Worcester County

MARYLAND

Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2021

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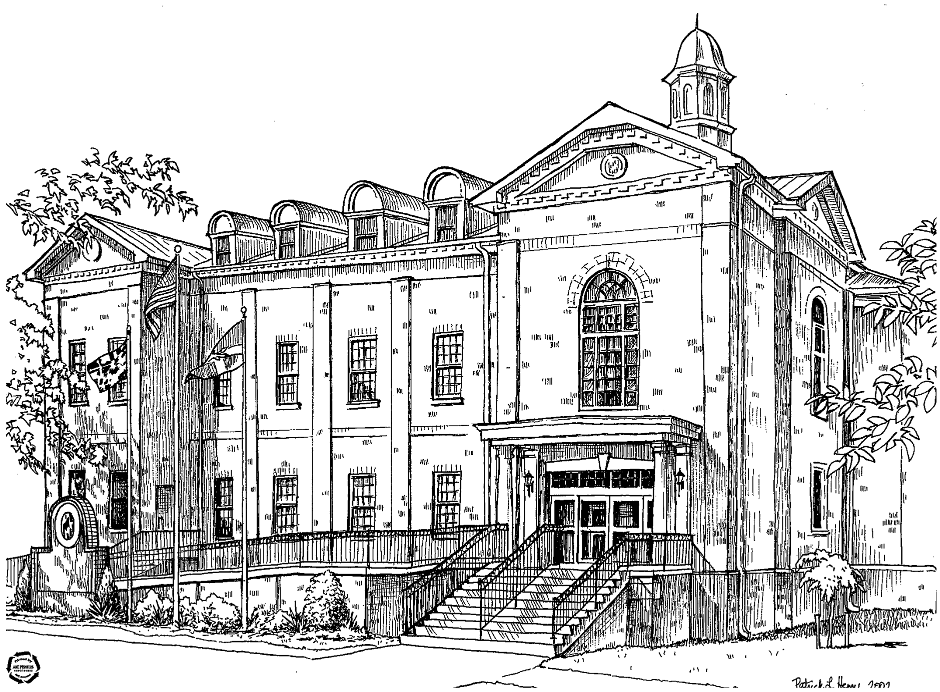
Worcester County, Maryland

Annual Comprehensive Financial Report

For Fiscal Year Ended
June 30, 2021



Worcester County Government Center

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WORCESTER COUNTY, MARYLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT
for the FISCAL YEAR ENDED JUNE 30, 2021
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WORCESTER COUNTY, MARYLAND

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INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATION CHART

LIST OF PRINCIPAL OFFICIALS AND DIRECTORS

TEL: 410-632-0686
FAX: 410-632-3003

OFFICE OF THE TREASURER

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET, ROOM 1105
P.O. Box 248
SNOW HILL, MARYLAND
21863

PHILLIP G. THOMPSON, CPA
FINANCE OFFICER

JESSICA R. WILSON, CPA
ASSISTANT FINANCE OFFICER

December 23, 2021

To the County Commissioners and Citizens of Worcester County, Maryland:

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) for Worcester County, Maryland for the fiscal year ended June 30, 2021 as required by both local and state statutes. These statutes require that Worcester County, Maryland annually issue financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management Discussion and Analysis (MD&A). This letter of transmittal is designed to be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors.

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

The public accounting firm TGM Group LLC has audited Worcester County, Maryland's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of Worcester County, Maryland, for the fiscal year ended June 30, 2021, are free of material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Worcester County, Maryland's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

This independent audit of the County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements are encompassed in the United States Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), which require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Worcester County's separately issued single audit report.

Profile of the Government

Worcester County, established in 1742, lies in the middle of a three-state region known as the Delmarva Peninsula, which comprises portions of Delaware, Maryland and Virginia. The County is the seventh largest in Maryland, having a land area of 483 square miles and 106 square miles of water. On the north, it is bounded by Sussex County, Delaware; on the south by Accomack County, Virginia; on the west by Wicomico and Somerset Counties, Maryland; and on the east by the Atlantic Ocean. One of Worcester County's greatest assets is its seashore. An excellent beach, which forms the entire oceanfront in Maryland, stretches for 31 miles across the entire eastern boundary of the County on a barrier island, which is separated from the mainland by a series of shallow bays.

There are four incorporated municipalities in the County: Berlin, Ocean City, Pocomoke City and Snow Hill. Berlin, Pocomoke City and Snow Hill are well-established communities ranging in size from 2,100 to about 4,500 year-round residents. Each was originally built as a residential, economic and social center to serve its surrounding agricultural communities. The Town of Ocean City is the County's most developed and its major industry is tourism. According to recent estimates, summer populations average over 295,000 in July and August and peak at nearly 325,000 on the July 4th weekend. The Towns and County provide their residents and visitors with various government services, including police and fire protection, beach patrol, water and sewage disposal, public transportation, recreational facilities and emergency health care services.

Form of Government

The County is governed by an elected seven-member Board of County Commissioners, each of whom is elected from one of the seven Commissioner districts. Elections are held every four years in November. The Commissioners must be qualified voters of the County and must have resided at least two years in Worcester County immediately preceding their election. The Board must meet at least twice each month and must remain in session so long as may be necessary to properly transact the business of the County. The Board elects its own president and vice president.

The Chief Administrative Officer of the County is charged with the administration of all departments of the County government. The County provides a full range of municipal services including education, libraries, public safety (sheriff, jail, emergency services and fire marshal), recreational activities, health and social services, sanitary districts, waste disposal, recycling, a liquor retail operation, highways and streets, planning and zoning, and general administrative services.

Budget Process

The Board adopts an operating budget for the General Fund and Enterprise Funds of the County. Revenue estimates for the ensuing fiscal year from the units of the County government are reviewed and compiled by the Budget Officer in February of each year. The expenditure requests are submitted to the Chief Administrative Officer, who in turn presents a requested budget to the Board in March. The Board must then conduct a public hearing on the budget submitted on or before May 30, and shall advertise at least once per week for two weeks prior to the hearing in a publication of general circulation within the County. The Board must then adopt the budget and tax rates on or before the first Tuesday in June.

In recent years, the County has taken a number of steps to control expenses and reduce the cost of providing needed services to its residents. The County's continued use and refinement of its multi-year budget document has proven useful for both operational and capital planning as the County assessable base continues to improve with a positive trend expected in the near term. Early in the FY21 budget season the Commissioner's and County staff developed a revised budget to proactively address the potential impacts of the COVID-19 pandemic. The anticipated slowdown resulted in decreases for many County departments and agencies operating budgets in fiscal year 2021. Salary accounts were increased to include a 2% cost of living adjustment (COLA) and included a step increment of 2.5% and longevity pay for those eligible. The effects of a State-mandated escalator provision related to school funding required the County to provide additional funding for the fifth consecutive year to the Board of Education. Finally, the County continues to include capital asset purchases, including vehicles and heavy equipment, into the operating budget in order to meet the operating needs of the departments.

Factors Affecting Financial Condition

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

Local Economy – Like state and local governments across the country, Worcester County's local economic performance reflects many current national trends. The ongoing Covid-19 international pandemic continues to cause uncertainty and angst for our citizens and taxpayers as well as those across the globe. The housing market has improved considerably in the County and this is reflected in the steadily improving assessable base as well as the current volume of new commercial and residential construction. Of significant concern are the impacts of potential reductions in state funding and additional costs which may be passed on to local governments. The

County's unemployment rate has experienced decreases over the last year which are in line with the national trends and accurately reflect a challenging labor market. The county unemployment rate decreased from 9.8% in June of 2020 to 6.2% in June of 2021 according to the Bureau of Labor Statistics. The County continues to maintain the second lowest property tax rate and the lowest income tax rate in the state, providing the County with financial flexibility for future years.

The County has a strong tourism industry, drawing visitors from all over the country to its pristine seashore and many historic sites. The impact of the Covid-19 pandemic is of particular concern to this segment of our local economy. The effects of the virus including travel limitations, reduced occupancy, as well as safeguarding protocols began in mid-March 2020 and continued at some level through the date of this letter. County-wide Room tax revenue increased by 22.6% in the current fiscal year as the early months of the 2021 summer season were much stronger than expected as we begin to return to more normal post-covid travel patterns. In addition, Food Tax increased by 4.55% in fiscal year 2021 indicating that our tourism market continues to perform better than anticipated in the current environment. It is important to note that all Room and Food Tax activity is collected by the County however only the amount of Room Tax collected in the unincorporated area is reflected in the General Fund. Room and Food Taxes collected by the County "on behalf" of the incorporated municipalities is recorded in the appropriate custodial fund. The County's central location relative to the major mid-Atlantic metropolitan areas continues to make it a target destination for retirees who seek a better quality of life as well as a convenient getaway for those looking to escape the city for a long weekend. Development is purposely controlled to protect the County's beauty and the fragile environment of its shoreline and waters.

Long-Term Financial Planning – The Board adopts a multi-year capital budget plan, covering 5 years, that forecasts spending for all anticipated capital projects. The plan addresses both repair and replacement of existing infrastructure as well as the development of new facilities to accommodate future growth. It enables the County to identify needed capital projects and to coordinate facility financing and timing. The County plans to issue debt in fiscal year 2022, for the planned addition to the Stephen Decatur Middle School and various other General Fund and Enterprise Fund projects.

Cash Management Policies and Practices – The County invests its funds according to its adopted investment policy, which provides for safety of principal and maximizes security, meets daily cash flow demands, and seeks to achieve an adequate rate of return. Cash temporarily idle during the year is invested in the Maryland Local Government Investment Pool.

Risk Management – The County is a member of the Maryland Local Government Insurance Trust. The Trust is a public-entity risk pool which is owned and directed by the local governments that subscribe to its coverage and operates under the terms of a Trust Agreement. The Trust provides insurance and risk management services to its members. The County obtains worker's compensation and employee medical coverage through a commercial insurance company.

Pension and Other Post-Employment Benefits – County employees are covered by either the Employees' Retirement System or the Employees' Pension System of the State of Maryland. These are multiple-employer public retirement systems sponsored and administered by the Maryland State Retirement and Pension System and created by the Maryland General Assembly. Additional State pension plan offerings include the Law Enforcement Officers' Pension System (LEOPS) for our public safety personnel as well as a Correctional Officers' Retirement System (CORS) for employees of the County Jail. In addition to the State plan, the County assumed management of a plan that is administered by the Nationwide Life Insurance Company following the abolishment of the Worcester County Sanitary Commission in 1994. This plan provides coverage for the former employees of the Sanitary Commission, many of whom now work for the County Department of Public Works.

The County also provides other post-employment benefits (OPEB) for retirees and their dependents who meet the Maryland State Retirement System benefit qualifications. The County has created OPEB trusts for the benefit of the employees of the general government as well as the Worcester County Board of Education. This was done in accordance with Governmental Accounting Standards Board (GASB) Statements. The purpose of these Statements is to provide a more complete and reliable reporting of the financial obligations that governments incur when they provide post-employment benefits as part of the compensation for services rendered by their employees. The enactment of these standards by GASB and the adherence to them by the County should provide our constituents more accurate information about the total cost of the services that we provide.

Awards and Acknowledgements – The Government Finance Officers Association (GFOA) of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to Worcester County, Maryland for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both GAAP and applicable legal requirements.

A certificate of achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to adhere to the Certificate of Achievement requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Worcester County Treasurer's Office. In addition, we could not have produced this report without the support and guidance provided by the Worcester County Commissioners and their staff. I would like to express my appreciation to all the members who contributed to this report for their conscientiousness and dedication throughout the year.

Respectfully submitted,

Phillip G. Thompson, CPA
Finance Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Worcester County
Maryland

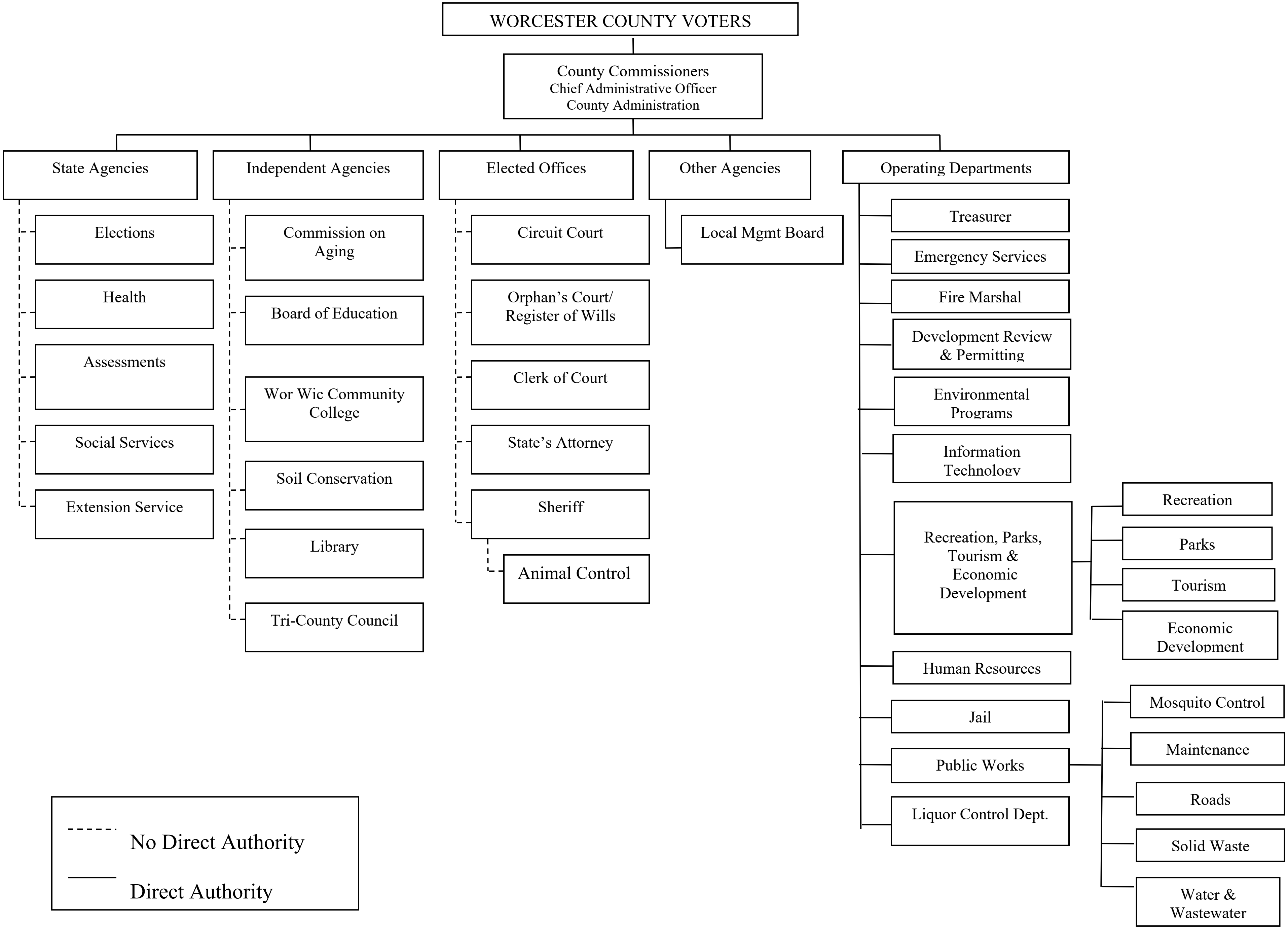
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Worcester County Organization Chart



Worcester County, Maryland
List of Principal Officials and Directors
June 30, 2021

ELECTED OFFICIALS

County Commissioners	Joseph M. Mitrecic, President
	Theodore J. Elder, Vice President
	Anthony W. Bertino, Jr.
	Madison J. Bunting, Jr.
	James C. Church
	Joshua C. Nordstorm
	Diana Purnell
Sheriff	Matthew Crisafulli
State's Attorney	Kristin Heiser

APPOINTED OFFICIALS

County Administrator	Harold Higgins
Assistant County Administrator	Weston Young
Attorney	Roscoe R. Leslie
Development Review and Permitting Director	Edward Tudor
Environmental Programs Director	Robert Mitchell
Emergency Services Director	John William Birch, Jr.
Finance Officer	Phillip G. Thompson
Fire Marshal	Jeff McMahon
Human Resources Director	Stacey Norton
Information Technology Director	Brian Jones
Jail Warden	Fulton Holland Jr.
Library Director	Jennifer Ranck
Public Works Director	Dallas Baker
Recreation and Parks Director	Kelly Rados
Tourism and Economic Development Director	Melanie Pursel

FINANCIAL SECTION

Herbert J. Geary III
Roy J. Geiser
Chris A. Hall
Ronald W. Hickman
Mark A. Welsh

TGM GROUP LLC
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

To the County Commissioners of
Worcester County, Maryland
Snow Hill, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Worcester County, Maryland as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 unit, each major fund, and the aggregate remaining fund information of Worcester County, Maryland, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during the year ended June 30, 2021, the County adopted new accounting guidance from the Government Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities". Our opinion is not modified with respect to this matter.

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Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and other supplementary information in the financial section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021 on our consideration of Worcester County, Maryland'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 Worcester County, Maryland's internal control over financial reporting and compliance.

TGM Group LLC

Salisbury, Maryland
December 23, 2021

Management's Discussion and Analysis

This discussion and analysis of Worcester County's (County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended June 30, 2021. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and notes to the financial statements. We hope this, in conjunction with additional information provided within the statements, will assist readers in identifying significant financial issues and changes in the County's financial position.

Financial Highlights for Fiscal Year 2021

The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of fiscal year 2021 by $95.5 million (net position) an increase of $21.3 million over the fiscal year 2020 net position. Approximately $60 million is attributable to the County's business-type activities of solid waste and water and wastewater operations and approximately $35.5 million is attributable to the County's governmental activities. 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. 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 the Board of Education amounted to $71.9 million at June 30, 2021. Absent the effect of this relationship, the County would have reported an unrestricted governmental activities net position of $2.9 million on its government-wide financial statements, rather than the unrestricted net position of ($69 million). Of note is the County's repayment of general government and enterprise fund bonds of $11.9 million offset by the overall decrease in capital assets of $4.1 million.

At the end of the current fiscal year, the County's governmental funds reported combined fund balance of $74.7 million, an increase of $8.7 million in comparison with the prior year. This increase is a combination of changes in the various fund balances.

- The general fund balance increased by $16.2 million due to stronger than anticipated revenues for real estate and property taxes, income taxes, and recordation and transfer taxes. In addition, health care savings were recognized which were reinvested into the OPEB trusts during the year. These increases were partially offset by decreases in Jail revenue and Investment Income.

- The capital projects fund balance decreased by $8.3 million due to the planned spend-down of bond proceeds related to ongoing school projects.

- The other governmental funds increased by $0.8 million primarily due to local impact grant revenue in excess of the Worcester County Technical High School debt expense in the casino fund.

Budget – Revenues

For the 2021 fiscal year real estate billing, Worcester County real property assessments increased by 2.9% over the prior year. This improvement in property values and a steadily improving real estate market resulted in an additional $4.2 million in net property taxes. The fiscal year 2021, budget increased from $201.3 million to $204.3 million or $3 million over the prior year. The budget increases were primarily related to the property taxes by $4.2 million and other local taxes by $0.9 million. These increases were partially offset by budget decreases in charges for services of $1.1 million and interest on investments of $1.1 million.

Budget – Expenditures

The FY21 budget required the county to deal with an unprecedented situation, Covid-19, and the uncertainty and vast unknowns associated with the pandemic. As a result, the county took a "flat budget" approach whereas the focus was on maintaining funding for needed county services while maintaining a relatively stable budget. The budget for County salaries was increased and included a 2% COLA and a step increase of 2.5%. The County also provided a $3.3 million budget increase for the Board of Education which includes the required $3 million increase for the State mandated Maintenance of Effort (MOE) escalator provision.

FY2021 – Actual

General fund results during fiscal year 2021 included an increase in fund balance totaling $16.2 million. Property taxes exceeded budget by $1.7 million or 1.1% due to steadily improving real estate market and other local taxes increased by $8.5 million or 63.9% primarily due to the related transfer and recordation tax attributable to the increased deed activity. In addition, a stronger than anticipated labor market resulted in income taxes revenue exceeding budget by $9.3 million or 35.1%. Unexpected health care benefit savings totaling $1.4 million were rebated to the county in FY21 and were re-invested in OPEB funding for the future. Payments for jail use were $3.4 million or 81.8% less than budget due to fewer federal inmates because of the pandemic and related federal actions. Interest on investments also decreased by $0.7 million or 87.8% due to the current market conditions. The county received numerous pandemic related grants in FY21 and most of this funding was distributed as directed during the fiscal year. Recipients included local businesses, the hotel and restaurant community, social service groups and providers, and various emergency response related agencies and entities. Most of this grant activity is included within our Economic Development Department and Emergency Services Department.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of four components: **1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements**. This report also contains **4) supplementary information** in addition to the basic financial statements themselves.

1) ***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 business. The government-wide financial statements include a *Statement of Net Position* and a *Statement of Activities*.

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

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

- Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) and activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

  - The *governmental activities* of the County include general government, public safety, public works, health and hospitals, social services, education, libraries, recreation and culture, conservation of natural resources, economic development, and interest on long-term debt.

  - The *business-type activities* of the County include solid waste, water and sewer utility operations, and the Worcester County Department of Liquor Control.

  The government-wide financial statements include not only the County itself (the primary government), but also includes the Worcester County Board of Education as a legally separate component unit and are reported separately from financial information presented for the primary government itself.

  The government-wide financial statements can be found on pages 28 – 31 of this report.

2) ***Fund Financial Statements***

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

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

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

  The County maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Capital Projects, Debt Service, Department of Social Services, Local Management Board, Casino, and Energy Service funds.

  The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate budgetary compliance.

  The basic governmental fund financial statements can be found on pages 32 – 36 of this report.

- ***Proprietary funds***. Proprietary funds are comprised of two types: 1) *Enterprise funds* and 2) *Internal Service funds*. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. Enterprise funds are used to account for functions of the County in which user charges are collected to cover the cost of the service being provided. The County uses enterprise funds to account for its solid waste, water and sewer, and liquor control operations. Internal service funds are used to report activities that provide supplies and services for the government's other programs and activities. The County does not utilize an internal service fund.

  Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

  The basic proprietary fund statements can be found on pages 38 – 42 of this report.

- ***Fiduciary Funds***. 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 similar to a proprietary fund.

  The basic fiduciary fund financial statements can be found on pages 43 – 44 of this report.

3) ***Notes to the Financial Statements***

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 46 – 94 of this report.

4) ***Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required *supplementary information*. Required supplementary information can be found starting on page 96 of this report.

Financial Analysis on Government-Wide Financial Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. One of the largest portions of the County's net position reflects its investments in capital assets (e.g., land, buildings, roads, equipment, and bridges) less related outstanding debt used to acquire those assets in the amount of $162,497,348 at June 30, 2021. 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, the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Worcester County, Maryland

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	$ 92,893,409	$ 83,511,417	$ 39,014,154	$ 36,608,168	$ 131,907,563	$ 120,119,585
Capital assets	98,192,815	101,783,838	84,082,042	84,628,800	182,274,857	186,412,638
Total assets:	191,086,224	185,295,255	123,096,196	121,236,968	314,182,420	306,532,223
Deferred outflows of resources	7,456,777	8,146,542	-	-	7,456,777	8,146,542
Liabilities:						
Current and other liabilities	27,266,429	26,654,334	21,248,370	18,421,878	48,514,799	45,076,212
Long-term liabilities	123,308,090	143,892,717	41,822,899	42,797,582	165,130,989	186,690,299
Total liabilities:	150,574,519	170,547,051	63,071,269	61,219,460	213,645,788	231,766,511
Deferred inflows of resources	12,449,948	8,667,923	-	-	12,449,948	8,667,923
Net position:						
Net investment in capital assets	104,538,442	97,904,523	57,958,906	57,912,012	162,497,348	155,816,535
Unrestricted	(69,019,908)	(83,677,700)	2,066,021	2,105,496	(66,953,887)	(81,572,204)
Total net position:	$ 35,518,534	$ 14,226,823	$ 60,024,927	$ 60,017,508	$ 95,543,461	$ 74,244,331

Change in net position over a period of time can be used as an indicator of the financial health of the County. The following table indicates the functional revenues and expenses of governmental activities to demonstrate the extent which the governmental functions produce revenues to offset program costs. Expenses not covered by direct program revenues are covered primarily by taxes, licenses, and state-shared revenues.

Worcester County, Maryland

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	$ 5,093,748	$ 7,012,239	$ 23,117,926	$ 21,760,776	$ 28,211,674	$ 28,773,015
Operating grants and contributions	24,502,238	9,097,988	30,000	28,000	24,532,238	9,125,988
Capital grants and contributions	5,756,212	942,814	-	-	5,756,212	942,814
General revenues:						
Real and personal property taxes	147,020,697	142,030,348	-	-	147,020,697	142,030,348
Income taxes	35,824,894	28,891,384	-	-	35,824,894	28,891,384
Other local taxes	22,010,948	13,543,200	-	-	22,010,948	13,543,200
Interest income	114,302	1,966,015	18,043	213,830	132,345	2,179,845
Other income	1,951,066	7,384,044	254,337	-	2,205,403	7,384,044
Total revenues:	242,274,105	210,868,032	23,420,306	22,002,606	265,694,411	232,870,638
Expenses:						
General government	27,023,761	23,725,666	-	-	27,023,761	23,725,666
Public safety	39,295,951	38,790,887	-	-	39,295,951	38,790,887
Public works	9,629,488	10,065,623	-	-	9,629,488	10,065,623
Health and hospitals	6,640,734	6,780,295	-	-	6,640,734	6,780,295
Social services	2,903,950	2,446,321	-	-	2,903,950	2,446,321
Education	109,762,529	127,270,912	-	-	109,762,529	127,270,912
Libraries, recreation and culture	8,903,755	7,873,319	-	-	8,903,755	7,873,319
Conservation of natural resources	748,500	840,547	-	-	748,500	840,547
Economic development	13,069,061	1,876,097	-	-	13,069,061	1,876,097
Interest charges	2,555,254	2,646,733	-	-	2,555,254	2,646,733
Landfill	-	-	7,083,647	2,975,362	7,083,647	2,975,362
Water and wastewater	-	-	16,142,579	15,174,092	16,142,579	15,174,092
Liquor Control	-	-	636,072	1,035,251	636,072	1,035,251
Total expenses:	220,532,983	222,316,400	23,862,298	19,184,705	244,395,281	241,501,105
Increase (decrease) in net position	21,741,122	(11,448,368)	(441,992)	2,817,901	21,299,130	(8,630,467)
Transfer	(449,411)	2,582,957	449,411	(2,582,957)	-	-
	21,291,711	(8,865,411)	7,419	234,944	21,299,130	(8,630,467)
Net position, beginning	14,226,823	23,092,234	60,017,508	59,782,564	74,244,331	82,874,798
Net position, ending	$ 35,518,534	$ 14,226,823	$ 60,024,927	$ 60,017,508	$ 95,543,461	$ 74,244,331

Governmental Activities:

Governmental activities increased the County's net position after transfers by $21.3 million. Key elements of the increase in the net position of governmental activities are as follows:

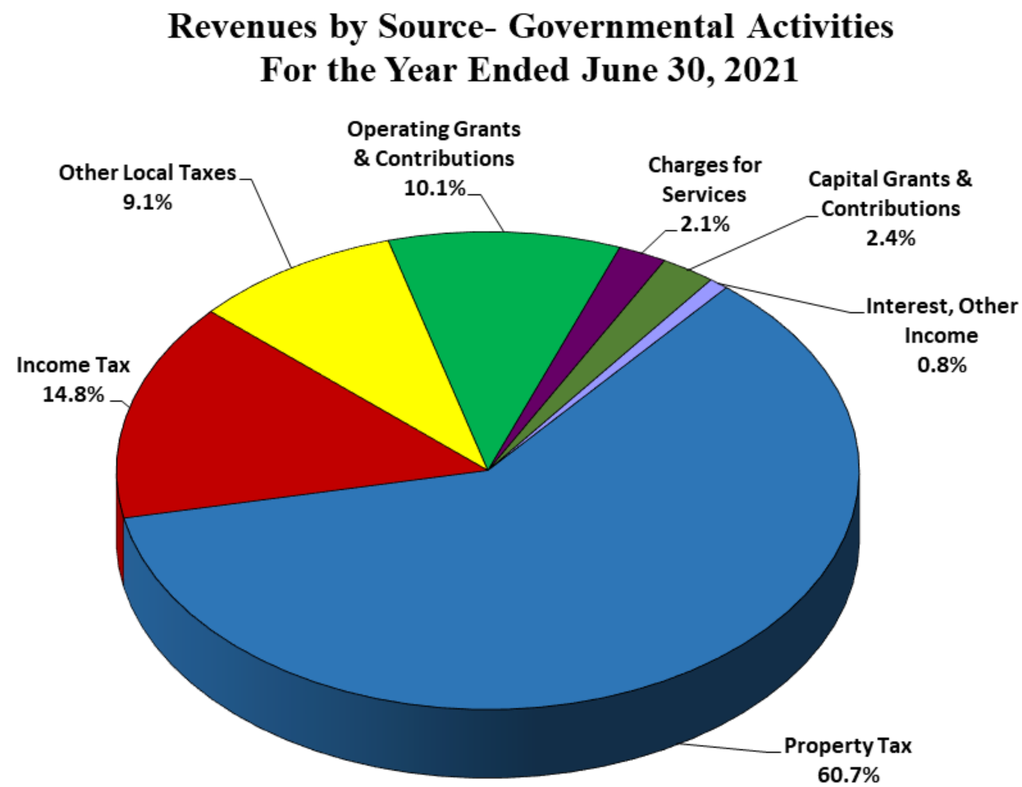
Revenues increased by $33.1 million as compared to fiscal year 2020 as a result of a combination of increases and decreases:

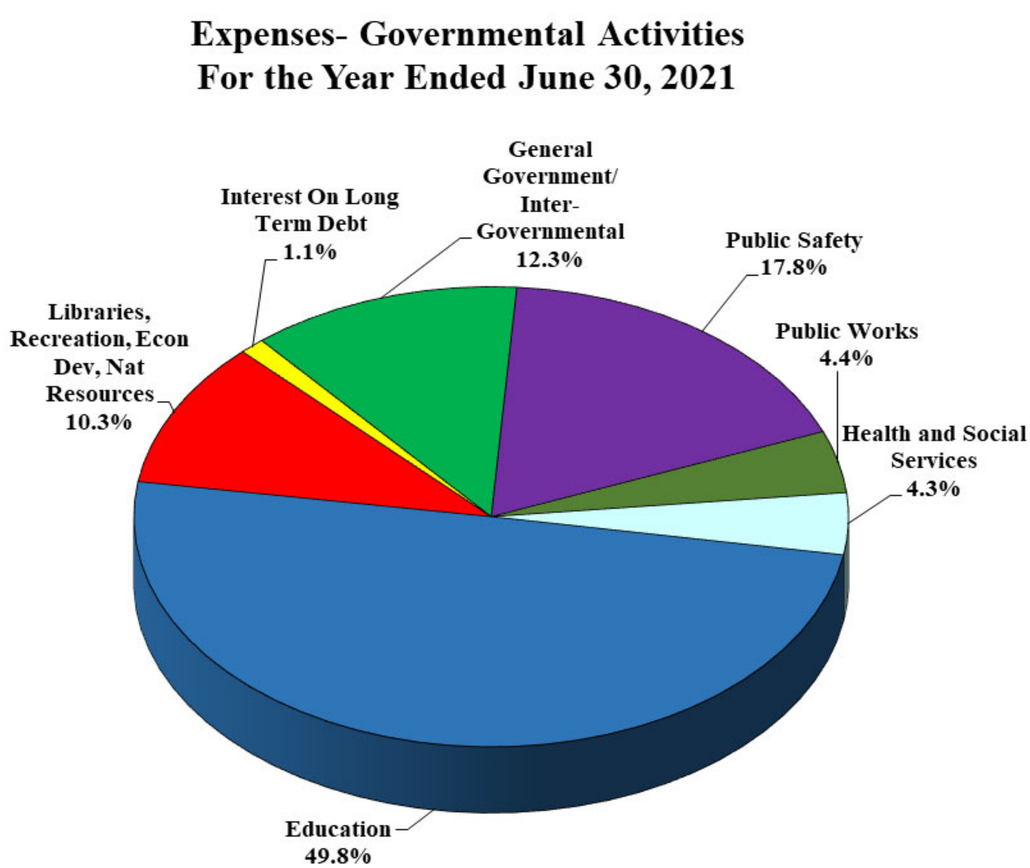
- Charges for services decreased by $1.9 million relating to a $2.7 million in Jail use due to the decreased holding Immigration and Customs Enforcement detainees and the safety enhancements enacted during the COVID-19 pandemic which was partially offset by the $0.8 million increase in permit and license sales particularly liquor license.
- Operating grants and contributions increased by $15.4 million primarily due to an additional $4.2 million in CARES Act reimbursement requested for the fiscal year, $9.7 million in Sate of Maryland Department of Commerce grants for the loss of revenues of hotel and restaurants as a result of the pandemic, and $0.5 million in 911 ENSB operating grant.
- Capital grants and contributions increased by $4.8 million primarily due to $1 million 911 ENSB capital grant, $1 million in state aid for bayside bridge replacement, $0.9 million project open space grant for the parks, and $1.1 million in rural legacy state grants that provide conversation easements.
- Net Property taxes increased by $5 million due to the increase in assessments as the real estate market continued to improve.
- Income taxes increased by $6.9 million due to a combination of the income rate increase which was effective January 1, 2020 as well as the unemployment income during the COVID-19 pandemic due to the federal stimulus programs that maintained the withholding levels.
- Other local taxes increased by $8.5 million due to the $3.7 million increase in transfer tax and $5.1 million increase in recordation tax partially offset by the $0.2 million decrease in trailer park excise tax.
- Interest income decreased by $1.9 million due to the decline in interest rates.
- Other income decreased by $5.4 million due to the decrease in the health care insurance savings which were rebated back to the County and included in other income.

Expenses increased by $2.9 million as compared to fiscal year 2020 as a result of a combination of increases and decreases:

- Operating expenses increased by $19.9 million primarily relating to $2.2 million general government grant programs, $11.2 million in business grants for those impacted by the COVID-19 pandemic, $1 million in park improvements, and $4.1 million in solid waste mainly relating to the estimated landfill closure and post-closure care costs.
- Within the capital projects activity, overall decrease was $16.8 million which primarily related to Board of Education spending less on capital expenditures than in the prior year. This decrease in expenditures is included in the education expenses since they are not capitalized on the County's statement of net position.

Fiscal year 2021 revenues and expenses are summarized in the following charts for governmental activities.





Business-type Activities Net Position:

Enterprise Fund Statements	June 30, 2021	June 30, 2020	Change in Net Position
Water and Wastewater Services	$ 60,913,355	$ 59,772,881	$ 1,140,474
Solid Waste	(888,428)	943,590	(1,832,018)
Department of Liquor Control	-	(698,963)	698,963
Total	$ 60,024,927	$ 60,017,508	$ 7,419

Water and Wastewater

Revenues

- Revenues increased to $17.2 million in fiscal year 2021 from $16.2 million in fiscal year 2020 due to an increase in sales of water and sewer equivalent dwelling units, Comcast project reimbursements for damages and locates, and the increase in domestic and commercial charges from service area rate increases.

Expenses

- Operating expenses increased to $12.1 million in fiscal year 2021 from $11.1 million in fiscal year 2020 mainly due to an increase in maintenance and services needed for Ocean Pines and Riddle Farm.
- Depreciation expense remained stable in fiscal years 2021 and 2020 at $3.5 million.

Solid Waste

Revenues

- Tipping fee revenue increased to $4.7 million in fiscal year 2021 from $4 million in fiscal year 2020 due to an increased volume of trash being brought to the central landfill from commercial businesses.

