



Cecil County Maryland

**Comprehensive Annual Financial Report
For The Year Ended June 30, 2020**



Cecil County Maryland



Comprehensive Annual Financial Report For the Year Ended June 30, 2020

Prepared by the Cecil County Department of Finance

CECIL COUNTY, MARYLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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Department of Economic Development

Cecil County Public Schools

Cecil County Sheriff's Office

INTRODUCTORY
SECTION

Office of the County Executive

Alan McCarthy
County Executive

Alfred C. Wein, Jr.
Director of Administration

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Department of Finance

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CECIL COUNTY, MARYLAND

Department of Finance

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November 16, 2020

To County Executive Alan McCarthy, the Members of County Council,
and the Citizens of Cecil County, Maryland:

We are pleased to submit this Comprehensive Annual Financial Report (CAFR) for Cecil County, Maryland for the fiscal year ended June 30, 2020. Pursuant to the Cecil County Charter and Maryland state law, our local government is required to prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning Cecil County's financial position and results of operations; consequently, management of the County assumes responsibility for the complete and fair presentation, including all disclosures. In order to provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to provide reasonable assurance that County assets are safe guarded from loss, theft or misuse and to provide sufficient information for the preparation of the County's financial statements in conformity with GAAP.

SB & Company, LLC, a firm of licensed certified public accountants, audited the County's financial statements. The objective of the independent audit is to provide a reasonable basis for the expression of an opinion regarding the financial statements taken as a whole. The audit involves examining, on a test basis, evidence supporting the amounts represented, disclosures in the financial statements; assessing the accounting principles used and significant estimates used by management; and evaluating the overall financial presentation. The independent public accountant concluded, based on the testing, that there is a reasonable basis for the expression of an unmodified opinion, and that the financial statements of Cecil County present fairly in all material aspects the financial position as of June 30, 2020, and for the year then ended. The independent public accountant's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Cecil County is part of a broader, federally mandated, "Single Audit" designed to meet the special needs of federal grantor agencies. The

standards governing Single Audit engagements require the independent public accountant to report not only on the fair presentation of the financial statements, but also on the internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The reports are available in the County's separately issued Single Audit report.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A immediately follows the report of the independent public accountants.

Profile of the Government

Incorporated in 1674, Cecil County is located in the northeast corner of the State of Maryland. Cecil County, Maryland is governed by a County Executive and County Council pursuant to the Charter of Cecil County, Maryland. The Charter provides, among other things, for the election of the County Executive and the organization, powers, and duties of the executive and administrative branches; the election, organization, powers, and duties of the legislative branch, and fiscal and budgetary matters. The Charter supersedes a Commissioner form of government that existed until December 2012 whereupon the five Commissioners (combined executive/legislative) became five Council members (legislative branch). Other elected officials include the Sheriff, the State's Attorney, and three Circuit Court Judges.

Cecil County Government serves an estimated population of 102,855 over a land area of 352 square miles. The County is empowered to levy a property tax on real property and personal property used in connection with a business, an income tax on residents and non-residents working in the County, and to levy or collect various other taxes and charges for services. Cecil County provides a wide range of services to its citizens including police, a correctional facility, emergency management services, the construction and maintenance of roads, bridges, and other infrastructure, recreational activities and cultural events. Fire protection is provided by several volunteer fire departments located through the County and the County assists with the funding of these companies. The County maintains a landfill and provides wastewater services to certain areas. Cecil County is also financially accountable for and provides significant financial support to the legally separate Board of Education of Cecil County, Cecil College, the Cecil County Public Library, and Bainbridge Development Corporation. These entities, considered component units of the County, are included in these financial statements and are further described in Note 1 to the financial statements.

The annual budget serves as the foundation of Cecil County's financial planning and control. Annually, the County Executive directs the Department of Finance to prepare a proposed Budget including anticipated revenues and proposed expenditures which is submitted to County Council not later than April 1 of each year. County Council may not change the revenue estimates, they may decrease or delete proposed expenditures, but may not increase proposed expenditures. County Council shall approve the budget by June 15 of each year. Activities of the General Fund, certain Special Revenue Funds, and the Debt Service Fund are included in the annual budget. The budget is presented by fund, function (e.g., public safety), and department (e.g., Sheriff's office). Within the approval system established by the County Executive, Department heads may transfer resources within a department and a fund. New revenue estimates that result in increased expenditure appropriations and transfers between departments or funds require a Budget Amendment approved by County Council.

The County uses a six-year Capital Improvement Program to plan and budget for its capital projects. This plan is updated throughout the fiscal year and is used as a management tool for decisions involving the scheduling and funding of various capital projects. The County includes the current portion of the Capital Improvement Plan as its annual Capital Budget. The County maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual operating budget has been adopted. For the General Fund and other major funds, this comparison is presented on page 24 as part of the basic financial statements for the governmental funds. For non-major governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report starting on page 101.

Economic Condition and Outlook

Looking Forward in County Government. As the County was preparing the Fiscal Year 2021 budget, the unimaginable happened to not only to Cecil County but the entire world, the COVID-19 pandemic. The budget priorities changed in the weeks leading up to the April 1 budget deadline as revenue increases attributable to income tax were reduced. The County Executive decided a revenue/expense reduction on the front end would hopefully be enough to allow the County to operate without the need to use emergency reserves for daily operations. The Fiscal Year 2021 budget represents a 2.4% increase over the Fiscal Year 2020 budget. This budget reflects a balanced approach and was crafted by adhering to sound fiscal management policies and practices. The budget complies with Charter Section 601 as it relates to the Strategic Plan even in the midst of the COVID-19 crisis.

The fiscal year 2021 budget reflects the following:

- Establishes a balanced budget with no use of Fund Balance;
- Supports the County Executive's desire to attract and retain a high quality, trained workforce to staff all positions within Cecil County Government:
 - Law Enforcement Officers collectively bargained are in the final year of a three-year contract. On July 1, 2020 officers will receive a 1.5% COLA and a step increase on the anniversary of their entry on duty;
 - Paramedics collectively bargained under the IAFF agreement, are in the second year of a three-year contract. The new agreement adjusts the pay scale by 1.5% as of July 1, 2020. Starting with the first pay of January, a 1.5% COLA will be added to their compensation;
 - Non-union County employees are approved to receive a 2.0% COLA that will start the first pay period in January. Due to the negative effects on the County's economy as a result of COVID-19, the third year of the phase in of the compensation study and step increases were unable to be supported in the Fiscal Year 2021 budget.
- Provides an increase to the regular allocation to the Board of Education for managing the County's public schools by \$1,462,192 to a total of \$86,367,865. This allocation is 2.4% or \$2,000,000 above the State's Maintenance of Effort calculation;

- Provides a budget increase of \$328,000 to Cecil College, which supports educating the future workforce in Cecil County;
- Continuing support of Volunteer Fire Companies in Cecil County with \$575,000 in Vehicle Replacement Matching funds;
- Reflects Debt Service savings of \$3,450,000 from the amortization of bond premiums received during the issuance of 2019 and 2020 bonds;
- The Capital Budget supports the second year of funding for the new Chesapeake City Elementary School;
- Provides the final year of funding to Cecil County Public Library for the completion of the new library in North East. Moving the library's administrative office to the new library in North east, will allow for the renovation and expansion of patron useable space at the Elkton Library;
- The General Capital Project Budget is supporting the purchase of a building in down town Elkton to become the future home of the Office of the State's Attorney for Cecil County. Moving the office out of the Courthouse will not only allow the overcrowded Courts to expand, but will support the needs of the State's Attorney for years to come.

Factors Affecting Financial Condition

Jobs. The labor force in Cecil County has been over 50,000 for the last seven years and despite the job losses due to the pandemic, was still estimated at 51,108 in June 2020. The growth in new business locating to Cecil providing over 2,500 jobs in the last few years is thought to have aided the County in holding unemployment down during the pandemic in comparison to other counties in Maryland. The weekly wage in Cecil County increased from \$764 in 2010 to \$994 in the 4th quarter of 2019. Approximately 50% of the County's citizens find employment in nearby Baltimore or Wilmington metropolitan areas; this diversity continues to help mitigate the impact of specific economic events. The ACS reported that over 91.1% of County citizens over age 25 are a high school graduates or higher.

Local Economy. Cecil County has a diverse economy with northern and southern regions being highly agricultural with the middle more urban and a suburban region that is well connected by interstate highways, rail, and waterways with the Baltimore, Wilmington, and Philadelphia metropolitan areas. The County has adopted a Comprehensive Plan for Land Use that encourages development in the "Growth Corridor" between US Route 40 and Interstate 95. Much of the County's non-agricultural economy focuses on distribution, light manufacturing, research and development, health care, leisure and hospitality, and corporate offices.

Long Term Financial Planning and Major Initiatives

As Cecil County continues to look to the future, one cannot help but feel the uncertainty brought on by the COVID-19 pandemic and the potential effect on the future of Cecil County. The County plans continued improvement, and expansion of its infrastructure in order to attract businesses which will contribute to the economic health of its community without damaging the environment. However, the pace to which the County proceeds with the expansion is dependent on the eradication of the virus. Education and public safety remain top priorities as part of this plan, but the pandemic has possibly changed the way those areas conduct business and need assistance.

The County's infrastructure investments include a well maintained system of County roads in addition to I-95 and state highways. The continued sewer system improvements will assure that residential and commercial growth can occur in designated growth areas to provide living and career opportunities to County families. The agricultural economy of the County is supported in many ways including education, good transportation, and agricultural land preservation programs.

The County is investing for the long term often through initiatives in cooperation with businesses, the Public Schools, the Public Libraries, Cecil College, Transit, and its Parks.

- The County and Public Schools are continuing construction to replace Chesapeake City Elementary School to increase student capacity and provide a modern and more efficient classroom layout and design.
- The County is annually expanding the Community Transit program by working with our bordering neighbor communities (Harford County (MD), New Castle County (DE)), to allow commuting into Cecil County. Working with Maryland Transportation Authority, the County has been able to expand integration with nearby transportation networks, specifically with the mobile ticketing, and is in the second phase of locating a feasible site to construct a centrally located transit hub in an effort to make regional job opportunities available to our residents.
- The County is negotiating to purchase a new location in downtown Elkton for the Office of the State's Attorney. Currently the office is located within the Cecil County Courthouse and does not have sufficient courtroom or administrative space for our growing County. The first step to expand the Circuit Court's footprint within the Courthouse is to move out the Office of the State's Attorney. This move will allow for the necessary space to build an additional Courtroom to serve the needs of the judicial process in the County.
- The County is supporting the Maryland Broadband Initiative to bring high speed internet capability to County businesses, the schools, the college, and the public libraries.
- The County and Cecil County Public Libraries are in the final phase of constructing a new North East branch library that will create expanded space and provides modern resources to an underserved and expanding demographic area of the County. The new library will also become the new location for County-wide Library administrative functions. Relocating the administrative staff to North East will allow for more library/public space in the branch located in Elkton.
- The County is continuing to expand sewer mains along the Route 40 growth corridor. The expansion is attracting business such as Northrup Grumman to connect to public County sewer. The access to public sewer in this area will provide permanent infrastructure solutions for businesses in an effort to protect their investments as well as the environment.
- With a continued eye on the environment and the County's close proximity to the Chesapeake Bay, the County is in the process of upgrading the Harbor View Wastewater Treatment plant to an ENR (enhanced nutrient removal) level of treatment. The County is also in the process of designing and then building a new wastewater treatment plant in the town of Port Deposit, also to an ENR level of treatment. The high level of treatment that ENR provides will not only serve the County, but will improve water quality feeding into our neighboring jurisdictions.

- Calvert Regional Park continues to expand with additional playing fields and parking lots to accommodate the growing needs of continuing to support Sports Tourism on a regional scale as well as providing a state of the art facility for County citizens.

Cecil County updated its government and services to meet the increasing needs of its population. In December 2012, the County changed from a Commissioner form of government to a County Executive and County Council form of government. This is intended to provide a more responsive and efficient County government through a central executive while moving certain legislative responsibilities from the State legislature to the County Council.

To support the long term financial planning and to support a longer term perspective versus short term, the County has a six year capital improvement program, uses landfill and wastewater rate studies, and uses an information technology internal service fund to manage the life-cycle costs of the County's information and communication assets.

Through actions and the budget, the County Executive has emphasized policies that will promote the current and future welfare of the County's citizens. These policies include the expansion of infrastructure for job creation, support for education, and building safer communities. Emergency Services' Maryland First Responder Radio System will continue to see improvements by enhancing coverage in County owned buildings, schools, Cecil College and the hospital.

Cecil County was able to maintain services to its citizens throughout the most recent economic recession because it obtained and maintained a strong fund balance in its General Fund. The decision not to use fund balance in the FY2021 budget as well as legislating increased funding to the Reserve for Emergency Contingencies is a strategic decision to hold fund balance to maintain quality services to meet the needs of Cecil County under all economic conditions. The newly passed Fund Balance policy will serve the County well as it deals with the economic impact due to the COVID-19 pandemic.

Relevant Financial Policies

Cecil County balances its budgets and practices prudent financial planning in order to provide and maintain the quality of life that our residents expect for their tax dollars.

The County Executive's main objective in managing the budget process was to ensure that every citizen had a role in developing and balancing the budget. This process starts in February with a forum for the exchange of meaningful information between the public and the County Executive in the early stages of the budget development process. The County Executive proposes a budget by April 1 and County Council should pass a final budget by June 15, the County Executive presents a Budget Message and proposed Budget to Council.

The County has adopted financial policies in its County Charter, County Code, and administrative policies. These policies include guidance on levels of long-term debt, allocation and safety of investments, "rainy day" fund reserve levels, and the use of rate studies for enterprise funds.

Awards and Acknowledgements

Awards - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cecil County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the thirtieth consecutive year that the County has received this award. This award recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfies generally accepted accounting principles as well as legal requirements.

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

Acknowledgments - The preparation of the report would not have been possible without the tireless and dedicated service of the entire staff of the Cecil County Department of Finance, the support of various elected and appointed officials and County departments. We wish to express our sincere appreciation to everyone who assisted and contributed to the preparation of this report. A special thanks goes to Denise Roberts, Accounting Manager, for taking the lead in the preparation of the FY2020 CAFR.

We wish to acknowledge the County Executive and the County Council for their unfailing support for the County's efforts to maintain the highest standards of professionalism in the management of Cecil County Maryland for the good of its citizens.

Respectfully submitted,



Lisa A. Saxton
Lisa A. Saxton
Director of Finance



Rebecca L. Anderson
Rebecca L. Anderson
Deputy Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Cecil County
Maryland**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Cecil County, Maryland

Principal Officials

June 30, 2020

Elected Officials

Executive

County Executive

Dr. Alan McCarthy

County Council

District 1 & President

Bob Meffley

District 2

Bill Coutz

District 3

Al Miller

District 4

George Patchell

District 5 & Vice President

Jackie Gregory

Other Elected Officials

Sheriff

Scott Adams

State's Attorney

James A. Dellmyer

Circuit Court

Administrative Judge

Keith A. Baynes

Associate Judge

Jane Cairns Murray

Associate Judge

Brenda A. Sexton

Associate Judge

William W. Davis

Other Officials and Department Directors

Director of Administration

Alfred C. Wein, Jr.

