668,614	670,280	982,178	1,001,369
Restricted	100,314,009	107,647,846	112,136,072	152,302,051	142,249,607	137,408,939	256,632,342	245,442,990	297,149,145	327,010,935
Committed	35,555,303	46,729,075	48,677,180	52,857,796	54,474,185	72,927,545	82,725,309	112,180,204	127,358,100	112,628,340
Assigned	63,398,155	63,361,371	60,075,902	56,117,487	62,387,719	66,541,138	40,364,849	32,312,123	12,950,041	15,024,639
Unassigned	(72,262,418)	(125,621,490)	(119,153,788)	(88,731,324)	(110,672,917)	(96,702,875)	(108,957,272)	(190,582,470)	(207,071,382)	(145,285,597)
Total all other governmental funds	149,171,119	92,765,154	102,379,542	173,202,731	149,109,636	180,855,864	271,433,842	200,023,127	231,368,082	310,379,686
Total governmental funds	\$ 256,859,679	\$ 232,134,920	\$ 239,070,877	\$ 315,447,262	\$ 289,717,553	\$ 389,405,765	\$ 607,558,128	\$ 612,093,219	\$ 725,782,953	\$ 785,683,767

(a) Decrease in the total balance of the general fund in fiscal year 2015 was due to one-time initiatives of \$37.7 million.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES										
Property taxes (a)	\$ 559,393,599	\$ 586,906,599	\$ 608,790,864	\$ 630,002,471	\$ 654,226,577	\$ 706,141,417	\$ 736,287,166	\$ 758,420,619	\$ 783,696,736	\$ 814,226,370
Other local taxes	463,904,916	506,819,854	514,455,726	523,874,099	533,151,563	601,642,578	673,641,074	714,868,761	743,879,973	698,456,977
State shared taxes	1,531,596	2,077,909	1,818,048	1,595,662	1,673,415	2,747,094	3,558,294	3,879,455	4,093,213	4,571,213
Revenues from other governments	35,645,234	30,616,053	53,144,527	46,881,676	43,490,797	43,359,703	84,153,972	80,148,620	59,269,736	103,767,407
Charges for services	54,693,447	55,954,266	57,428,448	58,820,287	59,537,731	65,232,242	58,652,336	73,659,747	96,200,417	80,719,613
Interest on investments	2,574,475	4,970,717	4,878,623	7,961,507	13,567,305	10,706,803	2,432,814	1,462,650	29,513,484	54,539,282
Decrease in fair value of investments	—	—	—	—	—	—	(1,440,198)	(7,434,158)	(907,535)	—
Installment interest from housing loans	268,410	83,994	27,190	53,025	60,540	95,639	194,795	98,283	83,348	65
Licenses and permits	6,586,220	7,200,241	7,090,791	6,874,461	6,641,437	5,917,475	6,294,952	6,559,876	5,663,849	6,313,264
Recoveries for interfund services	14,133,304	15,706,180	—	—	—	—	—	—	—	—
Fines and forfeitures	4,024,120	4,356,639	4,481,676	4,315,875	4,071,307	3,988,941	3,807,058	7,036,936	6,432,841	6,674,170
Developer contributions	4,561,155	4,612,357	9,070,823	2,372,712	852,987	1,040,214	1,235,418	1,096,664	1,832,536	1,780,891
Rental of property	111,853	—	—	—	—	—	—	—	—	—
Payments from component units	351,439	2,588,330	2,076,568	2,095,129	1,546,337	1,017,178	495,833	463,382	426,382	387,347
Sale of property	3,464,497	—	—	—	—	—	—	—	—	—
Miscellaneous program revenues	14,594,154	25,441,734	15,406,458	17,149,954	16,880,092	20,100,507	18,970,306	25,378,795	15,765,980	34,241,640
Total revenues	<u>1,165,838,419</u>	<u>1,247,334,873</u>	<u>1,274,970,104</u>	<u>1,298,793,547</u>	<u>1,335,203,767</u>	<u>1,461,662,101</u>	<u>1,588,283,820</u>	<u>1,665,639,630</u>	<u>1,745,950,960</u>	<u>1,805,678,239</u>
EXPENDITURES										
Current:										
General government	50,754,551	54,918,742	48,703,477	51,307,571	60,629,770	54,668,826	89,760,676	82,672,133	79,852,606	74,123,887