Expenses

- Operating expenses increased to $4.9 million in fiscal year 2021 from $1.6 million in fiscal year 2020 due to the significant increase in material costs relating to the estimated landfill closure and post-closure costs.
- Depreciation expense increased to $1.9 million in fiscal year 2021 from $1.1 million in fiscal year 2020 due to cell 5 being depreciated for a full year.

Liquor Control

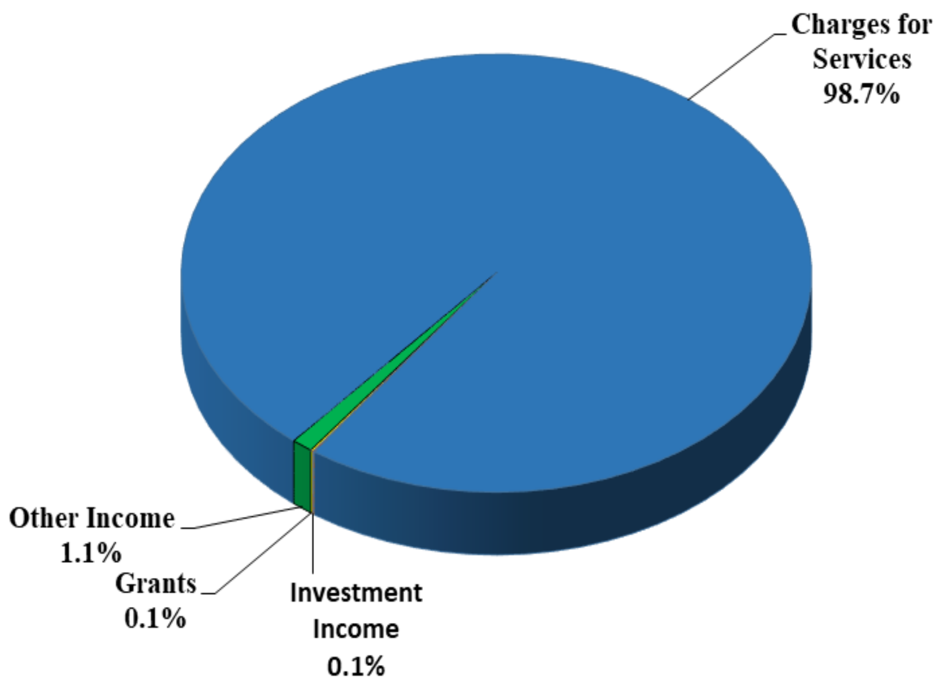
Revenues

- Liquor sales decreased to $533,354 in fiscal year 2021 from $943,865 in fiscal year 2020 due to the sale of the Pocomoke store in January 2021. The corresponding cost of sales decreased to $388,789 in fiscal year 2021 from $685,411 in fiscal year 2020 due to the aforementioned store sale.
- Miscellaneous revenue for the sublease of the 16th Street retail store remained stable at $97,933 in fiscal year 2021 and $96,958 in fiscal year 2020.

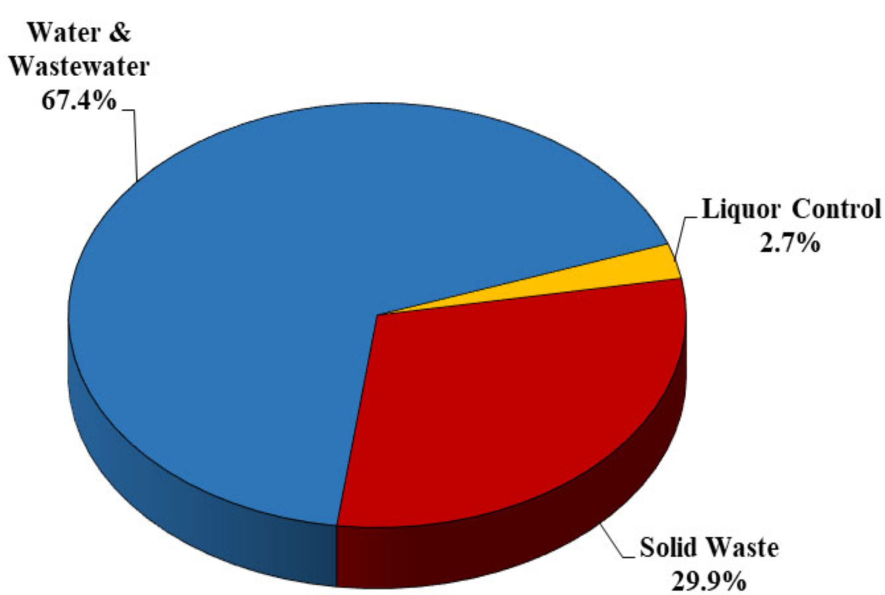
Expenses

- Operating expenses decreased to $209,525 in fiscal year 2021 from $305,630 in fiscal year 2020 due to the aforementioned store sale.
- Depreciation and general expenses decreased to $37,758 in fiscal year 2021 from $44,210 in fiscal year 2020 due to the aforementioned store sale that was partially offset by the increase in professional fees relating to exiting the liquor business.

Revenues by Source- Business-Type Activities
For the Year Ended June 30, 2021



Expenses- Business-Type Activities
For the Year Ended June 30, 2021



Financial Analysis on Governmental Fund Financial Statements

Governmental Funds:

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, restrictions, and fiscal accountability.

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. The County has implemented *GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions*. The purpose of this Statement is to improve financial reporting by establishing fund balance classifications that are easier to understand and apply. It establishes a framework based largely on the spending constraints of the government in order to determine how it may use amounts reported on the governmental funds balance sheet. Fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The following information is as of June 30, 2021 and 2020:

Governmental Activities - Fund Statements		June 30, 2021		June 30, 2020		Net Change in Fund Balance
General Fund	$	71,330,703	$	55,096,817	$	16,233,886
Capital Projects Fund		978,115		9,259,319		(8,281,204)
Debt Service Fund		-		-		-
Other Governmental Funds		2,410,459		1,654,398		756,061
Total	$	74,719,277	$	66,010,534	$	8,708,743

The **General Fund** is the chief operating fund of the County. At the end of the current fiscal year the fund balance of the General Fund was $71,330,703. This fund balance includes non-spendable items totaling $110,153 fund balance. In accordance with GASB Statement No. 54, the unassigned general fund amount includes the County reserve of $20,432,100, which is set aside for contingency and emergency conditions. 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 fund expenditures. Unassigned fund balance represents 17.4% of total general fund expenditures, while total fund balance represents 34.7% of that same amount.

The **Capital Projects Fund** is used to account for major capital acquisition and construction of County facilities. Major sources for these projects are pay-as-you-go funding, debt proceeds, and federal and State grants. The fund balance of the County's Capital Projects Fund decreased by $8,281,204 during the current fiscal year. This is mainly due to the spend-down of bond proceeds for the replacement of the Showell Elementary School.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt, including capital lease obligations, principal, interest, and related costs. The fund balance of this fund remains at $0.

The **Other Governmental Funds** include the Department of Social Services, Local Management Board, Casino Fund, and the Energy Service Fund. Fund balances in these funds increased by $756,061 from fiscal year 2020. The Energy Service Fund decreased by $41,100. The Department of Social Services Fund increased by $2,957. The Local Management Board increased by $147,679. The Casino Fund, which was created to account for the County's portion of proceeds from the Ocean Downs Casino facility, reflects a $646,525 increase in fund balance in fiscal year.

Further details of these activities is on pages 126 – 127.

General Fund Budgetary Highlights

General fund differences between the final budget and the final actual results for the County increased $16,233,886. Revenues received were $34,945,197 more than the final budgeted estimates and expenditures and other financing uses were $18,711,311 more than final budgeted estimates. The major variances between the budgeted amounts and actual are summarized as follows:

Revenues were $34,945,197 more than original estimates, a 17.3% variance.

- Net property tax revenues were more than budget by $1,697,462 or 1.1% due to a steadily increasing assessable base. Within this category Corporate and Utility tax revenues exceeded budget by $1,561,898 as many new infrastructure projects continue to develop and are put into service. Property taxes comprised 62% of all County revenues in 2021 and 68.7% when compared to 2020.

- Income taxes ended the fiscal year with a surplus of $9,324,894, or 35.2% over budget estimates due to the increase in the local income tax rate from 1.75% to 2.25% on January 1, 2020 and a stronger than anticipated local economy during the pandemic.

- Other local taxes increased $8,579,948 or 63.9% over estimated budgeted revenues. This category includes admission and amusement taxes, trailer park excise tax, food and room tax administration, room tax for unincorporated entities, recordation and transfer tax. Transfer tax exceeded budget by $3,676,629 and recordation tax exceeded budget by $5,222,034 or 77.4% over budget combined due to a robust real estate market and the related recording activity.

- Intergovernmental federal and state grants were $17,550,480 or 236% over budgeted revenues. The increase is primarily due to $5,254,036 in Federal CARES act for reimbursements requested for the fiscal year, $8,770,303 from the State of Maryland Department of Commerce grant for County for restaurants, hotels and businesses impacted by the COVID-19 pandemic, and $1,529,622 in 911 ENSB grant.

- Charges for Services decreased by $3,596,447 or -64.7% under budgeted revenues. Jail use fees accounted for the majority of the shortfall ($3,362,759) mainly due to the reduced number of Immigration and Customs Enforcement (ICE) detainees which was directly related to the COVID-19 Pandemic and Federal orders.

- Licenses and Permits were $407,812 or 16.4% over budgeted revenues. Liquor licenses accounted for a surplus of $301,744 as compared to budget estimates as the Governor enacted executive orders on March 19, 2020 extending the license renewal date which resulted in more renewals during fiscal year 2021 than anticipated.

Expenditures and other financing uses were $18,711,311, or 9.2% higher compared to the budget.

- General government actual was over budget by $2,170,982. This related to the disbursement of CARES Act grant funds to the municipalities, ocean pines association, volunteer fire companies, and board of education.

- Social Services actual was over budget by $492,845. This increase was due to $123,566 for the commission on aging senior center building expenses, $131,354 for the state-pass through grant to Diakonia, and $246,367 for the CDBG covid grant.

- Education expenditures were over budget by $863,562 for fiscal year 2021. This was primarily due to the $718,744 of additional Board of Education Other Post Employment Benefit contributions and the $112,120 increase in Wor-Wic operating appropriations.

- Library, recreation and parks actual was under budget by $271,756. This was primarily due to the recreation department recognizing a savings as a result of some programs being limited because of the COVID-19 pandemic therefore fewer seasonal part time employees were hired during the fiscal year.

- Economic development actual was over budget by $11,190,604. This related to the business grant expenses relating to grants issued to Worcester County restaurants, hotels, and businesses which were impacted by the COVID-19 pandemic. The grant funding came from Department of Commerce.

- Other financing uses was over budget by $3,616,016 which was comprised of the following transfers: Transfer of $3,163,365 to the capital projects fund to cover pay-as-you-go expenses not included in the fiscal year budget and transfer of $449,411 to the department of liquor control for the intergovernmental loan balance write-off as the county sold the last retail liquor store during the fiscal year and exited the liquor business.

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to $182,274,857 (net of accumulated depreciation). The total decrease in the County's investment in capital assets for the current year was 2.3%. The capital assets include land, buildings, water and sewer infrastructure, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Worcester County, Maryland

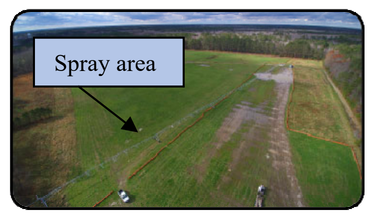
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and improvements	$ 15,631,638	$ 15,631,638	$ 1,341,872	$ 1,341,872	$ 16,973,510	$ 16,973,510
Building and building improvements	60,770,061	59,881,554	104,195	534,742	60,874,256	60,416,296
Improvements other than buildings	6,382,813	6,442,138	11,975,849	13,381,420	18,358,662	19,823,558
Machinery and equipment	7,750,881	10,125,542	3,866,779	3,282,655	11,617,660	13,408,197
Water and sewer systems	-	-	65,445,186	64,980,163	65,445,186	64,980,163
Infrastructure	5,461,397	4,550,970	-	-	5,461,397	4,550,970
Construction-in-progress	2,196,025	5,151,996	1,348,161	1,107,948	3,544,186	6,259,944
Total:	$ 98,192,815	$ 101,783,838	$ 84,082,042	$ 84,628,800	$ 182,274,857	$ 186,412,638

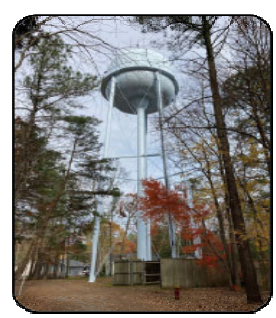
Major capital asset events during the current fiscal year included the following:

Enterprise Funds

- In January 2020, the County contracted with Bunting and Murray Construction Corporation of Selbyville, DE to construct the Newark spray irrigation project (aka effluent disposal project) to convey treated effluent from the wastewater treatment plant to be sprayed on the field. The total project cost of $2,093,542 will be funded through the Maryland Department of the Environment with $1,046,771 in loan and $1,046,771 in loan forgiveness. The project was completed in March 2021.



- In September 2019, the County contracted with Chesapeake Turf, LLC of Salisbury, MD for the replacement of the Riddle Farm wastewater treatment plant flow equalization tank. The County incurred bond funding in April 2019 for $250,000 to assist with financing the tank at a total cost of $447,109. The project was completed in April 2021.



- In February 2020, the County contracted with Baldwin Industries, LLC of Baldwin, MD for coating rehabilitation of the North Ocean Pines water tank. The total project cost of $297,200 will be covered by bond proceeds from the April 2019 bond funding. The project was completed in August 2020.

General government

- The County started on phase 2 of the Jail Improvements for the inmate housing unit facilities which is a 40 year old building. Improvements on heating, ventilation, and air conditioning equipment will be done to meet current standards and mitigate future disruptions due to equipment failure. The project is estimated to cost $12 million and will be funded through bond proceeds with a completion goal of 2024. Project costs of $456,029 were incurred in fiscal year 2021.

- In June 2020, the County contracted with Murtech, Inc. of Salisbury, MD for the Bayside Road Bridge replacement over Paw Paw Creek. The bridge was completed in May 2021 at a final cost of $1,302,264. This project was funded through grant funds and assigned fund balance.

- The purchase of equipment and building improvements for public safety totaled $133,102, public works new vehicles and equipment totaled $225,834, recreation and parks new vehicles totaled $52,400, library security cameras totaled $23,030, commission on aging building improvements totaled $232,474, and general government totaled $279,721 for vehicles and equipment during the fiscal year.

- The County contributed $8,619,606 for the following education projects:
    - $7,588,768 for the construction of a new Showell Elementary School to replace the existing school (2019 Bond)
    - $296,070 for the design phase of an addition to Stephen Decatur Middle School
    - $252,288 for HVAC upgrades to various schools
    - $192,437 for the roof repair at the Stephen Decatur Middle School
    - $169,248 for the installation of a new turf athletic field and track at Stephen Decatur High School (2019 Bond)
    - $108,966 for Board of Education Central Office building improvements
    - $8,716 for school security grant match for various schools
    - $3,113 for Pocomoke Middle School roof replacement

Additional information on Worcester County's capital assets can be found in note 5 on pages 58 – 59 of this report.

Long-term debt: At the end of the current fiscal year, Worcester County had total bonded long-term debt of $116,382,176. The total debt is backed by the full faith and credit of Worcester County. Business-type activities are directly responsible for $24,569,533 of the total debt. School-related debt totals $79,760,378 at June 30, 2021 and is included in the governmental activities.

Worcester County, Maryland

Outstanding Debt/General Obligation Bonds

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Bonded Debt	$ 91,812,643	$ 103,196,298	$ 24,569,533	$ 25,101,020	$ 116,382,176	$ 128,297,318

The County's total bonded debt decreased by $11,915,142 during the current fiscal year due to planned repayments of debt. Worcester County maintains an "AA" rating with Fitch, an "Aa2" rating with Moody's, and an "AA+" rating with Standard and Poor's for general obligation debt.

Additional information on the County's long-term debt can be found in note 6 on pages 60 – 66 of this report.

General Fund Economic Factors and Next Year's Budgets and Rates

Fiscal Year 2022 Budget

The approved fiscal year 2022 operating budget totals $216,509,211 and is supported by the real property tax rate of $.845 per $100 of assessed value and the personal property tax rate of $2.1125 per $100. Fiscal year 2022 represents the sixth consecutive year of increasing real property assessments in the County. The local income tax rate remains stable at 2.25% in Fiscal year 2022. The fiscal year 2022 budget was developed to proactively address one-time capital and operating expenses that have been previously reduced due to prior years' budget constraints. Budget decisions were based upon current and historical data.

Revenues

In fiscal year 2022, the operating budget increased $12,188,580 or 6% more than fiscal year 2021. The real property tax rate of $0.845 combined with assessment increases will increase net property taxes by $3.3 million. Income tax revenue estimates increased by $3.5 million based on prior year actuals and current estimates for net taxable income. Other local taxes increased $3,380,000 primarily due to an increase of $2.0 million in recordation taxes and $1.5 million in transfer taxes, as the real estate market continues to sustain active levels. State shared revenue increased $657,635 mainly in 911 fees by $705,148 due to the increase in the local fee of $.75 for a total of $1.50 for each accessible service line which becomes effective July 1, 2021. This revenue partially funds the operations of the 911 Center. Charges for Services decreased by $2,608,475 with a decrease of $2.5 million as the most significant change due to the reduction in Jail use fees for holding a reduced number of Immigration and Customs Enforcement (ICE) detainees. Interest Income decreased by $650,000 based upon projected market rates of return. State Grants decreased by $939,071 primarily due to State Aid for Bridges which was only requested in the prior year. The County will continue to utilize casino/local impact grant and table game funds totaling $3,857,893 for the debt payment for the Worcester Career and Technical High School in fiscal year 2022 and public safety expenditures to benefit the County. FY21 surplus was earmarked to fund $4,325,935 in FY22 including the purchase of vehicles and equipment for $1,210,260, supplemental funding for 10 EMS companies for $1,006,859, and $2,108,816 for operating expenses.

Expenditures

The fiscal year 2022 operating budget increase from the prior year includes increases in budget expenses to most departments and agencies primarily due to needed capital and equipment purchases and salary increases for County employees. Competitive bidding for medical and pharmacy renewals in the annual plan resulted in a 0.3% reduction with an enhancement to change retirees over 65 on Medicare programs to the Carefirst Medicare Advantage PPO plan which becomes effective January 1, 2022. The plan changes are anticipated to generate a significant one-time decrease to our OPEB trust(s) liability. Debt service decreased by $247,737 over the prior year due to the payoff of a 2004 MDE loan for a total debt budget of $13.6 million. The other post-employment benefit (OPEB) general fund transfer will be funded at $11.1 million in total, an increase of $3.0 million from the prior year. The Board of Education operating budget was increased by $2,390,982 above the fiscal year 2021 in accordance with the required Maintenance of Effort (MOE) funding requirement. The State of Maryland requires local governments to spend as much on school operating budgets on a per-pupil base as they did the year before; thus, the MOE threshold. In fiscal year 2022 the required MOE level increased by $2,349,829 and required an increase in funding totaling 2.5% to meet the MOE escalator provision which took effect in fiscal year 2015. In fiscal year 2022 FTE enrollment was based on September 20, 2019 to comply with State House Bill 1372 which was enacted to cover student decreases which may have occurred due to COVID-19 pandemic. The additional budget increase covered school salary account increases.

Requests for Information

This financial report is designed to provide a general overview of Worcester 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 should be addressed to the Finance Director, Government Center Room 1105, Snow Hill, MD 21863.

BASIC FINANCIAL STATEMENTS

WORCESTER COUNTY, MARYLAND

STATEMENT OF NET POSITION

June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	The Worcester County Board of Education
ASSETS				
Cash and short-term investments	$71,642,175	$20,223,733	$91,865,908	$ 10,736,315
Receivables:				
Taxes	3,626,985	-	3,626,985	-
Federal, state, and local governments	12,392,588	-	12,392,588	4,523,843
Other	950,394	6,103,199	7,053,593	152,266
Internal balances	4,119,325	(4,119,325)	-	-
Prepaid items	110,153	-	110,153	-
Other assets	51,789	16,806,547	16,858,336	-
Nondepreciable capital assets	17,827,663	2,690,033	20,517,696	2,619,990
Depreciable capital assets, net	80,365,152	81,392,009	161,757,161	200,148,153
Total assets	191,086,224	123,096,196	314,182,420	218,180,567
DEFERRED OUTFLOWS OF RESOURCES				
Pensions (see Note 7)	6,030,572	-	6,030,572	1,091,020
Other post employment benefits (see Note 8)	1,426,205	-	1,426,205	63,510,295
Total deferred outflows of resources	7,456,777	-	7,456,777	64,601,315
LIABILITIES				
Accounts payable and accrued liabilities	8,188,884	1,116,333	9,305,217	6,563,330
Unearned revenue	6,566,061	-	6,566,061	2,888,285
Due to fiduciary funds	1,086	-	1,086	-
Early incentive payment	-	-	-	-
Long-term liabilities:				
Compensated absences due within one year	908,000	165,447	1,073,447	47,097
Compensated absences due in more than one year	1,163,063	202,214	1,365,277	866,422
Long-term debt due within one year	11,602,398	19,966,590	31,568,988	855,778
Long-term debt due in more than one year	80,616,140	24,016,997	104,633,137	1,711,556
Unearned revenue	-	17,603,688	17,603,688	-
Net pension liability due in more than one year (see Note 7)	32,399,879	-	32,399,879	5,846,065
Other post employment benefits due in more than one year (see Note 8)	9,129,008	-	9,129,008	427,859,416
Total liabilities	150,574,519	63,071,269	213,645,788	446,637,949
DEFERRED INFLOWS OF RESOURCES				
Pensions (see Note 7)	1,879,146	-	1,879,146	338,096
Other post employment benefits (see Note 8)	10,570,802	-	10,570,802	24,018,014
Total deferred inflows of resources	12,449,948	-	12,449,948	24,356,110
NET POSITION				
Net investment in capital assets	104,538,442	57,958,906	162,497,348	202,768,143
Restricted for:				
Capital projects	-	-	-	53,492
Food service activities	-	-	-	389,480
Other purposes (school activity funds)	-	-	-	1,367,414
Unrestricted (deficit)	(69,019,908)	2,066,021	(66,953,887)	(392,790,706)
Total net position	$35,518,534	$60,024,927	$95,543,461	$ (188,212,177)

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions, and Interest	Program Revenues: Capital Grants, Contributions, and Interest
Governmental activities:				
Current:				
General government	$ 27,023,761	$ 2,679,098	$ 10,716,096	$ -
Public safety	39,295,951	1,148,737	2,086,330	1,105,909
Public works	9,629,488	533,758	1,087,504	1,526,052
Health and hospitals	6,640,734	477,375	143,696	-
Social services	2,903,950	-	227,649	382,721
Education	109,762,529	-	-	-
Libraries, recreation and culture	8,903,755	232,390	1,006,256	1,366,339
Conservation of natural resources	748,500	-	12,674	1,352,226
Economic development	13,069,061	22,390	9,222,033	22,965
Interest on long-term debt	2,555,254	-	-	-
Total governmental activities	220,532,983	5,093,748	24,502,238	5,756,212
Business-type activities:				
Department of Solid Waste	7,083,647	5,245,653	-	-
Department of Water and Wastewater	16,142,579	17,240,986	30,000	-
Department of Liquor Control	636,072	631,287	-	-
Total business-type activities	23,862,298	23,117,926	30,000	-
Total primary government	244,395,281	28,211,674	24,532,238	5,756,212
Component units:				
The Worcester County Board of Education	167,644,246	1,411,194	139,326,812	7,286,911
Total component units	167,644,246	1,411,194	139,326,812	7,286,911

General revenues:
Taxes:
Real and personal property
Income
Other:
Room tax & admin fees
Admission and amusement
Recordation
Trailer park excise tax
Transfer tax
Food tax admin fees
Interest
Other
Total general revenues
Transfers
Total change in net position
Net position, beginning of year as restated (see Note 16)
Net position, end of year

The Notes to Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	The Worcester County Board of Education
$ (13,628,567)	$ -	$ (13,628,567)	$ -
(34,954,975)	-	(34,954,975)	-
(6,482,174)	-	(6,482,174)	-
(6,019,663)	-	(6,019,663)	-
(2,293,580)	-	(2,293,580)	-
(109,762,529)	-	(109,762,529)	-
(6,298,770)	-	(6,298,770)	-
616,400	-	616,400	-
(3,801,673)	-	(3,801,673)	-
(2,555,254)	-	(2,555,254)	-
(185,180,785)	-	(185,180,785)	-
-	(1,837,994)	(1,837,994)	-
-	1,128,407	1,128,407	-
-	(4,785)	(4,785)	-
-	(714,372)	(714,372)	-
(185,180,785)	(714,372)	(185,895,157)	-
-	-	-	(19,619,329)
-	-	-	(19,619,329)
147,020,697	-	147,020,697	-
35,824,894	-	35,824,894	-
1,085,207	-	1,085,207	-
611,223	-	611,223	-
12,222,034	-	12,222,034	-
(159,303)	-	(159,303)	-
8,176,629	-	8,176,629	-
75,158	-	75,158	-
114,302	18,043	132,345	1,881
1,951,066	254,337	2,205,403	(91,840)
206,921,907	272,380	207,194,287	(89,959)
(449,411)	449,411	-	-
21,291,711	7,419	21,299,130	(19,709,288)
14,226,823	60,017,508	74,244,331	(168,502,889)
$ 35,518,534	$ 60,024,927	$ 95,543,461	$ (188,212,177)

WORCESTER COUNTY, MARYLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Capital Projects	Debt Service	Other Governmental Funds	Total
ASSETS					
Cash and short-term investments	$ 67,187,901	$ 2,002,004	$ -	$ 2,452,270	$ 71,642,175
Receivables:					
Taxes	3,626,985	-	-	-	3,626,985
Federal, state, and local governments	12,392,588	-	-	-	12,392,588
Other	950,394	-	-	-	950,394
Due from other funds	4,277,652	969,356	-	269,335	5,516,343
Prepaid items	110,153	-	-	-	110,153
Other assets	51,789	-	-	-	51,789
Total assets	$ 88,597,462	$ 2,971,360	$ -	$ 2,721,605	$ 94,290,427
LIABILITIES					
Accounts payable and accrued liabilities	$ 5,192,213	$ 1,023,002	$ -	$ 152,819	$ 6,368,034
Due to other funds	1,239,777	-	-	158,327	1,398,104
Unearned revenue	5,595,818	970,243	-	-	6,566,061
Other	2,728,850	-	-	-	2,728,850
Total liabilities	14,756,658	1,993,245	-	311,146	17,061,049
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	2,510,101	-	-	-	2,510,101
FUND BALANCES					
Nonspendable	110,153	-	-	-	110,153
Restricted	-	978,115	-	-	978,115
Assigned	35,511,437	-	-	2,410,459	37,921,896
Unassigned	35,709,113	-	-	-	35,709,113
Total fund balances	71,330,703	978,115	-	2,410,459	74,719,277
Total liabilities, deferred inflows of resources, and fund balances	$ 88,597,462	$ 2,971,360	$ -	$ 2,721,605	$ 94,290,427

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2021

Total fund balances, governmental funds		$ 74,719,277
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and are, therefore, not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		98,192,815
Certain revenues that do not provide current financial resources are reported as deferred inflows of resources in the fund financial statements, but are reported as revenue in the governmental activities of the Statement of Net Position.		2,510,101
Deferred outflows of resources - pensions (see Note 7)		6,030,572
Deferred outflows of resources - OPEB (see Note 8)		1,426,205
Deferred inflows of resources - pensions (see Note 7)		(1,879,146)
Deferred inflows of resources - OPEB (see Note 8)		(10,570,802)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. Those liabilities consist of:		
Bonds, notes, and capital leases payable	(92,218,538)	
Compensated absences	(1,163,063)	
Net pension liability (see Note 7)	(32,399,879)	
Other post employment benefits (see Note 8)	(9,129,008)	
Total long-term liabilities		(134,910,488)
Net position of governmental activities in the Statement of Net Position		$ 35,518,534

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2021

	General	Capital Projects	Debt Service	Other Governmental Funds	Total
REVENUES:					
Taxes and special assessments	$204,592,525	$ -	$ -	$ -	$204,592,525
Licenses and permits	2,901,494	-	-	-	2,901,494
Intergovernmental	24,987,977	1,352,226	-	3,917,234	30,257,437
Service charges and fees	1,962,123	-	-	-	1,962,123
Miscellaneous	2,324,309	9,011	-	1,973	2,335,293
Total revenues	236,768,428	1,361,237	-	3,919,207	242,048,872
EXPENDITURES:					
Current:					
General government	20,293,079	-	-	-	20,293,079
Public safety	36,052,606	-	-	-	36,052,606
Public works	8,507,876	-	-	-	8,507,876
Health and hospitals	6,154,707	-	-	-	6,154,707
Social services	2,279,304	-	-	624,646	2,903,950
Education	101,142,923	8,619,606	-	-	109,762,529
Libraries, recreation, parks and culture	8,077,203	-	-	-	8,077,203
Conservation of natural resources	707,400	-	-	41,100	748,500
Economic development	13,016,286	-	-	-	13,016,286
Distributions to incorporated municipalities	9,248,873	-	-	-	9,248,873
Capital projects	-	4,186,200	-	-	4,186,200
Debt service:					
Principal retirement	-	-	10,209,060	-	10,209,060
Interest and other charges	-	-	3,729,849	-	3,729,849
Total expenditures	205,480,257	12,805,806	13,938,909	665,746	232,890,718
Excess (deficiency) of revenues over expenditures	31,288,171	(11,444,569)	(13,938,909)	3,253,461	9,158,154
OTHER FINANCING SOURCES (USES):					
Transfers in	2,497,400	3,163,365	13,938,909	-	19,599,674
Transfers out	(17,551,685)	-	-	(2,497,400)	(20,049,085)
Total other financing sources (uses)	(15,054,285)	3,163,365	13,938,909	(2,497,400)	(449,411)
Net change in fund balances	16,233,886	(8,281,204)	-	756,061	8,708,743
Fund balances, beginning	55,096,817	9,259,319	-	1,654,398	66,010,534
Fund balances, ending	$ 71,330,703	$ 978,115	$ -	$ 2,410,459	$ 74,719,277

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

Net change in fund balances, governmental funds	$ 8,708,743
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:	
Capital outlay	2,934,164
Depreciation expense	(6,486,406)
Loss on the disposal of capital assets	(38,781)
Because some revenues will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unearned revenues increased by this amount this year.	264,014
Governmental funds report payments of debt principal as an expenditure. In contrast, the Statement of Activities treats such payments as a reduction in long-term liabilities.	10,224,942
Premiums, discounts, and similar items are reported in governmental funds when debt is issued; whereas, these amounts are deferred and amortized in the Statement of Activities.	1,174,595
Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These items consist of:	
Change in pension expense (see Note 7)	(1,004,749)
Change in post-retirement employee benefits (see Note 8)	5,505,002
Change in compensated absences	10,187
Change in net position of governmental activities	$ 21,291,711

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) GENERAL FUND

Year Ended June 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes	$184,990,221	$184,990,221	$204,592,525	$ 19,602,304
Licenses and permits	2,493,682	2,493,682	2,901,494	407,812
Intergovernmental	7,437,497	7,437,497	24,987,977	17,550,480
Charges for services	5,558,570	5,558,570	1,962,123	(3,596,447)
Miscellaneous	1,343,261	1,343,261	2,324,309	981,048
Total revenues	201,823,231	201,823,231	236,768,428	34,945,197
EXPENDITURES:				
General government	18,351,165	18,122,097	20,293,079	(2,170,982)
Public safety	35,836,196	35,936,967	36,052,606	(115,639)
Public works	8,629,687	8,705,584	8,507,876	197,708
Health and hospitals	6,244,687	6,244,687	6,154,707	89,980
Social services	1,786,459	1,786,459	2,279,304	(492,845)
Education	100,279,361	100,279,361	101,142,923	(863,562)
Libraries, recreation, parks, and culture	8,296,559	8,348,959	8,077,203	271,756
Conservation of natural resources	727,951	727,951	707,400	20,551
Economic development	1,825,682	1,825,682	13,016,286	(11,190,604)
Intergovernmental	8,407,215	8,407,215	9,248,873	(841,658)
Total expenditures	190,384,962	190,384,962	205,480,257	(15,095,295)
Excess of revenues over expenditures	11,438,269	11,438,269	31,288,171	19,849,902
OTHER FINANCING SOURCES (USES):				
Operating transfers in	2,497,400	2,497,400	2,497,400	-
Operating transfers out	(13,935,669)	(13,935,669)	(17,551,685)	3,616,016
Total other financing uses	(11,438,269)	(11,438,269)	(15,054,285)	3,616,016
Net change in fund balance	$ -	$ -	16,233,886	$ 16,233,886
Fund balance, beginning			55,096,817	
Fund balance, ending			$ 71,330,703	

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITIES
June 30, 2021

	Department of Solid Waste	Department of Water and Wastewater	Department of Liquor Control	Total
ASSETS				
Current assets:				
Cash and short-term investments	$ 7,817,427	$ 12,406,306	$ -	$ 20,223,733
Accounts receivable	242,000	5,861,199	-	6,103,199
Total current assets	8,059,427	18,267,505	-	26,326,932
Noncurrent assets:				
Capital assets:				
Land, land rights and improvements	1,226,989	114,883	-	1,341,872
Construction-in-progress	-	1,348,161	-	1,348,161
Buildings and building improvements	429,570	-	-	429,570
Improvements other than buildings	42,199,768	-	-	42,199,768
Water and sewer systems	-	116,185,952	-	116,185,952
Machinery and equipment	6,521,838	6,341,105	-	12,862,943
	50,378,165	123,990,101	-	174,368,266
Less: accumulated depreciation	(34,853,379)	(55,432,845)	-	(90,286,224)
	15,524,786	68,557,256	-	84,082,042
Other assets:				
Long-term debt service receivable	-	16,806,547	-	16,806,547
Total noncurrent assets	15,524,786	85,363,803	-	100,888,589
Total assets	$ 23,584,213	$ 103,631,308	$ -	$ 127,215,521

The Notes to Financial Statements are an integral part of this statement.