County Attorney

Jason L. Allison

Department Directors

Economic Development

Christopher Moyer

Emergency Management

Richard K. Brooks, III

Finance

Lisa A. Saxton

Human Resources

Sally Kilby

Information Technology

Brian Miller

Parks and Recreation

Clyde S. VanDyke

Land Use & Development Services

Eric S. Sennstrom

Public Works

W. Scott Flanigan

Community Services

David P. Trolio

District Court

Administrative Judge

Bonnie G. Schneider

Associate Judge

Clara E. Campbell

Cecil County, Maryland

County Executive

Cecil County has an Elected County Executive.



Alan McCarthy

County Council

Cecil County has five Council members elected from different geographic districts, but are elected at-large by all voting citizens. Council elects its own President and Vice President.



District 1 & President
Bob Meffley



District 5 & Vice President
Jackie Gregory



District 2
Bill Coutz

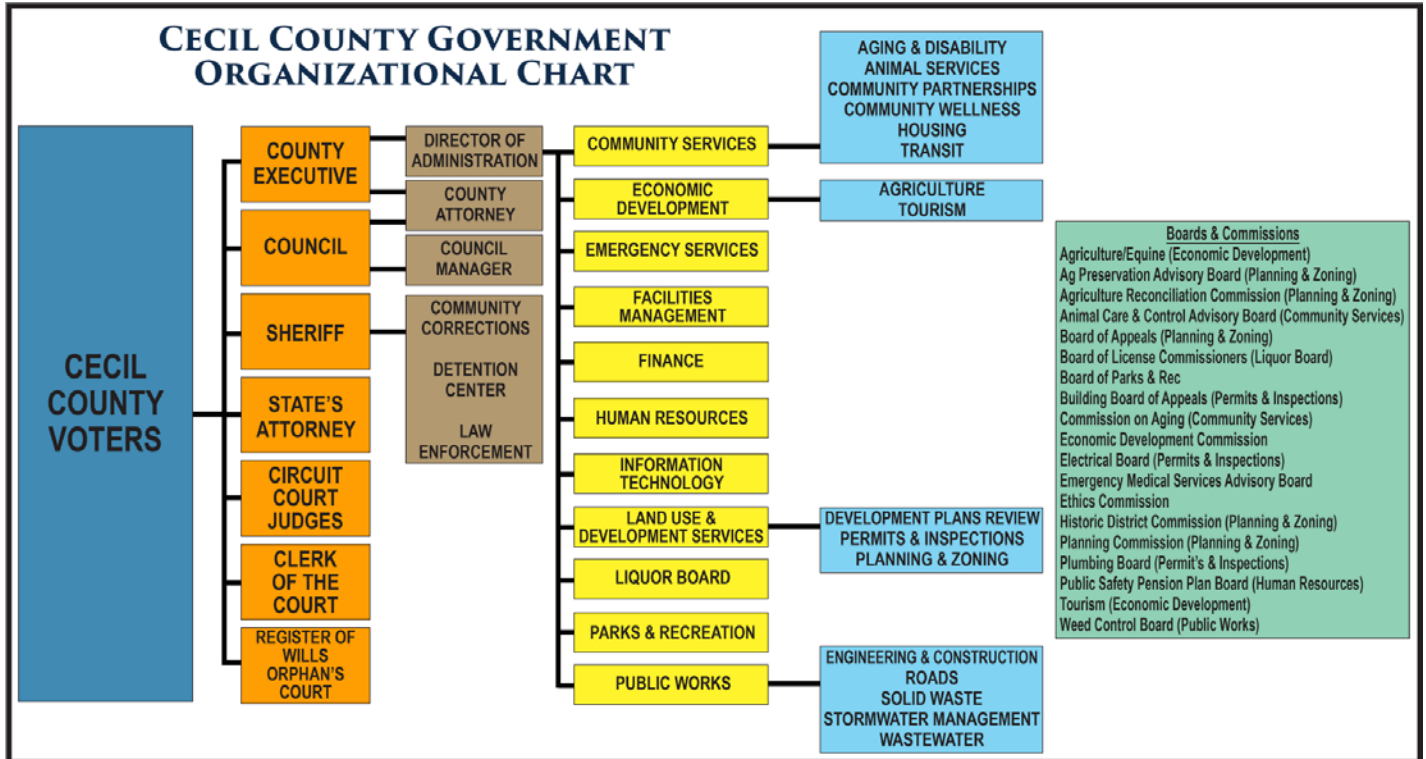


District 3
Al Miller



District 4
George Patchell

Cecil County, Maryland
County Organizational Chart



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FINANCIAL
SECTION



S B & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Citizens of Cecil County, Maryland and
The County Executive and County Council of Cecil County

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 units, each major fund, and the aggregate remaining fund information of Cecil County, Maryland (the County), as of and for the year ended June 30, 2020, 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

The County's 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Education of Cecil County, Cecil College, the Cecil County Public Library, and the Bainbridge Development Corporation. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 controls 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 controls. 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.



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general, housing programs, and casino local impact funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the required supplemental Schedule of changes in the Public Safety Employee's net pension liability and related ratios, the Schedule of County contributions, and the Schedule of investment returns for the Cecil County Pension Plan for Public Safety Employees, the Schedule of changes in the County's net LOSAP liability and related ratios and Schedule of County's contributions for the Volunteer Length of Service Program, the Schedule of County's proportionate share of the net pension liability and the schedule of County contributions to the Maryland State Retirement and Pension System, the schedule of changes in the County's net OPEB liability and the related ratios, the schedule of County contributions for post-employment benefit trusts, and the schedule of investment returns for post-employment benefit trusts 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.



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KNOWLEDGE • QUALITY • CLIENT SERVICE

Other Information

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

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

The introductory section and statistical tables 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.

Owings Mills, Maryland
November 16, 2020

SB & Company, LLC

**CECIL COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020**

The County Executive and County Council are pleased to present to the readers of the financial statements of the County this narrative overview and analysis of the financial activities of Cecil County for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal.

Financial Highlights

Government-wide

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$165,320,847 (net position). Of this amount, \$238,806,591 was invested in capital assets, net of related debt. The County reported \$11,851,705 restricted for specific purposes and a negative \$85,337,449 unrestricted net position related primarily to debt associated with Board of Education construction projects and County net pension liabilities.
- Total net position of the County increased in fiscal year 2020 by \$25,513,416. The net position of governmental activities increased \$17,213,075 from the previous year; this was primarily caused by increases in the County's Income Taxes and Property Taxes revenue streams. The net position from business activities increased \$8,300,341; due to an increase in Capital Grants in the Waste Water Fund and increases in Contribution revenues for all Business Type Activities.
- Discretely presented component units reported net position of \$196,296,410 a decrease of \$8,785,415 from the previous year. Unrestricted net position is reported at negative \$42,966,665.

Fund Level

- As of June 30, 2020, the County reported combined ending fund balances in governmental funds of \$88,374,011 an increase of \$37,924,469 from the previous year.
- The unrestricted fund balance of the General Fund was \$45,425,512 or 22% of total General Fund expenditures and transfers out. Of this balance, \$20,766,189 has been assigned as the Emergency Reserve for Contingencies (Rainy Day Fund), \$2,076,619 for a Budget Stabilization Reserve, \$500,000 for Volunteer Fire Company Vehicle Replacements, \$1,035,000 for Funding various Capital Projects via PayGo Financing, \$1,000,000 for additional Roads Infrastructure Maintenance, \$7,000,000 Fiscal Year 2022-2023 Budget and \$810,000 to fund CCPS Schools small-cap funding. The unassigned fund balance of the General Fund was \$12,237,704.
- The Capital Projects Fund had \$25,200,891 restricted balance for County capital projects and Component Unit capital projects.
- The Other Governmental Funds had \$8,648,240 of restricted fund balance.

Long Term Debt

- The County's total net general obligation debt increased by \$36,684,047 to \$264,174,288. The County has adopted biennial issuance of general obligation debt. The Enterprise Funds had a

net increase in debt of \$5,728,537 and governmental activities had a net increase of \$30,955,510.

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Cecil County’s finances, in a manner similar to a private-sector business.

The Statement of Net Position (page 18) presents information on all of the County’s assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Cecil County is improving or deteriorating.

The Statement of Activities (page 19) presents information showing how the County’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported 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 the government-wide financial statements distinguish functions of Cecil County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statements also present financial information for the County’s component units.

- *Governmental Activities* – Most of the County’s basic services are reported in this category. Taxes and intergovernmental revenues generally support these services. Services provided include general administration, public safety, public works, social services, parks, education, libraries, and economic development.
- *Business-type Activities* – The County charges fees to customers to help it cover all or most of the cost of the wastewater, landfill, and property management services it provides.
- *Discretely Presented Non-fiduciary Component Units (Component Units)* – Component units are legally separate organizations for which the County is financially accountable. The County includes in this report the Board of Education of Cecil County, Cecil College, Cecil County Public Library, and the Bainbridge Development Corporation.

Fund Financial Statements. The fund financial statements begin on page 20 and provide detailed information about the major individual funds. A fund is a grouping of related accounts designed to maintain control over specific resources that have been segregated for specific activities or objectives. Cecil County 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.

- *Governmental Funds* – Most of the County's basic services are reported in the governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, the fund statements focus on near-term inflows and outflows of spendable resources and the balances available for future spending at fiscal year end. This information may be useful in evaluating the County's near-term financing requirements.

Since the fund statements do not encompass the long-term focus of the government-wide statements, reconciliations are provided (pages 21 and 23) to demonstrate the differences between the Governmental Funds Balance Sheet and the Statement of Net Position and between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities. Comparison of the two sets of statements for the governmental funds and the governmental activities may provide the reader with insight into the long-term impact of short-term financing decisions as the fund statements are from a short-term perspective and the activities statements show long-term information.

The County presents the following major governmental funds individually in the County's basic financial statements: the General Fund, Housing Programs, the Casino Local Impact Fund, and the General Capital Projects Fund. The remaining non-major governmental funds have been combined and presented in one column. Combining statements for the non-major funds is presented beginning on page 95.

- *Proprietary Funds* – When the County charges for the services it provides, proprietary funds are generally used to report these activities. Cecil County uses two types of proprietary funds; enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements and internal service funds which are used to accumulate and allocate costs internally among the government funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method of accounting used by private sector businesses. Enterprise funds, the Wastewater, Landfill, and Property Management funds, report activities that provide supplies and services to the general public. Internal service funds, the Motor Vehicle, Information Technologies, Health Insurance, and Workers Compensation funds, report activities that provide supplies and services for the County's other programs and activities.
- *Fiduciary Funds* – The County acts as a fiduciary to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County has agency funds to collect and remit certain taxes and fees on behalf of the state and several local municipalities and these are presented beginning on page 119. The County reports three pension funds that are reported beginning on page 115. The Cecil County Pension Plan for Public Safety Employees is used to report resources held in trust for retirement, disability and death benefits to participants. The Cecil County Maryland Non-Pension Post-Employment Benefits Trust Fund is used to report resources held in trust for post-employment healthcare and other non-pension benefits of participants. The Volunteer Length of Service Award Program is used for the deferred compensation plan of local fire/ rescue service volunteers of Cecil County.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 36 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County’s progress in funding its obligation to provide pension benefits to its employees. The required supplementary information can be found beginning on page 84.

Other information. Other information includes combining financial statements for non-major governmental funds. These funds are added together, by fund type, and presented in single columns in the basic financial statements, but are not reported individually, as with major funds, on the governmental fund financial statements. Detailed General Fund budget information, as well as, combining and individual non-major fund statements begins on page 93.

Statistical Section. The County also provides certain informational and statistical schedules that begin on page 124.

Financial Analysis of the Government as a Whole

Net Position. As noted earlier, Cecil County’s assets and deferred outflows of resources exceeded liabilities by \$165,320,847. Over time, changes in net position serves as a useful indicator of a government’s financial position. A year-to-year comparison of net position follows:

Cecil County's Net Position as of June 30, 2019 and 2020

	Governmental Activities		Business-type Activities		Government-wide Total	
	2019	2020	2019	2020	2019	2020
Current and Other Assets	\$ 86,658,366	\$ 149,569,447	\$ 20,166,384	\$ 25,451,471	\$ 106,824,750	\$ 175,020,918
Capital Assets	238,770,545	246,683,167	117,198,112	128,920,995	355,968,657	375,604,162
Total Assets	325,428,911	396,252,614	137,364,496	154,372,466	462,793,407	550,625,080
Total Deferred Outflow of Resources	8,398,977	11,030,309	806,536	664,408	9,205,513	11,694,717
Other Liabilities	17,522,591	59,097,430	3,305,291	11,085,052	20,827,882	70,182,482
Long Term Liabilities	226,051,980	234,793,680	81,491,762	82,277,502	307,543,742	317,071,182
Total Liabilities	243,574,571	293,891,110	84,797,053	93,362,554	328,371,624	387,253,664
Total Deferred Inflow of Resources	3,819,865	9,745,286	-	-	3,819,865	9,745,286
Net Position:						
Net Investment in						
Capital Assets	165,352,831	186,718,203	50,824,139	52,088,388	216,176,970	238,806,591
Restricted	5,713,812	11,851,705	-	-	5,713,812	11,851,705
Unrestricted (Deficit)	(84,633,191)	(94,923,381)	2,549,840	9,585,932	(82,083,351)	(85,337,449)
Total Net Position	\$ 86,433,452	\$ 103,646,527	\$ 53,373,979	\$ 61,674,320	\$ 139,807,431	\$ 165,320,847

The largest component of the County’s net position, \$238,806,591, reflects its investment in capital assets (e.g., land, infrastructure, buildings, equipment, and others), less any related outstanding debt. Although the County’s investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources as the capital assets themselves

cannot be liquidated to repay these liabilities. Additionally, it should be noted that while the County issues debt for the construction and renovation of the public schools and the college, the buildings are owned by the legally separate component units. Consequently, the County’s financial statements reflect debt incurred on behalf of the Board of Education and Cecil College, but do not show the related assets.

Another portion of the County’s net position, \$11,851,705, consists of resources subject to external restrictions such as state or county law provisions, or enabling legislation, on how these resources may be used. Restricted resources, all in governmental activities, increased by \$6,137,893.

The remaining portion of net position shows a negative unrestricted balance of \$85,337,449. Governmental activities’ negative unrestricted position is \$94,923,381. Business-type activities unrestricted position of \$9,585,932 is derived from Wastewater \$2,091,643, Landfill \$7,301,903 and Property Management Fund \$192,386; these positions are essentially limited to use by the operation from which the net positions derive.

Changes in Net Position. As shown in the following schedule, the County’s combined net position increased \$25,513,416 over the course of this fiscal year’s operations.