Legislative & judicial	24,165,800	25,893,292	26,315,797	27,175,301	28,520,391	29,155,033	29,677,484	33,577,622	36,024,211	37,898,982
Public works	104,503,144	102,894,102	104,307,451	112,420,109	113,436,661	112,165,451	114,555,229	313,659,621	130,178,514	136,552,409
Public safety	205,038,450	208,774,567	219,541,903	228,466,896	235,952,000	250,490,558	249,601,526	266,213,339	281,936,807	318,350,266
Recreation and parks	36,911,248	38,473,557	39,667,818	41,877,752	43,171,463	41,217,061	34,734,823	41,687,581	46,229,066	50,688,637
Community services	46,474,576	44,631,695	42,267,451	44,819,301	47,391,787	48,153,860	51,537,606	62,655,664	70,172,651	66,219,385
Education	651,103,285	651,837,577	699,206,963	704,546,696	707,246,000	700,885,393	747,167,309	795,453,859	795,850,194	861,626,134
Capital improvements	112,042,331	133,208,954	134,994,751	114,284,257	140,460,747	130,600,419	68,469,459	176,458,596	113,384,468	114,454,442
Debt service:										
Principal	61,185,578	68,484,249	74,766,641	66,443,603	69,728,497	88,334,697	91,469,752	92,613,665	101,434,053	116,669,197
Interest	45,595,837	45,384,247	47,438,207	47,177,499	57,055,983	56,687,393	53,215,495	61,012,025	59,802,179	59,373,662
Total expenditures	<u>1,337,774,800</u>	<u>1,374,500,982</u>	<u>1,437,210,459</u>	<u>1,438,518,985</u>	<u>1,503,593,299</u>	<u>1,512,358,691</u>	<u>1,530,189,359</u>	<u>1,926,004,105</u>	<u>1,714,864,749</u>	<u>1,835,957,001</u>
Excess (deficiency) of revenues over expenditures	<u>(171,936,381)</u>	<u>(127,166,109)</u>	<u>(162,240,355)</u>	<u>(139,725,438)</u>	<u>(168,389,532)</u>	<u>(50,696,590)</u>	<u>58,094,461</u>	<u>(260,364,475)</u>	<u>31,086,211</u>	<u>(30,278,762)</u>
OTHER FINANCING SOURCES (USES)										
Lease issued	—	—	—	—	—	—	—	—	—	19,401,086
Bond premium	17,522,949	13,541,018	43,899,251	49,340,059	12,219,992	21,198,307	19,937,199	4,589,177	6,203,369	12,127,898
Financed purchase agreements issued	12,562,393	10,058,351	3,368,036	11,936,898	2,223,000	—	—	—	—	—
Capital related debt issued	100,180,000	76,490,000	133,925,001	128,380,000	108,710,477	108,237,244	134,751,164	52,460,385	68,536,785	91,720,094
Refunding bonds issued	84,015,000	21,280,000	140,385,000	184,440,000	22,585,000	58,375,000	83,280,000	—	—	15,640,000
Installment purchase agreements issued	3,448,120	4,817,735	10,756,470	3,095,670	—	—	961,020	7,050,045	750,975	2,853,565
Payment to bond refunding escrow agent	(93,816,818)	(26,600,367)	(169,143,917)	(219,985,848)	(24,024,558)	(58,161,938)	(96,619,193)	—	—	(16,503,925)
Transfers in	53,153,609	27,765,305	47,227,975	58,254,689	64,806,430	80,529,751	75,742,074	66,282,981	89,923,413	145,835,804
Transfers out	(47,084,255)	(24,910,692)	(41,241,503)	(47,584,645)	(43,860,518)	(59,793,562)	(57,994,362)	(67,014,616)	(88,539,335)	(144,622,729)
Total other financing sources and uses	<u>129,980,998</u>	<u>102,441,350</u>	<u>169,176,313</u>	<u>216,101,823</u>	<u>142,659,823</u>	<u>150,384,802</u>	<u>160,057,902</u>	<u>264,899,566</u>	<u>82,603,523</u>	<u>126,451,793</u>
Net change in fund balances	<u>(41,955,383)</u>	<u>(24,724,759)</u>	<u>6,935,958</u>	<u>76,376,385</u>	<u>(25,729,709)</u>	<u>99,688,212</u>	<u>218,152,363</u>	<u>4,535,091</u>	<u>113,689,734</u>	<u>96,173,031</u>
Debt service as a percentage of noncapital expenditures	<u>8.91%</u>	<u>8.71%</u> (b)	<u>8.94%</u>	<u>8.60%</u>	<u>9.10%</u>	<u>9.59%</u>	<u>9.70%</u>	<u>9.73%</u>	<u>9.93%</u>	<u>10.10%</u>