	Department of Solid Waste	Department of Water and Wastewater	Department of Liquor Control	Total
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	$ 145,265	$ 990,191	$ -	$ 1,135,456
Bonds and notes payable - current	310,095	1,316,852	-	1,626,947
Capital leases payable - current	479,192	-	-	479,192
Landfill - closure and postclosure costs	17,860,451	-	-	17,860,451
Accrued bond interest payable	-	146,324	-	146,324
Due to other funds	50,850	-	-	50,850
Total current liabilities	18,845,853	2,453,367	-	21,299,220
Noncurrent liabilities:				
Unearned revenues	-	17,603,688	-	17,603,688
Compensated absences	29,758	172,456	-	202,214
Bonds and notes payable	4,522,619	18,419,967	-	22,942,586
Capital leases payable	1,074,411	-	-	1,074,411
Due to other funds	-	4,068,475	-	4,068,475
Total noncurrent liabilities	5,626,788	40,264,586	-	45,891,374
Total liabilities	24,472,641	42,717,953	-	67,190,594
NET POSITION (DEFICIT)				
Net investment in capital assets	9,138,469	48,820,437	-	57,958,906
Unrestricted (deficit)	(10,026,897)	12,092,918	-	2,066,021
Total net position (deficit)	$ (888,428)	$ 60,913,355	$ -	$ 60,024,927

WORCESTER COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
BUSINESS-TYPE ACTIVITIES
Year Ended June 30, 2021

	Department of Solid Waste	Department of Water and Wastewater	Department of Liquor Control	Total
OPERATING REVENUES:				
Domestic charges	$ -	$ 10,371,297	$ -	$ 10,371,297
Commercial charges	-	953,004	-	953,004
Hook-up charges	-	414,049	-	414,049
Future capital development	-	117,450	-	117,450
Interest and penalties on overdue accounts	1,219	6,225	-	7,444
Additional assessments	-	470,250	-	470,250
Payments by developers	-	30,500	-	30,500
Other revenue	43,791	2,695,310	97,933	2,837,034
Interfund charges	411,492	-	-	411,492
Debt service revenue	-	1,920,641	-	1,920,641
White Horse Park revenue	-	262,260	-	262,260
Liquor sales	-	-	533,354	533,354
Stump, yard waste, and mulch revenue	57,064	-	-	57,064
Licenses and permits	5,165	-	-	5,165
Tipping fees	4,726,922	-	-	4,726,922
Total operating revenues	5,245,653	17,240,986	631,287	23,117,926
Cost of goods sold	-	-	388,789	388,789
Gross profit	5,245,653	17,240,986	242,498	22,729,137
Total operating expenses	4,891,638	12,062,044	209,525	17,163,207
Operating income before depreciation and general expenses	354,015	5,178,942	32,973	5,565,930
Depreciation and general expenses	1,931,176	3,494,171	37,758	5,463,105
Operating income (loss)	(1,577,161)	1,684,771	(4,785)	102,825
NONOPERATING REVENUES (EXPENSES):				
Interest on investments	5,976	12,067	-	18,043
Operating grants	-	30,000	-	30,000
Interest expense	(260,833)	(586,364)	-	(847,197)
Distributions to municipalities	-	-	(3,334)	(3,334)
Sale of capital assets	-	-	257,671	257,671
Total nonoperating revenues (expenses)	(254,857)	(544,297)	254,337	(544,817)
TRANSFERS IN	-	-	449,411	449,411
Change in net position	(1,832,018)	1,140,474	698,963	7,419
Net position (deficit), beginning	943,590	59,772,881	(698,963)	60,017,508
Net position (deficit), ending	$ (888,428)	$ 60,913,355	$ -	$ 60,024,927

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
Year Ended June 30, 2021

	Department of Solid Waste	Department of Water and Wastewater	Department of Liquor Control	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received for services	$ 4,792,263	$ 13,554,553	$ -	$ 18,346,816
Cash received for liquor sales	-	-	533,354	533,354
Cash received from other revenues	42,731	2,695,310	97,933	2,835,974
Cash received for future capital development	-	117,450	-	117,450
Cash received for interfund charges	411,492	-	-	411,492
Cash payments to employees	(788,130)	(3,666,229)	(38,727)	(4,493,086)
Cash payments for fringe benefits	(448,326)	(1,927,538)	(14,568)	(2,390,432)
Cash payments for inventory, materials, supplies, and services	(1,001,410)	(6,099,669)	(362,042)	(7,463,121)
Net cash provided by operating activities	3,008,620	4,673,877	215,950	7,898,447
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of property and equipment	-	(4,953,984)	-	(4,953,984)
Proceeds from sales of property and equipment	125,000	-	669,319	794,319
Principal paid on capital lease obligations	(531,575)	-	-	(531,575)
Principal paid on bonds, lines of credit, and notes	(294,439)	(1,508,449)	-	(1,802,888)
Proceeds from long term debt	-	1,216,771	-	1,216,771
Interest paid on capital lease obligations	(70,583)	-	-	(70,583)
Interest paid on bonds, lines of credit, and notes	(190,250)	(586,364)	-	(776,614)
Net cash provided (used) by capital and related financing activities	(961,847)	(5,832,026)	669,319	(6,124,554)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received for operating grants	-	30,000	-	30,000
Distributions to municipalities	-	-	(3,334)	(3,334)
Advances from (to) other funds	(52,040)	2,467,399	(974,165)	1,441,194
Net cash provided (used) by noncapital financing activities	(52,040)	2,497,399	(977,499)	1,467,860
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	5,976	12,067	-	18,043
Net cash provided by investing activities	5,976	12,067	-	18,043
Net increase (decrease) in cash and short-term investments	2,000,709	1,351,317	(92,230)	3,259,796
Cash and short-term investments, beginning	5,816,718	11,054,989	92,230	16,963,937
Cash and short-term investments, ending	$ 7,817,427	$ 12,406,306	$ -	$ 20,223,733

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
Year Ended June 30, 2021
(CONTINUED)

	Department of Solid Waste	Department of Water and Wastewater	Department of Liquor Control	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	$ (1,577,161)	$ 1,684,771	$ (4,785)	$ 102,825
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,931,176	3,494,171	8,157	5,433,504
Changes in assets and liabilities:				
Accounts receivable	833	(377,131)	-	(376,298)
Inventories	-	-	292,955	292,955
Accounts payable and accrued expenses	2,654,338	360,912	(78,928)	2,936,322
Unearned revenue	-	(496,542)	-	(496,542)
Compensated absences	(566)	7,696	(1,449)	5,681
Net cash provided by operating activities	$ 3,008,620	$ 4,673,877	$ 215,950	$ 7,898,447
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Equipment acquired under capital leases	$ 469,410	$ -	$ -	$ 469,410
Total non-cash activities	$ 469,410	$ -	$ -	$ 469,410

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2021

	Public Drainage Associations	Other Post-Employment Benefits Trust	Custodial Funds
ASSETS			
Cash and short-term investments	$ 669,004	$ 3,351,465	$ 2,380,949
Trust investments:			
Money market funds	-	2,574,694	-
MLGIP	-	425,516	-
Fixed income securities	-	22,651,703	-
Equities securities	-	47,776,164	-
Taxes receivable	-	-	1,426,167
Special assessments receivable	6,757	-	-
Due from other funds	1,086	-	-
Total assets	676,847	76,779,542	3,807,116
LIABILITIES			
Accounts payable	45,955	-	1,513,106
Unearned revenue	-	-	260,817
Due to other governments	-	-	1,544,118
Total liabilities	45,955	-	3,318,041
NET POSITION			
Fiduciary net position held for others	630,892	-	489,075
Fiduciary net position held for other post-employment benefits	-	76,779,542	-
Total net position	$ 630,892	$ 76,779,542	$ 489,075

The Notes to Financial Statements are an integral part of this statement.

WORCESTER COUNTY, MARYLAND

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2021

	Public Drainage Associations	Other Post Employment Benefits Trust	Custodial Funds
ADDITIONS:			
Contributions:			
Special assessments	$ 116,935	$ -	$ -
Collections for other governments	-	-	88,525,754
Grant funding	-	-	144,683
Employer contributions	-	3,968,744	-
Plan member contributions	-	634,901	-
Other	19,750	-	631,985
Total contributions	136,685	4,603,645	89,302,422
Investment earnings:			
Interest	2,180	4,184	620
Net increase in fair value of investments	-	13,960,774	-
Total investment earnings	2,180	13,964,958	620
Total additions	138,865	18,568,603	89,303,042
DEDUCTIONS:			
Ditch maintenance	141,799	-	-
Claims incurred	-	3,178,216	-
Payments to other governments			88,589,997
Other	265	5,000	590,959
Total deductions	142,064	3,183,216	89,180,956
Change in net position	(3,199)	15,385,387	122,086
Net position, beginning as restated (see Note 18)	634,091	61,394,155	366,989
Net position, ending	$ 630,892	$ 76,779,542	$ 489,075

The Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Worcester County, Maryland

Worcester County, Maryland (the "County") is a home rule county governed by a seven-member Board of County Commissioners with the county seat located in Snow Hill, Maryland. The County government directly provides all basic local governmental services.

The financial statements of Worcester County, Maryland are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial principles. The following is a summary of the significant policies:

Note 2. Summary of Significant Accounting Policies

A. Financial Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County.

The component unit column on the government-wide financial statements contains the financial data of the County's discretely presented component unit: the Board of Education of Worcester County (the "BOE"). It is reported in a separate column to emphasize that it is legally separate from the County. Although this organization is a legally separate entity and has a separately elected governing board, it is included in the financial statements of the County because the County is financially accountable for the organization.

The BOE administers the public school system in the County. The BOE is organized as a separate legal entity, but does not have the power to levy taxes or issue bonds. The BOE's budget is subject to approval by the County Commissioners, and the BOE receives a significant portion of its operational and capital project funding from the County.

Separately issued financial statements can be obtained from the following:

Board of Education of Worcester County
6270 Worcester Highway
Newark, Maryland 21841

B. Basis of Presentation

The County's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

Note 2. Summary of Significant Accounting Policies (continued)

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

FUND FINANCIAL STATEMENTS

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which includes its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the County:

GOVERNMENTAL FUND TYPES

Governmental funds are accounted for using the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period. The following are the County's major governmental funds:

<u>General Fund</u> – The General Fund is the general operating fund of the County. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

In addition, the County has the following governmental funds which the County has chosen to show as major funds due to their importance to the overall performance of the County:

<u>Capital Projects Fund</u> – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, which are not financed by proprietary funds.

<u>Debt Service Fund</u> – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, including capital lease obligations, principal, interest, and related costs.

The remaining governmental funds which are non-major consist of the following:

<u>Special Revenue Funds</u> – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Department of Social Services Fund, the Local Management Board, the Casino Fund, and the Energy Service Fund are the special revenue funds of the County.

Note 2. Summary of Significant Accounting Policies (continued)

PROPRIETARY FUND TYPES

Proprietary funds are accounted for using the economic resources measurement focus; the accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into net investment in capital assets and unrestricted net position.

Enterprise Funds – Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The Department of Solid Waste and the Department of Water and Wastewater Services are the major enterprise funds of the County. The Department of Liquor Control is a non-major enterprise fund of the County, that ended on January 4, 2021.

FIDUCIARY FUND TYPES

Fiduciary funds account for assets held by the County in a trustee or custodial capacity. Custodial funds report fiduciary activities that are not required to reported as another fiduciary fund type.

Trust and Custodial Funds – Trust and Custodial Funds are used to account for assets held by the County as an agent for other funds and/or other governments. The trust funds include the OPEB Trust Fund and the Public Drainage Fund (a private purpose trust fund). The custodial funds include the State of Maryland Property Tax Fund, Maryland Department of Motor Vehicles Fund, Tax Sale Fund, Development Tax Fund, Performance Bond Fund, Personal Property Tax Fund, Forest Conservation Fund, Bay Restoration Fund, Berlin Room Tax Fund, Snow Hill Property Tax Fund, Snow Hill Room Tax Fund, Berlin Property Tax Fund, Pocomoke Property Tax Fund, Pocomoke Room Tax Fund, Ocean City Property Tax Fund, Ocean City Food Tax Fund, Ocean City Room Tax Fund, Special Loans Fund, Critical Areas Fund, and the Seized Funds Pending Forfeiture Fund.

D. Measurement Focus

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the Statement of Net Position.

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Changes in Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

Note 2. Summary of Significant Accounting Policies (continued)

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Enterprise funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

REVENUES – EXCHANGE AND NONEXCHANGE TRANSACTIONS

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, "available" means expected to be received within sixty days after year-end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year in which the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: property taxes, franchise taxes, special assessments, intergovernmental revenues, interest revenue, and charges for services. Income taxes collected and held by the State at year-end on behalf of the County are also recognized as revenue. License and permit revenues are not susceptible to accrual because they generally are not measurable until received in cash.

DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until that time. The County recognizes deferred outflows of resources related to advance refundings of debt (see Note 6). The County and BOE recognize deferred outflows of resources related to their pension obligations (see Note 7) and OPEB liability (Note 8) for changes in assumptions, difference between expected and actual experience and net difference between projected and actual investment earnings. These amounts are deferred and recognized as outflows of resources in the period that the amounts become available.

In addition to liabilities, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The County has an item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, this item, unavailable revenue, is reported only on the governmental funds Balance Sheet. The governmental funds record unavailable revenues from property taxes. The County and BOE also recognize deferred inflows of resources related to their pension obligations (see Note 7) and OPEB liability (see Note 8) for changes in assumptions, net difference between projected and actual investment earnings and differences between expected

Note 2. Summary of Significant Accounting Policies (continued)

and actual experience. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

EXPENSES / EXPENDITURES

On the accrual basis, expenses are recognized in the period in which they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgetary Data

Formal budgetary accounting is employed as a management control for all enterprise funds. The annual budgets for the enterprise funds are prepared in accordance with the basis of accounting utilized by those funds. The General Fund of the County has a legally adopted budget. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund is prepared on a basis consistent with the budget. The County's budget includes appropriations of prior year fund balance as "other sources" in the current year. Also, the Statement of Activities is prepared on a basis consistent with GAAP where encumbrances are treated as assignments of fund net position and prior year fund net position is not recognized as other revenue sources. The budgets shown in the financial statements are the budget ordinances at the close of the day on June 30, 2021. All annual appropriations lapse at fiscal year-end.

The County follows these procedures in establishing the governmental funds budgetary data reflected in the financial statements:

1) Prior to April 30, the Chief Administrative Officer submits to the County Commissioners a proposed budget for the fiscal year commencing the following July 1. The budget includes requested expenditures and the means of financing them.

2) Public hearings are conducted to obtain taxpayer comments.

3) No later than the first Tuesday in June, the budget is legally enacted through passage of a budget resolution.

4) The Chief Administrative Officer is not authorized to make any transfers of budgeted amounts. The County's legal level of budgetary control is at the County Commissioner level, such that all transfers must be approved by the County Commissioners.

The BOE follows these procedures in establishing its general fund budgetary data reflected in the financial statements:

1) The Superintendent and Supervisor of Business Operations formulate a proposed budget for review by the BOE during the second public hearing scheduled in February.

2) Prior to March 31, the BOE adopts the proposed budget. The proposed budget, exclusive of amounts relating to restricted programs, is submitted to the County Commissioners.

3) In mid-May, the County Commissioners and the BOE discuss the budget in public forum.

4) The County Commissioners approve the budget no later than the first Tuesday in June. The approved budget is subject to affirmation by the BOE within thirty days of the County Commissioners' approval.

Note 2. Summary of Significant Accounting Policies (continued)

G. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. Encumbrances outstanding at year-end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

H. Cash and Short-Term Investments

For purposes of the Statement of Cash Flows, the County considers all highly liquid investments with original maturities of less than 30 days to be cash equivalents.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are reported as prepaid items using the consumption method, which records a current asset for the prepaid amount and reflects the expenditure/expense in the year in which services are consumed.

J. Property Taxes

Taxes are levied annually on July 1 and are due in full by September 30 for non-owner occupied properties. Owner occupied property taxes and small business taxes are due in two equal semiannual installments on September 30 and December 31, respectively. Property taxes are attached as an enforceable lien and are in arrears on October 1 for non-owner occupied properties and January 1 for owner occupied properties. The County bills and collects its own taxes. County property tax revenues are recognized when collected.

K. Inventory

Inventory held for resale is stated at the lower of cost (first in, first out) or market.

L. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost or estimated cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, on the date donated. The County maintains a capitalization threshold of $10,000. The County’s infrastructure consists of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are expensed.

Note 2. Summary of Significant Accounting Policies (continued)

All capital assets are depreciated, except for land, land improvements, and construction-in-progress. Building improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and building improvements	40 - 100 years
Improvements other than buildings	40 years
Machinery and equipment	5 - 20 years
Water and sewer systems	6 - 20 years
Infrastructure	5 - 50 years

M. Interfund Receivables / Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide Statement of Net Position. The only interfund balances which remain on the government-wide Statement of Net Position are those between governmental and fiduciary activities. These amounts are reflected as "due to fiduciary funds."

N. Compensated Absences

Vacation benefits are earned by employees of the County based on time in service, and the rights to such benefits are vested. Sick leave is also accumulated by employees based on time in service. However, accumulated sick leave benefits do not vest and are not paid unless employees are absent due to illness, except that accumulated sick time is credited to months of service in the calculation of employees' retirement benefits. The County records vested vacation benefits as they are earned.

The entire compensated absences liability is reported on the government-wide financial statements.

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and leases are recognized as liabilities on the fund financial statements when due.

P. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation, and reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the County, or through external restrictions imposed by grantors, creditors, or laws and/or regulations of other governments.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 2. Summary of Significant Accounting Policies (continued)

Q. Governmental Fund Balance

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

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the County charter or code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that are established only for specific purposes, modified, or rescinded, as determined through formal action by the County Commissioners, by the approval of a resolution.

Assigned – Amounts that are designated by the Commissioners or management with intent to be used for specific purposes, but are neither restricted nor committed by approval of a resolution.

Unassigned – Amounts not included in other spendable classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount. In accordance with County policy, included within unassigned fund balance are reserve amounts of $20,288,161 for contingency and emergency conditions. These reserve amounts do not meet the definition of assigned in accordance with GASB 54 and are thus included within unassigned fund balance.

It is the County's policy to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. 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.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the enterprise funds. For the County, these revenues are charges for services for the Department of Water and Wastewater and the Department of Solid Waste and sales of liquor for the Department of Liquor Control. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

S. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

T. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2. Summary of Significant Accounting Policies (continued)

U. New Accounting Policies

The County adopted Government Accounting Standards Board's Statement No. 84, *Fiduciary Activities*, on July 1, 2020. This statement's objective is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities are reported. The County is reporting a new classification of custodial funds which were previously reported as agency funds in the statement of fiduciary net position. The County is also presenting custodial funds in the statement of changes in fiduciary net position.

Note 3. Cash and Short-Term Investments

Deposits are maintained in a variety of financial institutions.

The County is authorized to invest unexpended revenues from taxation, bond sales, lawful receipts of funds from other governmental agencies, or any other funds properly received by it, until it determines the funds are needed for proper public purposes. The County's investment policy, in order to minimize credit and interest rate risk, allows it to invest in United States government bonds or evidence of indebtedness; or it can invest in federally insured banking institutions, which pledge United States Treasury bills, notes, or other obligations to secure such deposits, repurchase agreements, and collateralized certificates of deposit.

At June 30, 2021, Worcester County had deposits with financial institutions totaling $21,221,475 (with a carrying value of $18,428,950). The depository banks pledge collateral for specific accounts, which are held in the County's name. Deposits in financial institutions were fully insured or collateralized at June 30, 2021 and, therefore, have no custodial risk associated with them.

The County is a participant in the Maryland Local Government Investment Pool ("MLGIP"), which provides all local government units of the State a safe investment vehicle for the short-term investment of funds. The State Legislature created MLGIP with the passage of Article 95 §22G of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, is managed by PNC Capital Advisors, LLC and custodied by PNC Bank, N.A. An MLGIP Advisory Committee of current participants was formed to review, on a semiannual basis, the activities of the Fund and to provide suggestions to enhance the Pool. The MLGIP is rated "AAAm" by Standard and Poor's. The fair value of the Pool is the same as the value of the Pool shares. At June 30, 2021, the County had investments of $80,259,457 with the MLGIP, which are recorded at cost, which approximates fair value.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's exposure to credit risk on deposits is minimal, as all deposits are in the form of cash, fully insured by the FDIC, or collateralized by securities pledged in the County's name. The County minimizes its exposure to credit risk on investments by limiting its investments to U.S. Treasury obligations and the MLGIP. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's exposure to interest rate risk is minimal as of June 30, 2021, as its only investments within the primary government consisted of the MLGIP. The County's only other investments are within the Retiree Benefit Trust Fund.

The Worcester County Retiree Benefit Trust Fund is authorized to invest in securities in varying proportions when and for as long as, in the opinion of the Fund's Trustees, prevailing market and economic considerations indicate that it is in the best interest of the Fund to do so.

Note 3. Cash and Short-Term Investments (continued)

Investments in the Retiree Benefit Trust Fund by type and maturity at June 30, 2021, measured at fair value, were as follows:

	1 Year	1-5 Years	Over 5 Years	Total	Rate
MLGIP	$ 425,516	$ -	$ -	$ 425,516	0.03%
M&T Investments:					
Money Market	2,574,694	-	-	2,574,694	0.01%
Fixed Income:					
U.S. Treasury	336,244	2,028,469	1,964,088	4,328,801	1.125% - 3.625%
U.S. Government Agency	22	374,312	3,039,334	3,413,668	1.50% - 5.00%
Other Fixed Income	1,200,646	1,240,784	12,467,804	14,909,234	0.650% - 6.20%
Equities	47,776,164	-	-	47,776,164	N/A
Total	$ 52,313,286	$ 3,643,565	$ 17,471,226	$ 73,428,077	

The County uses the fair value hierarchy established by GAAP to measure the fair value of its assets. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and gives the highest priority to unadjusted, quoted market prices in active markets for identical assets (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The levels of the fair value hierarchy are as follows: Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, such as quoted market prices for similar assets or identical assets in less active markets; and Level 3 inputs are significant unobservable inputs, such as pricing models.

The County has the following recurring fair value measurements as of June 30, 2021:

- Amounts invested in MLGIP and money market funds are valued using quoted market prices (Level 1 inputs)
- Amounts invested in fixed income investments are comprised of securities priced by industry standard vendors, using significant observable inputs such as benchmark yields, reported trades, and broker/dealer quotes (Level 2 inputs), which are then allocated to position holders on a per unit basis
- Amounts invested in domestic and international equities are comprised of securities valued using quoted market prices (Level 1 inputs)

Reconciliation of cash and short-term investments as shown on the Statement of Net Position:

Petty cash	$ 4,435
Carrying amount of deposits	18,428,950
Money market funds	2,574,694
Fixed income securities	22,651,703
Equities securities	47,776,164
MLGIP	80,259,457
Less: cash and investments recorded within fiduciary funds	(79,829,495)
Total	$ 91,865,908

Note 4. Interfund Balances and Transfers

As a result of its operations, the County effects a variety of transactions between funds to finance operations, service debt, etc. Accordingly, to the extent that certain interfund transactions have not been paid or received as of June 30, 2021, appropriate “due from/to” other funds have been established.

Interfund transactions are classified as follows:

1) Transfers to support the operations of other funds are recorded as “Transfers in (out) to other funds” and classified as “other financing sources (uses)” in the fund statements. Transfers between governmental and proprietary funds are netted as part of the reconciliation of the government-wide financial statements. All payroll and some shared expenses, such as benefits, are paid out of the General Fund and then reimbursed from proprietary or other funds as applicable. Tax collections are receipted into the General Fund and reimbursed to other taxing agencies/funds monthly.

2) Loans between funds are classified as interfund loans receivable/payable or as advances to/from other funds in the fund statements. Interfund loans do not affect total equity, but advances to other funds are offset by a reservation of the fund equity. Loans and advances are netted as part of the reconciliation of the government-wide financial statements.

Interfund balances at June 30, 2021 consisted of the following individual fund receivables and payables:

	Due from Other Funds	Due to Other Funds
General Fund:		
Enterprise funds:		
Department of Solid Waste (shared expenses)	$ 50,850	$ -
Department of Water and Wastewater (payroll and shared expenses)	4,068,475	-
Total due from (to) enterprise funds	4,119,325	-
Other funds:		
Energy Service Fund (funds held on behalf of)	-	(269,335)
Capital Projects Fund (reimbursement between funds)	-	(969,356)
Casino Fund (reimbursement between funds)	158,327	-
Public Drainage Association (June collections paid in July)	-	(1,086)
Total due from (to) other funds	158,327	(1,239,777)
Total General Fund due from (to) other funds	4,277,652	(1,239,777)
Other governmental funds:		
General Fund	269,335	(158,327)
Fiduciary funds	1,086	-
Capital Projects Fund:		
General Fund	969,356	-
Enterprise funds:		
General Fund	-	(4,119,325)
	$ 5,517,429	$ (5,517,429)

Note 4. Interfund Balances and Transfers (continued)

Interfund transfer activity for the year ended June 30, 2021 consisted of the following individual amounts:

	Transfers In	Transfers Out
General Fund:		
Capital Projects Fund	$ -	$ (3,163,365)
Debt Service Fund	-	(13,938,909)
Casino Fund	(2,497,400)	-
Department of Liquor Control		(449,411)
Capital Projects Fund:		
General Fund	(3,163,365)	-
Debt Service Fund:		
General Fund	(13,938,909)	-
Casino Fund:		
General Fund	-	(2,497,400)
Department of Liquor Control		
General Fund	(449,411)	-
	$ (20,049,085)	$ (20,049,085)

Interfund transfers are for the following purposes:

- Transfers from the General Fund to the Capital Projects Fund are for capital projects that are not funded by specific revenue sources or through bond funds.
- Interfund transfers from the General Fund to the Debt Service Fund are for bond payments.
- The interfund transfer from the Casino Fund to the General Fund is for the bond payment for the Worcester Technical High School bond.
- The transfer from the General Fund to the Department of Liquor Control was used to end operations of the non-major enterprise fund.

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Transfers and Reductions	Balance June 30, 2021
Primary government:				
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	$ 15,631,638	$ -	$ -	$ 15,631,638
Construction-in-progress	5,151,996	685,339	(3,641,310)	2,196,025
Total nondepreciable capital assets	20,783,634	685,339	(3,641,310)	17,827,663
Depreciable capital assets:				
Building and building improvements	94,931,793	28,231	3,436,823	98,396,847
Improvements other than buildings	14,172,829	292,147	165,706	14,630,682
Machinery and equipment	34,466,690	626,183	-	35,092,873
Infrastructure	110,993,047	1,302,264	-	112,295,311
Total depreciable capital assets	254,564,359	2,248,825	3,602,529	260,415,713
Less accumulated depreciation for:				
Buildings and building improvements	(35,050,239)	(2,576,547)	-	(37,626,786)
Improvements other than buildings	(7,730,691)	(517,178)	-	(8,247,869)
Machinery and equipment	(24,341,148)	(3,000,844)	-	(27,341,992)
Infrastructure	(106,442,077)	(391,837)	-	(106,833,914)
Total accumulated depreciation	(173,564,155)	(6,486,406)	-	(180,050,561)
Total depreciable capital assets, net	81,000,204	(4,237,581)	3,602,529	80,365,152
Governmental activities capital assets, net	$ 101,783,838	$ (3,552,242)	$ (38,781)	$ 98,192,815

Depreciation expense was charged to governmental functions as follows:

General government	$ 696,857
Public safety	3,262,117
Public works	1,197,512
Health and hospitals	486,027
Libraries, recreation and culture	841,118
Economic development	2,775
Total depreciation expense	$ 6,486,406

Note 5. Capital Assets (continued)

Capital asset activity for the enterprise funds for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Transfers and Reductions	Balance June 30, 2021
Business-type activities:				
Nondepreciable capital assets:				
Land, land rights and improvements	$ 1,341,872	$ -	$ -	$ 1,341,872
Construction-in-progress	1,107,948	3,799,350	(3,559,137)	1,348,161
Total nondepreciable capital assets	2,449,820	3,799,350	(3,559,137)	2,690,033
Depreciable capital assets:				
Buildings and building improvements	1,144,785	-	(715,215)	429,570
Improvements other than buildings	42,199,768	-	-	42,199,768
Machinery and equipment	11,732,311	874,200	256,432	12,862,943
Water and sewer systems	112,491,256	749,844	2,944,852	116,185,952
Total depreciable capital assets	167,568,120	1,624,044	2,486,069	171,678,233
Less accumulated depreciation for:				
Buildings and building improvements	(610,043)	(18,896)	303,564	(325,375)
Improvements other than buildings	(28,818,348)	(1,405,571)	-	(30,223,919)
Machinery and equipment	(8,449,656)	(779,364)	232,856	(8,996,164)
Water and sewer systems	(47,511,093)	(3,229,673)	-	(50,740,766)
Total accumulated depreciation	(85,389,140)	(5,433,504)	536,420	(90,286,224)
Total depreciable capital assets, net	82,178,980	(3,809,460)	3,022,489	81,392,009
Business-type activities capital assets, net	$ 84,628,800	$ (10,110)	$ (536,648)	$ 84,082,042

Note 6. Long-Term Debt

Changes in the County's long-term obligations for the year ended June 30, 2021 were as follows:

	Balance at June 30, 2020	Additions/ Transfers	Reductions	Balance at June 30, 2021	Amount Due in One Year
Governmental activities:					
General obligation bonds:					
MDE Water Quality Bond; interest at 0.4%; due semiannually to 2022	$ 257,272	$ -	$ (239,709)	$ 17,563	$ 17,563
Consolidated Public Improvement Bonds, 2013 Series; interest at 2.5% to 3.4%; due semiannually to 2033	4,295,000	-	(270,000)	4,025,000	280,000
Consolidated Public Improvement Bonds, 2014 Series; interest at 3.25% to 5%; due semiannually to 2029	28,390,000	-	(2,645,000)	25,745,000	2,750,000
Consolidated Public Improvement Bonds, 2015 Series A; interest at 3% to 5%; due semiannually to 2030	7,295,266	-	(519,351)	6,775,915	543,696
Consolidated Public Improvement Refunding Bonds, 2015 Series B; interest at 2.125% to 4%; due semiannually to 2026	18,565,000	-	(4,955,000)	13,610,000	5,165,000
Consolidated Public Improvement Bonds, 2019 Series; interest at 3% to 5%; due semiannually to 2034	34,080,000	-	(1,580,000)	32,500,000	1,655,000
Deferred bond premium, net	10,313,760	-	(1,174,595)	9,139,165	1,174,595
Note payable; interest at 4.09%; due monthly to 2039	421,777	-	(15,882)	405,895	16,544
	103,618,075	-	(11,399,537)	92,218,538	11,602,398
Compensated absences	2,057,550	1,466,758	(1,453,245)	2,071,063	908,000
Total governmental activities	$ 105,675,625	$ 1,466,758	$(12,852,782)	$ 94,289,601	$ 12,510,398

Note 6. Long-Term Debt (continued)

	Balance at June 30, 2020	Additions	Reductions/ Transfers	Balance at June 30, 2021	Amount Due in One Year
Business-type activities:					
Estimated landfill closure costs	$ 15,083,166	$ 2,777,285	$ -	$ 17,860,451	$ 17,860,451
General obligation bonds:					
MDE Water Quality Bond; interest at 0.4%; due semiannually to 2022	640,065	-	(424,214)	215,851	215,851
Snug Harbor Water Quality Loan Agreement, 2007; interest at 0.4%; due semiannually to 2026	184,280	-	(31,630)	152,650	31,757
MDE Drinking Water Bond; interest at 1.1%; due semiannually to 2029	182,893	-	(19,444)	163,449	19,657
Mystic Harbour USDA note payable, 2012; interest at 2%; due quarterly to 2052	4,344,631	-	(97,932)	4,246,699	99,909
Mystic Harbour USDA note payable, 2014; interest at 2.5%; due quarterly to 2053	2,532,137	-	(48,823)	2,483,314	50,059
Mystic Harbour USDA note payable, 2016; interest at 2.25%; due quarterly to 2056	233,859	-	(4,267)	229,592	4,364
Mystic Harbour USDA note payable, 2018; interest at 2.75%; due quarterly to 2058	2,372,013	-	(36,378)	2,335,635	37,388
Consolidated Public Improvement Bonds, 2014 Series; interest at 2% to 5%; due semiannually to 2029	3,505,000	-	(325,000)	3,180,000	340,000
Consolidated Public Improvement Refunding Bonds, 2015 Series B; interest at 2.125% to 4%; due semiannually to 2026	1,245,000	-	(180,000)	1,065,000	190,000
Consolidated Public Improvement Bonds, 2015 Series A; interest at 3% to 5%; due semiannually to 2030	2,709,734	-	(190,648)	2,519,086	201,305
Consolidated Public Improvement Bonds, 2019 Series; interest at 3% to 5%; due semiannually to 2034	5,685,000	-	(260,000)	5,425,000	275,000
Mystic Harbour USDA note payable, 2020; interest at 1.50%; due quarterly to 2060	-	170,000	(2,345)	167,655	3,171
MDE Water Quality Bond; interest at 0.40%; due semiannually to 2051	-	1,046,771	(1,000)	1,045,771	31,910
Deferred bond premium, net	1,466,408	-	(126,577)	1,339,831	126,576
Capital lease payable	1,615,768	469,410	(531,575)	1,553,603	479,192
	41,799,954	4,463,466	(2,279,833)	43,983,587	19,966,590
Compensated absences	357,331	218,539	(208,209)	367,661	165,447
Total business-type activities	$ 42,157,285	$ 4,682,005	$ (2,488,042)	$ 44,351,248	$ 20,132,037

Note 6. Long-Term Debt (continued)

In August 2004, the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance water quality capital projects totaling up to $12,325,000 with an interest rate of 0.4% and administrative charges of 5% to be repaid over the next 18 years. The loan was used to fund landfill closure projects in Pocomoke and Snow Hill ($3,807,567) and various water and wastewater projects ($6,742,000), including the expansion of the Ocean Pines wastewater treatment facility.

In October 2006, the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance water quality capital projects totaling $584,186 with an interest rate of 0.4% and administrative charges of 5% to be repaid over the next 19 years. The loan was used to fund the Snug Harbor sewer extension.

In September 2008, the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance a portion of a drinking water capital project totaling $653,000 with an interest rate of 1.1% and administrative charges of 5% to be repaid over the next 19 years. The loan was used to fund the construction of the Newark water tower.

In June 2011, the County acquired the debt of the previous Worcester County Liquor Control Board. This included two mortgages payable, which are secured by real estate. In February 2017, the County paid off one of the mortgages, which was secured by the Department of Liquor Control's retail store located in Pocomoke City, Maryland. The remaining mortgage was assumed by the County's governmental funds as part of the transfer of the Department of Liquor Control's warehouse in Snow Hill, Maryland to the General Fund.

In July 2012, the County entered into an agreement with the United States Department of Agriculture Rural Development to finance a portion of a wastewater treatment plant project totaling $5,062,000 with an interest rate of 2.0% to be repaid over the next five years. The maturity date was converted to over 40 years in June 2013. In November 2013, the County obtained additional funding for this project in the amount of $2,822,000 with an interest rate of 2.5% to be repaid over the following 40 years. In June 2016, the County obtained additional funding for this project in the amount of $250,000 with an interest rate of 2.25% to be repaid over the following 40 years. These loans were used to fund the Mystic Harbour wastewater treatment plant upgrades.

In January 2013, the County issued $13,105,000 in Consolidated General Obligation Refunding Bonds, 2013 Series, with an average interest rate of 3.6% and maturing in 2020 and 2033. Proceeds of $8,510,000 were used to refund the 2002 and 2004 Series bonds and $4,595,000 was used to fund the Correctional Officers' Retirement System pension plan. The Consolidated additional proceeds were placed in escrow for the purpose of generating resources for all future debt service payments on $8,900,000 of the refunded general obligation bonds. As a result, the associated liability has been removed. A net interest savings of $2,441,745 will be achieved over the life of the bond.

In October 2013, the County issued $48,300,000 in Consolidated Public Improvement Bonds, 2014 Series, with an average interest rate of 2.5% and maturing in 2029. Proceeds of $43,000,000 were used to fund the renovation of the Snow Hill High School. The remaining $5,300,000 was used to finance various wastewater treatment plant upgrades for the Ocean Pines service area.

Note 6. Long-Term Debt (continued)

In June 2015, the County issued $12,015,000 in Consolidated Public Improvement Bonds, 2015 Series A, with an average interest rate of 3.8% and maturing in 2030. Proceeds of $5,400,000 were used to finance the 800 MHz Emergency Services radio system upgrades; $3,360,000 was used to finance portions of the Berlin Rubblefill cap and closure project; $2,035,000 will be used to finance portions of the Central Landfill cell five construction project; and $1,220,000 was used to finance the Mystic Harbour water system interconnection project and water tower painting.