Cecil County's Changes in Net Position

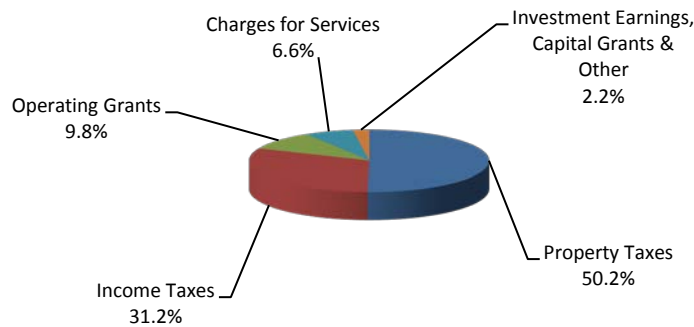
	Governmental Activities		Business-type Activities		Government-wide Total	
	2019	2020	2019	2020	2019	2020
REVENUES						
Program Revenues:						
Charges for Services	\$ 13,980,841	\$ 15,904,841	\$ 16,407,252	\$ 18,073,477	\$ 30,388,093	\$ 33,978,318
Operating Grants & Contributions	18,082,698	23,668,531	-	-	18,082,698	23,668,531
Capital Grants & Contributions	4,388,697	8,227,583	6,863,455	7,412,144	11,252,152	15,639,727
General Revenues:						
Property Taxes	117,898,407	121,433,103	-	-	117,898,407	121,433,103
Income Taxes	70,079,906	75,391,465	-	-	70,079,906	75,391,465
Investment Earnings	1,815,229	1,547,817	609,839	258,344	2,425,068	1,806,161
Other Revenue & Gains/Losses	278,029	(3,702,497)	-	-	278,029	(3,702,497)
Transfers	(905,000)	(706,000)	905,000	706,000	-	-
Total Revenues	225,618,807	241,764,843	24,785,546	26,449,965	250,404,353	268,214,808
EXPENSES						
General Government	12,520,607	13,065,581	-	-	12,520,607	13,065,581
Public Safety	49,442,403	50,059,790	-	-	49,442,403	50,059,790
Highways, Streets, & Bridges	17,306,415	19,712,812	-	-	17,306,415	19,712,812
Health and Welfare	17,066,704	23,047,432	-	-	17,066,704	23,047,432
Recreation and Culture	2,532,142	2,675,352	-	-	2,532,142	2,675,352
Education	101,462,249	102,174,873	-	-	101,462,249	102,174,873
Public Libraries	5,879,199	6,170,855	-	-	5,879,199	6,170,855
Economic Development	2,835,459	1,733,234	-	-	2,835,459	1,733,234
Agricultural Programs	686,363	636,345	-	-	686,363	636,345
Interest on Long Term Debt	4,967,097	5,275,494	-	-	4,967,097	5,275,494
Wastewater	-	-	8,920,270	10,636,091	8,920,270	10,636,091
Landfill	-	-	7,805,548	6,985,591	7,805,548	6,985,591
Property Management	-	-	572,446	527,942	572,446	527,942
Total Expenses	214,698,638	224,551,768	17,298,264	18,149,624	231,996,902	242,701,392
Increase in Net Position	10,920,169	17,213,075	7,487,282	8,300,341	18,407,451	25,513,416
Net Position - Beginning	75,513,283	86,433,452	45,886,697	53,373,979	121,399,980	139,807,431
Net Position - Ending	\$ 86,433,452	\$ 103,646,527	\$ 53,373,979	\$ 61,674,320	\$ 139,807,431	\$ 165,320,847

Governmental Activities

Revenues of governmental activities for fiscal year 2020 showed an increase of \$16,146,036 over fiscal year 2019.

The following graph illustrates the governmental activities functional revenues received by source for fiscal year 2020:

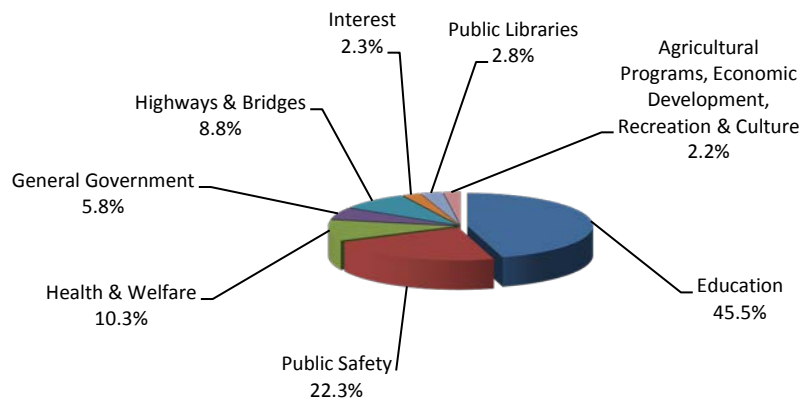
**Functional Revenue - Governmental Activities
Fiscal Year Ending June 30, 2020**



Expenses of governmental activities (operating and capital) resulted in an increase of \$9,853,130 over fiscal year 2019. Primarily components were spending increases for Highways, Streets, & Bridges of \$2,406,397, and Health and Welfare of \$5,980,728.

The following graph illustrates the governmental activities functional expenses by source for the fiscal year 2020:

**Functional Expenses - Governmental Activities
Fiscal Year Ending June 30, 2020**



Business-type Activities

In 2020, the net position of business-type activities increased by \$8,300,341 from fiscal year 2019. The net positions of the Waste Water, Landfill, and Property Management Funds increased by \$6,023,987, \$1,973,717 and \$302,637 respectively. Detailed explanations of the variance are contained in the financial analysis of the County's Funds - Proprietary Funds section starting on page 12.

Financial Analysis of the County's Funds

As previously noted, Cecil County uses fund accounting as a means of ensuring and demonstrating compliance with finance-related legal requirements. Governmental funds provide useful information regarding near-term inflows, outflows, and balances of spendable resources. Unrestricted fund balance is particularly helpful in measuring the net resources available for spending at fiscal yearend.

Governmental Funds

As the County completed the fiscal year, its governmental funds reported combined fund balances of \$88,374,011, an increase of \$37,924,469 compared with 2019. Of the current ending fund balances, the following categories are recorded and primary uses noted:

- \$6,874,368 is recorded as Nonspendable due to a \$419,019 advance to the Wastewater Fund, a \$2,957,449 advance to the Motor Vehicle Fund, a \$3,115,325 advance to the Information Technologies Fund, and \$382,575 related to inventories and prepaid items;
- \$33,849,131 is recorded as Restricted; \$849,178 for Housing Programs, \$1,581,685 for the Casino Impact Fund, \$25,200,891 for Capital Projects and \$6,217,377 for other (primarily grant) activities;
- \$2,225,000 is recorded as Committed;
- \$33,187,808 is recorded as Assigned and consists of \$20,766,189 as the Emergency Reserve for Contingencies, \$2,076,619 for a Budget Stabilization Reserve, \$500,000 for Volunteer Fire Company Vehicle Replacements, \$1,035,000 for Funding various Capital Projects through PayGo Financing, \$1,000,000 for additional Roads Infrastructure Maintenance, \$810,000 to fund Cecil County Public Schools small-cap funding; and \$7,000,000 assigned for subsequent fiscal year 2022-2023 budgets.
- \$12,237,704 is the remaining fund balance, thus this is classified as Unassigned.

General Fund – Comparison to Prior Year. The General Fund is the chief operating fund of the County. At the end of the fiscal year, the non-spendable fund balance was \$6,874,368, committed fund balance was \$2,225,000 and the assigned/unassigned fund balance was \$45,425,512. Unassigned funds of \$12,237,704 are up \$856,039 from 2019. The schedule on the following page presents General Fund revenues and expenditures for 2020 compared to budget and 2019 actuals.

The revenues and transfers in for fiscal year 2020 increased \$6,718,677 compared to the prior fiscal year. Primary factors in these results are:

- Property taxes were more than prior year by \$3,782,214 primarily due to increases to assessments and new businesses in the County;
- Income taxes exceeded prior year by \$1,152,800.
- Real estate transfer taxes (recordation taxes and deed transfer fees) increased by \$2,580,626; transfer taxes and permits had several large projects along with increased activity in the residential resale market in FY2020.

**CECIL COUNTY, MARYLAND
GENERAL FUND ACTIVITY vs PRIOR YEAR AND BUDGET**

	2019	2020	Variance	Final	2020	Variance
	Actual	Actual	Positive	Budget	Actual	Positive
			(Negative)			(Negative)
Revenues						
Property Taxes	\$117,733,057	\$ 121,515,271	\$ 3,782,214	\$ 122,398,340	\$121,515,271	\$ (883,069)
Income Taxes	66,782,105	67,934,905	1,152,800	63,322,542	67,934,905	4,612,363
Licenses and Permits	2,496,542	1,862,139	(634,403)	1,940,754	1,862,139	(78,615)
Intergovernmental	2,575,862	3,021,247	445,385	3,511,128	3,021,247	(489,881)
Charges for Services	10,619,048	13,157,236	2,538,188	9,441,692	13,157,236	3,715,544
Investment Earnings	1,351,867	1,138,480	(213,387)	1,374,631	1,138,480	(236,151)
Contributions & Other Revenues	83,006	60,661	(22,345)	64,000	60,661	(3,339)
Total Revenues	201,641,487	208,689,939	7,048,452	202,053,087	208,689,939	6,636,852
Expenditures						
General Government						
County Executive	175,347	190,250	(14,903)	191,581	190,250	1,331
County Council	379,087	401,905	(22,818)	433,475	401,905	31,570
Office of Administrator	404,740	449,953	(45,213)	459,245	449,953	9,292
County Attorney & Legal	190,055	322,933	(132,878)	339,798	322,933	16,865
Human Resources	1,140,900	1,311,990	(171,090)	1,313,927	1,311,990	1,937
Finance Department	2,554,464	2,710,977	(156,513)	2,707,421	2,710,977	(3,556)
Circuit Court	2,162,634	2,267,193	(104,559)	2,343,975	2,267,193	76,782
Orphans Court	43,609	44,160	(551)	49,013	44,160	4,853
Board of Elections	873,794	833,749	40,045	938,126	833,749	104,377
Liquor Board Licensing	196,293	180,404	15,889	192,436	180,404	12,032
Building Maintenance (Total)	3,737,209	3,836,751	(99,542)	4,305,797	3,836,751	469,046
Public Works Administration	2,332,266	2,497,739	(165,473)	2,712,441	2,497,739	214,702
Roads Administration & Maintenance	8,207,318	11,818,885	(3,611,567)	11,869,048	11,818,885	50,163
Board of Parks	1,433,505	1,634,471	(200,966)	2,050,934	1,634,471	416,463
State's Attorney's Office	2,323,856	2,522,020	(198,164)	2,614,810	2,522,020	92,790
Sheriff's - Law Enforcement & Special Assignments	13,592,495	14,004,492	(411,997)	13,815,975	14,004,492	(188,517)
Sheriff's - Detention Ctr & Work Release	10,666,589	10,553,230	113,359	10,982,889	10,553,230	429,659
Emergency Management	8,646,313	9,070,413	(424,100)	9,310,186	9,070,413	239,773
Volunteer Fire Departments	4,588,891	5,824,355	(1,235,464)	6,421,420	5,824,355	597,065
Land Use & Development Services	2,209,777	2,272,662	(62,885)	2,347,033	2,272,662	74,371
Animal Control	922,335	1,072,174	(149,839)	1,107,415	1,072,174	35,241
Health Department	3,516,677	3,765,473	(248,796)	3,781,026	3,765,473	15,553
Social Services	845,184	437,120	408,064	502,722	437,120	65,602
Domestic Violence	380,775	-	380,775	-	-	-
Non-Profit Agencies	50,445	51,325	(880)	55,741	51,325	4,416
Cecil County Board of Education	84,312,291	86,873,149	(2,560,858)	87,019,736	86,873,149	146,587
Cecil College	11,243,008	11,708,519	(465,511)	11,722,857	11,708,519	14,338
Public Libraries	5,685,417	6,010,417	(325,000)	6,010,417	6,010,417	-
Economic Development	1,093,453	1,110,055	(16,602)	1,202,202	1,110,055	92,147
Agriculture	666,360	657,772	8,588	697,609	657,772	39,837
Municipalities	695,530	710,314	(14,784)	710,314	710,314	-
Total Expenditures	175,270,617	185,144,850	(9,874,233)	188,209,569	185,144,850	3,064,719
Other Financing Sources (Uses)						
Transfers in	1,045,000	715,225	(329,775)	845,225	715,225	(130,000)
Transfers out	(19,840,973)	(20,949,004)	(1,108,031)	(20,904,987)	(20,949,004)	(44,017)
Proceeds from Capital Asset Disposal	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(18,795,973)	(20,233,779)	(1,437,806)	(20,059,762)	(20,233,779)	(174,017)
Net Change in Fund Balance	7,574,897	3,311,310	\$ (4,263,587)	(6,216,244)	3,311,310	\$ 9,527,554
Fund Balance - Beginning	43,638,673	51,213,570		51,213,570	51,213,570	
Fund Balance - Ending	\$ 51,213,570	\$ 54,524,880		\$ 44,997,326	\$ 54,524,880	

The current year's expenditures and transfers out increased by \$10,982,264 compared to fiscal year 2019 spending levels.

- Expenditures on behalf of the Board of Education increased by \$2,560,858. This change was due to a \$2,442,145 increase in operating allocation with an \$118,713 increase for capital construction cost related to small projects.
- Public Works – Road Maintenance saw expenditures increase by \$3,611,567 due to additional investment in road infrastructure.
- Volunteer Fire Departments saw expenditures increase by \$1,235,464 primarily due to an increase to the allocation and Vehicle Replacement Program budgets.

Other Major Funds – Comparison to Prior Year

The Housing Program Fund had a \$122,511 increase to fund balance. Revenues and transfers in increased by \$457,720 while expenditures increased \$308,479 from the previous year; the result is a positive net change in fund balance.

The Casino Local Impact Fund had a \$441,760 decrease to fund balance due to impacts of COVID19. Revenues decreased by \$683,175, while expenditures and operating transfers out decreased \$3,606 from the previous year.

The Capital Projects Fund had a \$31,678,731 increase to fund balance due to the biennial issuance of capital improvement bonds.

Proprietary Funds

Wastewater Services Fund. Operating revenues for fiscal year 2020 increased \$1,317,765 from last year to \$8,429,367, while operating expenses increased by \$1,776,915 to \$9,004,500, which resulted in an operating loss of \$575,133. After capital grants, capital contributions, and interest expense the Change in Net Position is \$6,023,987.

Landfill Fund. Operating revenues in the fund increased by \$207,942 from fiscal year 2020 primarily due to slightly increased usage, while operating expenses decreased by \$792,278, primarily due to a decrease in Landfill Closure and Postclosure estimated costs. Investment earnings for the fund decreased by \$305,037 due to a less favorable market, however still incurred earnings of \$195,777. The resulting change in Net Position is \$1,973,717.

Property Management Fund. Operating revenues in the fund were \$880,579 for the fiscal year, while operating expenses were \$296,883, and the fund made a \$50,000 transfer to the General Fund. Including interest expense and earnings, this resulted in a change in Net Position of \$302,637 for fiscal year 2020.

General Fund Budgetary Highlights

Cecil County adopted its fiscal year 2020 budget on June 5, 2019, and amended it to meet operational needs during the year. The legal level of budgetary control is at the departmental level and while department heads may make budget transfers within their own department, the County Executive shall introduce and County Council must approve any budget amendments that increase or decrease revenue or move appropriations between departments.

Budget changes during the year to expenditures and transfers increased spending authority by \$5,692,858 primarily due to an increase for Road Improvements of \$3,000,000, committing assignments of \$2,000,000 towards future Capital Projects and \$575,000 for Volunteer Fire Equipment purchases.

The final budget contained \$202,898,312 of revenues and other financing sources, \$209,114,556 of expenditures and transfers, and \$6,216,244 of appropriated fund balance. The actual revenues and other financing sources were \$6,506,852 greater than the final budget and actual expenditures and transfers were \$3,020,702 below the final budget.