(a) Increase in real property taxes is due to steady increases in property values in the County.

(b) Capital outlay used in FY16 calculation reported incorrectly.

Howard County, Maryland
Assessed and Estimated Accrual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property		Total
	Residential Assessed Value	Commercial Assessed Value	Assessed Value (a)	Total Direct Tax Rate (b)	Assessed Value (a)	Total Direct Tax Rate (b)	Assessed Value
2015	\$ 36,390,442,780	7,722,275,864	44,112,718,644	1.014	1,618,445,500	2.535	45,731,164,144
2016	37,954,765,647	7,984,317,384	45,939,083,031	1.014	1,702,530,310	2.535	47,641,613,341
2017	39,566,020,328	8,410,004,037	47,976,024,365	1.014	1,650,784,630	2.535	49,626,808,995
2018	41,352,080,551	8,469,703,245	49,821,783,796	1.014	1,696,221,380	2.535	51,518,005,176
2019	42,391,698,324	9,214,242,834	51,605,941,158	1.014	1,733,052,800	2.535	53,338,993,958
2020	43,926,364,524	9,545,414,603	53,471,779,127	1.014	1,706,543,391	2.535	55,178,322,518
2021	45,168,891,391	9,915,122,500	55,084,013,891	1.014	1,910,775,846	2.535	56,994,789,737
2022	46,752,372,385	10,264,810,990	57,017,183,375	1.014	1,882,858,968	2.535	58,900,042,343
2023	48,531,494,400	10,485,570,793	59,017,065,193	1.014	1,924,769,590	2.535	60,941,834,783
2024	51,165,367,886	11,032,571,510	62,197,939,396	1.014	1,825,005,740	2.535	64,022,945,136

(a) Real property and personal property assessments are done every three years and every year, respectively, by the State Department of Assessments and Taxation at 100% of estimated fair value. Tax-exempt property is not included in the assessed value.

(b) Rates are per \$100 of assessed value.

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

Howard County Direct Rates

Fiscal Year	Real Property	Personal Property
2015	1.014	2.535
2016	1.014	2.535
2017	1.014	2.535
2018	1.014	2.535
2019	1.014	2.535
2020	1.014	2.535
2021	1.014	2.535
2022	1.014	2.535
2023	1.014	2.535
2024	1.014	2.535

Source: Howard County Department of Finance, Bureau of Revenue

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

2024			2015		
Taxpayer	Taxable Assessed Valuation	Percentage of Total County Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Percentage of Total County Assessed Valuation
Baltimore Gas & Electric Company	\$ 627,349,160	0.87%	Baltimore Gas & Electric Company	\$ 364,150,170	0.80%
Mall in Columbia Business Trust	322,771,500	0.57%	Mall in Columbia Business Trust	235,723,917	0.52%
Transcontinental gas pipeline	105,459,580	0.29%	Howard Properties Howard Crossing	126,236,867	0.28%
Verizon-Maryland Inc.	85,757,990	0.29%	Verizon-Maryland Inc.	116,539,080	0.25%
Howard Properties Howard Crossing, LLC	173,499,367	0.19%	Seasons of Laurel LLC	96,787,367	0.21%
11101 Johns Hopkins Road	129,874,633	0.19%	Home Properties Charleston LLC	80,312,393	0.18%
9220 Old Lantern Way LLC	125,304,934	0.18%	API Columbia Town Center LLC	68,996,900	0.15%
Renaissance Hills Ellicott LP	120,078,333	0.15%	KMF Sherwood Crossing LLC	66,347,320	0.15%
Columbia 531 LLC	109,091,033	0.15%	Cellco Partnership	46,698,283	0.10%
Annapolis Galaxy DE LLC	106,378,433	0.15%	New Cingular Wireless PCS LLC	24,442,560	0.05%
Total	\$ 1,905,564,963	3.03%	Total	\$ 1,226,234,857	2.69%