In June 2015, the County issued $26,950,000 in Consolidated Public Improvement Refunding Bonds, 2015 Series B, with an average interest rate of 4% and maturing in 2026. Proceeds were used to refund portions of the 2007 and 2008 Series bonds and pay off the loan used to fund the Ocean Pines fire protection system project. The net proceeds of $27,760,663 (after underwriting fees and other issuance costs) were deposited in a trust fund with an escrow agent and used to purchase U.S. government securities for the purpose of generating resources for all future debt service payments on $25,300,000 of the refunded general obligation bonds. As a result, this portion of the refunded general obligation bonds is considered defeased and the associated liability has been removed. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $2,460,663. A net interest savings of $1,187,255 will be achieved over the life of the bond.

In March 2018, the County entered into an agreement with the United States Department of Agriculture Rural Development to finance the Mystic Harbour Effluent Disposal and Reuse Facilities totaling $2,450,000 with an interest rate of 2.75% and maturing in 2058. In July 2020, the County obtained additional funding for this project in the amount of $170,000 with an interest rate of 1.5% and maturing in 2060.

In April 2019, the County issued $39,765,000 in Consolidated Public Improvement Bonds, 2019 Series, with an average interest rate of 4% and maturing in 2034. Proceeds of the bond will be used to construct, install and equip a new Showell Elementary School facility, new turf athletic field and track at Stephen Decatur High School, the Central Landfill Site Cell No. 5 construction project, and various water and wastewater infrastructure projects in the Ocean Pines and Riddle Farm Sanitary Service Areas.

In November 2020, the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance water quality capital projects totaling $1,046,771 with an interest rate of 0.4% and administrative charges of 5% to be repaid over 30 years. The loan was used to fund the Newark spray irrigation project.

Note 6. Long-Term Debt (continued)

The following is a summary of the County's future annual debt service requirements on long-term obligations (excluding landfill closure costs; deferred bond premiums; notes payable; and capital lease obligations, which are reported separately):

Governmental Activities

Year Ending June 30,	Principal	Interest	Total
2022	$ 10,411,259	$ 3,276,674	$ 13,687,933
2023	10,852,098	2,796,245	13,648,343
2024	8,774,558	2,358,179	11,132,737
2025	5,992,960	2,015,479	8,008,439
2026	6,285,419	1,727,409	8,012,828
2027-2031	28,032,184	4,971,754	33,003,938
2032-2036	12,325,000	878,395	13,203,395
Total	$ 82,673,478	$ 18,024,135	$ 100,697,613

Business-Type Activities

Year Ending June 30,	Principal	Interest	Total
2022	$ 1,500,371	$ 737,558	$ 2,237,929
2023	1,337,063	662,402	1,999,465
2024	1,389,479	605,943	1,995,422
2025	1,441,412	548,963	1,990,375
2026	1,501,818	492,629	1,994,447
2027-2031	6,122,740	1,754,122	7,876,862
2032-2036	3,378,025	934,722	4,312,747
2037-2041	1,611,441	635,954	2,247,395
2042-2046	1,788,914	457,632	2,246,546
2047-2051	1,988,011	258,961	2,246,972
2052-2056	976,160	74,467	1,050,627
2057-2061	194,268	5,292	199,560
Total	$ 23,229,702	$ 7,168,645	$ 30,398,347

Note 6. Long-Term Debt (continued)

The County's future annual debt service requirements on notes payable for governmental activities at June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 16,544	$ 16,293	$ 32,837
2023	17,234	15,604	32,838
2024	17,952	14,886	32,838
2025	18,700	14,137	32,837
2026	19,479	13,358	32,837
2027-2031	110,271	53,916	164,187
2032-2036	135,246	28,941	164,187
2037-2041	70,469	3,415	73,884
Total	$ 405,895	$ 160,550	$ 566,445

The County has entered into leases for the acquisition of various equipment, whereby ownership is transferred to the County at the end of the lease. Accordingly, the present value of future minimum lease payments and the related assets have been recorded in the appropriate fund.

The assets acquired through capital leases are as follows:

Business-Type Activities

Equipment	$ 3,095,684
Less: accumulated depreciation	(1,170,238)
Total	$ 1,925,446

The following is a summary of the future minimum lease payments on the capital leases:

Business-Type Activities

Year Ending June 30,	
2022	$ 530,728
2023	458,817
2024	206,555
2025	230,379
2026 - 2027	255,233
	1,681,712
Less: amount representing interest	(128,109)
Present value of future minimum lease payments	$ 1,553,603

Note 6. Long-Term Debt (continued)

Funds Used for Debt Service and Liquidation of Compensated Absences

Payments on bonds and notes payable that pertain to the County's governmental activities are made by the Debt Service Fund via transfers from the General Fund. Payments on bonds and notes payable that pertain to the County's business-type activities are made by the fund in which the liability exists. The compensated absences liability attributable to the governmental activities will be liquidated by the County's General Fund. The compensated absences liability attributable to business-type activities will be liquidated by the fund in which the liability exists.

Under provisions of Article 41, Section 266A through 266I of the Annotated Code of Maryland, the County has participated in Industrial Revenue Bonds for various projects within the County. Neither the bonds, nor the interest thereon, constitute an indebtedness or contingent liability of the County and, accordingly, they are not included in the governmental funds.

Note 7. Pension Plans

The County maintains or participates in certain retirement plans which provide benefits to its employees. The various plans and plan participants are outlined below:

Employees	Plan
Board of Education	Maryland State Retirement and Pension System
Library	Maryland State Retirement and Pension System
Worcester County:	
Sheriff's office	Maryland State Retirement and Pension System
Correctional officers	Maryland State Retirement and Pension System
Board of Elections	Maryland State Retirement and Pension System
County employees and appointed officers	Maryland State Retirement and Pension System
Elected officials	Maryland State Retirement and Pension System
Certain Department of Water and Wastewater employees	Worcester County Supplemental Pension Plan

Maryland State Retirement and Pension System

Organization

The State Retirement Agency (the "Agency") is the administrator of the Maryland State Retirement and Pension System (the "System"). 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, police, judges, legislators, and employees of participating governmental units. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees. The System is made up of two cost-sharing employer pools: the "State Pool" and the "Municipal Pool." The State Pool consists of State agencies, boards of education, community colleges, and libraries. The Municipal Pool consists of the participating governmental units that elected to join the System. Neither pool shares in each other's actuarial liabilities, thus participating governmental units that elect to join the System (the "Municipal Pool") share in the liabilities of the Municipal Pool only. The State Retirement Agency issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Retirement and Pension System of Maryland, 120 E. Baltimore Street, Suite 1660, Baltimore, Maryland 21202-1600 or on-line at www.sra.maryland.gov.

The System is comprised of the Teachers' Retirement and Pension Systems, Employees' Retirement and Pension Systems, State Police Retirement System, Judges' Retirement System, and the Law Enforcement Officers' Pension System ("LEOPS").

The employees participating in each plan are as follows:

Employees	Plan
Board of Education – regular employees	Employees' System
Board of Education – teachers	Teachers' System
Library	Teachers' System
Worcester County:	
Sheriff's office	LEOPS
Correctional officers	Correctional Officers' Retirement System
Board of Elections	Employees' System
County employees and appointed officers	Employees' System
Elected officials	Employees' System

The System is a cost-sharing multiple-employer defined benefit pension plan.

Note 7. Pension Plans (continued)

Basis of Accounting

The System's financial statements are prepared on the accrual basis of accounting in accordance with GAAP. For purposes of measuring 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 System and additions to and deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Covered Members

Teachers' Retirement and Pension Systems

The Teachers' Retirement System was established on August 1, 1927, to provide retirement allowances and other benefits to teachers in the State. Effective January 1, 1980, the Teachers' Retirement System was closed to new members and the Teachers' Pension System was established. As a result, teachers hired after December 31, 1979, became members of the Teachers' Pension System as a condition of employment. On or after January 1, 2005, an individual who is a member of the Teachers' Retirement System may not transfer membership to the Teachers' Pension System.

Employees' Retirement and Pension Systems

On October 1, 1941, the Employees' Retirement System was established to provide retirement allowances and other benefits to State employees, elected and appointed officials, and the employees of participating governmental units. Effective January 1, 1980, the Employees' Retirement System was essentially closed to new members and the Employees' Pension system was established. As a result, State employees (other than correctional officers) and employees of participating governmental units hired after December 31, 1979, became members of the Employees' Pension System as a condition of employment, while all State correctional officers and members of the Maryland General Assembly continue to be enrolled as members of the Employees' Retirement System. On or after January 1, 2005, an individual who is a member of the Employees' Retirement System may not transfer membership to the Employees' Pension System.

The Law Enforcement Officers' Pension System (LEOPS)

The Law Enforcement Officers' Pension System (LEOPS) was established on July 2, 1990, to provide retirement allowances and other benefits for certain State and local law enforcement officers. This System includes both retirement plan and pension plan provisions which are applicable to separate portions of this System's membership. The retirement plan provisions are only applicable to those members who, on the date they elected to participate in LEOPS, were members of the Employees' Retirement System. This System's pension plan provisions are applicable to all other participating law enforcement officers.

Note 7. Pension Plans (continued)

Summary of Significant Plan Provisions

All plan benefits are specified by the State Personnel and Pensions Article of the Annotated Code of Maryland. For all individuals who are members of the Employees', Teachers', Correctional Officers', or State Police Retirement System on or before June 30, 2011, retirement allowances are computed using both the highest three years' Average Final Compensation ("AFC") and the actual number of years of accumulated creditable service. For individuals who become members of the State Police Retirement System or the Correctional Officers' Retirement System on or after July 1, 2011, retirement allowances are computed using both the highest five years' AFC and the actual number of years of accumulated creditable service. For all individuals who are members of the pension systems of the State Retirement and Pension System on or before June 30, 2011, pension allowances are computed using both the highest three consecutive years' AFC and the actual number of years of accumulated creditable service. For any individual who becomes a member of one of the pension systems on or after July 1, 2011, pension allowances are computed using both the highest five consecutive year's AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retiree's benefit allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

Beginning July 1, 2011, the member contribution rate was increased for members of the Teachers' Pension System and Employees' Pension System from 5% to 7%. The contribution rate changed from 4% to 6% in fiscal year 2012 and 7% in fiscal year 2013 and beyond for members of the Law Enforcement Officers' Pension System. Beginning July 1, 2013, the member contribution rate was increased for members of the Judges' Retirement System from 6% to 8%.

In addition, the benefit attributable to service on or after July 1, 2011 in many of the pension systems now will be subject to different cost-of-living adjustments ("COLA") that is based on the increase in the Consumer Price Index ("CPI") and capped at 2.5% or 1.0% based on whether the fair value investment return for the preceding calendar year was higher or lower than the investment return assumption used in the valuation (currently 7.40%).

A brief summary of the retirement eligibility requirements of and the benefits available under the various systems in effect during fiscal year 2020 are as follows:

Service Retirement Allowances

A member of either the Teachers' or Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's AFC multiplied by the number of years of accumulated creditable service.

An individual who is a member of either the Teachers' or Employees' Pension System on or before June 30, 2011, is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the member's combined age and eligibility service equals at least 90 years, or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

Note 7. Pension Plans (continued)

For most individuals who retired from either the Teachers' or Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.4% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Teachers' or Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.8% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. Beginning July 1, 2011, any new member of the Teachers' or Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Teachers' or Employee's Pension System.

Exceptions to these benefit formulas apply to members of the Employees' Pension System, who are employed by a participating governmental unit that does not provide the 1998 or 2006 enhanced pension benefits or the 2011 reformed pension benefits. The pension allowance for these members equals 0.8% of the member's AFC up to the social security integration level ("SSIL"), plus 1.5% of the member's AFC in excess of the SSIL, multiplied by the number of years of accumulated creditable service. For the purpose of computing pension allowances, the SSIL is the average of the social security wage bases for the past 35 calendar years ending with the year the retiree separated from service.

A member of the Law Enforcement Officers' Pension System is eligible for full retirement benefits upon the earlier of attaining age 50 or accumulating 25 years of eligibility service regardless of age. The annual retirement allowance for a member who is covered under the retirement plan provisions equals 1/50 (2.0%) of the member's AFC multiplied by the number of years of accumulated creditable service up to 30 years, plus 1/100 (1.0%) of the member's AFC multiplied by the number of years of accumulated creditable service in excess of 30 years. For members subject to the pension provisions, full service pension allowances equal 2.0% of AFC up to a maximum benefit of 60% (30 years of credit).

Vested Allowances

Any individual who is a member of the State Retirement and Pension System on or before June 30, 2011 (other than a judge or a legislator), and who terminates employment before attaining retirement age but after accumulating 5 years of eligibility service is eligible for a vested retirement allowance. Any individual who joins the State Retirement and Pension System on or after July 1, 2011 (other than a judge or a legislator), and who terminates employment before attaining retirement age but after accumulating 10 years of eligibility service is eligible for a vested retirement allowance. A member, who terminates employment prior to attaining retirement age and before vesting, receives a refund of all member contributions and interest.

Early Service Retirement

A member of either the Teachers' or Employees' Retirement System may retire with reduced benefits after completing 25 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree either attains age 60 or would have accumulated 30 years of creditable service, whichever is less. The maximum reduction for a Teachers' or Employees' Retirement System member is 30%.

An individual who is a member of either the Teachers' or Employees' Pension System on or before June 30, 2011, may retire with reduced benefits upon attaining age 55 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 62. The maximum reduction for these members of the Teachers' or Employees' Pension System is 42%. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, may retire with reduced benefits upon attaining age 60 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 65. The maximum reduction for these members of the Teachers' or Employees' Pension System is 30%.

Note 7. Pension Plans (continued)

Members of the State Police, Judges', Law Enforcement Officers', and Local Fire and Police Systems are not eligible for early service benefits.

Disability and Death Benefits

Generally, a member covered under retirement plan provisions who is permanently disabled after 5 years of service receives a service allowance based on a minimum percentage (usually 25%) of the member's AFC. A member covered under pension plan provisions who is permanently disabled after accumulating 5 years of eligibility service receives a service allowance computed as if service had continued with no change in salary until the retiree attained age 62. A member (other than a member of the Maryland General Assembly or a judge, both of which are ineligible for accidental disability benefits) who is permanently and totally disabled as the result of an accident occurring in the line of duty receives 2/3 (66.7%) of the member's AFC plus an annuity based on all member contributions and interest. Death benefits are equal to a member's annual salary as of the date of death plus all member contributions and interest.

Adjusted Retirement Allowances

Retirement and pension allowances are increased annually to provide for changes in the cost of living according to prescribed formulae. Such adjustments for retirees are based on the annual change in the CPI. For the Teachers' and Employees' Retirement Systems ("TRS"/"ERS") the method by which the annual COLAs are computed depends upon elections made by members who were active on July 1, 1984 (or within 90 days of returning to service, for members who were inactive on July 1, 1984) enabling the member to receive either an unlimited COLA, a COLA limited to 5%, or a two-part combination COLA depending upon the COLA election made by the member.

For Correctional Officers' Retirement System retirees, prior to July 1, 2011, unlimited compounded COLAs are effective July 1 and are applied to all benefits which have been in payment for one year. With certain exceptions, effective July 1, 1998, for Teachers', Employees', and LEOPS retirees, the adjustment is capped at a maximum 3% compounded and is applied to all benefits which have been in payment for one year. The annual increases to pension allowances for Employees' Pension System retirees who were employed by a participating governmental unit that does not provide enhanced pension benefits are limited to 3% of the initial allowance.

However, beginning July 1, 2011, for benefits attributable to service earned on or after July 1, 2011, in all of the systems except the judges' and legislators' systems, the adjustment is capped at the lesser of 2.5% or the increase in CPI if the most recent calendar year fair value rate of return was greater than or equal to the assumed rate. The adjustment is capped at the lesser of 1% or the increase in CPI if the fair value return was less than the assumed rate of return. In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

Note 7. Pension Plans (continued)

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	In the 2020 actuarial valuation, 2.60% general, 3.10% wage. In the 2019 actuarial valuation, 2.65% general, 3.15% wage.
Salary Increases	In the 2020 actuarial valuation, 3.10% to 11.60%, including inflation. In the 2019 actuarial valuation, 3.10% to 11.60%, including inflation.
Investment Rate of Return	In the 2020 actuarial valuation, 7.40%. In the 2019 actuarial valuation, 7.40%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period July 1, 2014 to July 30, 2018.
Mortality	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board of Trustees after considering input from the System's investment consultant(s) and actuary(s). For each major asset class that is included in the System's target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	37%	5.2%
Private Equity	13%	6.5%
Rate Sensitive	19%	-0.3%
Credit Opportunity	9%	2.8%
Real Assets	14%	4.3%
Absolute Return	8%	1.8%
Total	100%	

The above was the Board of Trustees adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2020.

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 3.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 7. Pension Plans (continued)

Discount Rate

A single discount rate of 7.40% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.40%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

System	1% Decrease to 6.40%	Discount Rate 7.40%	1% Increase to 8.40%
County	$ 46,126,473	$ 32,399,879	$ 20,966,915
Board of Education	8,322,819	5,846,065	3,783,160

Teachers' and Employees' Retirement Systems and Teachers' and Employees' Pension Systems

Employer Contributions:

In accordance with Maryland Senate Bill 1301, *Budget Reconciliation and Financing Act of 2012*, the Board of Education (BOE) is required to pay the State a specified percentage of the normal cost portion of the total pension cost for teachers. The normal cost is the portion of the total retirement benefit cost that is allocated to the current year of the employee's service. The specified percentage increases each fiscal year, until fiscal year 2017, when the BOE paid 100% of the normal cost for each teacher. The related payment for the fiscal year ending June 30, 2021, was $2,675,456. In addition, the State of Maryland contributed $6,815,130 on behalf of the BOE. The BOE has recognized the State on-behalf payments as both a revenue and expense.

During fiscal year 2021, the BOE reported expense of $624,039 related to the Employees' Systems in the fund financial statements. This amount was paid directly by the County and the Board has recognized the County on-behalf payments as both a revenue and expense.

Note 7. Pension Plans (continued)

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

Because the State of Maryland pays the unfunded liability for the Teachers' Systems on behalf of the BOE and Library, and the BOE pays the normal cost for the Teachers' Systems, the BOE and Library are not required to record their respective shares of the unfunded pension liability for the Teachers' Systems – the State of Maryland is required to record that liability. The BOE is required to record a liability for the Employees' Systems.

At June 30, 2021, the BOE reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the BOE. The amount recognized by the BOE as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the BOE were as follows:

BOE's proportionate share of the net pension liability (Employees' Systems)	$	5,846,065
State's proportionate share of the net pension liability (Teachers' Systems)		73,218,401
Total	$	79,064,466

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The BOE's proportion of the net pension liability was calculated as follows by the System(s):

1) Calculate the net pension liability as of June 30, 2020, for the entire System in accordance with the provision of GASB No. 67.

2) Determine the total contributions to the System by the State and participating governmental units ("PGUs"), inclusive of any underfunding of contributions.

3) Based on the number of participants at each Board of Education, calculate the difference between what each BOE would have contributed if they funded at the rate of all other participating governments and what the BOE actually contributed. The difference between what the BOE contributed and what they would have contributed if they funded at the rate of the other participating governments is then added to the total contribution to the System, to calculate the System's adjusted contribution.

4) Calculate, for each participating government, their percentage of the adjusted System contribution by dividing the total adjusted System contribution into each PGU's contribution.

5) Provide each PGU its adjusted percentage of the contribution and the System's net pension liability and other related amounts as of June 30, 2020, under the GASB No. 67 requirements.

Note 7. Pension Plans (continued)

At June 30, 2021, the County and BOE reported the following related to pensions:

		BOE		County
Employer's proportion (percentage) of the collective net pension liability		0.02586601%		0.1433537%
Employer's proportionate share of the collective net pension liability	$	5,846,065	$	32,399,879
Pension expense recognized by the employer for the year ended June 30, 2021	$	661,380	$	1,004,749
Deferred inflows of resources:				
Difference between expected and actual experience	$	223,978	$	1,263,648
Net difference between projected and actual earnings on pension plan investments		-		-
Change in assumptions		114,118		615,498
Total deferred inflows of resources	$	338,096	$	1,879,146
Deferred outflows of resources:				
Changes in assumptions	$	26,408	$	150,914
Net difference between projected and actual earnings on pension plan investments		440,573		2,417,889
Year ended June 30, 2021 contributions		624,039		3,461,769
Total deferred outflows of resources	$	1,091,020	$	6,030,572
Net pension liability June 30, 2020	$	5,331,996	$	28,758,121
Change in net pension liability factored for contributions		514,069		3,641,758
Net pension liability June 30, 2021	$	5,846,065	$	32,399,879

The $624,039 and $3,461,769 of deferred outflows of resources resulting from the BOE's and the County's respective contributions to the System subsequent to the measurement date will be recognized as a reduction of net pension liability during the subsequent fiscal year rather than the current fiscal year. Other amounts reported as deferred outflows and inflows of resources will be amortized over approximately a five-year period.

The County's and BOE's respective deferred outflows of resources and deferred inflows of resources related to pensions will be amortized as follows:

County

Year Ended June 30,		Net Deferred (Inflows) Outflows
2022	$	(264,128)
2023		117,312
2024		413,505
2025		428,830
2026		(5,862)
Total	$	689,657

Note 7. Pension Plans (continued)

Board of Education

Year Ended June 30,	Net Deferred (Inflows) Outflows
2022	$ (44,456)
2023	22,539
2024	74,470
2025	76,332
Total	$ 128,885

Covered payroll refers to all compensation paid to active employees covered by the Systems.

	Total Payroll	Covered Payroll	On-Behalf by State
County - MD Retirement and Pension System	$ 33,073,310	$ 26,968,715	$ -
Board of Education	74,150,777	70,502,097	6,815,130
Library	1,842,954	1,643,463	256,545

Pension contributions made by the State of Maryland on behalf of the Board of Education and the Library are recognized as both revenue and expenditure. Pension obligations are primarily liquidated from the general fund.

Worcester County Supplemental Pension Plan

Certain eligible employees of the Department of Water and Wastewater Services (the “Department”) are covered by a cost-sharing multiple-employer defined benefit pension plan administered by Nationwide Life Insurance Company. Employees who participate in the plan are required to contribute 4% of their annual compensation. Certain employees of the Town of Ocean City are also eligible to participate in the plan. Participation in the plan is split approximately 50/50 between the Department and the Town of Ocean City. The pension plan provides pension, death, and disability benefits. The normal retirement age is 65, although reduced retirement benefits may be taken at age 55 with the completion of ten years of service. Participating employees are fully vested after five years of service. Separate audited financial statements are not issued by the plan. Disclosures and related amounts are immaterial to the County’s financial statements.

Note 8. Other Post-Employment Benefits

Worcester County

Plan Description

The Worcester County Post-Retirement Medical Benefits Plan (the "Plan") is a single employer defined benefit healthcare plan administered by the County. The Plan provides medical and prescription drug benefits to eligible retirees, their spouses, and eligible dependents. All classes of employees are eligible to participate in the Plan upon retirement. Participants must meet the following eligibility requirements of the Maryland State Retirement System to be eligible for benefits:

1) Age 55 and 15 years of service, or
2) Age 62 and 5 years of service (if hired prior to November 1, 2007), or
3) 30 years of service at any age

Eligible spouses and dependents desiring coverage through the eligible retiree's plan must be enrolled in the Plan immediately prior to the retiree's effective date of retirement. As of June 30, 2020, the date of the last actuarial valuation, the following numbers of employees were receiving or were potentially eligible to receive future benefits:

	County
Inactive employees or beneficiaries currently receiving benefit payments	396
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	477
	873

Separate financial statements are not issued for the Other Post-Employment Benefit ("OPEB") Trust.

Funding Policy

The County provides basic major medical insurance (Medicare supplemental program for those over 65) and a prescription drug plan for its retired employees. It is the County's policy to pay 90% of the cost of such benefits for eligible retirees, dependents, and spouses hired prior to July 1, 2015. For employees hired between June 30, 2015 and September 30, 2017, the County will pay 80% of the cost of benefits for retirees, their spouses, and their dependents. For employees hired subsequent to October 1, 2017, the County will pay 80% of the cost of the benefits for retirees only. The County's OPEB Trust currently pays for the cost of these benefits on a pay-as-you-go basis. For the year ended June 30, 2021, the OPEB Trust paid for coverage of 396 retirees at a total cost, net of retiree contributions, of approximately $3,178,216. Liabilities not paid out of the Trust are typically liquidated from the general fund.

The County created the Retiree Benefit Trust of Worcester County and the Retiree Benefit Trust of the Board of Education of Worcester County (collectively the "Trust") in order to arrange for the establishment of a reserve to pay promised future health and drug benefits for employee services that have already occurred. Employee and retiree contributions are not permitted and an actuarially determined contribution is not calculated for the plan. The trustees of each Trust consist of a five-member board that has final authority in all matters pertaining to the Trust.

The Trust prohibits any part of the Trust to be used for or diverted to purposes other than providing benefits to participants and beneficiaries under the Plan. The Trust provides that in no event will the assets of the Trust be transferred to an entity that is not a state, a political subdivision, or an entity the income of which is excluded from taxation under Internal Revenue Code Section 115.

Note 8. Other Post-Employment Benefits (continued)

Net OPEB Liability

The County's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	4.00%, average, including inflation
Discount rate	7.00%
Healthcare cost trend rates	5.50% for fiscal year 2020, decreasing .07% per year to an ultimate rate of 4.50% for fiscal year 2035 and later years
Mortality	PubG.H-2010 Mortality Table - General

Investments

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	5%	0.5%
Fixed income investments	30%	5.7%
Equities	65%	8.1%
Total	100%	

Discount rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the County's contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The periods of projected benefit payments were fiscal years 2020 through 2030.

Note 8. Other Post-Employment Benefits (continued)

The annual OPEB expense under GASB Statement No. 75 is equal to the change in the unfunded actuarial accrued liability from the prior year's measurement date to the current year measurement date, with some of the liability changes being deferred to future years. Changes in the actuarial accrued liability due to experience gains or losses or changes in assumptions are recognized over the expected future working lifetime of all plan participants, including retirees.

The County's net OPEB liability is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The following table shows the components of the County's total OPEB liability, fiduciary net position, and the resulting net OPEB liability as of June 30, 2021:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/2020	$ 83,136,964	$ 61,394,155	$ 21,742,809
Changes for the year:			
Service cost	1,310,245	-	1,310,245
Interest cost	5,672,207	-	5,672,207
Differences between expected and actual experience	-	9,128,879	(9,128,879)
Changes of assumptions and other inputs	-	-	-
Contributions - employer	-	3,968,744	(3,968,744)
Contributions - non-employer contributing entities	-	634,900	(634,900)
Net investment income	-	13,964,958	(13,964,958)
Benefit payments	(4,210,867)	(3,178,216)	(1,032,651)
Administrative expense	-	(5,000)	5,000
Other changes	-	(9,128,879)	9,128,879
Net changes	2,771,585	15,385,386	(12,613,801)
Balances at 6/30/2021	$ 85,908,549	$ 76,779,541	$ 9,129,008

Note 8. Other Post-Employment Benefits (continued)

Funding Status and Funding Progress

As of June 30, 2020, the most recent actuarial valuation date, the total OPEB liability for benefits was $85,908,549, with $76,779,541 in plan Fiduciary net position, resulting in an unfunded OPEB liability of $9,129,008. The ratio of plan Fiduciary net position to the total OPEB liability was 89.4%. The covered employee payroll in the most recent June 30, 2020 full OPEB valuation was $25,615,178, and the ratio of the revised June 30, 2021 net OPEB liability to the covered payroll was 35.64%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of net OPEB liability, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the net OPEB liability is increasing or decreasing over time relative to the total OPEB liability for benefits.

Additional information as of the latest actuarial valuation is as follows:

- *Measurement date* – The County selected a June 30, 2021 measurement date for fiscal year-end 2021. The measurement date can be any date between the last day of the prior fiscal year and the last day of the current fiscal year.

- *Cost method* – This valuation uses the Entry Age Normal Funding Method calculated on an individual basis with level percentage of payroll.

Sensitivity of the Total and Net OPEB Liability

The following table presents the County's total and net OPEB liability using the discount rate of 7.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate	Net OPEB Liability
1% decrease	6.00%	$ 19,603,281
Current discount Rate	7.00%	$ 9,129,008
1% increase	8.00%	$ 407,170

The following table presents the County's net OPEB liability using the health care trend rate of 5.5%, decreasing to 4.50%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% point lower or 1% point higher than the current rate:

	Health Care Cost Trend Rate	Net OPEB Liability
1% decrease	4.50% decreasing to 3.50%	$ (523,515)
Current discount Rate	5.50% decreasing to 4.50%	$ 9,129,008
1% increase	6.50% decreasing to 5.50%	$ 20,909,888

Note 8. Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Inflows/Outflows of Resources related to OPEB

For the fiscal year ended June 30, 2021, the County recognized an OPEB expense of $1,432,486 on the government-wide statements. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,297,511
Changes of assumptions	1,426,205	2,505,710
Net difference between projected and actual earnings	-	5,767,581
Total	$ 1,426,205	$ 10,570,802

Amounts reported as deferred outflows and inflows of resources related to the OPEB plan will be amortized and expensed over the expected average remaining service life of participants as follows:

Year Ended June 30,	Net Deferred (Inflows) Outflows
2022	$ (2,020,078)
2023	(2,011,871)
2024	(2,166,250)
2025	(2,725,419)
2026	(220,979)
Thereafter	-
Total	$ (9,144,597)

Changes in assumptions in the most recent actuarial valuation included actuarial cost method changes, the starting per capita costs were updated using most recent premiums, and the health care trend rates were reset based on recent experience.

Board of Education of Worcester County

Plan Description and benefits provided

The Worcester County Public Schools Post-Retirement Medical Benefits Plan (the “Plan”) is a single employer defined benefit healthcare plan administered by the Board. The Plan provides medical and prescription drug benefits to eligible retirees, their spouses and eligible dependents. All classes of employees are eligible to participate in the Plan upon retirement. Participants must meet the eligibility requirements of the Maryland State Teachers’ pension system described below:

For members hired before July 1, 2011, the earliest retirement eligibility is the earlier of:

- Age 55 with 15 years of service,
- Age 62 with 5 years of service,
- Age 63 with 4 years of service,
- Age 64 with 3 years of service,
- Age 65 with 2 years of service, or
- 30 years of service, regardless of age.

Note 8. Other Post-Employment Benefits (continued)

For members hired after July 1, 2011, the earliest retirement eligibility is the earlier of

- Rule of 90 (age plus service is at least 90),
- Age 65 with 10 years of service,
- Age 60 with 15 years of service

In addition, eligible spouses and dependents desiring coverage through the eligible retiree's plan must be enrolled in the Plan immediately prior to the retiree's effective date of retirement.

As of June 30, 2020, the date of the last actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	902
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	958
	1,860

Funding Policy

The Board provides basic major medical insurance (Medicare supplemental program for those over 65) and a prescription drug plan for its retired employees. It is the Board's policy to pay 90% of the cost of such benefits for eligible retirees, dependents and spouses hired prior to July 1, 2015, 80% for retirees, dependents, and spouses for July 1, 2015 to September 30, 2017 hires, and 80% for employees hired after October 1, 2017. The Board's OPEB Trust currently pays for the cost of these benefits on a pay as you go basis. For the year ended June 30, 2021, the OPEB Trust paid for coverage of approximately 902 retirees at a total cost of approximately $6,700,000. For the year ended June 30, 2021, Worcester County Commissioners funded the trust in the amount of $2,968,744 to fund future benefits and the Board funded the trust in the amount of $2,600,000 to fund future benefits.

On behalf of the Board, the Worcester County Commissioners created the Retiree Benefit Trust of the Board of Education of Worcester County (the "Trust") in order to arrange for the establishment of a reserve to pay promised future health and drug benefits for employee services that have already occurred. The Board intends the contributions to the Trust will qualify as "contributions in relation to the actuarially determined contribution" within the meaning of GASB Statement Number 75 and that the Trust will qualify as a "trust or equivalent arrangement" within the meaning of GASB Statement 75.

Contributions by the Board are solely dependent on the governmental entities that provide funding for the Board. Employee and retiree contributions are not permitted. The trustees of the Trust consist of a five member board who have final authority in all matters pertaining to the Trust.

The Trust prohibits any part of the Trust to be used for or diverted to purposes other than providing benefits to participants and beneficiaries under the Plan. The Trust provides that in no event will the assets of the Trust be transferred to an entity that is not a state, a political subdivision, or an entity the income of which is excluded from taxation under Section 115 of the IRS Code.

Net OPEB Liability

The Board's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Note 8. Other Post-Employment Benefits (continued)

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	4.00%, average, including inflation
Discount rate	2.235%
Healthcare cost trend rates	5.50% for fiscal year 2020, decreasing .0667% per year to an ultimate rate of 4.50% for fiscal year 2035 and later years
Mortality	PubT.H-2010 Mortality Table - Teachers
Retirement Age	Based on results of actuarial experience study with a Census date of June 2020

Investments

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	1%	0.2%
Fixed income investments	34%	5.3%
Equities	65%	8.0%
Total	100%	

Discount rate

The discount rate used to measure the total OPEB liability was 2.235% for Fiscal Year 2021. This rate was changed from 2.852% used in Fiscal Year 2020. This is the single equivalent discount rate which represents a blended interest rate based on a long-term rate of return for those payments prior to the Crossover date and a 20 year high grade municipal bond index for all remaining payments after such a crossover date. The rates used are a long-term rate of return of 7.00% and the S & P Municipal Bond 20 year High-Grade rate index as of June 30, 2021 of 2.18%. The projection of cash flows used to determine the discount rate assumed that the Board's contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The periods of projected benefit payments were fiscal years 2021 through 2030.

Note 8. Other Post-Employment Benefits (continued)

The annual OPEB expense under GASB Statement No. 75 is equal to the change in the unfunded actuarial accrued liability from the prior year's measurement date to the current year measurement date, with some of the liability changes being deferred to future years. Changes in the actuarial accrued liability due to experience gains or losses or changes in assumptions are recognized over the expected future working lifetime of all plan participants, including retirees.

The Board's net OPEB liability is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The following table shows the components of the Board's total OPEB liability, fiduciary net position, and the resulting net OPEB liability as of June 30, 2021:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 6/30/2020	$ 393,500,904	$ 21,944,226	$ 371,556,678
Changes for the year:			
Service cost	14,945,774	-	14,945,774
Interest cost	12,070,470	-	12,070,470
Differences between expected			-
and actual experience	-	(3,414,377)	3,414,377
Changes of assumptions and			-
other inputs	43,196,911	-	43,196,911
Contributions - County and oth	-	2,968,744	(2,968,744)
Contributions - Board	-	2,600,000	(2,600,000)
Net investment income	-	5,111,494	(5,111,494)
Implicit rate subsidy	(3,235,179)	-	(3,235,179)
Benefit payments	(6,074,638)	(6,074,638)	-
Administrative expense	-	(5,000)	5,000
Other changes	-	3,414,377	(3,414,377)
Net changes	60,903,338	4,600,600	56,302,738
Balances at 6/30/2021	$ 454,404,242	$ 26,544,826	$ 427,859,416

Funding Status and Funding Progress

As of June 30, 2020, the most recent actuarial valuation date, the total OPEB liability for benefits was $454,404,242, with $26,544,826 in plan Fiduciary net position, resulting in an unfunded OPEB liability of $427,859,416. The ratio of plan Fiduciary net position to the total OPEB liability was 89.4%. The covered employee payroll was $70,502,097, and the ratio of the net OPEB liability to the covered payroll was 608.87%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of net OPEB liability, presented as required supplementary information following the notes to the financial statements, presents multi-year trend

Note 8. Other Post-Employment Benefits (continued)

information about whether the net OPEB liability is increasing or decreasing over time relative to the total OPEB liability for benefits.

Additional information as of the latest actuarial valuation is as follows:

- *Measurement date* – The Board selected a June 30, 2021 measurement date for fiscal year-end 2021. The measurement date can be any date between the last day of the prior fiscal year and the last day of the current fiscal year.