- Property taxes were \$883,069 below budget due to the timing of personal property payments. Due to COVID-19 Personal property tax returns were due on July 15, not April 15. As a result, payments of those bills were received by the County in FY2021.
- Income taxes were \$4,612,363 above budget as a result of the budget being calculated based on the mild inflationary growth of the previous fiscal year. The Federal Tax Cuts and Jobs Act (TJAC) changed the amount of local tax owed by tax payers. In most instances it increased their state tax liability. The State of Maryland was cautious to release funds until returns for 2018 were filed and complete. The State distributed two full tax years of TJAC money to the counties in FY2020, which was unbudgeted and will not happen again.
- Real estate recordation taxes were up compared to budget by \$2,678,501 as commercial real estate activity at Principio Business Park continued to attract new businesses.
- The Sheriff's Office was over budget by \$188,517 caused by reduced attrition savings due to lower employee turnover.
- Volunteer Fire Departments were under budget by \$597,065 primarily due to \$575,000 in unused vehicle replacement matching funds that were budgeted but not used to purchase a new fire engine for Singerly Fire Company, as well as an ambulance for both North East & Water Witch Fire Companies. The \$575,000 of unused funds comprise a part of committed fund balance in FY20 and will be completed during FY21.
- Due to the unknown fiscal impacts of COVID-19, on April 9, 2020 the County Executive issued a request to all County departments to reduce purchases to only those considered for essential, mission-critical purposes, including the hiring of additional personnel. The additional savings was intended to make certain the County had the resources necessary to mitigate the impact of the virus without having to go to the County reserves.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2020, Cecil County had invested \$375,604,163, net of accumulated depreciation, in a broad range of capital assets (table below). Depreciation and depletion charges for this fiscal year totaled \$21,993,627.

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

- P25 Communication System;
- Bethel Church Road Bridge;
- Upgrade Harborview Treatment Plant;
- Completion of Permitting System;
- Parks and Recreation completed a Synthetic Turf Field at North East High School.

The following table comprises the County's capital assets net of accumulated depreciation and depletion:

Cecil County’s Capital Assets as of June 30, 2019 and 2020
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land	\$ 16,581,797	\$ 16,644,242	\$ 3,341,327	\$ 3,341,327	\$ 19,923,124	\$ 19,985,569
Construction in Progress	17,654,210	17,024,828	14,867,816	13,114,165	32,522,026	30,138,993
Landfill & Land Improvements	13,690,486	14,285,815	16,720,650	15,410,985	30,411,136	29,696,800
Highways & Bridges	105,303,030	106,040,013	-	-	105,303,030	106,040,013
Utility Systems	-	-	38,178,480	47,758,935	38,178,480	47,758,935
Buildings	65,198,803	64,463,322	21,095,288	21,534,273	86,294,091	85,997,595
Machinery & Equipment	20,342,219	28,224,947	22,994,551	27,761,311	43,336,770	55,986,258
Total Capital Assets	\$ 238,770,545	\$ 246,683,167	\$ 117,198,112	\$ 128,920,996	\$ 355,968,657	\$ 375,604,163

Additional information on the County’s capital assets is contained in Note 6 to the financial statements.

Long Term Debt. At the end of the current fiscal year, the County had total general obligation debt of \$264,174,288. All of this debt is backed by the full faith and credit of the government. Governmental activities report \$193,830,283 and business-type activities report \$75,344,005 of general obligation bonds. Special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment consists of \$73,185. The Cecil County Charter restricts aggregate non-self-supporting indebtedness to 5% of the assessable real property of the County and 15% of the personal and operating real property. By County Code, sanitary district debt is limited to 15% of the assessed value of all property.

The County’s bond rating remained stable with a rating of Aa2 from Moody’s Investor’s Service and remained stable with Standard and Poor’s with a rating of AA+. Additional information on the County’s long-term debt can be found in Note 8 to the financial statements.

**Cecil County’s Outstanding Debt
Long Term Debt**

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
General						
Obligation Bonds	\$ 151,544,488	\$ 188,256,098	\$ 43,155,516	\$ 43,928,902	\$ 194,700,004	\$ 232,185,000
Notes From						
Direct Borrowings	6,330,285	5,574,185	26,459,952	31,415,103	32,790,237	36,989,288
Total Long Term Debt	\$ 157,874,773	\$ 193,830,283	\$ 69,615,468	\$ 75,344,005	\$ 227,490,241	\$ 269,174,288

Economic Factors and Next Year’s Budgets and Rates

Cecil County is expected to see modest growth for the next several years, as the County continues to expand infrastructure that continues to attract new business and new residents. However the COVID-19 pandemic has forced the County to step back to be certain it is not depleting its resources and has the revenue support for those efforts. It is uncertain how the pandemic will continue to effect growth as the length of time to contain the virus is still unknown. The County has a diverse well-connected economy that includes agriculture, distribution, light manufacturing, research and development, health care, leisure and hospitality, and corporate offices. The unemployment rate has increased to 7.2% as of June 2020, due largely to the impact of COVID-19, however because of the

diversity of our local economy, our unemployment rate continues to be better than the average rate among other Maryland counties.

Located in the center of the Boston-Atlanta corridor, Cecil County provides overnight access to markets of over 90 million people and one third (\$5.7 trillion) of the nation's effective buying income. The County's strategic location is continuing to attract new businesses to invest millions of dollars to locate their business in Cecil County. The Principio Business Park in Perryville saw two new businesses open their doors in late FY2020. Smithfield Foods, the world's largest pork processor and KeHE Foods, one of the largest national fresh, natural, organic and specialty food distributors constructed distribution facilities in Cecil County. Between the two facilities, 300 jobs are being added to the local economy. On the horizon, Great Wolf Lodge is locating at the western end of the County near Perryville. When complete it will bring with it an additional 650 jobs and is expected to be the anchor to attract new development in the area of Chesapeake Overlook. The expansion of County sewer west of Elkton continues and coordination with water and natural gas utilities, will add infrastructure required to fuel investment.

The FY 2021 Approved Budget comes at a time of some of the greatest uncertainty that any of us have witnessed in our lifetime. During March, the final month of budget preparation by the County Executive and his staff, COVID-19 made its presence known in the United States and throughout the world. The uncertainties of how long the virus will remain at a pandemic level in this Country and thus forcing business to close, and as a result, putting people out of work, made it difficult to prepare a budget that proposes any increase in spending when income tax revenue stream is unknown. The expenses associated with new positions, road maintenance and step increases for County employees were stripped from the budget, in hopes that the County will be able to survive the crisis without having to use reserves to pay for operating expenses. The proposed increases in revenue were reduced, and the small increase that remained will allow the County to fund the expenditures associated with increased debt service payments, health insurance increases, the terms of its collective bargaining agreements, and small increases in the allocations to the County public schools, college and library. The current Administration's prior approved increases to the general fund revenue streams, and prudent fiscal management have prepared Cecil County for the emergency we are facing today. The County's property tax rate was set to a flat rate of 1.0414 and the income tax rate, was left unchanged at 3.0%. The County's conservative FY2021 approved budget provided a balanced budget without the use of unassigned fund balance to ensure the services the County has provided in the past will continue onto the future.

Requests for Information

This financial report is designed to provide a general overview of Cecil County's finances to the citizens of Cecil County and other users of such data. Requests for additional copies of this report, questions concerning any of the information in this report, and requests for additional financial information should be addressed to Lisa A. Saxton, Cecil County Director of Finance, 200 Chesapeake Boulevard, Suite 1100, Elkton, MD 21921.

The component units issue their own audited financial statements. These statements may be obtained directly from the component units. Their contact information can be found in Note 1A of the financial statements.

Cecil County Public Schools



BASIC FINANCIAL STATEMENTS

CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents (Note 3)	\$ 8,391,798	\$ 8,108,696	\$ 16,500,494	\$ 17,667,317
Investments (Note 3)	55,891,926	-	55,891,926	23,515,210
Receivables, Net (Note 4)	4,183,921	5,207,994	9,391,915	1,491,584
Due from Primary Government	-	-	-	2,051,533
Due from Other Governments	35,761,395	1,400,136	37,161,531	5,127,133
Internal Balances	419,019	(419,019)	-	-
Inventories	287,453	-	287,453	192,936
Prepaid Items & Other Assets	551,898	5,268	557,166	1,128,050
Restricted Assets:				
Cash and Investments (Note 3)	40,878,572	11,148,396	52,026,968	6,834,772
Net OPEB Asset	3,203,465	-	3,203,465	-
Capital Assets, Net: (Note 6)				
Land	16,644,242	3,341,327	19,985,569	11,073,122
Construction in Progress	17,024,828	13,114,164	30,138,992	7,415,360
Landfill & Land Improvements	14,285,815	15,410,986	29,696,801	8,813,082
Highways & Bridges	106,040,013	-	106,040,013	-
Wastewater Systems	-	47,758,934	47,758,934	-
Buildings & Improvements	64,463,322	21,534,273	85,997,595	190,717,879
Machinery & Equipment	28,224,947	27,761,311	55,986,258	16,015,540
Total Assets	<u>396,252,614</u>	<u>154,372,466</u>	<u>550,625,080</u>	<u>292,043,518</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge of Refunding	2,419,445	664,408	3,083,853	-
Pension Deferrals	8,218,119	-	8,218,119	2,945,790
OPEB Deferrals	392,745	-	392,745	490,523
Total Deferred Outflows of Resources	<u>11,030,309</u>	<u>664,408</u>	<u>11,694,717</u>	<u>3,436,313</u>
LIABILITIES				
Accounts Payable	8,522,141	3,969,061	12,491,202	23,171,515
Salary and Benefits Payable	7,001,583	156,899	7,158,482	1,000,917
Due to Other Funds	-	-	-	-
Due to Other Governments	65,652	-	65,652	-
Unearned Revenue (Note 11)	10,071,674	413,841	10,485,515	2,834,335
Other Liabilities	2,523,807	789,266	3,313,073	-
Liabilities Payable with Restricted Assets	5,119,102	-	5,119,102	-
Long Term Liabilities (Note 8)				
Due within one year:				
Bonds Payable	16,296,003	5,637,706	21,933,709	-
Capital Leases	1,519,473	-	1,519,473	1,050,454
Insurance Claims Payable	5,902,689	-	5,902,689	-
Compensated Absences	2,075,306	118,279	2,193,584	632,907
Due in more than one year:				
Bonds Payable	188,213,934	71,613,920	259,827,854	-
Capital Leases	3,759,019	-	3,759,019	534,827
Notes Payable	-	-	-	91,841
Compensated Absences	1,037,653	59,140	1,096,794	3,382,571
Accrued Landfill Closure/Postclosure	-	10,604,442	10,604,442	-
Net OPEB Liability	-	-	-	51,128,537
Net Pension Liability	41,783,074	-	41,783,074	11,616,962
Total Liabilities	<u>293,891,110</u>	<u>93,362,554</u>	<u>387,253,664</u>	<u>95,444,866</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	8,471,040	-	8,471,040	1,475,158
OPEB Deferrals	1,274,246	-	1,274,246	2,263,397
Total Deferred Inflows of Resources	<u>9,745,286</u>	<u>-</u>	<u>9,745,286</u>	<u>3,738,555</u>
NET POSITION				
Net Investment in Capital Assets	186,718,203	52,088,388	238,806,591	232,449,702
Restricted for:				
Capital Projects	-	-	-	32,207
Health and Welfare	849,178	-	849,178	-
Agriculture	234,046	-	234,046	-
Economic Development	2,002,159	-	2,002,159	-
Net OPEB Asset	3,203,465	-	3,203,465	-
Debt Service and Other	5,562,857	-	5,562,857	6,781,166
Unrestricted	(94,923,381)	9,585,932	(85,337,449)	(42,966,665)
Total Net Position	<u>\$ 103,646,527</u>	<u>\$ 61,674,320</u>	<u>\$ 165,320,847</u>	<u>\$ 196,296,410</u>

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

CECIL COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Grants and Contributions		Primary Government			Component Units
			Operating	Capital	Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 13,065,581	\$ 12,411,095	\$ 1,528,425	\$ -	\$ 873,939	\$ -	\$ 873,939	\$ -
Public Safety	50,059,790	2,179,553	7,776,530	1,943,858	(38,159,849)	-	(38,159,849)	-
Highways, Streets, and Bridges	19,712,812	76,918	4,506,365	2,689,471	(12,440,058)	-	(12,440,058)	-
Health and Welfare	23,047,432	923,616	9,119,825	1,224,832	(11,779,159)	-	(11,779,159)	-
Recreation and Culture	2,675,352	313,659	3,000	246,284	(2,112,409)	-	(2,112,409)	-
Education	102,174,873	-	-	-	(102,174,873)	-	(102,174,873)	-
Public Libraries	6,170,855	-	-	2,123,138	(4,047,717)	-	(4,047,717)	-
Economic Development	1,733,234	-	638,728	-	(1,094,506)	-	(1,094,506)	-
Agriculture	636,345	-	95,658	-	(540,687)	-	(540,687)	-
Interest on Long-Term Debt	5,275,494	-	-	-	(5,275,494)	-	(5,275,494)	-
Total Governmental Activities	<u>224,551,768</u>	<u>15,904,841</u>	<u>23,668,531</u>	<u>8,227,583</u>	<u>(176,750,813)</u>	<u>-</u>	<u>(176,750,813)</u>	<u>-</u>
Business-Type Activities:								
Wastewater	10,636,091	8,429,367	-	7,412,144	-	5,205,420	5,205,420	-
Landfill	6,985,591	8,763,531	-	-	-	1,777,940	1,777,940	-
Property Management	527,942	880,579	-	-	-	352,637	352,637	-
Total Business-Type Activities	<u>18,149,624</u>	<u>18,073,477</u>	<u>-</u>	<u>7,412,144</u>	<u>-</u>	<u>7,335,997</u>	<u>7,335,997</u>	<u>-</u>
Total Primary Government	<u>\$ 242,701,392</u>	<u>\$ 33,978,318</u>	<u>\$ 23,668,531</u>	<u>\$ 15,639,727</u>	<u>\$ (176,750,813)</u>	<u>\$ 7,335,997</u>	<u>\$ (169,414,816)</u>	<u>-</u>
Component Units:								
Board of Education	\$ 247,246,312	\$ 1,761,674	\$ 74,474,290	\$ 10,129,147	-	-	-	(160,881,201)
Cecil College	35,189,243	7,185,122	4,405,691	288,152	-	-	-	(23,310,278)
Cecil County Library	7,726,575	94,144	745,158	-	-	-	-	(6,887,273)
Bainbridge Development Corporation	1,218,657	380,031	978,455	-	-	-	-	139,829
Total Component Units	<u>\$ 291,380,787</u>	<u>\$ 9,420,971</u>	<u>\$ 80,603,594</u>	<u>\$ 10,417,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,938,923)</u>
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					121,433,103	-	121,433,103	-
Income Taxes					75,391,465	-	75,391,465	-
Investment Earnings					1,547,817	258,344	1,806,161	390,961
Other Revenues including Gains/(Loss) on Sale of Capital Assets					(3,702,497)	-	(3,702,497)	1,816,472
Payments From the Primary Government					-	-	-	102,429,247
Payments From the State Government					-	-	-	74,385,486
Entitlements, and Contributions not Restricted to Specific Programs					-	-	-	3,131,342
Transfers					(706,000)	706,000	-	-
Total General Revenues, Special Items, and Transfers					<u>193,963,888</u>	<u>964,344</u>	<u>194,928,232</u>	<u>182,153,508</u>
Change in Net Position					17,213,075	8,300,341	25,513,416	(8,785,415)
Net Position - Beginning					<u>86,433,452</u>	<u>53,373,979</u>	<u>139,807,431</u>	<u>205,081,825</u>
Net Position - Ending					<u>\$ 103,646,527</u>	<u>\$ 61,674,320</u>	<u>\$ 165,320,847</u>	<u>\$ 196,296,410</u>