Source: Howard County Department of Finance, Bureau of Revenue

**Howard County, Maryland
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			Total Collection to Date		
		Amount	Percentage of Levy	Subsequent tax Collections	Amount	Percentage of Levy	
2015	\$ 569,892,160	\$ 568,111,915	99.69%	\$ 1,411,389	\$ 569,523,304	99.94%	
2016	594,757,776	593,510,182	99.79%	812,684	594,322,866	99.93%	
2017	616,633,669	612,695,057	99.36%	3,152,341	615,847,398	99.87%	
2018	639,933,124	635,257,806	99.27%	1,283,729	636,541,535	99.47%	
2019	663,038,666	656,951,368	99.08%	1,418,911	658,370,279	99.30%	
2020	677,030,343	671,983,399	99.25%	2,024,392	674,007,791	99.55%	
2021	697,366,167	690,343,014	98.99%	5,787,428	696,130,442	99.82%	
2022	767,640,195	762,776,281	99.37%	3,864,290	766,640,571	99.87%	
2023	774,872,843	768,980,607	99.24%	5,061,383	774,041,990	99.89%	
2024	831,330,915	821,002,800	98.76%	—	821,002,800	98.76%	

Source: Howard County Department of Finance, Bureau of Revenue

Subsequent tax collections for fiscal years 2015-2024, updated per Howard County Department of Finance, Bureau of Revenue.

Howard County, Maryland
Ratios of Outstanding Debt by Type - Governmental Activities
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year (b)	General Obligation Bonds (a)	State Water Quality Revolving Loans	Installment Purchase Agreements	Tax Increment Bonds	Long-term Financed Purchase	Availability Payment Arrangement	Lease Liability	Subscriptions Liability	Total (c)
2015	\$ 1,035,280	\$ 2,475	\$ 96,626	\$ 17,000	\$ 17,894	\$ —	\$ —	\$ —	\$ 135,030
2016	1,050,289	—	98,661	17,000	24,874	—	—	—	141,585
2017	1,128,705	—	100,123	16,980	24,802	—	—	—	143,034
2018	1,205,838	—	97,716	65,165	35,012	—	—	—	1,403,731
2019	1,246,358	—	93,483	65,100	31,603	—	—	—	1,436,544
2020	1,362,886	—	59,364	64,920	29,979	—	—	—	1,517,149
2021	1,361,927	—	59,546	64,695	22,365	—	—	—	1,508,533
2022	1,306,613	—	59,441	64,450	19,460	100,653	94,828	—	1,645,445
2023	1,281,711	—	56,434	64,175	16,111	99,085	92,169	8,310	1,617,995
2024	1,314,584	—	45,217	62,980	12,722	97,435	92,530	26,637	1,652,105

Note: Details regarding the County's outstanding debt can be found in the notes to basic financial statements.

- (a) The amounts reported for debt include deferred refunding premium and discount.
- (b) Effective FY 2022 CPI for Broadband and Watershed are reported separately from governmental activities.
- (c) Total governmental activities of FY 2022 and 2023 have been restated

Howard County, Maryland
Ratios of Outstanding Debt by Type - Business Type Activities
Last Ten Fiscal Years
(in thousands of dollars, except per capita amount)