- *Cost method* – This valuation uses the Entry Age Normal Funding Method calculated on an individual basis with level percentage of payroll.

Sensitivity of the Total and Net OPEB Liability

The following table presents the Board's total and net OPEB liability using the discount rate of 2.235%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate	Board's Net OPEB Liability
1% decrease	1.235%	$ 512,847,624
Current discount Rate	2.235%	$ 427,859,416
1% increase	3.235%	$ 360,736,241

The following table presents the Board's net OPEB liability using the health care trend rate of 5.5%, decreasing to 4.5%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% point lower or 1% point higher than the current rate:

	Health Care Cost Trend Rate	Board's Net OPEB Liability
1% decrease	4.5% decreasing to 3.5%	$ 351,315,017
Current discount Rate	5.5% decreasing to 4.5%	$ 427,859,416
1% increase	6.5% decreasing to 5.5%	$ 528,238,435

OPEB Expense and Deferred Inflows/Outflows of Resources related to OPEB

For the fiscal year ended June 30, 2021, the Board recognized an OPEB expense of $30,087,251 on the government-wide statements. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 13,869,495
Changes of assumptions	63,510,295	8,056,866
Net difference between projected and actual earnings on OPEB Plan Investments	-	2,091,653
Total	$ 63,510,295	$ 24,018,014

Note 8. Other Post-Employment Benefits (continued)

Amounts reported as deferred outflows and inflows of resources related to the OPEB plan will be amortized and expensed over the expected average remaining service life of participants as follows:

Year Ended June 30,		
2022	$	7,998,302
2023		8,004,031
2024		8,721,676
2025		9,169,086
2026		5,599,186
Thereafter		-
	$	39,492,281

Changes in assumptions in the most recent actuarial valuation included the discount rate (a decrease from 2.852% to 2.235%).

Note 9. Volunteer Firemen Pension Plan Length of Service Award Program (LOSAP)

The County contributes to the LOSAP for the chartered fire and ambulance company's personnel in Worcester County, a single-employer noncontributory trust fund. Any person who is certified as an active member with any Worcester County volunteer fire or approved ambulance company is eligible to participate. Active members who have completed 25 years of certified volunteer service or a life member of Gold Badge member status (inactive) who submits an award distribution application to the trustees for approval shall receive $50 per month, for a maximum benefit of 120 months for a total award of $10,000. A retention bonus of $2,500 will be paid to new members after completing five years of active volunteer service excluding transfers from another volunteer fire company. Volunteers qualified for participation may participate in either a monthly award plan or annual contribution award plan and award payments cease upon death. The LOSAP also provides for death and disability benefits to participating volunteers. Benefit provisions and all other requirements are established by the chartered fire and ambulance companies and approved by the Commissioners as authorized by the State's legislative assembly. Though not mandatory, the County currently contributes all the amounts necessary to fund the payments of benefits under the LOSAP. The plan liability is immaterial and therefore not included in the financial statements.

Note 10. Deferred Compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all eligible full-time County employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency; as approved by the County Commissioners.

The County funds all compensation deferred under the plan, at the direction of the covered employee, through investments underwritten by Security Benefits.

All amounts of compensation deferred under the plan; all property and rights purchased with those amounts; and all income attributable to those amounts, property, or rights are solely the property and rights of the plan participants and are not subject to the claims of the County's general creditors.

The County has no liability for losses under the plan but does have the duty of care that would be required of an ordinary prudent investor.

Note 11. Commitments and Contingencies

The County is a defendant in several lawsuits. After considering all relevant facts and the opinion of legal counsel, it is management's opinion that such litigation will not, in the aggregate, have a material adverse effect on the financial position of the County.

The County regularly enters into contracts for services during the normal course of operations. The contracts often extend over fiscal years.

Enterprise Funds

In July 2020, the County contracted with M2 Construction, LLC of Lancaster, PA for the rehabilitation of Treatment Unit 3 at the Ocean Pines Wastewater Treatement Plant. The total project cost of $469,476 will be covered by bond proceeds from the April 2019 bond funding and the bond will be repaid through quarterly debt service.

In February 2021, the County contracted with Harkins Contracting Inc. of Salisbury, MD to construct the new Operations Center at the Ocean Pines Wastewater Treatement Plant. The total project cost of $947,000 will be covered by bond proceeds from the April 2019 bond funding and the bond will be repaid through quarterly debt service.

General Fund

In July 2020, the County contracted with Gipe Associates, Inc. of Easton, MD for the engineering services for phase two on the County Jail improvements project. The total services will cost $582,000 plus expenses and testing/support services estimated at $25,000.

COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic and resulting global disruptions have had significant impacts on the County and Board of Education. In addition, there has been significant economic uncertainty and volatility in financial markets. The impact on future funding and on defined benefit plans (pension and other post-employment benefits) actuarial assumptions used to estimate the net pension and other-post employment liabilities are not reasonably estimated at this point.

Note 12. Assigned Fund Balance

Assignments of fund balance are intended to be used for specific purposes but are not legally restricted. The assignments for the year ended June 30, 2021 are summarized as follows:

Assigned for:		
Bank Street property waterline, restroom improvements (FY22)	$	50,000
Belt Street building improvement		58,168
Board of Education admin building (carpet/furniture FY21)		41,034
Board of Education admin building (paving)		50,000
Board of Education admin building (windows/renovations)		300,000
Board of Education bleachers (SDHS)		100,000
Board of Education bus contractor contract review		500,000
Board of Education carpet (SDHS, PES)		70,000
Board of Education energy recovery unit repairs (PHS)		175,000
Board of Education maintenance (boom lift, custodian equipment)		110,000
Board of Education maintenance vans		50,000
Board of Education playground upgrades		300,000
Board of Education PMS evening Program		50,000
Board of Education PMS roof design/replacement		1,449,829
Board of Education Pocomoke Middle fire alarm (FY22)		139,800
Board of Education roof repairs (BIS, SDHS, WT)		175,000
Board of Education SDMS design fees (FY21)		200,000
Board of Education SHHS windscreen		25,000
Board of Education Snow Hill Middle fire alarm (FY22)		156,000
Board of Education stadium fence (SDHS)		250,000
Board of Education underground storage unit (FY22)		84,000
Broadband Project (fiber, fiber cabinet)		1,000,000
Building HVAC automation system controls (various buildings)		350,000
County building repairs and improvements		425,000
Courthouse roof replacement		500,000
Courthouse (Carpet/Flooring)		99,943
Emergency services tower shelter a/c units + UPS Units (FY19)		120,000
Encumbrances (FY21 unspent funds to be spent FY22)		3,199,401
Financial Tax software/Docuware/Servers		66,089
Fire Alarm System upgrades		120,000
Fire Tower Building (FY20)		50,000
Fire Training Center upgrades/expansion		100,000
Government Center (ventilation & building repairs)		500,000
Government Center/911 Center (HVAC upgrade/backup system)		352,117
Harris Radio Project		366,940
Isle of Wight building (HVAC improvements)		200,000

Note 12. Assigned Fund Balance (continued)

Jail building improvements and repairs (cip)	542,822
Jail UPS and kitchen oven/cooktop (FY21)	44,000
Nextgen 911 (FY20)	200,000
North End Public Works building	450,000
Ocean city Inlet dredging project (FY19-FY20)	601,034
Ocean Pines Library (FY21 heating control upgrade)	80,000
Other Post Employment Benefit transfer (FY21 reconciliation)	2,500,000
Outdoor Sports Field Complex	400,000
Parking lot improvements	339,634
Parking lot upgrades/resurfacing (annually to complete)	200,000
Pocomoke Health Dept Building upgrades	500,000
Pocomoke Library building improvements	500,000
Prior year surplus (FY22 vehicles, EMS funding, operating exp)	4,325,935
Public Safety CAD system server (FY21)	43,857
Public Safety logistical storage engineering/design (FY22)	200,000
Public Works building expansion (FY22)	150,000
Public Works generator (FY22)	200,000
Recreation Center building (HVAC improvement)	300,000
Recycling and Home Owner Convenience Center repairs/upgrades	300,000
Reserve Fund transfer FY22 (July 2021 completed)	1,300,000
Reserve Fund increase	4,500,000
Roads Department paving projects (FY22 paving)	862,869
Siren Study (FY22)	50,000
Snow Hill Senior Center (HVAC + Roof)	150,000
Snow Hill transmitter building (replacement)	400,000
Snow Hill warehouse	250,000
Strategic Plan - Dude solutions building Mgmt. maintenance	100,000
States Attorney Building improvements	15,000
Tropospheric Ducting Engineering project	100,000
Maryland DHCD - Community Legacy Program grant match	10,000
West Ocean City commercial harbor bulkhead (FY22)	1,500,000
Wor-Wic Applied Technology Building (cip)	2,612,965
Total	$ 35,511,437

The nonmajor governmental fund have assigned fund balances as follows:

- The Department of Social Services and the Local Management Board assigned funds are being held by those entities to provide services as directed by the entities for the benefit of the citizens of the County.

- Casino assigned funds originate from local impact grants which shall be used for improvements primarily in the communities in immediate proximity to the video lottery facilities. Currently, Casino funds are being used for the debt service payment on the Worcester Technical High School bond.

- Energy Service assigned funds are being held for energy conservation related initiatives.

Note 13. Landfill Closure and Post-closure Care Costs

State and federal laws and regulations require the County to place a final cover on Worcester County landfills when closed and to perform certain maintenance and monitoring functions at the landfill sites for 30 years after closure.

The County has reported $17,860,451 in estimated landfill closure and post-closure care liabilities at June 30, 2021 in the enterprise fund related to the Central Landfill. Accrual of closure and post-closure care costs have been recognized based on estimated capacity used to date.

The Central Landfill facility in Newark is the only active landfill in the County. The state-of-the-art facility is situated on a 724.5 acre parcel located approximately 3.5 miles northeast of the Town of Snow Hill. The facility, which began operations in 1990, has a permitted life span of 40 years and includes eight landfill cells. As of June 30, 2021, cells #2 and #3 are full. The County received approval from the Maryland Department of the Environment to begin mining the existing cell #1 instead of closing or "capping" it in order to reclaim as much as 40% of the airspace for future use. If successful, the mining operation will likely continue to the other closed or "filled" cells in order to reclaim landfill capacity and extend the overall life of the facility. The County began mining of cell #1 during fiscal year 2010, but suspended the mining operation during fiscal years 2014 through 2020 to avoid filling up cell #4 before cell #5 was complete. The County has completed cell #5 and plans to resume mining operations in the coming years.

The County has satisfied its financial assurance requirements based upon the local government financial ratio tests as of June 30, 2020. The County expects to satisfy these requirements as of June 30, 2021 using the same criteria.

Estimated closure and post-closure care costs may change in the future due to inflation and changes in technology, laws, and/or regulations.

Note 14. Risk Management

The County's risk financing techniques include participation in a public entity pool and the purchase of commercial insurance.

For general, property, excess, and environmental liability coverage, the County is a member of the Maryland Local Government Insurance Trust ("LGIT"). This is a public entity risk pool, which is owned and directed by the local governments that subscribe to its coverages and operates under the terms of a Trust Agreement.

LGIT subscribers share the risk among participants of the pools. As a result, the County's annual premium requirements are affected by the loss experience of the various insurance pools in which it participates. Conversely, favorable performance of certain insurance pools may result in reduced premiums.

The primary government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County carries commercial insurance for these and other risks of loss, including workers' compensation, employee health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage limits for the three most recent fiscal years.

Note 15. On-Behalf Payments

On-behalf payments for fringe benefits represent the pension contribution by the State of Maryland to the State Retirement System for applicable employees of the Library. The amount recognized as revenue and expenditures for the year ended June 30, 2021 was $256,545 for the Library, which is included in miscellaneous revenues and libraries, recreation, parks and culture expenditures, respectively.

Note 16. Component Units

The Board of Education of Worcester County

Cash and Short-Term Investments

At June 30, 2021, the Board of Education (BOE) had deposits of $9,715,565 (carrying value $10,736,315), which were either fully insured or collateralized by securities held in the name of the BOE.

Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Transfers and Reductions	Balance June 30, 2021
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	$ 1,886,779	$ -	$ -	$ 1,886,779
Construction-in-progress	43,563,918	559,317	(43,390,024)	733,211
Total nondepreciable capital assets	45,450,697	559,317	(43,390,024)	2,619,990
Depreciable capital assets:				
Building and building improvements	227,199,721	6,439,565	41,412,946	275,052,232
Machinery and equipment	7,734,928	61,418	(120,678)	7,675,668
Total depreciable assets	234,934,649	6,500,983	41,292,268	282,727,900
Less accumulated depreciation for:				
Buildings and building improvements	(75,214,931)	(4,808,333)	1,705,117	(78,318,147)
Machinery and equipment	(3,545,818)	(854,354)	120,678	(4,279,494)
Total accumulated depreciation	(78,760,749)	(5,662,687)	1,825,795	(82,597,641)
Total depreciable capital assets, net	156,173,900	838,296	43,118,063	200,130,259
Governmental activities capital assets, net	$ 201,624,597	$ 1,397,613	$ (271,961)	$ 202,750,249
Business-type activities:				
Depreciable capital assets:				
Machinery, equipment and vehicles	$ 255,496	$ 7,645	$ -	$ 263,141
Less accumulated depreciation for:				
Machinery, equipment and vehicles	(239,979)	(5,268)	-	(245,247)
Total depreciable capital assets, net	15,517	2,377	-	17,894
Business-type activities capital assets, net	$ 15,517	$ 2,377	$ -	$ 17,894

Note 16. Component Units (continued)

Long-Term Debt

The following is a summary of long-term debt transactions of the BOE for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
Net OPEB liablity	$ 371,556,678	$ 56,302,738	$ -	$ 427,859,416
Net pension liability	5,331,996	514,069	-	5,846,065
Capital leases	3,198,112	-	(630,778)	2,567,334
Retirement incentive and severance	557,974	395,876	(953,850)	-
Long-term portion of accrued compensated absences	373,441	584,061	(43,983)	913,519
	$ 381,018,201	$ 57,796,744	$ (1,628,611)	$ 437,186,334

Post-Retirement Benefits

The BOE currently funds 90% of the healthcare insurance premiums for retirees hired prior to July 1, 2015 (and 80% of the premiums for retirees hired subsequent to June 30, 2015) who have accumulated the required number of years of service with the BOE prior to their retirement. The BOE's OPEB Trust currently pays for the cost of these benefits on a pay-as-you-go basis. For the year ended June 30, 2021, the BOE's OPEB Trust paid for coverage of approximately 902 retirees at a total cost of approximately $6,700,000. For the year ended June 30, 2021, the County contributed $2,968,744 to the BOE's OPEB Trust to fund the ARC and the pay-as-you-go post-retirement healthcare benefits.

Commitments and Contingencies

The BOE regularly enters into contracts for goods and services during the normal course of operations. The contracts often extend over fiscal years. The BOE is in the process of approving bids for the SDMS addition project, scheduled to break ground in November of 2021. The construction bids for this project are scheduled to be approved by the BOE at the September 2021 meeting and by the County Commissioners in October 2021. The BOE awarded the steel bid early at a special BOE meeting to Crystal Steel Fabricators, Inc. in the amount of $718,642. All construction contracts for the SDMS addition, including the steel, will be signed in October 2021.

The BOE receives a substantial amount of its support from Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the BOE.

On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic and resulting global disruptions have had significant impacts on the traditional education model of Boards of Education across the County. In addition, there has been significant economic uncertainty and volatility in financial markets. The impact on future funding and on defined benefit plan (pensions and other post-employment benefit) actuarial assumptions used estimate the net pension and other post-employment liabilities of the BOE are not reasonably estimated at this time.

The IRS is conducting a Federal Employment Tax Audit of the BOE for the tax year 2019 with respect to its treatment of its bus contractors as independent contractors. The BOE disputes the basis of the Audit of this

Note 16. Component Units (continued)

claim and intends to vigorously defend. The IRS has not made any tax assessments at this point. The BOE has also submitted a memo that describes why the Audit should result in no tax liability.

Risk Management

The BOE 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. In July 1995, the BOE joined the Maryland Association of Boards of Education Workers' Compensation Group Insurance Fund (the "Fund"), a public entity risk pool currently providing workers' compensation coverage for participating boards of education in the State of Maryland. The BOE pays an annual premium to the Fund calculated based on projected payroll. The agreement with the Fund provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims which exceed coverage limits as specified in the agreement. Should the Fund encounter deficits in its casualty and/or property funds, this deficit may be made up from additional assessments of boards participating in the deficit Fund. The BOE continues to carry commercial insurance for all other risks of loss, including general liability, employee health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage limits for the three most recent fiscal years.

On-Behalf Payments

On-behalf payments for fringe benefits represent the pension contribution by the State of Maryland to the State Retirement System for applicable employees of the BOE. The amount recognized as revenue and expenditures for the year ended June 30, 2021 was $6,815,130 for the BOE, which is included in intergovernmental revenues and education expenditures, respectively, in the BOE's separately issued financial statements.

GASB Statement No. 84 Fiduciary Activities Implementation

During the year ended June 30, 2021, the BOE adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities. The implementation of the statement has resulted in changing the presentation of the financial statements by removing the School Activity Funds from being reported as an Agency fund to now being reported as a major governmental fund. Beginning net position and fund balance have been restated to reflect this change.

	Statement of Activities
Net position, as previously reported at July 1, 2020	$ (169,649,725)
Restatement	1,146,836
Net position, as restated, at July 1, 2020	$ (168,502,889)

	Governmental Funds
Net position, as previously reported at July 1, 2020	$ 1,688,534
Restatement	1,146,836
Net position, as restated, at July 1, 2020	$ 2,835,370

Note 17. Required Fund Disclosures

The General Fund had an excess of actual expenditures over budgeted expenditures of $15,095,295 for the year ended June 30, 2021.

Note 18. GASB Statement No. 84 Fiduciary Activities Implementation

The County implemented Government Accounting Standards Board's Statement No. 84, *Fiduciary Activities*, on July 1, 2020. This statement's objective is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities are reported.

Due to the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting beginning net position of $366,989. Also, related to the implementation of GASB Statement No. 84, the County will no longer be reporting on Agency funds. At June 30, 2020, agency funds reported assets and liabilities of $3,659,847. Also see Note 16.

REQUIRED SUPPLEMENTARY INFORMATION

WORCESTER COUNTY, MARYLAND

MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(as of measurement date)

Measurement Date	Employer's Proportion (Percentage) of the Collective NPL A	Employer's Proportionate Share of the Collective NPL B	Employer's Covered Payroll C	Proportionate Share as a Percentage of Covered Payroll (B / C)	Plan's Total Fiduciary Net Position *(in $000's)* D	Plan's Total Pension Liability *(in $000's)* E	Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (D / E)
June 30, 2014	0.1160133%	$20,588,571	$27,965,651	73.62%	$45,339,988	$63,086,719	71.87%
June 30, 2015	0.1316800%	27,365,360	23,419,512	116.85%	45,789,840	66,571,552	68.78%
June 30, 2016	0.1366138%	32,232,695	23,922,358	134.74%	45,365,927	68,959,954	65.79%
June 30, 2017	0.1228108%	26,556,233	23,537,007	112.83%	48,987,184	70,610,885	69.38%
June 30, 2018	0.1385248%	29,064,712	24,859,390	116.92%	51,827,233	72,808,833	71.18%
June 30, 2019	0.1394292%	28,758,121	25,130,065	114.44%	53,943,420	74,569,030	72.34%
June 30, 2020	0.1433537%	32,399,879	25,729,161	125.93%	54,586,037	77,187,397	70.72%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which the information is available.

WORCESTER COUNTY, MARYLAND

MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

SCHEDULE OF CONTRIBUTIONS
(as of fiscal year)

Fiscal Year	Contractually Required Contribution A	Actual Contribution B	Contribution Deficiency (Excess) (A - B)	Employer's Covered Payroll C	Actual Contribution as a Percentage of Covered Payroll (B / C)
2015	$ 2,703,529	$ 2,703,529	$ -	$ 23,419,512	11.54%
2016	2,775,459	2,775,459	-	23,922,358	11.60%
2017	2,661,350	2,661,350	-	23,537,007	11.31%
2018	2,499,618	2,499,618	-	24,859,390	10.06%
2019	2,762,289	2,762,289	-	25,130,065	10.99%
2020	2,863,177	2,863,177	-	25,729,161	11.13%
2021	3,073,593	3,073,593	-	26,968,715	11.40%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which the information is available.

MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

ACTUARIAL ASSUMPTIONS - PENSION PLAN

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25-year closed amortization period ending June 30, 2039; 18 years
Asset Valuation Method	Five-year smoothed market (max. 120% and min 80% of the market
Inflation	In the 2020 actuarial valuation, 2.60% general, 3.10% wage. In the 2019 actuarial valuation, 2.65% general, 3.15% wage.
Salary Increases	In the 2020 actuarial valuation, 3.10% to 11.60%, including inflation. In the 2019 actuarial valuation, 3.10% to 11.60%, including inflation.
Investment Rate of Return	In the 2020 actuarial valuation, 7.40%. In the 2019 actuarial valuation, 7.40%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period July 1, 2014 to July 30, 2018.
Mortality	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

WORCESTER COUNTY, MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

	Fiscal Year									
As of June 30,	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Total OPEB liability										
Service cost							$ 1,608,612	$ 1,636,060	$ 1,253,739	$ 1,310,245
Interest							5,528,825	5,523,505	5,824,086	5,672,207
Differences between expected and actual experience							(930,789)	-	(2,782,115)	-
Changes of assumptions							(972,422)	-	(2,884,137)	-
Benefit payments							(2,753,006)	(3,005,953)	(3,365,480)	(4,210,867)
Other charges							3,031,292	142,763	(177,634)	-
Net change in OPEB liability							5,512,512	4,296,375	(2,131,541)	2,771,585
Total OPEB liability - beginning							75,459,618	80,972,130	85,268,505	83,136,964
Total OPEB liability - ending (a)							$80,972,130	$ 85,268,505	$ 83,136,964	$ 85,908,549
Plan fiduciary net position										
Differences between expected and actual experience							41,035	(771,893)	(2,058,287)	9,128,879
Contributions - employer							2,500,000	5,285,500	7,124,143	3,968,744
Contributions - non-employer contributing entities							487,541	322,821	672,167	634,900
Net investment income							3,330,424	2,955,419	2,104,856	13,964,958
Benefit payments							(2,753,006)	(3,005,953)	(3,365,480)	(3,178,216)
Administrative expenses							(1,150)	(3,400)	(1,000)	(5,000)
Other charges							(41,035)	771,893	2,058,286	(9,128,879)
Net change in plan fiduciary net position							3,563,809	5,554,387	6,534,685	15,385,386
Plan fiduciary net position - beginning							45,741,273	49,305,082	54,859,470	61,394,155
Plan fiduciary net position - ending (b)							$49,305,082	$ 54,859,469	$ 61,394,155	$ 76,779,541
County's net OPEB liability - ending (a) - (b)							$31,667,048	$ 30,409,036	$ 21,742,809	$ 9,129,008
Plan fiduciary net position as a percentage of the total OPEB liability							60.89%	64.34%	73.85%	89.37%
Covered employee payroll							$25,501,214	$ 27,050,408	$ 25,615,178	$ 25,615,178
County's net OPEB liability as a percentage of covered employee payroll							124%	112%	85%	36%
Expected Average Remaining Service Years of All Participants							7.12	6.38	6.24	6.24

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

WORCESTER COUNTY, MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

SCHEDULE OF INVESTMENT RETURNS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment							7.01%	5.67%	3.62%	20.21%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

ACTUARIAL ASSUMPTIONS - PENSION PLAN

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25-year closed amortization period ending June 30, 2039; 18 years
Asset Valuation Method	Five-year smoothed market (max. 120% and min 80% of the market
Inflation	In the 2020 actuarial valuation, 2.60% general, 3.10% wage. In the 2019 actuarial valuation, 2.65% general, 3.15% wage.
Salary Increases	In the 2020 actuarial valuation, 3.10% to 11.60%, including inflation. In the 2019 actuarial valuation, 3.10% to 11.60%, including inflation.
Investment Rate of Return	In the 2020 actuarial valuation, 7.40%. In the 2019 actuarial valuation, 7.40%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period July 1, 2014 to July 30, 2018.
Mortality	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

Note 2. Other Post Employment Benefits

Methods and assumptions used to determine contribution rates:

Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed period
Amortization period	5 years
Inflation	3.00%
Healthcare cost trend rates	5.50% for fiscal year 2020, decreasing .07% per year to an ultimate rate of 4.50% for fiscal year 2035 and later years
Salary increases	4.00%, average, including inflation
Investment rate of return	7.00%
Mortality	PubG.H-2010 Mortality Table - General

Retirement rates

Age	County
55 - 59	0%
60 - 61	5%
62 -64	30%
65	15%
66 - 69	35%
70+	100%

Withdrawl rates

Table T-4 from the Pension Acutary's Handbook

Age	County
20	5.48%
25	5.34%
30	5.11%
35	4.75%
40	4.29%
45	3.78%
50	2.90%
55	1.82%
60	1.72%

Retiree contributions

	Pre-Medicare		Medicare Eligible	
	Retiree	Spouse	Retiree	Spouse
Pre 7/1/15 hires	$ 841	$ 1,463	$ 749	$ 749
7/1/15 & subsequent hires	1,682	2,926	1,498	1,498
Spouse pay-all		14,629		7,489

OTHER SUPPLEMENTARY INFORMATION

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

Year Ended June 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes:				
Real property:				
Full-year levy	$138,167,141	$138,167,141	$ 137,988,228	$ (178,913)
Semi-year levy	211,250	211,250	116,980	(94,270)
Personal property	332,719	332,719	286,849	(45,870)
Corporations and utilities	7,727,576	7,727,576	9,289,474	1,561,898
Net additions and abatements	(358,200)	(358,200)	(54,240)	303,960
	146,080,486	146,080,486	147,627,291	1,546,805
Interest on delinquent taxes	700,000	700,000	856,072	156,072
Discounts allowed on taxes	(475,000)	(475,000)	(486,651)	(11,651)
Tax credits for assessment increase	(1,246,265)	(1,246,265)	(1,240,029)	6,236
Total real and personal property	145,059,221	145,059,221	146,756,683	1,697,462
Local income tax	26,500,000	26,500,000	35,824,894	9,324,894
Other local taxes:				
Room tax admin	180,000	180,000	222,203	42,203
Room tax	1,050,000	1,050,000	863,004	(186,996)
Admission and amusement	620,000	620,000	611,223	(8,777)
Recordation	7,000,000	7,000,000	12,222,034	5,222,034
Trailer park excise tax	-	-	(159,303)	(159,303)
Transfer tax	4,500,000	4,500,000	8,176,629	3,676,629
Food tax admin	81,000	81,000	75,158	(5,842)
Total taxes	184,990,221	184,990,221	204,592,525	19,602,304
Licenses and permits:				
Business:				
Liquor licenses	825,000	825,000	1,126,744	301,744
Vending machine licenses	70,000	70,000	77,920	7,920
Traders' licenses	103,000	103,000	103,980	980
Occupational licenses	6,000	6,000	4,210	(1,790)
Bingo permits	18,500	18,500	3,053	(15,447)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Licenses and permits, continued:				
Other:				
Building permits	$ 300,000	$ 300,000	$ 309,972	$ 9,972
Electrical permits	15,000	15,000	17,475	2,475
Marriage licenses	24,000	24,000	25,950	1,950
Commercial plumbing plan review	2,500	2,500	2,075	(425)
Civil ceremony licenses	1,200	1,200	1,020	(180)
Shoreline construction permits	19,000	19,000	23,400	4,400
Timber harvest permits	3,000	3,000	2,400	(600)
Sediment erosion control/SWM/permits	22,000	22,000	46,584	24,584
Environmental permits	56,625	56,625	82,905	26,280
Forestry conservation review fees	6,000	6,000	5,745	(255)
Health permits	396,707	396,707	432,556	35,849
Raffle permits	1,800	1,800	1,392	(408)
Rental permits	175,000	175,000	132,170	(42,830)
Plumbing permits	52,000	52,000	103,815	51,815
Landfill permits	320,000	320,000	319,400	(600)
Gas permits	20,000	20,000	18,410	(1,590)
PAYT tags - household	9,000	9,000	7,525	(1,475)
Planning and zoning permits	47,350	47,350	52,793	5,443
Total licenses and permits	2,493,682	2,493,682	2,901,494	407,812
Intergovernmental:				
Federal grants:				
Payments in lieu of taxes	20,305	20,305	21,037	732
CARES Act	-	-	5,254,036	5,254,036
American rescue plan act	-	-	172,937	172,937
CDBG housing rehab grant	150,000	150,000	22,965	(127,035)
CDBG federal grant	-	-	382,721	382,721
Homeland security grant	171,716	171,716	239,110	67,394
Bulletproof vest program	1,000	1,000	-	(1,000)
MDE beach monitoring grant	3,261	3,261	3,261	-
Traffic safety - State Highway Administration	720	720	2,119	1,399
Library federal grant	-	-	63,504	63,504
Child support enforcement	9,800	9,800	5,252	(4,548)
GOCCP sheriff grant	-	-	4,000	4,000
US Fish and Wildlife Service	7,000	7,000	6,111	(889)
State grants:				
Highway user revenue	1,166,491	1,166,491	1,087,504	(78,987)
911 State fees	645,332	645,332	673,758	28,426
Maryland State Police grants	-	-	1,144	1,144
Police protection	162,006	162,006	176,303	14,297
State park revenues	425,000	425,000	682,160	257,160
Open space program - parks	1,277,500	1,277,500	1,069,869	(207,631)
Library aid	170,290	170,290	170,290	-
Other housing rehab income	4,000	4,000	-	(4,000)
Share of State forest land	70,000	70,000	61,349	(8,651)
Eastern Shore library grant	75,000	75,000	86,638	11,638
Other grants	-	-	9,693,706	9,693,706

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Intergovernmental, continued:				
State grants, continued:				
Coastal zone grant	$ -	$ -	$ 19,351	$ 19,351
Sheriff - sex offender grant	22,000	22,000	27,421	5,421
Sheriff - health tobacco enforcement	-	-	2,168	2,168
Sheriff - health underage drinking	2,000	2,000	4,149	2,149
Heroin coordinator	50,615	50,615	50,615	-
Senator Amoss grant	372,927	372,927	379,692	6,765
Tourism	207,154	207,154	86,709	(120,445)
State aid for bridges	980,733	980,733	967,455	(13,278)
Critical area grant	10,000	10,000	9,000	(1,000)
MALPF administrative fees	-	-	12,674	12,674
DHCD housing administration fees	7,000	7,000	1,500	(5,500)
Conservation easement admin fee	20,000	20,000	63,387	43,387
Conservation easement reimbursements	60,000	60,000	105,416	45,416
Water system monitoring	17,560	17,560	23,694	6,134
Trial jury reimbursement	54,000	54,000	15,790	(38,210)
Family support grant	251,095	251,095	246,441	(4,654)
Drug court coordinator	237,352	237,352	194,666	(42,686)
Waterway improvement grants	254,300	254,300	296,470	42,170
Statewide specialized transportation assistance	126,620	126,620	126,975	355
Septic system BRF grants	240,000	240,000	426,243	186,243
Overtime grant projects	-	-	13,251	13,251
Intern Program grant	10,000	10,000	10,000	-
Dental program reimbursement	22,220	22,220	16,721	(5,499)
Bay Restoration operations and maintenance	10,000	10,000	34,855	24,855
Maryland coastal bays	-	-	320,530	320,530
MIEMSS emergency grant	-	-	804	804
MD Department of Aging grant	54,608	54,608	54,712	104
911 ENSB grant	67,892	67,892	1,597,514	1,529,622
Total intergovernmental	7,437,497	7,437,497	24,987,977	17,550,480
Service charges and fees:				
Liquor advertising fees	1,200	1,200	2,700	1,500
Donation sponsorship program	2,600	2,600	3,365	765
Sheriff fees	56,000	56,000	126,519	70,519
Sales of publications and copies	2,055	2,055	2,430	375
Library use charges	18,000	18,000	6,364	(11,636)
Library Erate reimbursements	2,000	2,000	971	(1,029)
Mosquito control charges	50,000	50,000	44,819	(5,181)
EDU transfer fee	-	-	800	800
Seacrets security	97,000	97,000	73,125	(23,875)
Purnell Properties security	-	-	13,200	13,200

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Service charges and fees, continued:				
Vehicle tag fees	$ 3,500	$ 3,500	$ 14	$ (3,486)
Salary reimbursement	500	500	-	(500)
Housing program fees	-	-	19,540	19,540
Critical area review fees	28,000	28,000	45,111	17,111
Tourism programs and events	10,500	10,500	350	(10,150)
Shared facility fees	500	500	100	(400)
Stormwater management review fees	78,000	78,000	87,474	9,474
Roads department fees	5,000	5,000	3,000	(2,000)
Bay restoration administration fees	22,500	22,500	23,815	1,315
Shoreline Commission application fees	20,000	20,000	40,800	20,800
Park fees	29,540	29,540	31,692	2,152
Concession stand fees	65,000	65,000	14,104	(50,896)
Environmental fees	15,400	15,400	34,465	19,065
Economic development programs and events	-	-	1,000	1,000
Recreation fees	244,000	244,000	120,183	(123,817)
Solar renewable energy credits	1,000	1,000	5,799	4,799
Water and sewer plan amendment fees	2,000	2,000	1,000	(1,000)
Circuit Court bar library	5,000	5,000	1,505	(3,495)
Firearms training center fees	3,000	3,000	21,450	18,450
Payments for jail use	4,112,000	4,112,000	749,241	(3,362,759)
First offender program fees	10,000	10,000	4,250	(5,750)
Fire inspection fees	145,000	145,000	165,199	20,199
Family services legal fees	2,500	2,500	300	(2,200)
Community service fees	70,000	70,000	39,910	(30,090)
Public Works	30,000	30,000	32,747	2,747
Franchise fees	22,500	22,500	22,216	(284)
Special Events fees	203,075	203,075	50,308	(152,767)
Tournament fees	15,000	15,000	3,120	(11,880)
Motor coach fees	30,000	30,000	(150)	(30,150)
Recycling	81,200	81,200	83,114	1,914
Metal recycling	45,000	45,000	54,418	9,418
Tire revenue	30,000	30,000	31,755	1,755
Total service charges and fees	5,558,570	5,558,570	1,962,123	(3,596,447)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Miscellaneous:				
Court fines	$ 50,000	$ 50,000	$ 35,003	$ (14,997)
Civil infraction fines	2,700	2,700	9,448	6,748
Retiree drug subsidy	170,000	170,000	152,794	(17,206)
Interest on investments	850,000	850,000	103,318	(746,682)
Rent revenue	150,561	150,561	193,971	43,410
Sale of capital assets	40,000	40,000	-	(40,000)
Miscellaneous	80,000	80,000	122,635	42,635
Health insurance reinvestment	-	-	1,437,487	1,437,487
Transfer from Development Tax Fund	-	-	13,108	13,108
MSRS library on-behalf payments	-	-	256,545	256,545
Total miscellaneous	1,343,261	1,343,261	2,324,309	981,048
Total revenues	201,823,231	201,823,231	236,768,428	34,945,197