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

CECIL COUNTY, MARYLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Housing Programs	Casino Local Impact	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash (Note 3)	\$ 2,400,579	\$ -	\$ -	\$ -	\$ 4,769,880	\$ 7,170,459
Investments (Note 3)	44,193,833	-	-	-	-	44,193,833
Receivables, Net (Note 4)	2,971,339	-	-	-	61,649	3,032,988
Due from Other Funds	494,501	-	-	-	-	494,501
Due from Other Governments	27,280,662	30,515	187,577	931,059	7,323,302	35,753,115
Inventory	261,464	-	-	-	-	261,464
Other Assets	121,111	7,461	-	-	3,108	131,680
Advances to Other Funds	6,491,793	-	-	-	-	6,491,793
Restricted Assets:						
Cash and Investments (Note 3)	-	1,069,238	1,862,896	29,571,549	8,374,889	40,878,572
Total Assets	\$ 84,215,282	\$ 1,107,214	\$ 2,050,473	\$ 30,502,608	\$ 20,532,828	\$ 138,408,405
LIABILITIES:						
Accounts Payable	\$ 3,402,091	\$ 6	\$ 359,755	\$ -	\$ 588,458	\$ 4,350,310
Salaries and Benefits Payable	3,397,510	37,019	-	-	3,506,172	6,940,701
Due to Other Funds	-	31,614	-	-	462,887	494,501
Due to Other Governments	-	-	65,652	-	-	65,652
Other Liabilities	3,333,589	-	43,381	-	64,002	3,440,972
Unearned Revenue (Note 11)	-	97,012	-	275,000	9,693,932	10,065,944
Liabilities Payable from Restricted Funds	-	92,385	-	5,026,717	-	5,119,102
Total Liabilities	10,133,190	258,036	468,788	5,301,717	14,315,451	30,477,182
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Income Taxes	19,204,246	-	-	-	-	19,204,246
Unavailable Revenue - Property Taxes	352,966	-	-	-	-	352,966
Total Deferred Inflows of Resources	19,557,212	-	-	-	-	19,557,212
FUND BALANCES:						
Non-Spendable	6,874,368	-	-	-	-	6,874,368
Restricted	-	849,178	1,581,685	25,200,891	6,217,377	33,849,131
Committed	2,225,000	-	-	-	-	2,225,000
Assigned	33,187,808	-	-	-	-	33,187,808
Unassigned	12,237,704	-	-	-	-	12,237,704
Total Fund Balances	54,524,880	849,178	1,581,685	25,200,891	6,217,377	88,374,011
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 84,215,282	\$ 1,107,214	\$ 2,050,473	\$ 30,502,608	\$ 20,532,828	\$ 138,408,405

The Notes to the Financial Statements are an integral part of these statements.

CECIL COUNTY, MARYLAND
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Amounts reported for governmental activities in the statement of net position (page 18) are different because:

Total Fund Balances for Government Funds (Page 20)		\$ 88,374,011
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation, as detailed in Note 6, are included in the Statement of Net Position. Also excluded are \$15,857,188 of internal service fund capital assets accounted for in the following line.		230,825,979
Internal service funds are used by management to charge the costs of fleet management and health insurance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. The increase is equal to the internal service fund net position.		12,130,887
Some of the County's taxes and other revenues will be collected after year-end, but are not available soon enough to pay the current year's expenditures and, therefore, are reported as unavailable revenue in the funds.		
Income Taxes	\$ 19,352,357	
Property Taxes	<u>352,966</u>	19,705,323
Long-term liabilities applicable to the governmental activities including bonds payable are not due and payable in the current year and, accordingly, are not reported as fund liabilities.		
Net OPEB Asset	\$ 3,203,465	
Compensated Absences	(3,061,343)	
Accrued interest on long-term debt	(2,523,807)	
Deferred - Bond Premium	(15,679,655)	
Deferred - Advance Refunding Difference	2,419,445	
Pension Deferred Outflows	8,218,119	
Pension Deferred Inflows	(8,471,040)	
OPEB Deferred Inflows	(1,274,246)	
OPEB Deferred Outflows	392,745	
Net Pension Liability	(41,783,074)	
Bonds and Notes Payable	<u>(188,830,282)</u>	<u>(247,389,673)</u>
Net Position of Governmental Activities (Page 18)		<u>\$ 103,646,527</u>

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

CECIL COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Housing Programs</u>	<u>Casino Local Impact</u>	<u>General Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Property Taxes	\$ 121,515,271	\$ -	\$ -	\$ -	\$ -	\$ 121,515,271
Special Assessments - Current	-	-	-	-	6,099	6,099
Income Taxes	67,934,905	-	-	-	-	67,934,905
Licenses and Permits	1,862,139	-	-	-	-	1,862,139
Intergovernmental	3,021,247	5,167,255	2,101,479	3,590,762	12,559,707	26,440,450
Charges for Services	13,157,236	239,339	-	-	646,127	14,042,702
Investment Earnings	1,138,480	6,248	13,830	-	7,392	1,165,950
Contributions & Other Revenues	60,661	-	-	-	1,069,057	1,129,718
Total Revenues	<u>208,689,939</u>	<u>5,412,842</u>	<u>2,115,309</u>	<u>3,590,762</u>	<u>14,288,382</u>	<u>234,097,234</u>
EXPENDITURES						
Current:						
General Government	10,517,483	-	-	-	1,113,087	11,630,570
Public Safety	47,203,584	-	-	-	1,483,860	48,687,444
Highways, Streets, and Bridges	14,316,624	-	-	-	2,133,748	16,450,372
Health and Welfare	4,402,462	5,347,256	-	-	13,012,525	22,762,243
Recreation and Culture	1,634,471	-	-	-	-	1,634,471
Education	98,581,668	-	-	-	-	98,581,668
Public Libraries	6,010,417	-	-	-	-	6,010,417
Economic Development	1,110,055	-	607,069	-	48,323	1,765,447
Agriculture	657,772	-	-	-	-	657,772
Municipalities	710,314	-	-	-	-	710,314
Debt Service:						
Principal	-	-	-	-	12,878,341	12,878,341
Interest and Fiscal Charges	-	-	-	-	5,845,222	5,845,222
Capital Outlay	-	-	-	19,483,654	-	19,483,654
Total Expenditures	<u>185,144,850</u>	<u>5,347,256</u>	<u>607,069</u>	<u>19,483,654</u>	<u>36,515,106</u>	<u>247,097,935</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>23,545,089</u>	<u>65,586</u>	<u>1,508,240</u>	<u>(15,892,892)</u>	<u>(22,226,724)</u>	<u>(13,000,701)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from						
Issuance of Debt	-	-	-	43,506,825	-	43,506,825
Premium on Debt Issued	-	-	-	5,333,114	-	5,333,114
Bond Issuance Cost	-	-	-	(108,768)	-	(108,768)
Debt Transfer from Internal Ser. to Governmental Func	-	-	-	2,900,000	-	2,900,000
Transfers In	715,225	56,925	-	1,128,775	25,480,401	27,381,326
Transfers Out	(20,949,004)	-	(1,950,000)	(5,188,323)	-	(28,087,327)
Total Other Financing Sources (Uses)	<u>(20,233,779)</u>	<u>56,925</u>	<u>(1,950,000)</u>	<u>47,571,623</u>	<u>25,480,401</u>	<u>50,925,170</u>
Net Change in Fund Balances	3,311,310	122,511	(441,760)	31,678,731	3,253,677	37,924,469
Fund Balances - Beginning	<u>51,213,570</u>	<u>726,667</u>	<u>2,023,445</u>	<u>(6,477,840)</u>	<u>2,963,700</u>	<u>50,449,542</u>
Fund Balances - Ending	<u>\$ 54,524,880</u>	<u>\$ 849,178</u>	<u>\$ 1,581,685</u>	<u>\$ 25,200,891</u>	<u>\$ 6,217,377</u>	<u>\$ 88,374,011</u>

The Notes to the Financial Statements are an integral part of these statements.

CECIL COUNTY, MARYLAND

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Amounts reported for governmental activities in the Statement of Activities (Page 19) are different because:

Net Change in Fund Balances - Total Government Funds (Page 22) \$ 37,924,469

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. This is the amount by which depreciation (\$12,514,776 is exceeded by capital outlay (\$22,100,711) in the current period. Depreciation excludes \$3,475,349 from the internal service fund.

5,788,387

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital asset less accumulated depreciation.

95,051

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. The following are the net changes in these non-current resources.

Property Taxes	\$ (82,168)	
Income Taxes	<u>7,456,563</u>	
Net Adjustment		7,374,395

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

	<u>Debt Issued</u>	<u>Debt Transferred</u>	<u>Repayments:</u>	
General Obligation bonds	\$ (43,506,825)	\$ (2,900,000)	\$ 12,878,341	
Premium on Debt Issued	<u>(5,333,114)</u>	<u>-</u>	<u>1,466,445</u>	
Net Adjustment	<u>(48,839,939)</u>	<u>(2,900,000)</u>	<u>\$ 14,344,786</u>	(37,395,153)

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following are the impact of the net changes in balances.

Pension Expense	\$ (1,172,750)	
OPEB Expense	2,410,995	
Compensated Absences	(539,377)	
Accrued Interest on Long-term Debt	<u>(896,717)</u>	
Net Adjustment		(197,849)

The change in net assets of certain internal service funds are reported with governmental activities. 3,623,775

Change in Net Position of Governmental Activities (Page 19) \$ 17,213,075

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

CECIL COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget -</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>
REVENUES				
Property Taxes	\$ 122,398,340	\$ 122,398,340	\$ 121,515,271	\$ (883,069)
Income Taxes	63,322,542	63,322,542	67,934,905	4,612,363
Licenses and Permits	1,940,754	1,940,754	1,862,139	(78,615)
Intergovernmental	3,501,128	3,511,128	3,021,247	(489,881)
Charges for Services	9,441,692	9,441,692	13,157,236	3,715,544
Investment Earnings	1,374,631	1,374,631	1,138,480	(236,151)
Contributions & Other Revenues	64,000	64,000	60,661	(3,339)
Total Revenues	<u>202,043,087</u>	<u>202,053,087</u>	<u>208,689,939</u>	<u>6,636,852</u>
EXPENDITURES				
Current:				
General Government	11,097,599	11,031,803	10,517,483	514,320
Highways, Streets, and Bridges	11,895,489	14,581,489	14,316,624	264,865
Recreation and Culture	2,068,434	2,050,934	1,634,471	416,463
Public Safety	46,434,540	48,624,044	47,203,584	1,420,460
Health and Welfare	4,582,664	4,558,164	4,402,462	155,702
Education	97,783,943	98,742,593	98,581,668	160,925
Public Libraries	6,010,417	6,010,417	6,010,417	-
Economic Development	1,235,702	1,202,202	1,110,055	92,147
Agriculture	697,609	697,609	657,772	39,837
Municipalities	710,314	710,314	710,314	-
Total Expenditures	<u>182,516,711</u>	<u>188,209,569</u>	<u>185,144,850</u>	<u>3,064,719</u>
Excess of Revenues Over Expenditures	<u>19,526,376</u>	<u>13,843,518</u>	<u>23,545,089</u>	<u>9,701,571</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	845,225	845,225	715,225	(130,000)
Transfers Out	(20,298,987)	(20,904,987)	(20,949,004)	(44,017)
Total Other Financing Sources (Uses)	<u>(19,453,762)</u>	<u>(20,059,762)</u>	<u>(20,233,779)</u>	<u>(174,017)</u>
Net Change in Fund Balance	72,614	(6,216,244)	3,311,310	9,527,554
Fund Balance - Beginning	<u>51,213,570</u>	<u>51,213,570</u>	<u>51,213,570</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 51,286,184</u>	<u>\$ 44,997,326</u>	<u>\$ 54,524,880</u>	<u>\$ 9,527,554</u>

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

CECIL COUNTY, MARYLAND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND**

**HOUSING PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 4,714,537	\$ 4,708,537	\$ 5,167,255	\$ 458,718
Other Program Revenue & Charges for Services	186,100	186,100	239,339	53,239
Investment Earnings	-	-	6,248	6,248
Total Revenues	<u>4,900,637</u>	<u>4,894,637</u>	<u>5,412,842</u>	<u>518,205</u>
EXPENDITURES				
Current:				
Health and Welfare	<u>4,966,166</u>	<u>4,966,166</u>	<u>5,347,256</u>	<u>(381,090)</u>
Total Expenditures	<u>4,966,166</u>	<u>4,966,166</u>	<u>5,347,256</u>	<u>(381,090)</u>
Deficiency of Revenues (Under) Expenditures	<u>(65,529)</u>	<u>(71,529)</u>	<u>65,586</u>	<u>137,115</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>65,529</u>	<u>71,529</u>	<u>56,925</u>	<u>(14,604)</u>
Total Other Financing Sources (Uses)	<u>65,529</u>	<u>71,529</u>	<u>56,925</u>	<u>(14,604)</u>
Net Change in Fund Balance	-	-	122,511	122,511
Fund Balance - Beginning	<u>797,348</u>	<u>797,348</u>	<u>726,667</u>	-
Fund Balance - Ending	<u>\$ 797,348</u>	<u>\$ 797,348</u>	<u>\$ 849,178</u>	<u>\$ 51,830</u>

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

CECIL COUNTY, MARYLAND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND**

**CASINO LOCAL IMPACT
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 2,590,000	\$ 2,590,000	\$ 2,101,479	\$ (488,521)
Investment Earnings	<u>10,000</u>	<u>10,000</u>	<u>13,830</u>	<u>3,830</u>
Total Revenues	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,115,309</u>	<u>(484,691)</u>
EXPENDITURES				
Current:				
Economic Development	<u>650,000</u>	<u>650,000</u>	<u>607,069</u>	<u>42,931</u>
Total Expenditures	<u>650,000</u>	<u>650,000</u>	<u>607,069</u>	<u>42,931</u>
Excess of Revenues Over Expenditures	<u>1,950,000</u>	<u>1,950,000</u>	<u>1,508,240</u>	<u>(441,760)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>-</u>
Net Change in Fund Balance	-	-	(441,760)	(441,760)
Fund Balance - Beginning	<u>2,023,445</u>	<u>2,023,445</u>	<u>2,023,445</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,023,445</u>	<u>\$ 2,023,445</u>	<u>\$ 1,581,685</u>	<u>\$ (441,760)</u>