Fiscal Year (b)	General Obligation Bonds	Metropolitan District Bonds (a)	Special Facility Revenue Bonds	State Water Quality Revolving Loans	LT financed purchase	MDE Loan	Leases Liability	Total Business- Type Activities	Total Primary Government	Percentage of Personal Income (c)	Portion of Per Capita Personal Income (c)
2015	\$ —	238,963	4,133	27,679	—	—	—	270,775	405,805	n/a	n/a
2016	—	251,963	3,240	24,508	—	—	—	279,711	421,296	n/a	n/a
2017	—	270,211	3,199	21,267	—	—	—	294,677	437,711	n/a	n/a
2018	—	301,619	2,714	17,956	—	—	—	322,289	1,726,020	n/a	n/a
2019	—	351,004	2,217	14,573	—	—	—	367,794	1,804,338	n/a	n/a
2020	—	434,478	1,197	7,658	—	—	—	443,333	1,960,482	n/a	n/a
2021	—	412,382	1,185	7,582	2,280	—	—	423,429	1,931,962	n/a	n/a
2022	20,744	417,396	650	3,972	1,110	2,050	2,468	448,390	2,093,835	n/a	n/a
2023	23,998	419,759	—	2,443	1,820	951	2,316	448,023	2,066,018	n/a	n/a
2024	30,252	430,709	—	1,556	1,575	787	2,157	467,036	2,117,567	n/a	n/a

Note: Details regarding the County's outstanding debt can be found in the notes to basic financial statements.

- (a) The amounts reported for debt include deferred refunding premium and discount.
- (b) Effective FY 2022 CPI for Broadband and Watershed are reported separately from governmental activities.
- (c) See the Demographic and Economic Statistics schedule for personal income and population data.

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

Fiscal Year	Estimated Population	General Obligation Debt (a)	Percentage of Estimated Actual Taxable Value of Property (b)	General Obligation Debt per Capita (c)
2015	305,462	\$ 1,072,650	2.20%	3512
2016	316,579	1,103,582	2.30%	3,486
2017	317,233	1,170,487	2.20%	3,690
2018	321,113	1,306,015 (d)	2.50%	4,067
2019	326,286	1,343,061	2.50%	4,116
2020	330,376	1,457,785 (d)	2.50%	4,413
2021	333,951	1,448,987	2.50%	4,339
2022	339,054	1,491,176	2.50%	4,398
2023	334,529	1,561,561	2.60%	4,668
2024	335,411	1,606,889	2.50%	4,791

Note: Details regarding the County's outstanding debt can be found in the notes to basic financial statements.

- (a) General obligation debt is a total of governmental activities debt less Agricultural Land Preservation Program installment purchase agreements. The amounts reported for debt include deferred refunding premium and discount.
- (b) See the Assessed Value and Estimated Actual Value of Taxable Property schedule for property value data.
- (c) See the Demographic and Economic Statistics schedule for population data.
- (d) General obligation debt correct to equal total of governmental activities debt less Agricultural Land Preservation Program installment purchase agreements.

Howard County, Maryland
Legal Debt Margin
Last Ten Fiscal Years
(thousands of dollars)

	2015	2016	2017	2018	2019	2020	2021	2020 (a)	2023	2024
Assessed value										
Real property	\$ 44,112,719	45,939,083	47,976,024	49,821,784	51,679,563	53,471,779	55,084,014	57,017,183	59,017,065	62,197,939
Personal property	1,618,446	1,702,530	1,650,785	1,696,221	1,733,053	1,706,543	1,910,776	1,882,859	1,924,769	1,825,006
Total assessed value	\$ 45,731,165	47,641,613	49,626,809	51,518,005	53,412,616	55,178,322	56,994,790	58,900,042	60,941,834	64,022,945
Legal debt margin										
Debt limit (4.80% of assessed value of real property and personal property)	2,195,096	2,286,797	2,382,087	2,472,864	2,563,806	2,648,559	2,735,750	2,827,202	2,925,208	3,073,101
Total debt limit	2,195,096	2,286,797	2,382,087	2,472,864	2,563,806	2,648,559	2,735,750	2,827,202	2,925,208	3,073,101
Debt applicable to limit										
General county	\$ 936,199	984,119 (b)	1,037,717 (b)	1,099,892 (b)	1,203,729 (b)	1,318,434 (b)	1,312,240	1,383,714	1,263,216	1,296,254
State Water Quality Revolving Loan	2,475	—	—	—	—	—	—	—	—	—
Total debt applicable to limit	\$ 938,674	\$ 984,119	\$ 1,037,717	\$1,099,892	\$1,203,729	\$ 1,318,434	\$1,312,240	\$ 1,383,714	\$ 1,263,216	\$ 1,296,254
Legal debt margin	\$ 1,256,422	1,302,678	1,344,370	1,372,972	1,360,077	1,330,125	1,423,510	1,443,488	1,662,902	1,776,847
Total debt applicable to the limit as a percentage of debt limit	42.76%	43.03%	43.56%	44.48%	46.95%	49.78%	47.97%	48.94%	43.18%	42.18%

Note: The amounts reported for debt include deferred refunding premium and discount.