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

Year Ended June 30, 2021

(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
EXPENDITURES:				
General government:				
County Commissioners' office:				
Salaries	$ 988,074	$ 988,074	$ 1,018,899	$ (30,825)
Benefits	484,825	484,825	513,728	(28,903)
Administrative	14,902	14,783	12,785	1,998
Other supplies and equipment	7,100	11,629	11,128	501
Equipment maintenance	11,700	11,782	11,782	-
Legal	16,350	11,821	10,696	1,125
Vehicle operating expense	4,000	4,000	1,839	2,161
Building site	1,344	1,381	1,381	-
Advertising	11,000	11,000	9,132	1,868
Training and travel	43,914	43,914	25,207	18,707
Enterprise fund credits	(83,592)	(83,592)	(76,315)	(7,277)
	1,499,617	1,499,617	1,540,262	(40,645)
Circuit Court:				
Salaries	994,175	994,175	986,923	7,252
Benefits	487,819	487,819	497,606	(9,787)
Administrative	21,249	21,249	19,535	1,714
Other supplies and equipment	9,900	9,900	5,806	4,094
Equipment maintenance	19,486	19,486	15,020	4,466
Grant services	161,096	161,096	108,969	52,127
Legal	105,000	105,000	35,059	69,941
Consulting services	-	5,190	5,190	-
Building site	5,765	5,765	2,076	3,689
Training and travel	8,932	3,742	2,507	1,235
Uniforms and personal equipment	500	500	-	500
	1,813,922	1,813,922	1,678,691	135,231
Orphans' Court:				
Salaries	21,000	21,000	21,000	-
Benefits	10,304	10,304	10,588	(284)
Training and travel	6,800	6,800	4,800	2,000
	38,104	38,104	36,388	1,716

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
General government, continued:				
State's Attorney's office:				
Salaries	$ 1,436,515	$ 1,436,515	$ 1,406,675	$ 29,840
Benefits	705,356	705,356	709,761	(4,405)
Overtime pay	1,000	1,000	1,026	(26)
Administrative	24,338	21,998	20,238	1,760
Other supplies and equipment	16,175	24,100	24,090	10
Equipment maintenance	10,229	10,729	10,696	33
Uniforms and personal equipment	500	500	413	87
Legal	7,800	12,151	12,151	-
Vehicle operating expense	6,500	2,628	2,581	47
Building site	3,050	3,577	3,488	89
Training and travel	25,750	18,659	15,809	2,850
	2,237,213	2,237,213	2,206,928	30,285
Treasurer's office:				
Salaries	1,274,990	1,274,990	1,236,849	38,141
Overtime pay	2,000	2,000	384	1,616
Benefits	626,589	626,589	623,812	2,777
Administrative	43,100	43,100	38,826	4,274
Other supplies and equipment	10,075	10,053	5,964	4,089
Equipment maintenance	83,680	83,680	83,392	288
Consulting services	1,200	1,200	-	1,200
Building site	1,200	1,222	1,222	-
Training and travel	4,900	4,900	2,155	2,745
Enterprise fund credits	(231,396)	(231,396)	(236,771)	5,375
	1,816,338	1,816,338	1,755,833	60,505
Elections office:				
State employees' salaries and benefits	522,228	522,228	500,249	21,979
Benefits	7,360	7,360	7,563	(203)
Administrative	12,476	42,596	42,596	-
Other supplies and equipment	171,938	127,367	267,493	(140,126)
Voting machines and poll expenses	173,023	186,044	241,549	(55,505)
Equipment maintenance	10,156	10,156	4,562	5,594
Consulting services	53,352	54,782	54,782	-
Building site	95,974	95,974	91,826	4,148
Training and travel	15,386	15,386	6,212	9,174
	1,061,893	1,061,893	1,216,832	(154,939)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
General government, continued:				
Human resources:				
Salaries	$ 472,097	$ 472,097	$ 457,972	$ 14,125
Benefits	232,138	232,138	231,390	748
Overtime pay	1,000	1,000	954	46
Administrative	10,120	10,120	9,468	652
Other supplies and equipment	5,890	5,890	5,213	677
Equipment maintenance	2,400	2,400	2,033	367
Program expense	3,500	3,500	3,500	-
Consulting services	15,100	15,542	15,542	-
Vehicle operating expense	5,000	5,000	4,351	649
Uniforms and personal equipment	850	850	834	16
Building site	400	400	343	57
Advertising	5,000	5,000	4,821	179
Training and travel	4,500	4,058	3,485	573
Capital equipment	-	31,000	31,000	-
Enterprise fund credits	(67,138)	(67,138)	(67,138)	-
	690,857	721,857	703,768	18,089
Development review and permitting:				
Salaries	1,537,866	1,537,866	1,515,005	22,861
Benefits	754,596	754,596	763,864	(9,268)
Administrative	10,589	10,589	8,896	1,693
Other supplies and equipment	15,835	15,761	10,079	5,682
Equipment maintenance	11,978	11,978	4,477	7,501
Grant programs	-	-	1,939	(1,939)
Program expense	22,000	22,000	19,860	2,140
Housing rehabilitation program	221,100	221,100	75,803	145,297
Legal	28,500	24,055	23,925	130
Vehicle operating expense	14,000	14,000	10,918	3,082
Building site	1,200	1,274	1,274	-
Advertising	12,000	19,246	19,246	-
Training and travel	23,331	20,530	9,596	10,934
Enterprise fund credits	(84,430)	(84,430)	(84,430)	-
Capital equipment	-	27,358	27,358	-
	2,568,565	2,595,923	2,407,810	188,113

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
General government, continued:				
Environmental programs:				
Salaries	$ 1,087,247	$ 1,087,247	$ 1,094,178	$ (6,931)
Overtime pay	1,500	1,500	-	1,500
Benefits	534,223	534,223	551,684	(17,461)
Administrative	6,745	6,745	6,004	741
Other supplies and equipment	19,107	19,107	15,133	3,974
Equipment maintenance	2,400	2,400	2,353	47
Grant programs	240,000	240,000	463,806	(223,806)
Consulting services	74,100	74,100	102,400	(28,300)
Vehicle operating expense	19,400	19,400	17,800	1,600
Building site	1,045	1,045	504	541
Advertising	3,200	3,200	2,009	1,191
Training and travel	5,656	5,656	3,314	2,342
Capital equipment	-	27,000	27,000	-
Interfund	(27,777)	(27,777)	(27,777)	-
	1,966,846	1,993,846	2,258,408	(264,562)
Information Technology:				
Salaries	556,945	556,945	549,367	7,578
Benefits	273,280	273,280	276,990	(3,710)
Administrative	1,000	1,000	882	118
Other supplies and equipment	8,000	7,195	5,668	1,527
Vehicle operating expense	1,900	2,390	2,390	-
Building site	380	380	-	380
Advertising	-	395	395	-
Training and travel	6,452	6,372	2,180	4,192
Uniforms and personal equipment	450	450	414	36
Interfund	(29,366)	(29,366)	(29,366)	-
	819,041	819,041	808,920	10,121

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
General government, continued:				
Other general government:				
Administrative	$ 162,730	$ 162,730	$ 162,730	$ -
Other supplies and equipment	54,500	43,166	33,759	9,407
Equipment maintenance	740,757	740,757	498,302	242,455
Systems maintenance	500	500	-	500
Consulting services	128,600	128,600	118,527	10,073
Energy	15,000	15,000	-	15,000
Building site	760,838	760,838	696,615	64,223
Other maintenance and services	4,800	4,800	3,775	1,025
Grant programs	-	-	2,613,427	(2,613,427)
Advertising	-	11,334	11,334	-
Training and travel	32,735	32,735	26,630	6,105
Tri-County Council	400,338	400,338	400,338	-
Other non-matching expenses - Briddletown	30,000	30,000	30,000	-
Other non-matching expenses - SDAT	589,787	589,787	505,914	83,873
Property-liability insurance	491,151	491,151	467,098	24,053
Other expenses	63,797	63,797	57,132	6,665
Capital equipment	330,398	15,972	20,820	(4,848)
Interest expense	32,838	32,838	32,838	-
	3,838,769	3,524,343	5,679,239	(2,154,896)
Total general government	18,351,165	18,122,097	20,293,079	(2,170,982)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Public safety:				
Sheriff's office:				
Salaries	$ 5,715,612	$ 5,715,612	$ 5,247,839	$ 467,773
Overtime pay	553,003	553,003	577,496	(24,493)
Benefits	3,075,866	3,075,866	2,937,130	138,736
Administrative	53,486	53,486	50,969	2,517
Other supplies and equipment	285,966	266,195	258,943	7,252
Equipment maintenance	151,147	141,386	136,417	4,969
Uniforms and personal equipment	234,180	200,512	179,634	20,878
Advertising	3,000	3,000	1,400	1,600
Legal	6,500	6,500	5,000	1,500
Consulting services	31,200	20,365	10,160	10,205
Vehicle operating expense	357,220	420,420	420,396	24
Building site	53,434	53,434	41,272	12,162
Training and travel	53,109	63,944	63,944	-
Capital equipment	-	100,771	-	100,771
	10,573,723	10,674,494	9,930,600	743,894
Emergency services:				
Salaries	1,426,030	1,426,030	1,302,290	123,740
Overtime pay	121,973	121,973	120,909	1,064
Benefits	759,569	759,569	717,576	41,993
Administrative	8,990	8,990	7,467	1,523
Other supplies and equipment	272,024	272,024	213,207	58,817
Equipment maintenance	492,325	492,325	427,870	64,455
Uniforms and personal equipment	7,950	6,750	5,639	1,111
Grant programs	165,201	165,201	1,786,360	(1,621,159)
Consulting services	-	5,835	6,130	(295)
Vehicle operating expense	12,000	17,300	17,250	50
Advertising	-	108	108	-
Building site	200,100	93,057	87,761	5,296
Training and travel	40,143	26,768	12,111	14,657
Capital equipment	-	110,375	-	110,375
	3,506,305	3,506,305	4,704,678	(1,198,373)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Public safety, continued:				
Jail:				
Salaries	$ 6,310,943	$ 6,310,943	$ 6,116,449	$ 194,494
Overtime pay	30,000	30,000	181,343	(151,343)
Benefits	3,111,355	3,111,355	3,175,342	(63,987)
Administrative	6,875	7,641	6,981	660
Other supplies and equipment	12,775	15,661	15,661	-
Equipment maintenance	29,435	29,435	28,463	972
Uniforms and personal equipment	54,550	54,550	53,569	981
Inmate supplies and services	2,251,037	2,244,988	2,111,924	133,064
Consulting services	4,000	6,397	4,897	1,500
Vehicle operating expense	12,800	12,800	4,551	8,249
Building site	788,675	763,725	654,769	108,956
Other maintenance and services	12,650	12,650	8,123	4,527
Training and travel	16,056	16,056	7,757	8,299
Capital equipment	18,302	43,252	73,182	(29,930)
	12,659,453	12,659,453	12,443,011	216,442
Fire Marshal:				
Salaries	424,648	424,648	421,385	3,263
Overtime pay	20,000	20,000	19,644	356
Benefits	218,179	218,179	222,366	(4,187)
Administrative	5,775	4,151	3,892	259
Supplies and equipment	32,100	32,100	34,920	(2,820)
Equipment maintenance	6,120	5,030	5,030	-
Uniforms and personal equipment	5,725	4,096	4,096	-
Vehicle operating expense	17,000	44,020	46,001	(1,981)
Building site	360	360	326	34
Training and travel	24,685	2,008	2,008	-
	754,592	754,592	759,668	(5,076)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Public safety, continued:				
Volunteer fire departments:				
County grant to fire companies	$ 2,520,000	$ 2,520,000	$ 2,520,000	$ -
Fireman's Training Center	47,204	47,204	36,240	10,964
State grant for fire companies	372,927	372,927	379,692	(6,765)
County grant to ambulance companies	5,011,973	5,011,973	5,011,973	-
Training and travel - transportation expense	3,000	3,000	-	3,000
Volunteer fireman worker's compensation	192,819	192,819	130,144	62,675
LOSAP appropriation	186,200	186,200	136,600	49,600
EMT Paramedic	8,000	8,000	-	8,000
	8,342,123	8,342,123	8,214,649	127,474
Total public safety	35,836,196	35,936,967	36,052,606	(115,639)
Public works:				
Maintenance:				
Salaries	963,974	963,974	810,906	153,068
Overtime pay	6,500	6,500	5,197	1,303
Benefits	476,189	476,189	411,478	64,711
Administrative	1,500	1,500	1,115	385
Other supplies and equipment	39,530	39,530	35,233	4,297
Equipment maintenance	8,131	8,131	8,131	-
Uniforms and personal equipment	7,000	7,000	5,509	1,491
Consulting services	100	100	-	100
Custodial services	5,000	5,000	2,148	2,852
Vehicle operating expense	45,000	35,696	34,868	828
Building site	26,088	35,392	16,781	18,611
Advertising	500	500	132	368
Training and travel	1,550	1,550	1,395	155
Capital equipment	-	41,000	41,000	-
	1,581,062	1,622,062	1,373,893	248,169
Roads department:				
Salaries	1,615,625	1,615,625	1,414,687	200,938
Overtime pay	20,000	20,000	2,655	17,345
Benefits	802,564	802,564	714,623	87,941
Administrative	2,300	2,300	1,784	516
Other supplies and equipment	126,820	126,820	120,064	6,756
Equipment maintenance	4,705	4,705	4,526	179
Road maintenance materials	1,105,500	1,105,500	1,093,415	12,085
Uniforms and personal equipment	12,600	12,485	9,415	3,070
Grant services	-	-	558,597	(558,597)
Consulting services	150	265	265	-
Vehicle operating expense	324,000	324,000	315,324	8,676

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Public works, continued:				
Roads department, continued:				
Building site	$ 34,700	$ 34,700	$ 26,950	$ 7,750
Road maintenance	316,162	316,162	283,568	32,594
Advertising	1,300	1,300	387	913
Training and travel	1,990	1,990	1,255	735
	4,368,416	4,368,416	4,547,515	(179,099)
Homeowner Convenience Centers:				
Salaries	217,139	217,139	179,762	37,377
Benefits	108,998	108,998	91,283	17,715
Overtime pay	5,000	5,000	1,284	3,716
Building site	255,750	257,776	258,968	(1,192)
Administrative expense	6,000	5,080	5,080	-
Consulting services	2,300	2,200	2,200	-
Uniforms and personal equipment	3,150	2,144	2,144	-
Interfund	197,660	197,660	197,660	-
	795,997	795,997	738,381	57,616
Recycling:				
Salaries	410,555	410,555	417,758	(7,203)
Overtime pay	5,000	5,000	(179)	5,179
Benefits	203,903	203,903	210,544	(6,641)
Building site	68,500	68,500	53,067	15,433
Other maintenance and services	41,000	41,000	24,335	16,665
Supplies and equipment	14,000	14,000	12,445	1,555
Vehicle operating expenses	85,500	83,414	55,766	27,648
Advertising	500	500	-	500
Training and travel	1,314	1,314	-	1,314
Administrative expense	-	2,086	2,086	-
Consulting services	2,825	2,825	2,750	75
Uniforms and personal equipment	3,150	3,150	2,747	403
Interfund	213,832	213,832	213,832	-
	1,050,079	1,050,079	995,151	54,928

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Public works, continued:				
Other public works:				
Salaries	$ 609,009	$ 609,009	$ 616,605	$ (7,596)
Benefits	298,827	298,827	310,892	(12,065)
Administrative	3,145	3,145	2,200	945
Other supplies and equipment	13,515	17,045	14,340	2,705
Equipment maintenance	11,275	11,275	7,972	3,303
Uniforms and personal equipment	1,050	1,129	1,129	-
Program expense	225	225	-	225
Consulting services	80,150	80,150	67,167	12,983
Vehicle operating expense	11,500	9,500	6,337	3,163
Building site	29,020	29,020	20,242	8,778
Other maintenance and services	1,700	1,700	1,234	466
Fleet services	(82,124)	(82,124)	(39,965)	(42,159)
Central fuel facility	-	-	(44,099)	44,099
Advertising	300	300	159	141
Training and travel	2,865	1,256	150	1,106
Enterprise fund credits	(146,324)	(146,324)	(146,324)	-
Capital equipment	-	34,897	34,897	-
	834,133	869,030	852,936	16,094
Total public works	8,629,687	8,705,584	8,507,876	197,708

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Health and hospitals:				
Health department:				
Administrative	$ 3,000	$ 3,000	$ 21	$ 2,979
Health clinic's building expenses	416,002	416,002	368,932	47,070
Other non-matching expenses	242,063	242,063	237,076	4,987
Matching appropriation	5,022,732	5,022,732	5,022,732	-
	5,683,797	5,683,797	5,628,761	55,036
Mosquito control:				
Salaries	96,387	96,387	98,767	(2,380)
Overtime pay	1,000	1,000	-	1,000
Benefits	47,786	47,786	49,798	(2,012)
Administrative	400	647	546	101
Other supplies and equipment	4,045	4,045	2,245	1,800
Equipment maintenance	550	568	568	-
Uniforms and personal equipment	700	700	700	-
Vehicle operating expense	15,000	14,735	14,005	730
Travel, training, and expense	175	175	-	175
Building site	5,350	5,350	2,202	3,148
Appropriation for spraying	70,000	70,000	37,618	32,382
	241,393	241,393	206,449	34,944
Other health and hospitals:				
Worcester County Developmental Center	219,497	219,497	219,497	-
Atlantic General Hospital	100,000	100,000	100,000	-
	319,497	319,497	319,497	-
Total health and hospitals	6,244,687	6,244,687	6,154,707	89,980
Social services:				
Commission on Aging:				
Administrative	500	500	500	-
Other supplies and equipment	1,000	1,000	1,000	-
Grant services	181,228	181,228	181,687	(459)
Consulting services	300	300	300	-
Senior transportation	3,500	3,500	3,500	-
Senior center building expenses	202,450	202,450	326,115	(123,665)
Training and travel	7,000	7,000	7,000	-
Appropriation for Commission on Aging	1,104,900	1,104,900	1,104,900	-
	1,500,878	1,500,878	1,625,002	(124,124)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

Year Ended June 30, 2021

(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Social services, continued:				
Other social services:				
State pass-through grant Diakonia	$ -	$ -	$ 131,354	$ (131,354)
CDBG Covid grant	-	-	246,367	(246,367)
Big Brothers / Big Sisters	1,000	1,000	1,000	-
BRAVE program	3,500	3,500	3,500	-
Coastal Hospice at the Ocean	10,000	10,000	10,000	-
The Cricket Center	10,000	10,000	10,000	-
Diakonia	45,000	45,000	45,000	-
Drug and alcohol council	9,000	9,000	-	9,000
Jesse Klump Memorial Fund, Inc.	1,000	1,000	1,000	-
Life Crisis Center	8,500	8,500	8,500	-
Maryland Food Bank	8,000	8,000	8,000	-
Oasis Ministries	9,000	9,000	9,000	-
Samaritan Shelter	20,000	20,000	20,000	-
Social Services Pharmacy grant	15,000	15,000	15,000	-
Worcester County GOLD	15,000	15,000	15,000	-
Youth & Family Counseling	91,710	91,710	91,710	-
Worcester County 4H & FFA Fair	10,000	10,000	10,000	-
Matching appropriation - DHMH - WCDC	28,871	28,871	28,871	-
	285,581	285,581	654,302	(368,721)
Total social services	1,786,459	1,786,459	2,279,304	(492,845)
Education:				
Board of Education:				
Retirement	619,100	619,100	624,039	(4,939)
Post-retirement benefits	3,250,000	3,250,000	3,968,744	(718,744)
School building improvements	100,000	100,000	100,000	-
Operating appropriations	93,692,139	93,692,139	93,692,139	-
Technology program	200,000	200,000	200,000	-
Restricted programs	-	-	27,759	(27,759)
	97,861,239	97,861,239	98,612,681	(751,442)
Wor-Wic Community College:				
Operating appropriation	2,418,122	2,418,122	2,530,242	(112,120)
	2,418,122	2,418,122	2,530,242	(112,120)
Total education	100,279,361	100,279,361	101,142,923	(863,562)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Libraries, recreation, parks and culture:				
Recreation department:				
Salaries	$ 926,821	$ 926,821	$ 798,546	$ 128,275
Overtime pay	10,000	10,000	1,517	8,483
Benefits	459,677	459,677	403,391	56,286
Administrative	72,583	68,124	29,216	38,908
Other supplies and equipment	52,262	52,262	27,233	25,029
Equipment maintenance	16,395	16,395	14,135	2,260
Other maintenance and services	100	100	-	100
Uniforms and personal equipment	2,000	3,342	3,341	1
Recreation programs	379,500	379,500	258,948	120,552
Consulting services	5,750	5,750	3,696	2,054
Vehicle and equipment operating expense	5,300	5,300	3,690	1,610
Building site	172,778	175,895	175,895	-
Advertising	-	-	550	(550)
Training and travel	37,750	37,750	5,622	32,128
Capital equipment	-	24,400	24,400	-
	2,140,916	2,165,316	1,750,180	415,136
Parks department:				
Salaries	426,615	426,615	428,747	(2,132)
Overtime pay	10,000	10,000	1,435	8,565
Benefits	214,237	214,237	216,897	(2,660)
Administrative	951	757	757	-
Supplies and equipment	15,426	20,587	20,587	-
Uniforms and personal equipment	2,600	2,502	2,502	-
Grant programs	1,270,985	1,270,985	1,219,843	51,142
Other supplies and materials	29,646	25,514	25,514	-
Vehicle and equipment operating expense	27,000	30,272	30,272	-
Park expenses	58,531	54,319	136,359	(82,040)
Equipment maintenance	-	628	1,348	(720)
Other maintenance and services	2,200	1,696	1,379	317
Advertising	200	354	354	-
Training and travel	750	675	675	-
Capital equipment	-	28,000	28,000	-
	2,059,141	2,087,141	2,114,669	(27,528)
Boat landings:				
Grant programs	265,000	265,000	322,338	(57,338)
Landing expenses	36,515	36,515	28,743	7,772
Advertising	800	800	-	800
	302,315	302,315	351,081	(48,766)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Libraries, recreation, parks and culture, continued:				
Library:				
Salaries	$ 1,930,885	$ 1,930,885	$ 1,842,954	$ 87,931
Overtime pay	2,000	2,000	-	2,000
Benefits	948,422	948,422	929,216	19,206
Administrative	31,100	30,768	12,117	18,651
Other supplies and equipment	294,800	294,800	246,665	48,135
Equipment maintenance	55,008	55,008	36,747	18,261
Grant services	75,000	75,000	153,365	(78,365)
Legal	500	500	65	435
Vehicle operating expenses	750	899	899	-
Building site	361,922	361,922	296,376	65,546
Training and travel	8,500	8,500	841	7,659
Benefits and insurance	300	483	483	-
MSRS library on-behalf payments	-	-	256,545	(256,545)
	3,709,187	3,709,187	3,776,273	(67,086)
Other recreation and culture:				
Furnace Town	40,000	40,000	40,000	-
Marva Theatre	15,000	15,000	15,000	-
Discovery Center	30,000	30,000	30,000	-
	85,000	85,000	85,000	-
Total libraries, recreation, parks and culture	8,296,559	8,348,959	8,077,203	271,756
Conservation of natural resources:				
Extension service:				
Administrative	10,135	10,135	9,946	189
Other supplies and equipment	480	480	-	480
Equipment maintenance	6,000	6,000	4,432	1,568
Building site	2,500	2,500	1,646	854
Operating appropriation	187,582	187,582	187,582	-
	206,697	206,697	203,606	3,091
Other natural resources:				
Gypsy moth control	1,700	1,700	4,291	(2,591)
Soil Conservation District	48,554	48,554	48,554	-
Maryland agricultural land preservation fund	1,000	1,000	2,541	(1,541)
Matching appropriation beach maintenance	470,000	470,000	441,858	28,142
Conservation easements	-	-	6,550	(6,550)
	521,254	521,254	503,794	17,460
Total conservation of natural resources	727,951	727,951	707,400	20,551

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Economic development:				
Economic development department:				
Salaries	$ 149,939	$ 149,939	$ 87,431	$ 62,508
Benefits	73,572	73,572	44,082	29,490
Administrative	25,150	12,110	7,387	4,723
Other supplies and equipment	3,100	10,436	10,017	419
Equipment maintenance	1,200	1,200	1,075	125
Program expense	150,000	150,000	142,543	7,457
Grant programs	-	-	11,284,762	(11,284,762)
Consulting services	25,000	29,895	29,894	1
Uniforms & personal equipment	-	481	481	-
Vehicle operating expense	3,500	3,500	1,048	2,452
Building site	700	1,028	1,028	-
Other maintenance and services	25,000	25,000	25,000	-
Training and travel	18,675	18,675	5,637	13,038
	475,836	475,836	11,640,385	(11,164,549)
Tourism:				
Salaries	209,033	209,033	250,120	(41,087)
Benefits	102,568	102,568	126,110	(23,542)
Administrative	3,624	4,020	4,020	-
Other supplies and equipment	37,258	36,862	36,787	75
Equipment maintenance	1,575	975	779	196
Uniforms and personal equipment	250	250	-	250
Grant programs	207,154	207,154	169,133	38,021
Consulting services	54,100	49,098	49,066	32
Vehicle operating expense	2,350	1,865	1,865	-
Building site	17,534	14,972	14,972	-
Advertising	709,500	719,374	719,374	-
Training and travel	4,900	3,675	3,675	-
	1,349,846	1,349,846	1,375,901	(26,055)
Total economic development	1,825,682	1,825,682	13,016,286	(11,190,604)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021
(CONTINUED)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
Intergovernmental:				
Towns' share county bingo fees	$ 3,100	$ 3,100	$ 591	$ 2,509
Towns' share county income tax	2,000,000	2,000,000	2,523,699	(523,699)
Towns' share liquor license fees	342,157	342,157	662,625	(320,468)
Grants to towns - conditional grants	10,000	10,000	10,000	-
Grants to towns for police	475,000	475,000	475,000	-
Grants to towns for fire	614,000	614,000	614,000	-
Grants to towns for tourism	50,000	50,000	50,000	-
Other grants to towns	4,912,958	4,912,958	4,912,958	-
Total intergovernmental	8,407,215	8,407,215	9,248,873	(841,658)
Total expenditures	190,384,962	190,384,962	205,480,257	(15,095,295)
Excess of revenues over expenditures	11,438,269	11,438,269	31,288,171	19,849,902
OTHER FINANCING SOURCES (USES):				
Transfer to Debt Service Fund	(13,935,669)	(13,935,669)	(13,938,909)	3,240
Transfer to Capital Projects Fund	-	-	(3,163,365)	3,163,365
Transfer to Department of Liquor Control	-	-	(449,411)	449,411
Transfer from Casino Fund	2,497,400	2,497,400	2,497,400	-
Total other financing uses	(11,438,269)	(11,438,269)	(15,054,285)	3,616,016
Net change in fund balance	$ -	$ -	16,233,886	$ 16,233,886
Fund balance, beginning			55,096,817	
Fund balance, ending			$ 71,330,703	

WORCESTER COUNTY, MARYLAND

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Department of Social Services Fund	Local Management Board	Casino Fund	Energy Service Fund	Total
ASSETS					
Cash and short-term investments	$ 82,225	$ 592,665	$ 1,777,380	$ -	$ 2,452,270
Due from other funds	-	-	-	269,335	269,335
Total assets	$ 82,225	$ 592,665	$ 1,777,380	$ 269,335	$ 2,721,605
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ 152,819	$ -	$ -	$ 152,819
Due to other funds	-	-	158,327	-	158,327
Total liabilities	-	152,819	158,327	-	311,146
Fund balances:					
Assigned	82,225	439,846	1,619,053	269,335	2,410,459
Total fund balances	82,225	439,846	1,619,053	269,335	2,410,459
Total liabilities and fund balances	$ 82,225	$ 592,665	$ 1,777,380	$ 269,335	$ 2,721,605

WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2021

	Department of Social Services Fund	Local Management Board	Casino Fund	Energy Service Fund	Total
REVENUES:					
Intergovernmental	$ 20,235	$ 755,043	$ 3,141,956	$ -	$ 3,917,234
Interest income	-	4	1,969	-	1,973
Total revenues	20,235	755,047	3,143,925	-	3,919,207
EXPENDITURES:					
Social services	17,278	451,011	-	-	468,289
Administrative expenses	-	156,357	-	41,100	197,457
Total expenditures	17,278	607,368	-	41,100	665,746
Excess (deficiency) of revenues over expenditures	2,957	147,679	3,143,925	(41,100)	3,253,461
OTHER FINANCING USES:					
Transfers out	-	-	(2,497,400)	-	(2,497,400)
Excess (deficiency) of revenues and other financing uses over expenditures	2,957	147,679	646,525	(41,100)	756,061
Fund balances, beginning	79,268	292,167	972,528	310,435	1,654,398
Fund balances, ending	$ 82,225	$ 439,846	$ 1,619,053	$ 269,335	$ 2,410,459

WORCESTER COUNTY, MARYLAND

BALANCE SHEET

LOCAL MANAGEMENT BOARD - NONMAJOR GOVERNMENTAL FUND

June 30, 2021

ASSETS		
Cash	$	580,425
Cash - earned reinvestment		12,240
Total assets		592,665
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable		152,819
Total liabilities		152,819
Fund balance		439,846
Total liabilities and fund balance	$	592,665

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
LOCAL MANAGEMENT BOARD - NONMAJOR GOVERNMENTAL FUND
Year Ended June 30, 2021

REVENUES:		
Community partnership grant	$	579,532
Administrative receipts		175,511
Total revenues		755,043
EXPENDITURES:		
Administrative:		
Salaries		82,028
Benefits		40,886
Advertising		1,498
Communications		1,588
Consultants		6,480
Indirect administrative expenses		15,191
Postage		300
Printing		1,200
Professional dues/publications		179
Supplies		440
Conferences/conventions		6,567
Community partnership grant:		
Building Bridges		145,294
Local Care Team Coordinator		53,000
Planning Strategy		2,340
WE3		100,377
Worcester Connects Program		150,000
Total expenditures		607,368
Change in fund balance before other financing sources		147,675
OTHER FINANCING SOURCES:		
Interest income		4
Change in fund balance		147,679
Fund balance, beginning		292,167
Fund balance, ending	$	439,846

WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF FUND NET POSITION - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
June 30, 2021

	West Ocean City S.A.	Ocean Pines S.A.	Newark Service Area	Briddletown Service Area	Shared Facilities	Edgewater Acres S.A.
ASSETS						
Current assets:						
Cash and short-term investments	$2,146,732	$ 2,410,728	$(483,226)	$ 23,887	$61,970	$ (5,558)
Accounts receivable - usage billings	407,001	1,905,849	48,346	7,302	122	61,426
Total current assets	2,553,733	4,316,577	(434,880)	31,189	62,092	55,868
Capital assets:						
Land and land rights	47,037	63,319	4,527	-	-	-
Water and sewer systems	11,076,985	48,915,748	3,577,979	341,349	-	94,806
Machinery and equipment	56,000	4,047,401	-	-	-	92,701
Construction-in-progress	223,250	1,124,911	-	-	-	-
	11,403,272	54,151,379	3,582,506	341,349	-	187,507
Less: accumulated depreciation	(9,409,925)	(27,541,123)	(822,554)	(283,379)	-	(146,700)
	1,993,347	26,610,256	2,759,952	57,970	-	40,807
Total assets	4,547,080	30,926,833	2,325,072	89,159	62,092	96,675
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	121,817	484,967	215,943	3,369	244	14,912
Interfund payable	-	679,031	1,372,056	-	-	-
Total current liabilities	121,817	1,163,998	1,587,999	3,369	244	14,912
Other liabilities:						
Compensated absences	7,341	137,076	2,818	714	-	1,727
Due to other funds	115,093	2,137,597	50,286	3,398	1,004	31,924
Total other liabilities	122,434	2,274,673	53,104	4,112	1,004	33,651
Total liabilities	244,251	3,438,671	1,641,103	7,481	1,248	48,563
NET POSITION						
Unrestricted net position	$4,302,829	$27,488,162	$ 683,969	$ 81,678	$60,844	$ 48,112

Assateague Pointe S.A.	River Run S.A.	Mystic Harbour S.A.	Lighthouse Sound S.A.	Riddle Farm S.A.	The Landings S.A.	Support Groups	Total
$ 433,841	$ 394,843	$ 263,836	$ 135,339	$ (928,408)	$ (211,453)	$ 440,842	$ 4,683,373
67,213	31,791	359,454	25,602	837,837	83,810	-	3,835,753
501,054	426,634	623,290	160,941	(90,571)	(127,643)	440,842	8,519,126
-	-	-	-	-	-	-	114,883
1,180,231	-	20,678,398	-	21,179,847	9,140,609	-	116,185,952
-	128,233	550,317	26,381	-	-	1,440,072	6,341,105
-	-	-	-	-	-	-	1,348,161
1,180,231	128,233	21,228,715	26,381	21,179,847	9,140,609	1,440,072	123,990,101
(1,087,249)	(128,233)	(4,178,276)	(1,319)	(7,385,432)	(3,275,894)	(1,172,761)	(55,432,845)
92,982	-	17,050,439	25,062	13,794,415	5,864,715	267,311	68,557,256
594,036	426,634	17,673,729	186,003	13,703,844	5,737,072	708,153	77,076,382
14,915	3,675	52,167	2,410	34,966	17,120	23,688	990,191
46,770	-	(1,031,886)	-	30,614	-	-	1,096,585
61,685	3,675	(979,719)	2,410	65,580	17,120	23,688	2,086,776
2,714	1,078	11,406	1,231	4,114	2,235	-	172,456
43,511	20,888	244,894	26,005	733,247	243,163	417,465	4,068,475
46,225	21,966	256,300	27,236	737,361	245,398	417,465	4,240,931
107,910	25,641	(723,419)	29,646	802,941	262,518	441,153	6,327,707
$ 486,126	$ 400,993	$18,397,148	$ 156,357	$12,900,903	$ 5,474,554	$ 267,000	$70,748,675

WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF FUND NET POSITION - CAPITAL PROJECTS FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
June 30, 2021

	West Ocean City S.A.	Ocean Pines S.A.	Oyster Harbor S.A.	Newark Service Area
ASSETS				
Current assets:				
Cash and short-term investments	$ 44,998	$ 4,973,675	$ 34,035	$ 15,118
Accounts receivable - EDU	-	1,232,043	4,581	435,860
Interfund receivable	-	679,031	-	1,372,056
Total current assets	44,998	6,884,749	38,616	1,823,034
Other assets:				
Long-term EDU receivable	-	6,065,000	-	1,157,652
Total other assets	-	6,065,000	-	1,157,652
Total assets	44,998	12,949,749	38,616	2,980,686
LIABILITIES				
Current liabilities:				
Interfund payable	-	-	26,229	-
Bonds payable - current portion	-	944,065	-	51,354
Accrued bond interest payable	-	122,060	-	2,449
Total current liabilities	-	1,066,125	26,229	53,803
Other liabilities:				
Unearned revenue	-	6,935,578	-	847,566
Bonds payable	-	6,722,781	-	1,157,866
Total other liabilities	-	13,658,359	-	2,005,432
Total liabilities	-	14,724,484	26,229	2,059,235
NET POSITION				
Unrestricted net position (deficit)	$ 44,998	$ (1,774,735)	$ 12,387	$ 921,451

Mystic Harbour S.A.	Snug Harbor S.A.	Riddle Farm S.A.	Total
$ 2,655,107	$ -	$ -	$ 7,722,933
294,470	41,800	16,692	2,025,446
-	46,770	30,614	2,128,471
2,949,577	88,570	47,306	11,876,850
9,268,003	120,892	195,000	16,806,547
9,268,003	120,892	195,000	16,806,547
12,217,580	209,462	242,306	28,683,397
1,005,657	-	-	1,031,886
277,040	31,757	12,421	1,316,637
15,822	2,097	3,896	146,324
1,298,519	33,854	16,317	2,494,847
9,462,895	152,649	205,000	17,603,688
10,195,192	120,892	223,451	18,420,182
19,658,087	273,541	428,451	36,023,870
20,956,606	307,395	444,768	38,518,717
$ (8,739,026)	$ (97,933)	$ (202,462)	$ (9,835,320)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
Year Ended June 30, 2021