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

Scenic Cecil County



CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities -
	Wastewater	Landfill	Non-Major Property Management	Total	Internal Service Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 3)	\$ 1,047,573	\$ 6,736,574	\$ 324,549	\$ 8,108,696	\$ 1,221,339
Investments (Note 3)	-	-	-	-	11,698,093
Receivables, Net: (Note 4)					
Accounts	2,456,116	642,268	26,340	3,124,724	8,262
Other	-	10,576	38	10,614	1,142,671
Due from Other Governments	1,400,136	-	-	1,400,136	8,280
Inventory	-	-	-	-	25,989
Other Assets	5,268	-	-	5,268	420,218
Restricted Assets					
Cash & Investments (Note 3)	419,019	10,729,377	-	11,148,396	-
Total Current Assets	5,328,112	18,118,795	350,927	23,797,834	14,524,852
Non-Current Assets:					
Accounts Receivable - Non-Current	2,072,656	-	-	2,072,656	-
Capital Assets, Net:					
Land	2,269,988	580,739	490,600	3,341,327	-
Construction in Progress	10,913,981	2,200,183	-	13,114,164	23,285
Vehicles	-	-	-	-	8,889,501
Landfill and Land Improvements	5,318,927	10,092,059	-	15,410,986	-
Wastewater Lines	37,914,396	-	-	37,914,396	-
Wastewater Systems	9,844,538	-	-	9,844,538	-
Buildings	12,693,963	2,781,405	6,058,905	21,534,273	181,112
Machinery & Equipment	26,631,902	1,129,409	-	27,761,311	6,763,290
Total Non-Current Assets	107,660,351	16,783,795	6,549,505	130,993,651	15,857,188
Total Assets	112,988,463	34,902,590	6,900,432	154,791,485	30,382,040
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge of Refunding	251,841	412,567	-	664,408	-
Total Deferred Outflows of Resources	251,841	412,567	-	664,408	-
LIABILITIES					
Current Liabilities:					
Accounts Payable	3,104,899	252,521	1,856	3,359,276	719,450
Construction Retainage Payable	609,785	-	-	609,785	-
Salary & Benefits Payable	73,115	83,784	-	156,899	60,882
Accrued Expenses & Other Liabilities	475,655	212,447	101,164	789,266	5,914,098
Unearned Revenue	358,320	-	55,521	413,841	153,841
Capital Leases Payable	-	-	-	-	1,519,473
Bonds Payable	4,222,795	1,125,358	289,553	5,637,706	-
Compensated Absences	67,436	50,843	-	118,279	34,411
Total Current Liabilities	8,912,005	1,724,953	448,094	11,085,052	8,402,155
Non-Current Liabilities:					
Bonds Payable					
(Net of Unamortized Discounts)	55,956,630	9,700,041	5,957,249	71,613,920	-
Capital Leases Payable	-	-	-	-	3,759,019
Advances From Other Funds	419,019	-	-	419,019	6,072,774
Compensated Absences	33,718	25,422	-	59,140	17,205
Accrued Landfill Closure and Postclosure Costs	-	10,604,442	-	10,604,442	-
Total Non-Current Liabilities	56,409,367	20,329,905	5,957,249	82,696,521	9,848,998
Total Liabilities	65,321,372	22,054,858	6,405,343	93,781,573	18,251,153
NET POSITION					
Net Investment in Capital Assets	45,827,289	5,958,396	302,703	52,088,388	10,578,696
Unrestricted	2,091,643	7,301,903	192,386	9,585,932	1,552,191
Total Net Position	\$ 47,918,932	\$ 13,260,299	\$ 495,089	\$ 61,674,320	\$ 12,130,887

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

CECIL COUNTY, MARYLAND

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities -
	Wastewater	Landfill	Non-Major Property Management		Internal Service Funds
OPERATING REVENUES					
Charges for Services:					
Sales and User Fees	\$8,389,911	\$ 8,763,004	\$ 880,579	\$18,033,494	\$ 23,558,349
Intergovernmental	-	-	-	-	-
Miscellaneous Revenue	<u>39,456</u>	<u>527</u>	<u>-</u>	<u>39,983</u>	<u>80,788</u>
Total Operating Revenues	<u>8,429,367</u>	<u>8,763,531</u>	<u>880,579</u>	<u>18,073,477</u>	<u>23,639,137</u>
OPERATING EXPENSES					
Salaries and Related	1,380,741	1,719,456	3,171	3,103,368	1,081,294
Materials, Supplies, and Services	3,118,696	3,003,623	123,039	6,245,358	5,820,298
Benefit Payments	-	-	-	-	12,492,288
Depreciation	4,505,063	702,469	170,673	5,378,205	3,475,349
Depletion	-	625,297	-	625,297	-
Landfill Closure and Postclosure	<u>-</u>	<u>667,581</u>	<u>-</u>	<u>667,581</u>	<u>-</u>
Total Operating Expenses	<u>9,004,500</u>	<u>6,718,426</u>	<u>296,883</u>	<u>16,019,809</u>	<u>22,869,229</u>
Operating Income (Loss)	<u>(575,133)</u>	<u>2,045,105</u>	<u>583,696</u>	<u>2,053,668</u>	<u>769,908</u>
NON-OPERATING					
REVENUES (EXPENSES)					
Investment Earnings	62,567	195,777	-	258,344	184,520
Interest Expense	(1,422,344)	(190,586)	(231,059)	(1,843,989)	(89,975)
Bond Issue Expense	(209,247)	(76,579)	-	(285,826)	(4,610)
Gain on Disposal of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,051</u>
Total Non-Operating Revenues (Expenses)	<u>(1,569,024)</u>	<u>(71,388)</u>	<u>(231,059)</u>	<u>(1,871,471)</u>	<u>184,986</u>
Income (Loss) before Contributions and Transfers	<u>(2,144,157)</u>	<u>1,973,717</u>	<u>352,637</u>	<u>182,197</u>	<u>954,894</u>
Capital Contributions and Transfers:					
Intergovernmental Capital Grant	4,946,841	-	-	4,946,841	2,890,945
Wastewater Connection Fees	1,377,364	-	-	1,377,364	-
Developers Capital Contributions	1,087,939	-	-	1,087,939	-
Transfers In	756,000	-	-	756,000	-
Transfers Out	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Change in Net Position	<u>6,023,987</u>	<u>1,973,717</u>	<u>302,637</u>	<u>8,300,341</u>	<u>3,845,839</u>
Net Position - Beginning	<u>41,894,945</u>	<u>11,286,582</u>	<u>192,452</u>	<u>53,373,979</u>	<u>8,285,048</u>
Net Position - Ending	<u>\$ 47,918,932</u>	<u>\$13,260,299</u>	<u>\$ 495,089</u>	<u>\$61,674,320</u>	<u>\$ 12,130,887</u>

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

CECIL COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities -
	Wastewater	Landfill	Property Management		Internal Service Funds
Cash Flows From Operating Activities:					
Receipts from Customers and Users	\$ 8,059,691	\$ 8,776,495	\$ 920,535	\$ 17,756,721	\$ 23,485,478
Payments to Suppliers	(1,266,316)	(2,900,978)	(139,870)	\$ (4,307,164)	(17,695,711)
Payments to Employees	(1,354,163)	(1,694,026)	-	(3,048,189)	(1,074,229)
Net Cash from Operating Activities	<u>5,439,212</u>	<u>4,181,491</u>	<u>780,665</u>	<u>10,401,368</u>	<u>4,715,538</u>
Cash Flows From Non-Capital Financing Activities:					
Advances from Other Funds	(4,549,509)	-	(50,000)	(4,599,509)	2,398,631
Net Cash from Non-Capital Financing Activities	<u>(4,549,509)</u>	<u>-</u>	<u>(50,000)</u>	<u>(4,599,509)</u>	<u>2,398,631</u>
Cash Flows From Capital and Related Financing Activities:					
Proceeds from Bond Issues	11,471,579	-	-	11,471,579	-
Proceeds from Capital Lease Received	-	-	-	-	1,945,566
Proceeds from Capital Grants Received	\$1,494,517	-	-	1,494,517	3,015,945
Proceeds from Sewage Connection Fees	\$1,377,364	-	-	1,377,364	-
Acquisition and Construction of Capital Assets	(13,068,836)	(117,376)	-	(13,186,212)	(9,034,943)
Bond service cost	(143,790)	-	-	-	-
Principal Paid on Bond Maturities	(4,222,795)	(941,551)	(278,336)	(5,442,682)	(1,219,377)
Interest Paid on Bonds	(1,422,344)	(370,349)	(231,061)	(2,023,754)	(89,975)
Proceeds from Sale of Capital Assets	-	-	-	-	263,431
Net Cash from Capital and Related Financing Activities	<u>(4,514,305)</u>	<u>(1,429,276)</u>	<u>(509,397)</u>	<u>(6,309,189)</u>	<u>(5,119,353)</u>
Cash Flows From Investing Activities:					
Interest on Investments	62,567	195,777	-	258,344	184,520
Net Cash Provided by Investing Activities	<u>62,567</u>	<u>195,777</u>	<u>-</u>	<u>258,344</u>	<u>184,520</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(3,562,035)</u>	<u>2,947,991</u>	<u>221,268</u>	<u>(248,986)</u>	<u>2,179,336</u>
Cash and Cash Equivalents - June 30, 2019	<u>5,028,627</u>	<u>14,517,960</u>	<u>103,281</u>	<u>19,649,868</u>	<u>10,740,096</u>
<small>(including \$5,028,627 and \$10,341,267 respectively reported in restricted accounts)</small>					
Cash and Cash Equivalents - June 30, 2020	<u>\$ 1,466,592</u>	<u>\$ 17,465,951</u>	<u>\$ 324,549</u>	<u>\$ 19,400,882</u>	<u>\$ 12,919,432</u>
<small>(including \$419,019 and \$10,729,377 respectively reported in restricted accounts)</small>					

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

CECIL COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities -
	Wastewater	Landfill	Property Management		Internal Service Funds
Reconciliation of Operating Income to Net Cash from Operating Activities:					
Operating Income (Loss)	\$ (575,133)	\$ 2,045,105	\$ 583,696	\$ 2,053,668	\$ 769,908
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided from Operating Activities:					
Depreciation and Depletion	4,505,063	1,327,766	170,673	6,003,502	3,475,349
Decrease in Closure/Postclosure Liability	-	667,581	-	667,581	-
Effect of Changes in Non-Cash Operating Assets and Liabilities:					
Accounts Receivable	(369,700)	12,964	(15,565)	(372,301)	(39,514)
Other Assets	24	-	-	24	86,784
Accounts Payable	1,782,895	114,793	(13,660)	1,884,028	36,740
Salaries & Benefits Payable	13,098	13,792	-	26,890	7,244
Compensated Absences	13,480	11,638	-	25,118	(179)
Accrued Expenses	69,485	(12,148)	-	57,337	477,405
Deferred Revenue	-	-	55,521	55,521	(114,145)
Net Cash Provided from Operating Activities	<u>\$ 5,439,212</u>	<u>\$ 4,181,491</u>	<u>\$ 780,665</u>	<u>\$10,401,368</u>	<u>\$ 4,715,538</u>
Schedule of Non-Cash Capital and Related Financing Activities:					
Decrease in Non-current Special Assessment/Connection Fees receivable	\$ (75,703)	-	-	\$ (75,703)	-
Increase in Non-cash Intergovernmental Capital Grant	\$3,452,324	-	-	\$3,452,324	-
Increase in Non-cash Developer Capital Contributions	1,087,939	-	-	1,087,939	-
Net Non-Cash Capital and Related Financing Activities	<u>\$ 4,464,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Total Pension, OPEB & LOSAP Funds</u>	<u>Agency Funds State & Town Collections</u>
ASSETS		
Cash	\$ 475,149	\$ 519,385
Receivables, Net:		
Property Taxes & Fees	-	292,810
Investments, at fair value:		
Institutional Separate Accounts	49,262,817	-
Mutual Funds	14,786,490	-
Maryland Local Govt. Investment Pool	<u>1,134,853</u>	<u>-</u>
Total Investments	<u>65,184,160</u>	<u>-</u>
Total Assets	<u>65,659,309</u>	<u>812,195</u>
LIABILITIES		
Accounts Payable	7,528	-
Due to Other Governments	-	812,195
Due to Other Funds	<u>-</u>	<u>-</u>
Total Liabilities	<u>7,528</u>	<u>812,195</u>
NET POSITION		
Restricted for:		
Pension Employee Benefits	57,569,685	-
OPEB Employee Benefits	7,221,683	-
Vounteer Length of Service Award Program	<u>860,413</u>	<u>-</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 65,651,781</u>	<u>\$ -</u>

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

CECIL COUNTY, MARYLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Total Pension, OPEB & LOSAP Funds</u>
ADDITIONS	
Contributions	
Cecil County	\$ 3,364,276
Participants	<u>997,274</u>
Total Contributions	<u>4,361,550</u>
INVESTMENT INCOME	
Investment Earnings:	
Net Depreciation	
in Fair Value of Investments	(2,267,788)
Interest and Dividends	<u>1,871,882</u>
Investment Earnings Total	(395,906)
Less: Investment Expense	<u>(386,010)</u>
Net Investment Income (Loss)	<u>(781,916)</u>
Total Additions	<u>3,579,634</u>
DEDUCTIONS	
Benefit Payments	3,065,661
Refunds of Contributions	403,400
Administrative Expense	<u>64,231</u>
Total Deductions	<u>3,533,292</u>
Change in Net Position	46,342
Net Position - Beginning	<u>65,605,439</u>
Net Position - Ending	<u>\$ 65,651,781</u>

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

CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2020

	<u>Board of Education</u>	<u>Cecil College</u>	<u>Cecil County Public Library</u>	<u>Bainbridge Development Corporation</u>	<u>Total</u>
ASSETS					
Cash	\$ 12,733,320	\$ 250,000	\$ 3,840,679	\$ 843,318	\$ 17,667,317
Investments	15,040,486	8,474,724	-	-	23,515,210
Receivables, Net	262,868	580,043	566,219	82,454	1,491,584
Due from Primary Government	1,820,343	131,267	99,923	-	2,051,533
Due from Other Governments	4,829,101	298,032	-	-	5,127,133
Inventories	192,936	-	-	-	192,936
Prepaid Expenses & Other Assets	410,629	568,552	148,869	-	1,128,050
Restricted Assets:					
Cash and Investments	-	6,834,772	-	-	6,834,772
Capital Assets, Net:					
Land	5,743,759	1,779,763	-	3,549,600	11,073,122
Construction in Progress	7,415,360	-	-	-	7,415,360
Land Improvements	8,777,479	-	-	35,603	8,813,082
Buildings & Leasehold Improvements	140,274,101	50,443,778	-	-	190,717,879
Machinery & Equipment	12,418,802	1,323,593	2,273,145	-	16,015,540
Total Assets	<u>209,919,184</u>	<u>70,684,524</u>	<u>6,928,835</u>	<u>4,510,975</u>	<u>292,043,518</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Deferrals	2,864,032	-	81,758	-	2,945,790
OPEB Deferrals	490,523	-	-	-	490,523
Total Deferred Outflows	<u>3,354,555</u>	<u>-</u>	<u>81,758</u>	<u>-</u>	<u>3,436,313</u>
LIABILITIES					
Accounts Payable and Accrued Expenses	22,305,135	480,298	294,973	91,109	23,171,515
Accrued Salaries and Benefits	-	895,938	104,979	-	1,000,917
Unearned Revenue	1,804,682	881,079	148,574	-	2,834,335
Due within one year:					
Capital Leases	1,050,454	-	-	-	1,050,454
Compensated Absences	341,507	291,400	-	-	632,907
Due in more than one year:					
Notes Payable	-	-	-	91,841	91,841
Capital Leases	534,827	-	-	-	534,827
Compensated Absences	3,236,871	145,700	-	-	3,382,571
Net OPEB Liability	51,128,537	-	-	-	51,128,537
Net Pension Liability	11,147,349	-	469,613	-	11,616,962
Total Liabilities	<u>91,549,362</u>	<u>2,694,415</u>	<u>1,018,139</u>	<u>182,950</u>	<u>95,444,866</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Deferrals	1,421,427	-	53,731	-	1,475,158
OPEB Deferrals	2,263,397	-	-	-	2,263,397
Total Deferred Inflows	<u>3,684,824</u>	<u>-</u>	<u>53,731</u>	<u>-</u>	<u>3,738,555</u>
NET POSITION					
Net Investment in Capital Assets	173,044,220	53,547,134	2,273,145	3,585,203	232,449,702
Restricted for:					
Capital Projects	32,207	-	-	-	32,207
Donor Restrictions	-	6,149,687	631,479	-	6,781,166
Unrestricted	(55,036,874)	8,293,288	3,034,099	742,822	(42,966,665)
Total Net Position	<u>\$118,039,553</u>	<u>\$ 67,990,109</u>	<u>\$ 5,938,723</u>	<u>\$ 4,328,025</u>	<u>\$ 196,296,410</u>