(a) Revised to include long-term financed purchase obligation.

(b) Amount previously reported have been revised to exclude deferred refunding premium and discount.

**Howard County, Maryland
Pledged Revenue Coverage
Special Recreation Facility (Golf Course)
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	\$ 1,893,015	\$ 1,459,050	\$ 433,965	\$ 450,000	\$ 108,362	0.78
2016	1,840,152	1,556,796	283,356	461,000	98,429	0.51
2017	1,260,820	2,728,803	(1,467,983)	473,000	85,688	-2.63
2018	1,089,224	945,289	143,935	485,000	73,710	0.26
2019	300,000	825,765	(525,765)	497,000	117,747	-0.86
2020	443,004	33,722	409,282	510,000	96,285	0.68
2021	733,705	361	733,344	522,000	48,935	1.28
2022	766,061	—	766,061	535,000	31,570	1.35
2023	780,172	3,640	776,532	650,000	49,658	1.11
2024	740,898	—	740,898	—	26,443	28.02

Note: Operating expenses do not include depreciation or interest paid as part of debt service

**Howard County, Maryland
Pledged Revenue Coverage
Annapolis Junction Special Taxing District
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	\$ 63,097	\$ 733	\$ 62,365	\$ —	\$ 939,435 (a)	0.07
2016	69,604	14,340	55,264	—	1,012,565 (a)	0.05
2017	593,746	11,744	582,002	20,000	1,012,605 (a)	0.56
2018	1,423,528	18,884	1,404,644	40,000	1,011,605	1.34
2019	1,066,225	18,541	1,047,684	65,000	1,009,686	0.97
2020	1,453,827	14,038	1,439,789	90,000	1,006,565	1.31
2021	994,537	14,535	980,002	115,000	1,002,246	0.88
2022	1,057,806	15,398	1,042,408	145,000	996,726	0.91
2023	1,176,364	26,928	1,149,436	175,000	989,766	0.99
2024	1,581,378	40,849	1,540,529	595,000	495,267	1.41

Note: Gross revenues include incremental tax, special tax and interest earnings.
Gross revenues do not include the capitalized interest account funded with bond proceeds.
Operating expenses do not include depreciation or interest paid as part of debt service.
(a) The interest was paid from the capitalized account held by the Trustee.

**Howard County, Maryland
Pledged Revenue Coverage
Crescent Special Taxing District
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2018	\$ 2,297,099	\$ 84,510	\$ 2,212,589	\$ —	\$ 677,382 (a)	3.27
2019	4,137,520	244,394	3,893,126	—	2,102,219 (a)	1.85
2020	3,577,754	79,065	3,498,689	—	2,102,219 (a)	1.66
2021	3,615,455	91,998	3,523,457	200,000	2,102,219	1.53
2022	4,379,428	47,057	4,332,371	100,000	2,094,218	1.97
2023	4,443,758	76,054	4,367,704	100,000	2,090,218	1.99
2024	5,231,902	50,563	5,181,339	485,000	2,086,218	2.02

Note: Information for FY 2017 and earlier is not available.
 Gross revenues include incremental tax, special tax and interest earnings.
 Gross revenues do not include the capitalized interest account funded with bond proceeds.
 Operating expenses do not include depreciation or interest paid as part of debt service.
 (a) The interest was paid from the capitalized account held by the Trustee.