	West Ocean City Service Area			Ocean Pines Service Area		
	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES:						
Charges for service	$1,450,000	$1,496,938	$ 46,938	$7,410,441	$ 7,516,579	$ 106,138
Interest and penalties	19,000	-	(19,000)	83,000	4,850	(78,150)
Other revenue	-	3,612	3,612	145,000	1,116,255	971,255
Total operating revenues	1,469,000	1,500,550	31,550	7,638,441	8,637,684	999,243
OPERATING EXPENSES:						
Personnel services	233,241	160,197	73,044	3,833,215	3,397,160	436,055
Supplies and materials	31,968	23,449	8,519	473,256	489,443	(16,187)
Maintenance and services	974,104	910,508	63,596	2,111,729	2,445,914	(334,185)
Other charges	19,902	20,760	(858)	102,570	98,881	3,689
Interfund charges	113,794	113,792	2	475,461	475,461	-
Total operating expenses	1,373,009	1,228,706	144,303	6,996,231	6,906,859	89,372
Operating income (loss) before depreciation	95,991	271,844	175,853	642,210	1,730,825	1,088,615
Depreciation	-	298,628	(298,628)	-	1,563,010	(1,563,010)
Net operating income (loss)	95,991	(26,784)	(122,775)	642,210	167,815	(474,395)
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	94,009	-	(94,009)	(101,210)	-	101,210
Transfer from (to) other funds	-	-	-	-	1,889,213	1,889,213
Sale of capital assets	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest income	20,000	1,647	(18,353)	-	-	-
Net nonoperating revenues (expenses)	114,009	1,647	(112,362)	(101,210)	1,889,213	1,990,423
Net income (loss)	$ 210,000	$ (25,137)	$(235,137)	$ 541,000	$ 2,057,028	$ 1,516,028
OTHER BUDGETED EXPENDITURES:						
Capital outlay	$ (210,000)			$ (541,000)		
Total other budgeted expenditures	(210,000)			(541,000)		
Budgeted net income (loss)	$ -			$ -		

Newark Service Area			Briddletown Service Area			Edgewater Acres Service Area		
Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
$ 148,588	$ 177,752	$ 29,164	$ 13,330	$ 14,782	$ 1,452	$240,692	$ 253,558	$ 12,866
2,000	125	(1,875)	550	-	(550)	2,000	75	(1,925)
24,640	25,039	399	-	125	125	875	864	(11)
175,228	202,916	27,688	13,880	14,907	1,027	243,567	254,497	10,930
84,064	113,764	(29,700)	7,813	7,178	635	46,333	69,622	(23,289)
14,114	11,458	2,656	1,088	784	304	4,301	2,668	1,633
57,107	84,614	(27,507)	33,185	28,906	4,279	165,317	173,942	(8,625)
1,469	1,491	(22)	333	221	112	2,313	2,347	(34)
6,134	6,135	(1)	1,378	1,378	-	11,627	11,626	1
162,888	217,462	(54,574)	43,797	38,467	5,330	229,891	260,205	(30,314)
12,340	(14,546)	(26,886)	(29,917)	(23,560)	6,357	13,676	(5,708)	(19,384)
-	28,716	(28,716)	-	11,296	(11,296)	-	5,717	(5,717)
12,340	(43,262)	(55,602)	(29,917)	(34,856)	(4,939)	13,676	(11,425)	(25,101)
(12,340)	-	12,340	(83)	-	83	6,324	-	(6,324)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	30,000	30,000	-	-	-	-
-	-	-	-	-	-	-	-	-
(12,340)	-	12,340	29,917	30,000	83	6,324	-	(6,324)
$ -	$ (43,262)	$ (43,262)	$ -	$ (4,856)	$ (4,856)	$ 20,000	$ (11,425)	$ (31,425)
$ -			$ -			$ (20,000)		
-			-			(20,000)		
$ -			$ -			$ -		

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
Year Ended June 30, 2021
(CONTINUED)

	Assateague Pointe Service Area			River Run Service Area		
	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES:						
Charges for service	$ 259,240	$ 266,594	$ 7,354	$ 175,000	$ 179,294	$ 4,294
Interest and penalties	3,750	25	(3,725)	700	150	(550)
Other revenue	-	19,905	19,905	-	625	625
Total operating revenues	262,990	286,524	23,534	175,700	180,069	4,369
OPERATING EXPENSES:						
Personnel services	105,745	70,198	35,547	60,946	40,438	20,508
Supplies and materials	28,007	22,720	5,287	21,283	10,900	10,383
Maintenance and services	108,439	90,812	17,627	99,457	92,178	7,279
Other charges	5,951	5,732	219	3,726	1,795	1,931
Interfund charges	29,845	29,846	(1)	9,743	9,743	-
Total operating expenses	277,987	219,308	58,679	195,155	155,054	40,101
Operating income (loss) before depreciation	(14,997)	67,216	82,213	(19,455)	25,015	44,470
Depreciation	-	80,043	(80,043)	-	-	-
Net operating income (loss)	(14,997)	(12,827)	2,170	(19,455)	25,015	44,470
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	14,997	-	(14,997)	19,455	-	(19,455)
Transfer from (to) other funds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Net nonoperating revenues (expenses)	14,997	-	(14,997)	19,455	-	(19,455)
Net income (loss)	$ -	$ (12,827)	$ (12,827)	$ -	$ 25,015	$ 25,015
OTHER BUDGETED EXPENDITURES:						
Capital outlay	$ -			$ -		
Total other budgeted expenditures	-			-		
Budgeted net income (loss)	$ -			$ -		

Mystic Harbour Service Area			Lighthouse Sound Service Area			Riddle Farm Service Area		
Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
$ 1,259,340	$ 1,350,830	$ 91,490	$ 99,840	$ 100,200	$ 360	$667,580	$ 898,958	$ 231,378
15,000	625	(14,375)	700	-	(700)	6,500	300	(6,200)
-	257,673	257,673	-	294	294	-	1,568	1,568
1,274,340	1,609,128	334,788	100,540	100,494	(46)	674,080	900,826	226,746
555,477	445,437	110,040	51,162	58,453	(7,291)	303,284	335,832	(32,548)
242,881	196,669	46,212	12,324	12,492	(168)	74,020	89,290	(15,270)
640,254	704,921	(64,667)	43,251	40,813	2,438	340,719	604,864	(264,145)
20,624	19,769	855	1,221	663	558	17,602	7,907	9,695
95,368	95,368	-	3,445	3,445	-	23,625	22,999	626
1,554,604	1,462,164	92,440	111,403	115,866	(4,463)	759,250	1,060,892	(301,642)
(280,264)	146,964	427,228	(10,863)	(15,372)	(4,509)	(85,170)	(160,066)	(74,896)
-	611,081	(611,081)	-	1,319	(1,319)	-	556,341	(556,341)
(280,264)	(464,117)	(183,853)	(10,863)	(16,691)	(5,828)	(85,170)	(716,407)	(631,237)
185,264	-	(185,264)	40,863	-	(40,863)	120,170	-	(120,170)
125,000	-	(125,000)	-	-	-	-	240,202	240,202
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	71	71	-	-	-	-	(121)	(121)
310,264	71	(310,193)	40,863	-	(40,863)	120,170	240,081	119,911
$ 30,000	$ (464,046)	$ (494,046)	$ 30,000	$ (16,691)	$ (46,691)	$ 35,000	$(476,326)	$(511,326)
$ (30,000)			$ (30,000)			$ (35,000)		
(30,000)			(30,000)			(35,000)		
$ -			$ -			$ -		

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
Year Ended June 30, 2021
(CONTINUED)

	The Landings Service Area			Support Group		
	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES:						
Charges for service	$ 326,496	$ 334,646	$ 8,150	$ -	$ -	$ -
Interest and penalties	4,000	75	(3,925)	-	-	-
Other revenue	-	345	345	-	62,317	62,317
Total operating revenues	330,496	335,066	4,570	-	62,317	62,317
OPERATING EXPENSES:						
Personnel services	106,985	125,325	(18,340)	-	-	-
Supplies and materials	28,053	10,304	17,749	-	-	-
Maintenance and services	193,426	239,094	(45,668)	-	-	-
Other charges	2,492	1,927	565	-	-	-
Interfund charges	8,066	8,065	1	-	-	-
Total operating expenses	339,022	384,715	(45,693)	-	-	-
Operating income (loss) before depreciation	(8,526)	(49,649)	(41,123)	-	62,317	62,317
Depreciation	-	241,308	(241,308)	-	96,712	(96,712)
Net operating income (loss)	(8,526)	(290,957)	(282,431)	-	(34,395)	(34,395)
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	8,526	-	(8,526)	-	-	-
Transfer from (to) other funds	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Net nonoperating revenues (expenses)	8,526	-	(8,526)	-	-	-
Net income (loss)	$ -	$ (290,957)	$(290,957)	$ -	$ (34,395)	$ (34,395)
OTHER BUDGETED EXPENDITURES:						
Capital outlay	$ -			$ -		
Total other budgeted expenditures	-			-		
Budgeted net income (loss)	$ -			$ -		

Shared Facilities			Combined Totals		
Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
$ -	$ -	$ -	$ 12,050,547	$12,590,131	$ 539,584
-	-	-	137,200	6,225	(130,975)
-	30,500	30,500	170,515	1,519,122	1,348,607
-	30,500	30,500	12,358,262	14,115,478	1,757,216
-	1,773	(1,773)	5,388,265	4,825,377	562,888
-	-	-	931,295	870,177	61,118
-	10,573	(10,573)	4,766,988	5,427,139	(660,151)
-	-	-	178,203	161,493	16,710
-	-	-	778,486	777,858	628
-	12,346	(12,346)	12,043,237	12,062,044	(18,807)
-	18,154	18,154	315,025	2,053,434	1,738,409
-	-	-	-	3,494,171	(3,494,171)
-	18,154	18,154	315,025	(1,440,737)	(1,755,762)
-	-	-	375,975	-	(375,975)
-	-	-	125,000	2,129,415	2,004,415
-	-	-	30,000	30,000	-
-	-	-	20,000	1,597	(18,403)
-	-	-	550,975	2,161,012	1,610,037
$ -	$ 18,154	$ 18,154	$ 866,000	$ 720,275	$ (145,725)
$ -			$ (866,000)		
-			(866,000)		
$ -			$ -		

WORCESTER COUNTY, MARYLAND

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - CAPITAL PROJECTS FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
Year Ended June 30, 2021

	West Ocean City S.A.	Ocean Pines S.A.	Oyster Harbor S.A.	Newark Service Area
Revenues:				
Debt service revenue	$ -	$ 1,383,541	$ 17,136	$ 64,429
Other revenues	-	73,216	-	1,046,771
Total revenues	-	1,456,757	17,136	1,111,200
Operating income (loss)	-	1,456,757	17,136	1,111,200
Nonoperating income (expense):				
Interest on investments	50	7,120	28	5
Bond interest expense	-	(306,481)	(1,515)	(7,371)
Transfers from (to) other funds	-	(1,889,213)	-	-
Total nonoperating income (expense)	50	(2,188,574)	(1,487)	(7,366)
Change in net position	50	(731,817)	15,649	1,103,834
Net position (deficit), beginning	44,948	(1,042,918)	(3,262)	(182,383)
Net position (deficit), ending	$ 44,998	$ (1,774,735)	$ 12,387	$ 921,451

Mystic Harbour S.A.	Snug Harbor S.A.	Riddle Farm S.A.	Total
$ 395,832	$ 33,962	$ 24,876	$ 1,919,776
83,324	-	2,421	1,205,732
479,156	33,962	27,297	3,125,508
479,156	33,962	27,297	3,125,508
2,995	-	272	10,470
(259,058)	(2,339)	(9,600)	(586,364)
-	-	(240,202)	(2,129,415)
(256,063)	(2,339)	(249,530)	(2,705,309)
223,093	31,623	(222,233)	420,199
(8,962,119)	(129,556)	19,771	(10,255,519)
$ (8,739,026)	$ (97,933)	$ (202,462)	$ (9,835,320)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION BY OPERATING FUND - BUDGET AND ACTUAL
DEPARTMENT OF SOLID WASTE
Year Ended June 30, 2021

	Original/ Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Licenses and permits	$ 4,500	$ 5,165	$ 665
Stump, yard waste, and mulch revenue	40,000	57,064	17,064
Interest and penalties on overdue accounts	2,000	1,219	(781)
Interfund charges	411,492	411,492	-
Other revenue	125,800	43,791	(82,009)
Tipping fees	3,937,945	4,726,922	788,977
Total operating revenues	4,521,737	5,245,653	723,916
Total operating expenses	2,643,137	4,891,638	(2,248,501)
Operating income (loss) before depreciation	1,878,600	354,015	(1,524,585)
Depreciation	-	1,931,176	(1,931,176)
Operating income (loss)	1,878,600	(1,577,161)	(3,455,761)
Nonoperating income (expense):			
Interest on investments	50,500	5,976	(44,524)
Transfer to reserves	(873,747)	-	873,747
Interest expense	(1,055,353)	(260,833)	794,520
Total nonoperating income (expense)	(1,878,600)	(254,857)	1,623,743
Change in net position	$ -	(1,832,018)	$ (1,832,018)
Net position, beginning		943,590	
Net position, ending		$ (888,428)	

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION BY OPERATING FUND - BUDGET AND ACTUAL
DEPARTMENT OF SOLID WASTE
Year Ended June 30, 2021
(CONTINUED)

	Original/ Final Budget	Actual	Variance with Final Budget
Expenses:			
Department: Administration			
Salaries	$ 125,055	$ 125,251	$ (196)
Benefits	91,291	66,679	24,612
Salaries and benefits - Treasurer's support	52,947	52,947	-
Salaries and benefits - Public Works and administrative support	117,102	117,102	-
Administrative expenses	13,075	10,149	2,926
Audit services	8,125	7,650	475
Insurance	12,250	11,296	954
Solid waste committee	1,500	-	1,500
Supplies	-	468	(468)
Uniforms	700	681	19
	422,045	392,223	29,822
Department: Solid Waste			
Salaries	673,362	545,652	127,710
Benefits	490,481	328,259	162,222
Buildings and grounds	150,000	85,843	64,157
Capital equipment	42,000	-	42,000
Closure and post-closure costs	-	2,777,285	(2,777,285)
Consulting services	125,000	144,737	(19,737)
Fuel	200,000	114,928	85,072
Leachate expense	225,000	263,970	(38,970)
Safety expense	2,000	867	1,133
Supplies and equipment	2,500	1,212	1,288
Telephone	4,000	2,009	1,991
Training	1,649	496	1,153
Uniforms	8,750	3,750	5,000
Utilities	30,000	17,035	12,965
Vehicle and heavy equipment maintenance	266,350	213,372	52,978
	2,221,092	4,499,415	(2,278,323)
Total operating expenses	$ 2,643,137	$ 4,891,638	$ (2,248,501)

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION BY OPERATING STORE - BUDGET AND ACTUAL DEPARTMENT OF LIQUOR CONTROL

Year Ended June 30, 2021

	Original/ Final Budget	Actual	Variance with Final Budget
Sales:			
Pocomoke City	$ 930,000	$ 533,354	$ (396,646)
Total sales	930,000	533,354	(396,646)
Miscellaneous revenues	-	97,933	97,933
Total operating revenues	930,000	631,287	(298,713)
Cost of goods sold	632,400	388,789	243,611
Gross profit	297,600	242,498	(55,102)
Total operating expenses	218,769	209,525	9,244
Operating income (loss) before general expenses	78,831	32,973	(45,858)
General expenses	61,700	37,758	23,942
Operating income (loss)	17,131	(4,785)	(21,916)
Transfers from other funds	-	449,411	449,411
Gain on sale of fixed assets	-	257,671	257,671
Distributions to municipalities	(17,131)	(3,334)	13,797
Change in net position after distributions	$ -	698,963	$ 698,963
Net deficit, beginning		(698,963)	
Net deficit, ending		$ -	

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION BY OPERATING STORE - BUDGET AND ACTUAL
DEPARTMENT OF LIQUOR CONTROL
Year Ended June 30, 2021
(CONTINUED)

	Original/ Final Budget	Actual	Variance with Final Budget
Expenses:			
Store: Pocomoke City			
Salaries	$ 67,704	$ 33,416	$ 34,288
Payroll taxes and benefits	23,665	10,563	13,102
Bank fees	14,000	10,113	3,887
Outsourced labor	90,000	46,267	43,733
Repairs and maintenance	5,000	2,219	2,781
Security	300	215	85
Supplies	3,000	1,859	1,141
Telephone	3,600	1,333	2,267
Utilities	11,500	5,173	6,327
	218,769	111,158	107,611
Store: 16th Street - Ocean City			
Rent	-	98,367	(98,367)
	-	98,367	(98,367)
Total expenses	$ 218,769	$ 209,525	$ 9,244

WORCESTER COUNTY, MARYLAND

SCHEDULE OF GENERAL EXPENSES - BUDGET AND ACTUAL
DEPARTMENT OF LIQUOR CONTROL
Year Ended June 30, 2021

	Original/ Final Budget	Actual	Variance with Final Budget
General and administrative expenses:			
Salaries and benefits - Treasurer's support	$ 10,000	$ 5,311	$ 4,689
Salaries and benefits - Public works and administrative support	5,000	2,556	2,444
Group insurance	2,000	1,414	586
Advertising	9,000	4,460	4,540
Depreciation	-	8,157	(8,157)
Professional fees	35,000	15,290	19,710
Travel	500	314	186
Uniforms	200	256	(56)
Total general and administrative expenses	$ 61,700	$ 37,758	$ 23,942

WORCESTER COUNTY, MARYLAND

SCHEDULE OF REVENUES AND EXPENSES BY STORE
DEPARTMENT OF LIQUOR CONTROL
Year Ended June 30, 2021

	2021 Total	Percentage	Total Retail	Pocomoke City	16th Street
Sales:					
Retail, less discounts	$ 533,354		$ 533,354	$ 533,354	$ -
Net sales	533,354		533,354	533,354	-
Miscellaneous revenues	97,933		97,933	678	97,255
Net revenues	631,287	100.00%	631,287	534,032	97,255
Cost of sales	388,789	61.59%	388,789	388,789	-
Gross profit	242,498	38.41%	242,498	145,243	97,255
Store expenses:					
Salaries	33,416	5.29%	33,416	33,416	-
Credit card and bank fees	10,113	1.60%	10,113	10,113	-
Utilities	5,173	0.82%	5,173	5,173	-
Payroll taxes and benefits	10,563	1.67%	10,563	10,563	-
Outsourced labor	46,267	7.33%	46,267	46,267	-
Rent	98,367	15.58%	98,367	-	98,367
Repairs and maintenance	2,219	0.35%	2,219	2,219	-
Security	215	0.03%	215	215	-
Supplies	1,859	0.29%	1,859	1,859	-
Telephone	1,333	0.21%	1,333	1,333	-
	209,525	33.19%	209,525	111,158	98,367
Loss after store expenses	32,973	5.22%	32,973	34,085	(1,112)
General expenses	37,758	5.98%	37,758	37,758	-
Distributions to municipalities	(3,334)	-0.53%	(3,334)	(3,334)	
Transfers from (to) other funds	449,411	71.19%	449,411	449,411	-
Gain (loss) on the sale of assets	257,671	40.82%	257,671	257,671	-
Net income (loss)	$ 698,963	110.72%	$ 698,963	$ 700,075	$ (1,112)

WORCESTER COUNTY, MARYLAND

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2021

	State of Maryland Property Taxes	Maryland Department of Motor Vehicles - License Fees	Tax Sale Fund	Development Taxes	Performance Bonds	Personal Property Tax Liability	Forest Conservation	Bay Restoration	Snow Hill Property Tax
ASSETS									
Cash and short-term investments	$ -	$ -	$ 84,406	$ 220,195	$ 1,287,339	$ 140,973	$ 139,599	$ 101,154	$ -
Taxes receivable	341,622	-	-	-	-	-	-	96,174	43,471
Total assets	341,622	-	84,406	220,195	1,287,339	140,973	139,599	197,328	43,471
LIABILITIES									
Accounts payable	-	-	84,406	-	1,287,339	140,973	-	-	-
Unearned revenue	-	-		-	-	-	-	-	-
Due to other governments	341,622	-	-	16,797	-	-	-	197,328	43,471
Total liabilities	341,622	-	84,406	16,797	1,287,339	140,973	-	197,328	43,471
NET POSITION									
Fiduciary net position held for others	-	-	-	203,398	-	-	139,599	-	-
Total net position	$ -	$ -	$ -	$ 203,398	$ -	$ -	$ 139,599	$ -	$ -

Berlin Property Tax	Pocomoke Property Tax	Ocean City Property Tax	Special Loans	Critical Areas	Seized Funds Pending Forfeiture	Snow Hill Room Tax	Berlin Room Tax	Pocomoke Room Tax	Ocean City Room Tax	Ocean City Food Tax	Total
$ -	$ -	$ -	$ 68,080	$ 77,998	$ 261,205	$ -	$ -	$ -	$ -	$ -	$ 2,380,949
93,781	240,954	610,165	-	-	-	-	-	-	-	-	1,426,167
93,781	240,954	610,165	68,080	77,998	261,205	-	-	-	-	-	3,807,116
-	-	-	-	-	388	-	-	-	-	-	1,513,106
-	-	-	-	-	260,817	-	-	-	-	-	260,817
93,781	240,954	610,165	-	-	-	-	-	-	-	-	1,544,118
93,781	240,954	610,165	-	-	261,205	-	-	-	-	-	3,318,041
-	-		68,080	77,998	-	-	-	-	-	-	489,075
$ -	$ -	$ -	$ 68,080	$ 77,998	$ -	$ -	$ -	$ -	$ -	$ -	$ 489,075

WORCESTER COUNTY, MARYLAND

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2021

	State of Maryland Property Taxes	Maryland Department of Motor Vehicles - License Fees	Tax Sale Fund	Development Taxes	Performance Bonds	Personal Property Tax Liability	Forest Conservation	Bay Restoration	Snow Hill Property Tax
ADDITIONS:									
Collections for other governments	$ 17,915,318	$ -	$ -	$ -	$ -	$ -	$ -	$ 723,115	$ 950,895
Grant funding	-	-	-	-	-	-	-	-	-
Other	-	3,390	-	140,658	245,162	22,200	-	-	-
Interest	-	-	-	-	-	-	439	-	-
Total additions	17,915,318	3,390	-	140,658	245,162	22,200	439	723,115	950,895
DEDUCTIONS:									
Payments to other governments	17,915,318	3,390	-	60,853	-	-	-	723,115	950,895
Other	-	-	-	25,808	245,162	22,200	-	-	-
Total deductions	17,915,318	3,390	-	86,661	245,162	22,200	-	723,115	950,895
Change in net position	-	-	-	53,997	-	-	439	-	-
Net position, beginning as restated (see Note 18)	$ -	-	-	149,401	-	-	139,160	-	-
Net position, ending	$ -	$ -	$ -	$ 203,398	$ -	$ -	$ 139,599	$ -	$ -

Berlin Property Tax	Pocomoke Property Tax	Ocean City Property Tax	Special Loans	Critical Areas	Seized Funds Pending Forfeiture	Snow Hill Room Tax	Berlin Room Tax	Pocomoke Room Tax	Ocean City Room Tax	Ocean City Food Tax	Total
$ 3,699,277	$ 2,647,949	$ 42,368,460	$ -	$ -	$ -	$ 11,114	$ 41,852	$ 129,843	$ 18,654,180	$ 1,383,751	$ 88,525,754
-	-	-	144,683	-	-	-	-	-	-	-	144,683
-	-	-	-	-	220,575	-	-	-	-	-	631,985
-	-	-	-	181	-	-	-	-	-	-	620
3,699,277	2,647,949	42,368,460	144,683	181	220,575	11,114	41,852	129,843	18,654,180	1,383,751	89,303,042
3,699,277	2,647,949	42,368,460	-	-	-	11,114	41,852	129,843	18,654,180	1,383,751	88,589,997
-	-	-	77,214	-	220,575	-	-	-	-	-	590,959
3,699,277	2,647,949	42,368,460	77,214	-	220,575	11,114	41,852	129,843	18,654,180	1,383,751	89,180,956
-	-	-	67,469	181	-	-	-	-	-	-	122,086
-	-	-	611	77,817	-	-	-	-	-	-	366,989
$ -	$ -	$ -	$ 68,080	$ 77,998	$ -	$ -	$ -	$ -	$ -	$ -	$ 489,075

WORCESTER COUNTY, MARYLAND

SCHEDULE OF ASSESSABLE BASE
GENERAL FUND
Year Ended June 30, 2021

	Full-Year Assessment	Half-Year Assessment	Total
Real property	$ 16,361,254,556	$ 27,687,649	$ 16,388,942,205
Personal property - individuals and firms - all districts	13,561,690	-	13,561,690
Railroads and public utilities	190,545,490	-	190,545,490
Railroads and public utilities - reduced rate	677,278	-	677,278
Ordinary business corporations	248,921,988	-	248,921,988
Total	$ 16,814,961,002	$ 27,687,649	$ 16,842,648,651

Computation of Taxes for County Purposes

$16,361,254,556 assessable base at $0.845 per $100 base (full-year)	$ 138,252,601
$453,029,168 assessable base at $2.1125 per $100 base (full-year)	9,570,241
$677,278 assessable base at $0.845 per $100 base (full-year)	5,723
$27,687,649 assessable base at $0.4225 per $100 base (half-year)	116,980
	147,945,545
Adjustment for deferred property taxes receivable	(264,014)
Net additions and abatements	(54,240)
Total County taxes for the year ended June 30, 2021	$ 147,627,291

WORCESTER COUNTY, MARYLAND

SCHEDULE OF ASSESSABLE BASES AND TAX LEVIES
GENERAL FUND
Fiscal Years Ended June 30, 2021

Fiscal Year	Assessable Base at June 30	Percentage Change From Prior Year	Tax Rate	Taxes	Percentage Change From Prior Year
1994 - 1995	$ 2,288,466,700	1.69%	1.68	$ 38,367,332	1.69%
1995 - 1996	2,309,492,502	0.92%	1.68	38,687,619	0.83%
1996 - 1997	2,380,191,243	3.06%	1.68	39,864,643	3.04%
1997 - 1998	2,426,505,995	1.95%	1.72	41,606,010	4.37%
1998 - 1999	2,491,029,177	2.66%	1.72	42,705,429	2.64%
1999 - 2000	2,586,502,181	3.83%	1.74	44,830,570	4.98%
2000 - 2001	2,712,238,607	4.86%	1.74	46,883,527	4.58%
2001 - 2002	6,748,561,217 *	(0.47)%	.73 - 1.825	52,068,932	11.06%
2002 - 2003	7,264,345,677	7.64%	.73 - 1.825	56,057,444	7.66%
2003 - 2004	8,441,544,002	16.21%	.73 - 1.825	64,473,123	15.01%
2004 - 2005	10,074,216,702	19.34%	.73 - 1.825	76,196,731	18.18%
2005 - 2006	11,906,248,133	18.19%	.73 - 1.825	89,397,911	17.33%
2006 - 2007	14,580,162,820	22.46%	.70 - 1.750	104,613,265	17.02%
2007 - 2008	17,371,368,530	19.14%	.70 - 1.750	124,489,545	19.00%
2008 - 2009	20,247,338,533	16.56%	.70 - 1.750	144,925,736	16.42%
2009 - 2010	19,301,510,253	(4.67)%	.70 - 1.750	138,391,588	(4.51)%
2010 - 2011	18,130,187,255	(6.07)%	.70 - 1.750	130,012,598	(6.05)%
2011 - 2012	17,522,393,962	(3.35)%	.70 - 1.750	125,901,362	(3.16)%
2012 - 2013	15,775,515,175	(9.97)%	.77 - 1.925	125,175,667	(0.58)%
2013 - 2014	15,069,853,304	(4.47)%	.77 - 1.925	119,266,630	(4.72)%
2014 - 2015	14,888,348,699	(1.20)%	.77 - 1.925	119,042,321	(0.19)%
2015 - 2016	14,885,658,093	(0.02)%	.835 - 2.0875	128,059,010	7.57%
2016 - 2017	15,193,940,789	2.07%	.835 - 2.0875	131,175,473	2.43%
2017 - 2018	15,561,696,352	2.42%	.835 - 2.0875	133,807,437	2.01%
2018 - 2019	15,923,438,805	2.32%	.835 - 2.0875	137,743,893	2.94%
2019 - 2020	16,369,397,578	2.80%	.845 - 2.1125	143,174,528	3.94%
2020 - 2021	16,842,648,651	2.89%	.845 - 2.1125	147,627,291	3.11%

* Effective in fiscal year 2002, the State of Maryland converted to a full cash value for assessment purposes. Prior to fiscal year 2002, the State of Maryland assessed properties at 40% of market value.

WORCESTER COUNTY, MARYLAND

TAXES RECEIVABLE
GENERAL FUND
June 30, 2021

Levies of years ended June 30:	
2021	$ 3,142,378
2020	141,636
2019	81,723
2018	39,458
2017 and prior	221,790
Total	$ 3,626,985

NOTES TO OTHER SUPPLEMENTARY INFORMATION

Note 1. Budgetary Basis

Other supplementary information includes financial statements and schedules that are not required by the Governmental Accounting Standards Board, nor are they considered part of the basic financial statements. Such information is included for purposes of additional analysis. The budgetary information contained in this section is prepared and adopted on a basis consistent with generally accepted accounting principles. Such statements and schedules include:

Budgetary Comparison Schedules:

General Fund
Department of Water and Wastewater Services
Department of Solid Waste
Department of Liquor Control

Note 2. Actual Revenues and Expenditures over Budget

Expenditures in the General Fund exceeded the budget by $15.1 million and were primarily related to the expenditure of Covid-19 related grant funds which were received by the County in FY21. This grant activity was not budgeted in FY21 due to the uncertainty associated with the Covid-19 Pandemic when the FY21 Budget was adopted in June 2020. The increased grant activity is most evident in the Other General Government department on page 113 as well as the Emergency Services and Economic Development departments shown on pages 114 and 123 respectively.

Revenue in the General Fund Exceeded the budget by $34.9 million and approximately $17.5 million relates to additional grant funding included in the Intergovernmental revenues on pages 105 and 106. In addition, the Real and Personal Property Taxes exceeded budget by $1.7 million and the Other Local Taxes exceeded budget by $8.5 million due to a steadily improving real estate market and the related property transfer activity as shown on page 104. Income Taxes also exceeded estimates by $9.3 million due to a stronger than expected labor market also shown on page 104.

STATISTICAL SECTION

This part of Worcester County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. The Statistical Section contains data which usually covers more than one year and may present non-accounting data. As a result, this section of the report is unaudited.

Contents	**Schedule**
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.*	**1 – 4**
Revenue Capacity *These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.*	**5 – 11**
Debt Capacity *These schedules contain 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.*	**12 – 15**
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 and to help make comparisons over time with other governments.*	**16 – 17**
Operating Information *These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.*	**18 – 20**

Sources: *Unless otherwise noted, the information in these schedules is derived from the financial reports for the relevant year. The County implemented GASB Statement Number 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

Schedule 1
Worcester County, Maryland
Net Position by Component, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Governmental activities										
Net investment in capital assets	$ 99,870,348	$ 90,110,170	$ 86,424,881	$ 86,671,386	$ 77,759,097	$ 82,846,858	$ 86,692,388	$ 89,332,799	$ 97,904,523	$ 104,538,442
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	11,260,873	21,389,838	(5,573,996)	(28,314,942)	(22,728,680)	(25,490,273)	(66,318,716)	(66,240,565)	(83,677,700)	(69,019,908)
Total governmental activities net position	111,131,221	111,500,008	80,850,885	58,356,444	55,030,417	57,356,585	20,373,672	23,092,234	14,226,823	35,518,534
Business-type activities										
Net investment in capital assets	54,334,765	59,302,023	53,642,591	55,184,962	53,420,609	58,358,305	61,943,999	61,719,892	57,912,012	57,958,906
Unrestricted	1,912,977	27,420	4,651,348	571,926	30,886	(3,737,553)	(4,778,123)	(1,937,328)	2,105,496	2,066,021
Total business-type activities net position	56,247,742	59,329,443	58,293,939	55,756,888	53,451,495	54,620,752	57,165,876	59,782,564	60,017,508	60,024,927
Primary government										
Net investment in capital assets	154,205,113	149,412,193	140,067,472	141,856,348	131,179,706	141,205,163	148,636,387	151,052,691	155,816,535	162,497,348
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	13,173,850	21,417,258	(922,648)	(27,743,016)	(22,697,794)	(29,227,826)	(71,096,839)	(68,177,893)	(81,572,204)	(66,953,887)
Total primary government net position	$ 167,378,963	$ 170,829,451	$ 139,144,824	$ 114,113,332	$ 108,481,912	$ 111,977,337	$ 77,539,548	$ 82,874,798	$ 74,244,331	$ 95,543,461

Notes: Fiscal years prior to 2014 have not been restated for the effects of implementing GASB Statement No. 68

Fiscal year 2015 has been restated to recognize deferred outflows related to the advance refunding of portions of the County's 2007 and 2008 bond issues

Fiscal years prior 2018 have not been restated for the effects of implementing GASB Statement No. 75