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

CECIL COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Grants and Contributions		Component Units				Total
			Operating	Capital	Board of Education	Cecil College	Cecil County Public Library	Bainbridge Development Corporation	
Board of Education									
Instruction	\$ 241,599,246	\$ 312,847	\$ 69,462,092	\$ 10,129,147	\$ (161,695,160)	\$ -	\$ -	\$ -	\$ (161,695,160)
Student Services	5,647,066	1,448,827	5,012,198	-	813,959	-	-	-	813,959
Total Board of Education	<u>\$ 247,246,312</u>	<u>\$ 1,761,674</u>	<u>\$ 74,474,290</u>	<u>\$ 10,129,147</u>	<u>(160,881,201)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(160,881,201)</u>
Cecil College									
Instruction	\$ 33,977,161	\$ 6,193,525	\$ 4,405,691	\$ 288,152	-	(23,089,793)	-	-	(23,089,793)
Student Services	1,212,082	991,597	-	-	-	(220,485)	-	-	(220,485)
Total Cecil Community College	<u>\$ 35,189,243</u>	<u>\$ 7,185,122</u>	<u>\$ 4,405,691</u>	<u>\$ 288,152</u>	<u>-</u>	<u>(23,310,278)</u>	<u>-</u>	<u>-</u>	<u>(23,310,278)</u>
Cecil County Public Library									
Public Libraries	<u>\$ 7,726,575</u>	<u>\$ 94,144</u>	<u>\$ 745,158</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(6,887,273)</u>	<u>-</u>	<u>(6,887,273)</u>
Bainbridge Development Corporation									
Economic Development	<u>\$ 1,218,657</u>	<u>\$ 380,031</u>	<u>\$ 978,455</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,829</u>	<u>139,829</u>
General Revenues:									
Payments From the Primary Government					84,905,673	11,513,157	6,010,417	-	102,429,247
Payments From the State Government					66,805,483	6,274,983	1,305,020	-	74,385,486
Grants, Entitlements, and Contributions not Restricted to Specific Programs					-	3,131,342	-	-	3,131,342
Investment Earnings					290,594	89,684	5,347	5,336	390,961
Other Revenues including Capital Asset Gains					316,407	923,836	576,229	-	1,816,472
Total General Revenues, Special Items, and Transfers					<u>152,318,157</u>	<u>21,933,002</u>	<u>7,897,013</u>	<u>5,336</u>	<u>182,153,508</u>
Change in Net Position					(8,563,044)	(1,377,276)	1,009,740	145,165	(8,785,415)
Net Position - Beginning					<u>126,602,597</u>	<u>69,367,385</u>	<u>4,928,983</u>	<u>4,182,860</u>	<u>205,081,825</u>
Net Position - Ending					<u>\$ 118,039,553</u>	<u>\$ 67,990,109</u>	<u>\$ 5,938,723</u>	<u>\$ 4,328,025</u>	<u>\$ 196,296,410</u>

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

1. Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. During the year ending June 30, 2020 the County has adopted all applicable GASB Statements through No. 97 (other than those listed below); these statements did have a material effect on the County's financial statements and required a prior period adjustment related to changes in accounting principles.

GASB has issued the following Statements which the County plans to adopt by their effective dates after evaluating the effects of these pronouncements.

Statement No. 84 Fiduciary Activities.

Statement No. 87 Leases.

Statement No. 89 Accounting for Interest Cost Incurred before the End of a Construction Period.

Statement No. 90 Majority Equity Interests.

Statement No. 91 Conduit Debt Obligations.

The significant accounting policies of the County are described below.

A. Financial Reporting Entity

Cecil County (the County) was incorporated in 1674. Cecil County is governed by an elected County Executive and an elected County Council pursuant to the Charter of Cecil County, Maryland pursuant to a Charter that became effective in December 2012. The Charter provides, among other things, for the election of the County Executive and the organization, powers, and duties of the executive and administrative branches; the election, organization, powers, and duties of the legislative branch, and fiscal and budgetary matters. The Charter supersedes a Commissioner form of government where the five Commissioners (combined executive/legislative) exercised powers granted by the General Assembly of Maryland. The County principally provides general administrative services; public safety services; street, highway, and bridge repairs and maintenance; education; a correctional institution; and sanitation system maintenance.

The County is financially accountable for legally separate organizations if it appoints a voting majority of the organization's board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may also be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

The accompanying financial statements include various agencies, departments, organizations, and offices which are legally part of Cecil County, Maryland (the primary government), and the County's blended and discretely presented component units; entities for which the government is considered financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

The Cecil County Pension Plan for Public Safety Employees (the Plan) is a public employee retirement plan that covers certain public safety employees. The County appoints all members of the Plan's trustees, makes all employer contributions to the Plan, only County public safety employees can be members of the Plan, and the County is financially responsible for the Plan's pension obligations.

The Cecil County Maryland Non-Pension Employment Benefits Plan collects monies to assist retirees with payment of post-retirement health insurance premiums. Both Plans are fiduciary funds of the County.

Discretely Presented Component Units

The Board of Education of Cecil County is responsible for elementary and secondary education in the County and operates all public schools (grades K through 12). The County is financially accountable for the Board of Education because the County approves the Board's annual budget and provides a substantial portion of the Board's operating and capital funding.

Cecil College provides post-secondary and continuing education for residents of Cecil County and its surrounding counties. The County is financially accountable for the College because the County approves the annual budget and provides a substantial portion of the College's operating and capital budgets.

The Cecil County Public Library operates all public libraries within the County. The County is financially accountable for the Library because the County approves the annual budget and provides the majority of the Library's operating and capital budgets.

The Bainbridge Development Corporation was established to develop the closed Bainbridge Naval Training Center located outside Port Deposit. The Corporation received the property of the former Center from the U. S. Navy and may grant, sell, or conduct business activity to develop the property to the benefit of Cecil County. The County appoints all members of the Corporation's Board of Directors and the County is the recipient of net earnings in excess of the needs of the Corporation.

Each of the discretely presented component units has been audited by other independent auditors and these reports have been issued under separate covers. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Board of Education of Cecil County
201 Booth Street
Elkton, MD 21921

Cecil College
One Seahawk Drive
North East, MD 21901

Cecil County Public Library
301 Newark Avenue
Elkton, MD 21921

Bainbridge Development Corporation
98 North Main Street, PO Box 2
Port Deposit, MD 21904

Related Organizations

Officials of Cecil County have been instrumental in the establishment of Cecil County Neighborhood Youth Panel, Inc., Community Services Foundation of Cecil County Inc., CASA, Friends of Cecil County Parks and Recreation, Inc. and Cecil County, Maryland Animal Services Foundation, Inc. Although the County appoints some of the governing board members, these members do not represent substantially the same governing body of the County. The County is not able to impose its will on the organizations and the organizations do not provide specific financial benefits or impose specific financial burdens to the County. Accordingly, the financial activities of Cecil County Neighborhood Youth Panel, Inc., Community Services Foundation of Cecil County Inc., CASA, Friends of Cecil County Parks and Recreation, Inc., and Cecil County, Maryland Animal Services Foundation, Inc. are not included in the County's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County (the primary government) and its component units. Eliminations of inter-fund activity have been made to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds. In addition, the fund financial statements present internal service funds and fiduciary funds by fund type.

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items (non-exchange transactions) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. Agency funds report only assets and liabilities as they do not have a measurement focus, but do use the accrual basis of accounting.

With limited exceptions, the effects of internal activity have been eliminated from the government-wide financial statements. Exceptions include charges by one government function to another where services have been provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Government Fund Financial Statements

The government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For governmental fund types, the County considers all revenues to be available if they are collected within 60 days after fiscal year-end. Revenues considered susceptible to accrual include property taxes, income taxes, franchise taxes, licenses, interest and dividend income, and grants associated with the current fiscal year. Only the portion of the special assessments receivable due within the current fiscal year is considered to be susceptible to accrual and recognized as revenue in the current fiscal year. All other revenue items are considered measurable and available only when cash is received by the County.

Amounts recorded as program revenues include a) charges to customers or applicants for materials, services or privileges provided, b) operating grants and contributions, and c) capital grants and contributions. Internally dedicated resources including all taxes are reported as general revenues. Expenditures are recorded when the related fund liability is incurred (upon receipt of goods or services), except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Long-term debt issues and acquisitions under capital leases are reported as other financing sources.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the County's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, wastewater, and landfill enterprise funds and the garage and health insurance internal service funds are charges to internal and external customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The pension trust fund and other postemployment benefit trust fund are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for assets and liabilities.

The County reports the following major governmental funds:

The **General Fund** is the primary operating fund of the County. It accounts for all financial resources of the County except those resources required to be accounted for in another fund. The general tax revenues of the County, as well as other resources received and not designated for a specified purpose, are accounted for in the General Fund.

The **Housing Programs Fund**, a special revenue fund, accounts for state and federal grants legally restricted to assist low income families and individuals with paying their rent, utility, and other housing costs.

The **Casino Local Impact Fund**, a special revenue fund, was established to account for the County's share of the revenue generated at Penn National's Hollywood Casino in Perryville. The County has agreed to share 35% of the revenue with the Town of Perryville.

The **General Capital Projects – Construction Fund**, a capital projects fund, was established to account for the expenditures on buildings and other facilities intended for general use by the County and its component units. Bonds and other general County resources fund these expenditures.

The County reports the following major enterprise funds:

The **Wastewater Fund** accounts for the sewage and wastewater service operations and is intended to be self-supporting through user charges. The Wastewater Fund operates sewage collection and treatment systems.

The **Landfill Fund** accounts for the solid waste operations and is intended to be self-supporting through user charges. The Landfill Fund operates solid waste collection points, recycling programs, and a central landfill.

The **Property Management Fund** accounts for the County's landlord responsibilities. The Fund was established in 2016 based on the economics of ownership versus lease of a multi-tenant building where the County was a tenant. The Fund currently manages a multi-tenant office building located at 107 Chesapeake Blvd. in Elkton.

The County also reports the following fund types:

The **Internal Service Funds** are used to account for vehicle and information systems services and financing of workers compensation and health insurance provided by the County to other departments and component units of the County on a cost-reimbursement basis. In addition, employee contributions to the health insurance plan and related expenses are accounted for within these funds.

The **Pension Funds** are fiduciary funds of the County and are used to account for monies set aside by the County to pay for future post-retirement benefits. This group consists of The Cecil County Pension Plan for Public Safety Employees Trust Fund, which accumulates resources for pension benefit payments to qualified public safety employees or their beneficiaries, the Cecil County Maryland Non-Pension Post-Employment Benefits Trust Fund which collects monies to assist retirees with payment of post-retirement health insurance premiums and Length of Service Award Program which accumulates resources for a deferred compensation plan for the County's Department of Fire and Rescue Service volunteers.

The **Agency Funds** account for assets held by the County in a custodial capacity (assets equal liabilities) and do not present results of operations or have a measurement focus. The State Tax Collection Fund and the State Bay Restoration Fund are used to account for taxes and fees collected by the County on behalf of the State of Maryland. The Town Collection Funds are used to account for taxes and fees collected by the County on behalf of the towns of Cecilton, Charlestown, Chesapeake City, Elkton, North East, Perryville, Port Deposit and Rising Sun.

The preparation of the County's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent items at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could differ from those estimates.

D. Assets, Liabilities and Net Assets or Equity

i. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments maturing within 90 days. Available funds are pooled in the General Fund and investment income is recorded in the General Fund unless required to do otherwise by statute, grant, or covenant.

Restricted Investments may occur in connection with various bond and trust agreements. Investments are deposited into restricted accounts for the purpose of constructing capital additions.

Investments of the pension plans are recorded at fair value. Securities traded on a national or international exchange are valued at the last reported sales price using current exchange rates.

ii. Receivables and Payables

Property taxes on real estate are recorded as receivables and attached as an enforceable lien on property on July 1, the date levied. Semi-annual installment payments are mandatory for qualified properties unless the taxpayer chooses to pay in one installment. Qualified property is defined as "an owner-occupied principal residence or certain commercial properties whose real estate tax amount is less than \$50,000." Under the semi-annual plan, one-half of the tax bill is due September 30 with the balance due on December 31. For all other properties, the bill is due in its entirety on September 30. After the due date, interest is charged on the delinquent portion at one percent per month. A three percent penalty is charged March 1 and thereafter. The County holds an annual on-line property tax lien certificate sale the first Monday of June to collect all unpaid property taxes as of that date.

Personal property taxes are imposed on certain machinery and equipment used in business. Personal property taxes are billed and recorded as receivables annually throughout the year. Payment is due in 30 days. The County charges one percent per month interest on all delinquent business taxes. The County bills and collects its own property taxes, and revenues are recognized in the government funds in the period in which they become susceptible to accrual, that is, when they become both measurable and available. Outstanding tax levies are offset on the government fund balance sheet by deferred revenues in the liabilities section. Annual, interim and delinquent property taxes as yet uncollected are included as unavailable revenue. The amounts collected within the first 60 days of the fiscal year ended June 30, 2020, are recorded as revenue.

Property taxes are set per the Cecil County Charter, after enacting the Annual Budget and Appropriations Ordinance, the County shall levy the amount of taxes required by the budget to ensure that the budget is balanced so that proposed revenues equal proposed expenditures. The property tax rate for fiscal year 2020 was \$1.0414 per \$100 of assessed value. The personal property tax rate for fiscal year 2020 was \$2.6035 per \$100 of assessed value.

County property tax and personal property tax revenues in fiscal year 2020 were not reduced by a material amount due to agreements enacted by legislative resolutions for Payments in Lieu of Taxes ("PILOT") as allowed by Maryland Code Annotated 7-512(a)(2) and 7-512(b).

Local income taxes are collected on behalf of the County by the State of Maryland and are remitted to the County monthly except for the months of April and December. In the event a taxpayer lives in an incorporated municipality, the County only receives 33 percent of the income tax, with the remainder going to the respective municipality. The tax rate may be changed annually at the recommendation of the County Executive and approval by the County Council. For the tax year ended December 31, 2020, the local income tax rate was 3.00 percent of Maryland taxable income. Income taxes collected by the State and remitted within the first 60 days of the next fiscal year, are recorded as due from other governments. In accordance with GASB Statement 33, income taxes are considered a derived revenue transaction and amounts due to the County from transactions prior to year-end but not collected within 60 days are recorded in the governmental fund balance sheet as a receivable and an equal amount as unavailable revenue.