Howard County, Maryland
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Estimated Population (a)	Personal Income (b) (thousands of dollars)	Per Capita Personal Income (b)	Public School Enrollment (c)	Unemployment Rate (d)
2015	312,400	22,203,989	71,076	52,511	4.50%
2016	316,966	23,070,751	72,786	54,870	3.50%
2017	321,113	24,063,585	74,938	55,638	3.50%
2018	323,293	25,343,597	78,416	58,019	3.60%
2019	325,690	25,812,013	79,253	58,284	2.80%
2020	330,376	26,905,315	81,969	59,447	6.90%
2021	333,951	n/a	n/a	57,293	5.20%
2022	339,054	n/a	n/a	57,325	3.90%
2023	334,529	n/a	n/a	57,676	1.40%
2024	335,411	n/a	n/a	57,633	2.40%

Sources:

- (a) Estimated Population, Personal Income, and Per Capita Personal Income revised and restated for 2015 - 2020
(Bureau of Economic Analysis, U.S. Dept. of Commerce)
- (b) Estimated Populations for 2022 are from Howard County Department of Planning and Zoning for June 30, 2022
- (c) Howard County Public School System - School enrollment is based on head count taken September 30th of each year.
- (d) State of Maryland, Dept. of Labor, Licensing and Regulation Unemployment rate is as of June 30th.

Howard County, Maryland
Principal Employers
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Howard County Public Schools	9,094	1	4.86%	7,693	1	4.65%
Johns Hopkins Applied Physics Laboratory	8,000	2	4.28%	5,000	2	3.02%
Johns Hopkins Howard County Medical Center	1,830	3	0.98%	—	N/A	N/A
Verizon	1,700	4	0.91%	1,346	7	0.81%
Howard Community College	1,400	5	0.75%	1,394	6	0.84%
The Columbia Association	1,200	6	0.64%	—	N/A	N/A
Lorien Health Services	1,190	7	0.64%	2,000	4	1.21%
FreshPoint Sysco	1,565	8	0.84%	—	N/A	N/A
Nestle Dreyer's	890	9	0.48%	—	—	—%
Wells Fargo	810	10	0.43%	—	—	—%
Howard County Government	—	—	—%	3,054	3	1.84%
Howard County General Hospital	—	—	—%	1,788	5	0.62%
Leidos	—	—	—%	1,195	8	0.72%
Costal Sunbelt Produce	—	—	—%	1,050	9	0.63%
Giant Food	—	—	—%	1,050	9	0.63%
Total	27,679		14.81%	25,570		14.35%

Source: Howard County Economic Development Authority

Howard County, Maryland
County Government Employees by Function
Last Ten Fiscal Years

Function/program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	335	341	349	354	348	350	354	369	387	405
Public safety										
Police	672	667	677	691	697	705	708	710	747	749
Fire	472	465	468	491	530	550	608	609	613	640
Corrections	152	153	153	154	154	154	151	151	153	155
Public works	612	611	614	617	619	626	642	519	522	522
Recreation and parks	281	283	295	304	300	289	299	328	317	321
Legislative and judicial	206	208	212	216	219	223	231	233	263	266
Community services	324	325	330	341	367	370	372	304	305	315
Total	<u>3,054</u>	<u>3,053</u>	<u>3,098</u>	<u>3,168</u>	<u>3,234</u>	<u>3,267</u>	<u>3,365</u>	<u>3,223</u>	<u>3,307</u>	<u>3,373</u>