Schedule 2
Worcester County, Maryland
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	$ 38,001,439	$ 38,915,371	$ 41,815,245	$ 38,635,684	$ 44,076,570	$ 44,311,285	$ 38,378,190	$ 27,275,158	$ 23,725,666	$ 27,023,761
Public safety	29,409,797	33,952,043	31,088,753	31,973,300	31,539,249	33,626,987	36,229,150	37,741,726	38,790,887	39,295,951
Public works	6,579,810	6,582,195	6,843,212	5,217,371	5,567,728	4,850,672	8,808,385	7,810,742	10,065,623	9,629,488
Health and hospitals	5,414,163	5,379,303	6,003,573	6,551,417	6,377,497	6,657,023	6,597,319	6,691,645	6,780,295	6,640,734
Social services	1,861,337	1,799,550	1,879,944	1,946,138	2,075,471	2,035,417	2,290,971	2,444,405	2,446,321	2,903,950
Education	75,683,870	77,254,710	84,004,053	100,313,254	93,437,468	94,649,729	92,556,477	99,447,577	127,270,912	109,762,529
Libraries, recreation and culture	5,301,793	5,322,151	5,438,515	6,092,227	5,258,231	5,905,393	6,049,573	7,147,979	7,873,319	8,903,755
Conservation of natural resources	661,679	226,121	241,883	375,697	497,939	425,671	712,005	849,887	840,547	748,500
Economic development	2,094,400	1,947,815	1,667,636	1,932,046	1,631,443	1,686,229	1,711,548	1,634,878	1,876,097	13,069,061
Interest on long-term debt	3,092,624	2,601,958	2,428,386	4,891,421	3,874,043	4,076,145	3,704,618	2,852,292	2,646,733	2,555,254
Total governmental activities expenses	168,100,912	173,981,217	181,411,200	197,928,555	194,335,639	198,224,551	197,038,236	193,896,289	222,316,400	220,532,983
Business-type activities:										
Department of Solid Waste	5,307,959	5,424,173	5,513,619	5,638,012	4,183,293	4,367,047	4,092,967	5,691,253	2,975,362	7,083,647
Department of Water and Wastewater	11,671,743	11,502,025	12,351,756	13,409,381	14,035,346	13,691,072	14,466,207	15,060,164	15,174,092	16,142,579
Department of Liquor Control	15,213,363	15,102,811	15,518,122	10,477,998	7,929,512	6,076,646	1,032,268	999,469	1,035,251	636,072
Total business-type activities expenses	32,193,065	32,029,009	33,383,497	29,525,391	26,148,151	24,134,765	19,591,442	21,750,886	19,184,705	23,862,298
Total primary government expenses	$ 200,293,977	$ 206,010,226	$ 214,794,697	$ 227,453,946	$ 220,483,790	$ 222,359,316	$ 216,629,678	$ 215,647,175	$ 241,501,105	$ 244,395,281
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 1,873,888	$ 1,932,275	$ 2,010,031	$ 2,081,072	$ 2,053,695	$ 2,087,794	$ 2,276,106	$ 2,062,878	$ 1,851,965	$ 2,679,098
Public safety	6,025,129	6,182,160	5,616,912	5,143,953	5,513,482	6,030,900	5,803,127	5,651,824	3,885,304	1,148,737
Public works	79,893	75,543	79,207	87,884	75,713	88,721	98,986	107,201	509,961	533,758
Health and hospitals	457,086	434,917	435,267	431,421	431,643	430,894	444,284	447,883	425,583	477,375
Libraries, recreation and culture	182,130	196,705	236,546	312,460	349,348	361,834	364,513	353,870	305,597	232,390
Economic development	49,840	17,833	22,230	38,184	8,747	17,615	20,046	35,608	33,829	22,390
Operating grants and contributions	4,257,505	4,181,653	4,154,275	5,132,554	5,244,177	5,559,621	7,131,615	7,431,909	9,097,988	24,502,238
Capital grants and contributions	2,078,722	1,546,506	1,220,927	1,861,970	1,936,382	1,984,522	2,932,654	1,043,469	942,814	5,756,212
Total governmental activities program revenues	15,004,193	14,567,592	13,775,395	15,089,498	15,613,187	16,561,901	19,071,331	17,134,642	17,053,041	35,352,198
Business-type activities:										
Charges for services:										
Department of Solid Waste	4,590,998	4,182,238	3,783,926	4,060,039	4,004,384	3,757,085	4,005,295	4,262,096	4,502,971	5,245,653
Department of Water and Wastewater	11,107,727	15,766,173	13,013,971	12,885,762	12,160,567	14,283,986	15,406,636	17,244,935	16,216,982	17,240,986
Department of Liquor Control	15,888,520	15,414,939	15,476,906	9,985,444	7,623,320	5,236,447	864,418	945,096	1,040,823	631,287
Operating grants and contributions	22,000	47,000	25,000	49,202	26,000	26,000	26,000	26,000	28,000	30,000
Total business-type activities program revenues	31,609,245	35,410,350	32,299,803	26,980,447	23,814,271	23,303,518	20,302,349	22,478,127	21,788,776	23,147,926
Total primary government program revenues	$ 46,613,438	$ 49,977,942	$ 46,075,198	$ 42,069,945	$ 39,427,458	$ 39,865,419	$ 39,373,680	$ 39,612,769	$ 38,841,817	$ 58,500,124
Net (expense)/revenue										
Governmental activities	$ (153,096,719)	$ (159,413,625)	$ (167,635,805)	$ (182,839,057)	$ (178,722,452)	$ (181,662,650)	$ (177,966,905)	$ (176,761,647)	$ (205,263,359)	$ (185,180,785)
Business-type activities	(583,820)	3,381,341	(1,083,694)	(2,544,944)	(2,333,880)	(831,247)	710,907	727,241	2,604,071	(714,372)
Total primary government net expense	$ (153,680,539)	$ (156,032,284)	$ (168,719,499)	$ (185,384,001)	$ (181,056,332)	$ (182,493,897)	$ (177,255,998)	$ (176,034,406)	$ (202,659,288)	$ (185,895,157)

	Fiscal Year									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
General revenues and other changes in net position										
Governmental activities:										
Property taxes	$ 121,290,966	$ 121,348,615	$ 117,173,133	$ 117,097,119	$ 127,411,911	$ 130,179,520	$ 132,813,479	$ 136,687,069	$ 142,030,348	$ 147,020,697
Local income tax	12,900,072	12,676,852	13,673,793	13,690,331	17,931,884	22,891,694	22,260,250	23,172,123	28,891,384	35,824,894
Other local taxes	23,111,431	25,047,347	24,324,762	25,418,688	28,239,135	30,136,897	30,555,387	13,986,660	13,543,200	22,010,948
State shared	687,960	904,365	891,106	931,712	942,464	936,535	-	-	-	-
Department of Liquor Control distribution	103,626	620,428	284,609	9,005	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	(1,665,007)	(250,000)	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	(1,336,264)	(1,666,323)	(1,698,323)	2,582,957	(449,411)
Interest	283,728	193,101	194,221	180,030	207,071	476,064	1,059,323	2,163,658	1,966,015	114,302
Other	1,530,161	656,711	690,527	3,017,731	663,960	704,372	618,739	5,117,087	7,384,044	1,951,066
Total governmental activities	159,907,944	159,782,412	156,982,151	160,344,616	175,396,425	183,988,818	185,640,855	179,428,274	196,397,948	206,472,496
Business-type activities:										
Transfers in (out)	(675,340)	(321,854)	(10,984)	-	-	1,336,264	1,666,323	1,698,323	(2,582,957)	449,411
Other	-	-	-	-	-	588,168	-	-	-	254,337
Interest	12,334	22,214	59,174	7,893	28,487	76,072	167,894	191,124	213,830	18,043
Total business-type activities	(663,006)	(299,640)	48,190	7,893	28,487	2,000,504	1,834,217	1,889,447	(2,369,127)	721,791
Total primary government	$ 159,244,938	$ 159,482,772	$ 157,030,341	$ 160,352,509	$ 175,424,912	$ 185,989,322	$ 187,475,072	$ 181,317,721	$ 194,028,821	$ 207,194,287
Change in net position										
Governmental activities	$ 6,811,225	$ 368,787	$ (10,653,654)	$ (22,494,441)	$ (3,326,027)	$ 2,326,168	$ 7,673,950	$ 2,718,562	$ (8,865,411)	$ 21,291,711
Business-type activities	(1,246,826)	3,081,701	(1,035,504)	(2,537,051)	(2,305,393)	1,169,257	2,545,124	2,616,688	234,944	7,419
Total primary government	$ 5,564,399	$ 3,450,488	$ (11,689,158)	$ (25,031,492)	$ (5,631,420)	$ 3,495,425	$ 10,219,074	$ 5,355,250	$ (8,630,467)	$ 21,299,130

Notes: Fiscal years prior to 2015 have not been restated for the effects of implementing GASB Statement No. 68

Fiscal year 2015 has been restated to recognize deferred outflows related to the advance refunding of portions of the County's 2007 and 2008 bond issues

Fiscal years prior 2018 have not been restated for the effects of implementing GASB Statement No. 75

Schedule 3
Worcester County, Maryland
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
General Fund										
Nonspendable	$ 110,609	$ 102,938	$ 103,849	$ 5,255	$ 106,655	$ 134,238	$ 59,544	$ 8,556	$ 47,892	$ 110,153
Restricted										
Assigned	10,821,409	15,735,019	9,662,128	8,679,957	16,315,297	23,486,890	18,735,587	16,626,776	19,483,747	35,511,437
Unassigned	38,855,192	40,904,499	39,833,756	33,976,802	33,532,633	34,308,460	35,170,292	35,170,278	35,565,178	35,709,113
Total General Fund	49,787,210	56,742,456	49,599,733	42,662,014	49,954,585	57,929,588	53,965,423	51,805,610	55,096,817	71,330,703
All other governmental funds										
Restricted	-	-	42,954,786	31,685,392	18,055,520	1,655,852	-	34,728,744	9,259,319	978,115
Assigned	2,372,247	3,670,839	3,054,848	2,249,959	1,876,454	1,578,412	1,628,447	2,240,640	1,654,398	2,410,459
Unassigned	(599,589)	(1,247,996)	-	-	(13,457)	-	(554,039)	-	-	-
Total all other governmental funds	1,772,658	2,422,843	46,009,634	33,935,351	19,918,517	3,234,264	1,074,408	36,969,384	10,913,717	3,388,574
Total governmental funds	$ 51,559,868	$ 59,165,299	$ 95,609,367	$ 76,597,365	$ 69,873,102	$ 61,163,852	$ 55,039,831	$ 88,774,992	$ 66,010,534	$ 74,719,277

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

	Fiscal Year									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Revenues										
Property tax	$ 121,243,588	$ 121,570,804	$ 117,311,193	$ 117,963,356	$ 127,061,276	$ 130,270,802	$ 132,742,340	$ 137,214,614	$ 142,160,874	$ 146,756,683
Income tax	12,900,072	12,676,852	13,673,793	13,690,331	17,931,884	22,891,694	22,260,250	23,172,123	28,891,384	35,824,894
Room tax	13,262,770	13,632,599	14,127,887	14,707,093	15,564,805	16,398,656	16,877,349	1,043,596	984,669	1,085,207
Food tax	1,215,666	1,247,890	1,299,372	1,358,236	1,424,439	1,553,867	1,501,166	79,305	77,437	75,158
Transfer tax	2,595,376	2,912,623	3,165,274	3,278,524	4,158,215	4,271,320	4,400,977	4,631,429	4,680,904	8,176,629
Recordation tax	5,328,454	6,648,660	5,142,527	5,437,913	6,449,513	7,250,500	7,018,586	7,116,381	7,115,438	12,222,034
Other local taxes	709,165	605,575	589,702	636,922	642,163	662,554	757,309	1,115,949	684,752	451,920
Licenses and permits	1,739,111	1,756,502	1,854,757	1,917,527	1,896,140	1,964,838	2,131,974	1,959,788	2,027,965	2,901,494
* Intergovernmental	7,081,107	5,747,750	5,402,866	7,015,992	7,215,195	7,585,022	10,097,621	8,529,777	9,980,985	30,257,437
Service charges	6,833,192	8,417,639	7,521,417	6,915,882	7,265,304	7,778,109	6,647,971	6,459,709	4,775,728	1,962,123
Miscellaneous	1,673,075	830,237	869,043	741,127	894,974	946,352	857,191	5,604,217	8,194,012	2,231,975
Interest income	283,183	190,069	187,775	180,035	155,069	404,551	1,014,636	1,861,896	1,424,410	103,318
Total revenues	174,864,759	176,237,200	171,145,606	173,842,938	190,658,977	201,978,265	206,307,370	198,788,784	210,998,558	242,048,872
Expenditures										
General government	13,272,863	12,850,452	14,134,546	13,296,067	13,817,335	14,471,003	15,244,102	17,325,562	19,022,436	20,293,079
Public safety	26,513,127	31,157,171	28,621,374	29,173,284	30,032,349	31,692,896	33,806,134	35,402,667	36,183,713	36,052,606
Public works	4,273,829	4,641,049	4,726,992	5,104,405	5,533,978	6,593,857	6,868,097	6,773,851	8,749,324	8,507,876
Health and hospitals	4,900,545	5,060,999	5,472,143	6,083,778	5,972,819	6,136,576	6,352,671	6,218,443	6,193,861	6,154,707
Social services	1,861,337	1,799,550	1,879,944	1,946,138	2,075,471	2,035,417	2,036,763	2,444,405	2,446,321	2,903,950
Education	75,683,870	77,254,710	80,510,956	100,313,254	93,437,468	85,965,082	92,556,477	99,447,577	127,270,912	109,762,529
Libraries, recreation and culture	5,133,304	4,674,945	5,517,089	6,052,818	6,041,560	5,376,686	5,529,816	6,695,951	7,184,206	8,077,203
Conservation of natural resources	661,679	226,121	241,883	375,697	497,939	425,671	712,005	849,887	840,547	748,500
Economic development	1,762,761	1,897,159	1,610,180	1,874,591	1,590,410	1,624,752	1,652,589	1,577,718	1,822,959	13,016,286
Distributions to municipalities	20,317,357	20,450,152	21,871,051	22,572,176	23,471,593	24,828,030	25,062,659	8,032,840	8,314,671	9,248,873
Debt service interest	3,166,657	2,675,991	2,908,091	4,249,246	3,540,622	3,742,724	3,371,197	3,327,448	3,821,328	3,729,849
Debt service principal	7,824,044	7,393,498	7,628,103	9,487,482	7,940,134	8,197,986	8,952,180	8,654,694	9,397,476	10,209,060
Capital projects	7,046,175	3,084,228	7,788,332	2,005,481	3,431,562	18,009,658	8,620,378	6,699,794	2,515,262	4,186,200
Total expenditures	172,417,548	173,166,025	182,910,684	202,534,417	197,383,240	209,100,338	210,765,068	203,450,837	233,763,016	232,890,718
Excess of revenues over (under) expenditures	2,447,211	3,071,175	(11,765,078)	(28,691,479)	(6,724,263)	(7,122,073)	(4,457,698)	(4,662,053)	(22,764,458)	9,158,154
Other financing sources (uses)										
Issuance of long-term debt	-	14,212,936	48,209,146	37,437,354	-	-	-	40,043,602	-	-
Payment to bond refunding escrow agent	-	(9,678,680)	-	(27,757,877)	-	-	-	-	-	-
Transfers:										
Transfers in	11,214,335	11,467,814	14,458,054	19,908,436	17,469,180	17,469,746	22,440,497	19,872,169	20,394,209	19,599,674
Transfers out	(11,214,335)	(11,467,814)	(14,458,054)	(19,908,436)	(17,469,180)	(19,056,923)	(24,106,820)	(21,570,492)	(20,394,209)	(20,049,085)
Total other financing sources (uses)	-	4,534,256	48,209,146	9,679,477	-	(1,587,177)	(1,666,323)	38,345,279	-	(449,411)
Net change in fund balances	$ 2,447,211	$ 7,605,431	$ 36,444,068	$ (19,012,002)	$ (6,724,263)	$ (8,709,250)	$ (6,124,021)	$ 33,683,226	$ (22,764,458)	$ 8,708,743
Debt service as a percentage of noncapital expenditures	6.52%	5.88%	5.84%	6.86%	5.97%	6.00%	6.10%	6.10%	5.72%	6.06%

* Includes state shared taxes originally reported separately in years prior to 2018.

Schedule 5
Worcester County, Maryland
Assessed Value (Full Cash Value) of Taxable Property,
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property Individuals and Firms	Businesses, Corporations and Utilities	Total Assessable Base	County Tax Rate *	State Tax Rate
2021	$ 16,388,942,205	$ 13,561,690	$ 440,144,756	$ 16,842,648,651	$ 0.845	$ 0.112
2020	15,965,833,845	16,109,633	387,454,100	16,369,397,578	0.845	0.112
2019	15,544,751,018	15,702,611	362,985,175	15,923,438,804	0.835	0.112
2018	15,207,948,042	15,928,910	337,819,400	15,561,696,352	0.835	0.112
2017	14,825,676,056	18,977,901	349,286,832	15,193,940,789	0.835	0.112
2016	14,534,558,652	17,437,771	333,661,670	14,885,658,093	0.835	0.112
2015	14,556,412,647	16,548,700	315,387,352	14,888,348,699	0.770	0.112
2014	14,755,590,502	17,112,844	297,149,958	15,069,853,304	0.770	0.112
2013	15,462,442,895	15,847,573	297,224,707	15,775,515,175	0.700	0.112
2012	17,207,677,633	16,321,783	298,394,546	17,522,393,962	0.700	0.112

Source: State of Maryland, Department of Assessments and Taxation

Note: * Per $100 of value

Schedule 6
Worcester County, Maryland
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per $100 of assessed value)

	Year Taxes Are Payable									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
County Direct Rates										
General	$ 0.70	$ 0.77	$ 0.77	$ 0.77	$ 0.835	$ 0.835	$ 0.835	$ 0.835	$ 0.845	$ 0.845
Town Rates										
Berlin	0.73	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.80	0.80
Ocean City	0.395	0.4585	0.472	0.4704	0.478	0.4656	0.4656	0.4656	0.4559	0.4559
Pocomoke	0.75	0.82	0.82	0.9285	0.9375	0.9375	0.9375	0.9375	0.9375	0.9375
Snow Hill	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86

Schedule 7
Worcester County, Maryland
Principal Property Tax Accounts,
Current Year and Ten Years Ago

Taxpayer	Fiscal Year 2021 Assessed Value	Fiscal Year 2021 Rank	Fiscal Year 2021 Percentage of Total Taxable Assessed Value	Fiscal Year 2012 Assessed Value	Fiscal Year 2012 Rank	Fiscal Year 2012 Percentage of Total Taxable Assessed Value
Delmarva Power	$ 96,861,190	1	0.58%	$ 47,504,070	2	0.27%
Harrison Inn Stardust	67,738,100	2	0.40%	62,420,580	1	0.36%
Sun TRS Frontier LLC	44,289,933	3	0.26%			
Americana Stowaway Motel Inc.	42,462,867	4	0.25%	24,333,840	5	0.14%
Sandiper Energy	37,614,220	5	0.22%			
91st Street Joint Venture	36,122,700	6	0.21%	29,714,050	3	0.17%
Ocean Enterprise 589 LLC	35,963,300	7	0.21%	21,534,970	6	0.12%
Sun TRS Castaways LLC	35,945,133	8	0.21%			
Choptank Electric Cooperative	30,738,020	9	0.18%	19,563,720	8	0.11%
Ocean I Hospitality	28,612,433	10	0.17%			
Verizon Maryland				28,237,950	4	0.16%
Harrison Hi 18 LLC				19,942,030	7	0.11%
Individual				19,415,933	9	0.11%
L P B O C Hotel				18,844,800	10	0.11%
Total	$ 456,347,896		2.71%	$ 291,511,943		1.66%

Schedule 8
Worcester County, Maryland
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year	Net Taxes Levied for Fiscal Year *	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Delinquent Collections	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2021	$ 146,705,516	$ 143,244,884	97.64%	$ 2,963,232	146,208,116	99.66%
2020	141,912,724	139,087,210	98.01%	1,944,305	141,031,515	99.40%
2019	136,104,204	133,114,537	97.80%	3,145,394	136,259,931	100.11%
2018	132,889,741	129,867,847	97.73%	3,122,478	132,990,325	100.08%
2017	130,113,435	127,089,001	97.68%	3,093,229	130,182,230	100.05%
2016	127,310,134	124,150,927	97.52%	2,910,349	127,061,276	99.80%
2015	116,946,415	113,877,415	97.38%	2,913,774	116,791,189	99.87%
2014	117,232,826	113,637,017	96.93%	2,865,685	116,502,702	99.38%
2013	120,978,969	118,039,082	97.57%	2,668,186	120,707,268	99.78%
2012	120,824,876	117,865,015	97.55%	2,461,933	120,326,948	99.59%

Notes: The information in this schedule relates to the County's own property tax levies, and does not include those it collects on behalf of other governments

* This chart nets the Homestead Credit with the total tax levy for each year

Schedule 9
Worcester County, Maryland
Income Tax Rates,
Last Ten Tax Years

	State Income Tax Rate								
Tax Year	$0 to $1,000 Net Taxable Income	$1,000 to $2,000 Net Taxable Income	$2,000 to $3,000 Net Taxable Income	$3,000 to $100,000 Net Taxable Income	$100,000 to $125,000 Net Taxable Income	$125,000 to $150,000 Net Taxable Income	$150,000 to $250,000 Net Taxable Income	In excess of $250,000 Net Taxable Income	Worcester County Local Income Tax Direct Rate
2020	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	2.25%
2019	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2018	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2017	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2016	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2015	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.25%
2014	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.25%
2013	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.25%
2012	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.25%
2011	2.00%	3.00%	4.00%	4.75%	4.75%	4.75%	4.75%	4.75%	1.25%

Note: The current maximum local income tax rate allowed is 3.2%. Effective 1-1-2020 the local income tax rate was increased to 2.25%.

Schedule 10
Worcester County, Maryland
Income Tax Filers Summary Information,
Last Ten Tax Years

Tax Year	Number of Taxable Returns	Maryland Adjusted Gross Income	Net Taxable Income	Net State Income Tax	Local Income Tax	Total Tax Liability	Worcester County Income Tax Direct Rate
2019	22,310	$ 1,706,306,718	$ 1,435,176,212	$ 62,504,860	$ 23,976,896	$ 86,481,755	1.75%
2018	21,766	1,650,656,050	1,387,009,956	61,120,584	23,289,508	84,410,092	1.75%
2017	22,013	1,576,110,470	1,267,247,948	55,643,247	21,264,452	76,907,699	1.75%
2016	21,224	1,520,968,799	1,215,306,788	53,513,972	20,527,947	74,041,919	1.75%
2015	20,882	1,545,094,426	1,249,149,607	56,496,462	15,064,794	71,561,256	1.25%
2014	20,851	1,365,308,664	1,072,579,791	47,357,771	13,075,365	60,433,136	1.25%
2013	20,617	1,286,708,049	990,978,118	43,499,534	12,128,750	55,628,284	1.25%
2012	20,440	1,290,129,238	994,950,253	43,469,925	12,174,791	55,644,716	1.25%
2011	20,024	1,217,864,067	914,819,943	38,544,724	11,193,861	49,738,585	1.25%
2010	20,005	1,210,435,351	902,488,197	38,732,378	11,049,389	49,693,809	1.25%

Source: Revenue Administration Division, State of Maryland Comptroller's Office - 2019 data is the most current available

Notes: See Schedule 11 for detailed breakout of adjusted gross income

Schedule 11
Worcester County, Maryland
Income Tax Filers, Net Taxable Income, and Liability by Adjusted Gross Income Level,
As of June 30, 2021

	Tax Year 2019					
Adjusted Gross Income Level	**Number of Taxable Returns**	**Percentage of Total**	**Net Taxable Income**	**Percentage of Total**	**Local Tax Liability**	**Percentage of Total**
$250,000 and higher	824	3.7%	$ 440,057,491	30.7%	$ 7,232,086	30.2%
$100,000 - 249,999	3,419	15.3%	438,163,937	30.5%	7,471,899	31.2%
$50,000 - 99,999	5,599	25.1%	317,931,682	22.2%	5,518,016	23.0%
$25,000 - 49,999	6,990	31.3%	182,217,900	12.7%	2,910,321	12.1%
$5,000 - 24,999	5,356	24.0%	56,587,644	3.9%	841,059	3.5%
Under $5,000	122	0.5%	217,558	0.0%	3,515	0.0%
Totals	22,310	100.0%	1,435,176,212	100.0%	23,976,896	100.0%

	Tax Year 2009					
Adjusted Gross Income Level	**Number of Taxable Returns**	**Percentage of Total**	**Net Taxable Income**	**Percentage of Total**	**Local Tax Liability**	**Percentage of Total**
$250,000 and higher	347	1.8%	$ 177,675,584	21.4%	$ 2,220,947	21.9%
$100,000 - 249,999	1,983	10.1%	220,733,439	26.6%	2,759,170	27.2%
$50,000 - 99,999	4,772	24.4%	236,465,714	28.5%	2,955,202	29.1%
$25,000 - 49,999	6,010	30.7%	138,732,413	16.7%	1,636,386	16.1%
$5,000 - 24,999	6,335	32.4%	56,755,533	6.8%	580,325	5.7%
Under $5,000	121	0.6%	231,104	0.0%	2,620	0.0%
Totals	19,568	100.0%	830,593,787	100.0%	10,154,650	100.0%

Source: Revenue Administration Division, State of Maryland Comptroller's Office - 2019 data is the most current available

Schedule 12
Worcester County, Maryland
Ratios of Outstanding Debt by Type,
As of June 30, 2021

	Governmental Activities			Business-type Activities					
Fiscal Year	General Obligation Bonds	Note Outstanding	Deferred Bond Premiums	General Obligation Bonds	Capital Leases	Deferred Bond Premiums (Costs)	Total Primary Government	Percentage of Personal Income	Bond/Lease Debt Per Capita
2021	$ 82,673,478	$ 405,895	$ 9,139,165	$ 23,229,702	$ 1,553,603	$ 1,339,831	$ 118,341,674	3.77%	2,256
2020	92,882,538	421,777	10,313,760	23,634,612	1,615,768	1,466,408	130,334,863	4.14%	2,515
2019	102,279,413	437,024	11,488,355	24,968,024	1,725,689	1,560,386	142,458,891	4.53%	2,749
2018	76,854,107	451,661	6,395,561	20,591,706	1,874,810	688,717	106,856,562	3.44%	2,062
2017	85,806,287	465,712	6,750,477	20,151,002	803,425	719,748	114,696,651	3.81%	2,219
2016	94,004,273		7,105,393	22,670,278	1,353,997	758,437	125,892,378	4.31%	2,447
2015	101,944,407		7,460,309	24,299,716	1,527,500	782,829	136,014,761	4.99%	2,639
2014	102,921,889		5,648,657	23,223,396	1,391,965	411,541	133,597,448	5.21%	2,585
2013	67,549,992		919,216	17,062,876	1,359,361	(173,920)	86,717,525	3.34%	1,680
2012	70,701,211		701,272	19,348,694	1,239,613	(211,545)	91,779,245	3.68%	1,779

Notes: 2021 percentage of personal income calculated using 2020 personal income data, which is the most recent available

2021 bond/lease debt per capita calculated using 2020 population data, which is the most recent available

See Schedule 16 for population and personal income data

Schedule 13
Worcester County, Maryland
Ratios of General Bonded Debt Outstanding,
As of June 30, 2021

Fiscal Year	General Obligation Bonds	Total Taxable Assessable Base	Percentage of Total Taxable Assessable Base	Population	Bond Debt Per Capita
2021	$ 116,382,176	$ 16,842,648,651	0.69%	*	2,218
2020	128,297,318	16,369,397,578	0.78%	52,460	2,248
2019	140,296,178	15,923,438,805	0.80%	51,823	2,455
2018	104,530,091	15,561,696,352	0.63%	51,823	1,894
2017	113,427,514	15,193,940,789	0.70%	51,443	2,060
2016	124,538,381	14,885,658,093	0.78%	51,444	2,268
2015	134,487,261	14,888,348,699	0.85%	51,540	2,449
2014	132,205,483	15,069,853,304	0.84%	51,675	2,441
2013	85,358,164	15,775,515,175	0.54%	51,620	1,639
2012	90,539,632	17,522,393,962	0.51%	51,578	1,746

Source: Worcester County Finance Office

Notes: * Information not yet available

2021 bond debt per capita calculated using 2020 population data, which is the most recent available

Schedule 14
Worcester County, Maryland
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

	Governmental Unit	Debt Outstanding	
Direct Debt			
	Worcester County - General Government	$ 12,458,160	
	Worcester County - School Debt	79,760,378	
	Subtotal Direct Debt	92,218,538	*
Overlapping Debt			
	Berlin	14,427,330	
	Ocean City	84,501,447	
	Pocomoke	5,972,468	
	Snow Hill	2,160,504	
	Subtotal Overlapping Debt	107,061,749	**
Total Direct and Overlapping Debt		$ 199,280,287	

Source: Worcester County Finance Office

Note: * Net direct debt of the County includes Governmental Activities general obligation bonds and notes payable. See Note 6

** Overlapping debt is the debt of other governmental entities located within the County that is payable in whole or in part by taxpayers of the County.
Unaudited information provided by municipalities

Schedule 15
Worcester County, Maryland
Debt Margin Information,
As of June 30, 2021
(dollars in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Debt Outstanding Limit										
Taxable Assessable Base	$ 17,522,394	$ 15,775,515	$ 15,069,853	$ 14,888,349	$ 14,885,658	$ 15,193,941	$ 15,561,696	$ 15,923,439	$ 16,369,398	$ 16,842,649
Debt Limit, 1% of Assessable Base	175,224	157,755	150,699	148,883	148,857	151,939	155,617	159,234	163,693	168,426
Amount of Debt Applicable to Limit	71,402	68,469	108,571	109,405	101,110	92,557	83,250	113,768	103,196	91,813
Debt Margin	$ 104,523	$ 90,205	$ 47,777	$ 46,939	$ 54,852	$ 66,133	$ 78,763	$ 56,955	$ 70,811	$ 76,613
Total debt applicable to the limit as a percentage of debt limit	40.75%	43.40%	72.05%	73.48%	67.92%	60.92%	53.50%	71.45%	63.04%	54.51%
Total Debt Service Limit										
Total Governmental Fund Revenue	$ 174,865	$ 176,237	$ 171,146	$ 173,843	$ 190,659	$ 201,978	$ 206,307	$ 198,789	$ 210,999	$ 242,049
Debt Service Limit, 10% of Revenue	17,486	17,624	17,115	17,384	19,066	20,198	20,631	19,879	21,099	24,205
Debt Service Applicable to Limit	10,991	10,069	10,536	13,737	11,481	11,941	12,323	11,982	13,219	13,939
Debt Service Margin	$ 6,496	$ 7,554	$ 6,578	$ 3,648	$ 7,585	$ 8,257	$ 8,307	$ 7,897	$ 7,881	$ 10,266
Total debt service applicable to the limit as a percentage of debt service limit	62.85%	57.13%	61.56%	79.02%	60.22%	59.12%	59.73%	60.28%	62.65%	57.59%

Note: The County has established a debt capacity policy by adopting Resolution 07-1. The policy limits the County's outstanding general obligation long-term debt to no more than 1 percent of the assessable property tax base of the County and the annual debt service to no more than 10 percent of the annual government revenue.

Schedule 16
Worcester County, Maryland
Demographic and Economic Statistics,
Last Ten Fiscal Years

Year	Population [a]	Personal Income [b] *(dollars in thousands)*	Per Capita Personal Income [b]	Public School Enrollment [c]	Unemployment Rate [d]
2021	*	*	*	6,711	*
2020	52,460	3,137,940	59,816	6,882	11.2%
2019	51,823	3,148,166	60,748	6,810	5.5%
2018	51,823	3,109,753	60,007	6,684	6.4%
2017	51,690	3,007,897	58,191	6,667	5.7%
2016	51,444	2,919,306	56,747	6,660	6.2%
2015	51,540	2,723,740	52,847	6,654	7.9%
2014	51,675	2,562,653	49,592	6,649	7.2%
2013	51,620	2,597,794	50,325	6,650	8.5%
2012	51,578	2,493,986	48,354	6,643	8.2%
2011	51,514	2,265,940	43,987	6,699	8.9%

Sources: [a] U.S. Census Bureau Population Factfinder
[b] U.S. Department of Commerce Bureau of Economic Analysis, November 17, 2020
[c] Worcester County Board of Education
[d] Maryland Department of Labor, Licensing and Regulation, as of June 30

Note: * Information not yet available

Schedule 17
Worcester County, Maryland
Principal Employers,
Current Year and Nine Years Ago

	2021	
Employer	**Employees**	**Percentage of Total County Employment**
Harrison Group	1,235	4.98%
Town of Ocean City	1,200	4.83%
Worcester County Board of Education	1,194	4.81%
Atlantic General Hospital	960	3.87%
Worcester County Government	658	2.65%
Wal-Mart Super Center	505	2.03%
O.C. Seacrets, Inc.	500	2.01%
Bayshore Development	350	1.41%
Carousel Resourt Hotel & Condominiums	325	1.31%
Ocean Downs	286	1.15%
	7,213	29.06%
Total Worcester County Employees		24,822

	2012	
Employer	**Employees**	**Percentage of Total County Employment**
Town of Ocean City	1,365	4.59%
Worcester County Board of Education	1,187	3.99%
Harrison Group	1,099	3.69%
Atlantic General Hospital	802	2.70%
Worcester County Government	644	2.17%
Phillips Seafood Restaurant	600	2.02%
Wal-Mart Super Center	600	2.02%
O.C. Seacrets, Inc.	550	1.85%
Clarion Fountainebleu Hotel	350	1.18%
Dough Roller	322	1.08%
	6,154	20.69%
Total Worcester County Employees		29,745

Sources: Worcester County Economic Development

Schedule 18
Worcester County, Maryland
Full-time Equivalent County Government Employees by Function,
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Function/Program										
General government	125.0	124.3	122.0	121.4	122.0	120.6	121.6	128.0	125.6	126.9
Commissioners, judges, and boards	21.0	22.0	21.0	21.0	19.0	19.0	20.0	20.0	19.0	19.0
Public safety	207.1	212.1	222.3	225.2	228.7	231.7	237.0	229.3	226.3	223.9
Public works	59.7	57.7	56.9	59.1	57.2	59.8	60.0	58.1	76.7	75.9
Social services - LMB	-	-	-	-	-	-	-	-	-	-
Library and recreation	60.4	63.1	63.1	64.0	64.3	65.5	65.5	69.4	75.2	74.9
Natural resources	-	-	-	-	-	-	-		-	-
Water and wastewater	62.6	62.9	65.2	64.8	65.9	64.9	63.4	62.6	59.5	39.1
Solid waste	36.6	35.0	35.6	35.7	35.2	35.3	36.1	34.1	15.3	15.1
Liquor control	36.0	31.8	31.0	24.5	19.0	15.9	4.3	2.7	1.9	1.1
Total	608.4	608.9	617.1	615.7	611.3	612.7	607.9	604.2	599.5	575.9

Source: Worcester County Finance Office

Notes: A full-time employee is scheduled to work 260 days per year (52 weeks x 5 days per week). At eight hours per day, 2,080 hours are scheduled per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

County Commissioners, Orphan's Court Judges, and Board Members noted as full-time equivalent

The Department of Liquor Control was new in FY12

Part-time and temporary employees are included in this table

Schedule 19
Worcester County, Maryland
Operating Indicators by Function,
Last Ten Fiscal Years

	Fiscal Year									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Function/Program										
General Government										
Building permits issued *	65	76	124	133	138	127	154	158	167	197
Value of new construction (in 000's)	14,437	20,344	31,150	26,806	29,865	29,559	31,415	37,927	36,725	59,704
Public Safety										
Detention Center										
Average daily population	375	376	335	338	344	345	351	310	222	163
Fire protection (all volunteer)										
Fire calls answered	1,539	1,612	2,164	2,673	2,436	2,181	2,179	1,996	2,151	2,273
Emergency Medical Services										
EMS calls answered	6,050	6,243	5,937	6,537	6,551	6,906	6,959	7,480	9,430	9,504
Education										
Students	6,643	6,650	6,649	6,654	6,660	6,667	6,684	6,810	6,882	6,811
Teachers	570	571	572	572	572	572	585	584	584	589
Public Works										
Centerline miles of road maintained	530	530	530	531	531	531	533	533	533	533
Wastewater treated (mgd)	2.3	2.3	2.4	2.4	2.4	2.1	1.9	1.9	1.3	1.4

Source: Worcester County Finance Office and individual County departments

Note: * Single Family Dwelling Units

Schedule 20
Worcester County, Maryland
Capital Asset Statistics by Function,
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
Public Safety										
Detention center capacity	507	507	507	507	507	507	507	507	507	507
Fire companies	9	9	9	9	9	9	9	9	9	9
Emergency medical services companies	7	7	7	7	7	7	7	7	7	7
Education										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Intermediate schools	1	1	1	1	1	1	1	1	1	1
Middle schools	3	3	3	3	3	3	3	3	3	3
Special school	1	1	1	1	1	1	1	1	1	1
High schools	3	3	3	3	3	3	3	3	3	3
Technical high school	1	1	1	1	1	1	1	1	1	1
Public libraries	5	5	5	5	5	5	5	5	5	5
Recreation Facilities										
Recreation center	1	1	1	1	1	1	1	1	1	1
County parks	13	13	13	13	13	13	13	13	13	13
Park acreage	883	883	883	883	883	883	883	883	883	883
Public landings and wharves	9	9	9	9	9	9	9	9	9	9
Boat slips	8	8	8	8	8	8	8	8	8	38
Public Works										
Centerline miles of County roads	530	530	530	531	531	531	533	533	533	533
Public easements - Ocean Pines	64.12	64.12	64.12	64.12	64.12	64.12	64.12	64.12	64.12	64.12
Bridges	44	44	44	44	43	43	43	43	43	43
Wastewater treatment plants	8	8	8	8	8	8	8	8	8	8
Miles of sewer pipeline	187	187	190	191	191	192	193	195	195	196
Water well house facilities	5	5	5	5	5	5	5	5	5	5
Pump stations	54	54	54	55	55	55	56	57	57	57
Water tanks	6	6	6	6	6	6	6	6	6	6
Waterlines	150	151	151	151	154	156	157	157	157	157
Water treatment facilities	10	10	10	10	10	10	10	10	10	10
Recycling center	1	1	1	1	1	1	1	1	1	1

Source: Worcester County Finance Office and individual County departments

Worcester County

Annual Comprehensive Financial Report

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