Source: Howard County Budget Office

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

Function/program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Finance:										
Real property tax accounts billed	105,692	105,692	107,342	108,292	108,952	109,775	110,437	111,099	111,712	112,053
Business personal property tax accounts billed	10,628	13,232	14,803	11,323	9,822	7,805	9,854	9,845	7,521	5,597
Public Safety										
Police:										
Physical arrests	10,016	9,351	8,379	7,527	6,627	4,640	1,993	2,067	2,014	2,335
Parking violations	7,180	7,180	7,545	7,104	8,624	5,515	2,703	2,381	2,087	2,115
Traffic violations	99,963	92,314	82,917	75,402	69,180	52,065	24,033	20,593	18,750	30,188
Fire:										
Emergency responses	58,369	58,484	60,997	69,074	68,897	63,092	62,401	76,586	83,623	87,295
Inspections	2,742	2,865	3,274	2,498	2,969	2,808	5,080	5,580	5,323	5,258
Corrections:										
Average daily prison population	304	284	285	319	318	253	202	231	231	226
Public Works										
Inspections, licenses and permits:										
Construction permits issued	6,379	7,145	6,599	5,575	5,249	5,135	5,646	6,173	5,196	4,996
Environmental services:										
Refuse collected (tons per year)	115,941	103,719	109,313	109,397	118,247	120,290	128,136	133,060	131,780	131,856
Recyclables collected (tons per year)	55,704	57,815	67,006	59,024	59,689	57,709	58,602	64,518	61,142	58,164
Recreation and Parks										
Programs operated	7,250	7,324	6,562	7,441	6,746	4,842	8,530	8,205	8,048	8,501
Registrations processed	103,731	105,522	77,682	80,410	105,826	140,720	38,500	75,697	86,113	72,302
Legislative and Judicial										
Circuit court cases filed	1,064	1,238	1,203	1,069	1,198	866	824	599	692	1,963
District court cases filed	9,296	9,527	10,131	9,346	11,055	6,119	8,150	5,091	7,364	8,294
Community Services										
50+ centers operated (a)	7	7	7	7	7	7	6	6	6	6
Consumer affairs - cases closed	282	287	271	313	295	311	232	285	332	335
Community service partnership grants	30	30	29	29	32	32	31	38	38	45
Assisted living monitoring visits	461	535	622	774	876	446	230	350	211	158
Water and Sewer										
Water main breaks	186	170	119	275	156	151	181	172	168	212
Average daily water consumption (thousands of gallons)	21,870	22,100	23,600	23,470	24,016	23,060	24,706	23,770	24,460	24,460
Number of water customers	74,991	74,206	75,266	75,933	76,586	77,217	77,761	78,378	78,918	79,514
Average daily sewage treatment (thousands of gallons)	27,500	27,660	24,880	24,850	29,100	25,907	28,502	25,570	25,000	25,000
Number of sewer customers	71,547	72,474	73,537	74,215	74,872	75,511	76,063	76,686	77,238	77,876
Golf Course										
Rounds played	31,260	31,271	23,003	30,196	31,997	22,810	49,830	43,996	43,662	43,431

Sources: Various Howard County Departments

Note: Indicators are not available for the State highways or education functions.

(a) Senior centers renamed to 50+ centers in 2015.

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

Function/program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Buildings	44	44	45	44	48	50	50	54	54	52
Vehicles	51	51	64	60	105	106	103	95	95	105
Legislative and Judicial										
Vehicles	71	71	78	81	72	69	66	71	81	79
Public Safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units (vehicles)	292	284	274	275	274	319	302	303	312	298
Other vehicles	214	214	271	282	295	274	273	270	291	299
Fire:										
Stations (a)	6	6	6	7	11	11	11	11	11	11
Pumpers/tankers	29	29	28	29	31	31	30	30	35	38
Ladder trucks	7	8	8	8	8	8	8	8	9	1
Paramedic units	32	37	35	39	39	37	32	32	43	43
Vehicles	120	120	211	193	193	209	202	196	211	211
Public Works										
Buildings (b)	40	42	42	42	44	45	45	46	50	67
Transit buses	42	42	68	62	65	74	73	73	94	100
Vehicles	367	367	395	446	393	410	410	414	414	438
Streets (miles) (c)	1,062	1,066	1,066	1,066	1,042	1,042	1,059	1,063	1,066	1,066
Streetlights	7,941	8,131	8,447	8,720	10,149	10,281	10,480	10,593	10,870	11,084
Stormwater management facilities (e)	1,127	1,216	1,250	1,313	1,343	1,428	1,509	1,565	1,590	1,687
Recreation and Parks										
Buildings	62	65	65	65	64	75	76	77	78	97
Parks and open space acreage	9,227	9,255	9,493	9,579	9,647	9,619	9,819	9,859	9,965	9,975
Playgrounds	44	44	44	44	44	44	44	44	45	45
Vehicles	103	103	159	120	115	117	116	115	116	131
Water and Sewer										
Wastewater treatment plants	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	1,089	1,100	1,078	1,078	1,107	1,107	1,107	1,114	1,114	1,117
Sanitary sewers (miles)	1,018	1,026	1,026	1,026	1,030	1,048	1,048	1,050	1,059	1,054
Golf Course										
Golf Course	1	1	1	1	1	1	1	1	1	1

Sources: Various Howard County Departments

Note: Indicators are not available for State highways and education functions.



Howard County Regional Location





Department of Finance
3430 Courthouse Drive Ellicott City, MD 21043

410-313-2195 TDD 410-313-2323