Wastewater and Landfill customer charges are recorded when billed except that an amount is recorded for services rendered, but not yet billed, as of the close of the fiscal year. The accrued amount is based on actual billings made subsequent to year-end for wastewater customers that are billed quarterly based on consumption/use through the end of the quarter.

Revenues in the government-wide financial statements are susceptible to accrual in the period in which they become measurable unless accorded other treatment by GASB standards. All revenues and receivables in the government-wide and governmental fund statements are shown net of allowances for uncollectible accounts. Allowances are based on historic trends or specific account evaluation as necessary.

Due to/from Other Funds which are recorded in the fund financial statements, is the year-end outstanding balance of a variety of transactions between funds to finance operations, service debt and otherwise meet obligations as they become due. Interfund receivables that are unlikely to be paid within a year are considered to be Advances.

Due to/from Other Governments (or Component Units) primarily consist of amounts arising from transfer payments and amounts due from grantors or to grantees for specific programs and capital projects.

Internal Balances are the residual balances outstanding between governmental activities and business-type activities as reported in the government-wide financial statements.

iii. Inventories and Prepaid Items

All inventories are valued at cost using the first-in, first-out (FIFO) method. Inventories of the General Fund and Enterprise Funds consist of expendable supplies held for consumption, which are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

iv. Restricted Assets

Certain assets of the County are classified as restricted as their use is limited by third party restrictions and or enabling legislation.

v. Capital Assets

Capital assets including property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County has defined capital assets as assets with a minimum cost of \$5,000 (\$25,000 to \$50,000 for land improvements, buildings, and infrastructure) and an estimated useful life in excess of one year. Capital assets may be purchased or constructed and are recorded at cost or estimated historical cost. Estimated historic costs are either based on similar assets of the same era or on deflated current values obtained from the Maryland Department of Assessments and Taxation. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Capital assets of the County and its components are depreciated using the straight-line method over the estimated useful lives of the related assets. The County records six months' depreciation in the year the asset is acquired. Depletion of the landfill is based on usage of estimated capacity. The County and its components generally use the following estimated useful lives unless an asset's life has been adjusted based on actual experience:

<u>Asset Class</u>	<u>Years</u>
Leasehold Improvements	15 – 30
Roads and Bridges	8 – 50
Buildings	20 – 50
Building Improvements	20 – 30
Vehicles, Computers, Equipment	5 – 15

vi. Liabilities

Compensated Absences

Compensated absences are those earned but unused vacation and personal time for which employees will be paid. Employees are granted vacation in varying amounts. It is the County's policy to permit employees to accumulate all earned but unused vacation leave up to 35 days. Vacation pay is accrued as applicable in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements. Due to essential work being performed by County employees during the COVID-19 pandemic, the County issues a blanket waiver allowing employees to carry over vacation leave in excess of 280 hours.

Long-Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts as well as issuance costs are expensed when incurred.

Self-Insurance

The County is exposed to various risks of losses relating to workers compensation and employee health and accident claims. It is the policy of the County not to purchase commercial insurance to cover these risks because of its prohibitive cost. Instead the County covers these claims through Internal Service Funds. The County does maintain commercial insurance coverage for general liability and property losses. The County also maintains commercial insurance coverage to cap its exposure to one time and total annual loss amounts.

The claims liabilities included in the Workers Compensation and Health Insurance Funds are based on the results of actuarial studies and include amounts for claims previously incurred, including both reported and unreported claims. It is the County's practice to obtain actuarial studies no less than bi-annually. Costs are charged back to other funds by these internal service funds using various allocation methods.

vii. Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources are reported in addition to assets. These represent the acquisition of net position that applies to future periods and will be recognized as an outflow of resources (expense or expenditure) in those future periods. A deferred charge on refunding is reported in the government-wide statement of net position. A deferred charge of refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources are reported in addition to liabilities. These represent the acquisition of net position that applies to future periods and will be recognized as an inflow of resources (revenue) in those future periods. The County's financial statement reports unavailable revenue in the governmental funds balance sheet. Unavailable revenue results primarily from property and income taxes but also various fees that are imposed but not paid within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available (primarily through payment).

Deferred outflows / inflows of resources related to pensions are recognized and classified as either deferred outflows of resources or deferred inflows of resources accordingly, these are deferred, amortized, and recognized as outflows or inflows in future periods:

- Differences between expected and actual experience in the measurement of the total pension liability;
- Changes of assumptions or other inputs;
- Net difference between projected and actual earnings on pension plan investments;
- Changes in the employer's proportion and differences between the employer's contributions (other than those to separately finance specific liabilities of the individual employer to the pension plan) and the employer's proportionate share of contributions; and
- Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions.

viii. Net Position Flow Assumption

The County may fund outlays from both restricted (e.g., bond or grant proceeds) and unrestricted resources. In order to calculate the amounts reported as restricted - net position, and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption is made as to the order in which resources are expected to be used or consumed. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

ix. Fund Balance Flow Assumptions

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

x. Net Position and Fund Equity

The difference between assets, deferred inflows, liabilities, deferred outflows is "Net Position" on the government-wide, proprietary, and fiduciary fund statements and "Fund Balance" on governmental fund statements. Net Position includes items classified as Net Investment in Capital Assets, balances "Restricted" for a specific purpose or "Unrestricted" and available for appropriation for the general purposes.

In the governmental fund financial statements, the difference between assets, deferred inflows, liabilities, deferred outflows is "Fund Balance." Non-spendable and restricted fund balance represent amounts that are legally restricted by outside parties for use for a specific purpose or are otherwise not available for appropriation. Committed fund balance represents amounts that are reserved for a particular purpose by the County Council and would require action by the council to release the fund balance from its commitment. Assigned fund balance represents tentative management plans that are subject to change. Further discussion of these items is in Note 12.

xi. Fair Value Measurements

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

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

2. Stewardship, Compliance, and Accountability

A. Budgetary Accounting and Control

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

- a. The County adopts legal annual budgets for the general fund, certain special revenue funds and the debt service fund. The County legally adopts project length budgets for its capital projects funds. Since project periods may differ from the County's fiscal year, a comparison of budgetary information for the combined capital projects funds would not be meaningful and has not been presented in the accompanying financial statements.
- b. In January of each year, County department heads are required to submit to the County Executive preliminary operating budgets for the fiscal year commencing the following July 1. The operating budgets submitted include proposed expenditures and the means of financing them as well as narrative justification for increases of operating expenditures (i.e. additional employees, capital expenditures).
- c. The County Executive reviews the departmental requests and prepares a Proposed Budget with the assistance of the Department of Finance and submits it to County Council not later than April 1. The Proposed budget consists of a Current Expense Budget, the Current Revenue Budget, the Capital Budget, and the Capital Improvement Program. The County Executive also proposes the tax and fee rates for the fiscal year. This review process includes meetings with the department heads, comparisons with prior years' spending patterns, and forecasts of future needs.
- d. The proposed budget is reviewed by County Council through a process that includes one or more public hearings. Council may decrease or delete expenditure items, but may not change revenue projections. The Budget is required to be adopted not later than June 15. After the budget adoption, County Council must levy the amount of taxes or fees required by the Budget to endure that the Budget is balanced so that proposed revenues equal proposed expenditures.
- e. Should supplemental budget appropriations be required, the County Executive shall propose and County Council shall consider such budget changes at the scheduled Council meetings and public hearings.
- f. The County's legal level of budgetary control is at the departmental level. With the approval of the County Executive, Department heads may make budget amendments within their respective departments, however all amendments above the departmental level, i.e., interdepartmental and inter-fund, require formal proposal by the County Executive and consideration and approval by the County Council. The original budget adopted for the fiscal year ended June 30, 2020, and the budget as revised for budget amendments approved by the County Council during the year are presented as part of the budget versus actual schedules presented in these financial statements.
- g. Expenditures may not legally exceed budgeted appropriations at the departmental level. Appropriations lapse at fiscal year-end for all funds except the capital projects funds. The County legally adopts project-length budgets for its capital projects funds and unexpended appropriations automatically carry forward to the next fiscal year.

B. Legally Adopted Budgets – General and Major Special Revenue Funds

Governmental funds, for which budgets have been legally adopted and included in the appropriate Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the year ended June 30, 2020, were the General Fund and certain Special Revenue Funds.

All budgets for the above funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted deficiencies within each governmental fund are provided for by prior year designations of fund balance.

C. Expenditures Over Appropriations

During the year ended June 30, 2020, expenditures exceeded appropriations for the following departments.

<u>Fund</u>	<u>Budget Line Item</u>	<u>Over Budget</u>
General Fund	Public Works - Roads Maintenance	\$ 92,024
	Finance	3,556
	Transfers to Debt Service Fund	326,368

3. Deposits and Investments

The County maintains a cash and investment pool that is available for use by all funds except the trust funds, which are managed separately. Each fund type's portion of this pool is displayed on the combined balance sheet under the caption "Cash and Investments." Each component unit manages its cash and investments in a similar manner.

Custodial Risk In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy requires at least 102% collateralization of deposits in excess of FDIC insurance.

The summary below identifies the investment type of the deposits and investments of the primary government and its component units.

	Primary Government	Fiduciary Funds	Discretely Presented Component Units
<u>Cash</u>			
Insured Deposits (FDIC)	\$ 873,716	\$ -	\$ 2,154,340
Money Market Mutual Funds	-	475,149	-
Uninsured Deposits - Collateral held by pledging bank's agent in the County or Unit's name	9,248,361	519,385	15,243,560
Certificates of Deposit due within 90 days - Collateral held by pledging bank's agent in the County or Unit's name	-	-	391,728
CDARS due within 90 days (FDIC Insured)	1,007,151	-	-
Total Cash	\$ 11,129,228	\$ 994,534	\$ 17,789,628
<u>Investments</u>			
Certificates of Deposit due greater than 90 days - Collateral held by pledging bank's agent in the County or Unit's name	\$ 11,198,042	\$ -	\$ -
CDARS due greater than 90 days (FDIC Insured)	-	-	-
Other governmental agencies	-	-	-
Investment in Maryland Local Government Investment Pool	91,870,754	1,134,853	23,515,210
Institutional Separate Accounts * Mutual Funds *	10,197,284	49,262,817 14,786,490	- 6,703,208
Total Investments	\$ 113,266,080	\$ 65,184,160	\$ 30,218,418

The summary below identifies the fair value level of the investments of the primary government and fiduciary funds.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2020
<u>Investments by Fair Value Level:</u>				
Federal Agencies	\$ -	\$ -	\$ -	\$ -
Other Post Employment Benefits and Pension Funds:				
Institutional Separate Accounts		49,262,817	-	49,262,817
Fixed Income Funds	6,033,945	-	-	6,033,945
Equity Mutual Funds	18,949,829	-	-	18,949,829
Total Investments at Fair Value	\$ 24,983,774	\$ 49,262,817	\$ -	\$ 74,246,591
<u>Investments Carried at Amortized Cost:</u>				
MLGIP				93,005,607
Collateralized Certificates of Deposit				11,198,042
Total Investments at Amortized Cost				\$ 104,203,649
Total Investments				\$ 178,450,240

Fair Value Levels Debt securities (Fixed Income funds) classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Equity Mutual funds listed on a national market or exchange are valued at the last sales price, or , if there is no sale and the market is still considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy. Institutional Separate accounts classified in level 2 of the fair value hierarchy are valued based on quoted prices for similar assets in active markets or identical assets in less active markets, such as dealers or broker markets.

Credit Risk It is the County’s policy to minimize credit risk by investing only in the highest quality investments including U.S. Treasury and U.S. Government Agency obligations; collateralized repurchase agreements and certificates of deposit; the Maryland Local Government Investment Pool; commercial paper and money market mutual funds of the highest rating; and bankers’ acceptances guaranteed by a financial institution with the highest rating.

With regards to the Pension Plan, no rating was available for the money market fund. The Plan holds ten institutional separate accounts, which were rated by Morningstar, of which two received a 5 star rating, two received a 4 star rating, three received a 3 star rating and three received a 2 star, with 5 being the best and 1 being the worst.

The OPEB Trust holds 20 separate bond/stock funds of which two had a Morningstar rating of 5 stars (best rating is 5 stars). Eleven of the funds had a Morningstar rating of 4 and the remaining six funds had a Morningstar rating of 3. No rating was available for the money market mutual fund.

The Maryland Local Government Investment Pool (the “MLGIP”) is duly chartered, administered and subject to regulatory oversight by the State of Maryland. The MLGIP was established in 1982 under Article 95 Section 22G of the Annotated Code of Maryland. This pool is managed in a “Rule 2(a)-7” like manner and has an S&P rating of AAAM. All money market funds have a Moody’s rating of Aaa. A bank sponsored collateral pool for governmental entities is 102% collateralized with U.S. Treasury and federal agency securities, securities of agencies of the U.S. government that have an implied and not explicit guarantee are classified as U.S. Agencies – Other.

Interest Rate Risk The County limits its interest rate risk by primarily investing in securities with maturity dates under five years. All U.S. Treasury, and U.S. Agencies investments are held by the general fund. It is the policy of the general fund to hold investments until maturity unless there is an economic reason to do otherwise. Listed below are the investments and maturities as of June 30, 2020:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>Over 10 Years</u>
U.S. Agencies - Other	No investments as of June 30, 2020				

Concentration Risk. The County limits the investment in certain instruments to a certain percentage of its portfolio as follows: U.S Treasury Obligations and U.S. Government Agency or sponsored instrumentalities, 100%; Repurchase agreements, 100%; Maryland Local Government Investment Pool, 100%; collateralized, non-negotiable certificates of deposit, 80%; money market mutual funds, 60%, bankers acceptances, 40% and commercial paper, 5%. The County’s portfolio was in compliance with this policy.

The Pension Plan’s investment policy applies the prudent person rule to its investments. The Plan invests in Institutional Separate Accounts, which are essentially mutual funds. This sub-advised

approach provides the Plan with access to some of the most respected investment professionals in the industry. The investment policy establishes an asset allocation by asset class where allowable ranges are identified by asset class. Rebalancing is performed on at least a quarterly basis, as appropriate, such that the allocation for each asset class shall not exceed the bounds of the allowable ranges. During the years ended June 30, 2020, 2019, and 2018, the Plan complied with the Plan’s investment policy.

The OPEB Trust’s investment policy applies the prudent person rule to its investments as a whole and its Investment Consultants and/or Investment Managers. The investment policy requires that no more than 5% of any class of investments shall be in one corporation or affiliated group. Further, the policy requires that no more than 20% of any class of investments shall be in any one industry; investments in U.S. Treasury and U.S. Agency obligations are not limited.

In fiscal year 2017, following the enactment of the State of Maryland legislation, the County Council passed legislation creating a Landfill Closure Restricted Investment Account to accumulate funds to pay for the closure and post-closure costs of the County’s landfill. The Landfill Closure Account’s investment policy applies the prudent person rule to its investments as a whole and its Investment Consultants and/or Investment Managers. The investment policy requires that no more than 5% of any class of investments shall be in one corporation or affiliated group. Further, the policy requires that no more than 20% of any class of investments shall be in any one industry; investments in U.S. Treasury and U.S. Agency obligations are not limited.

Restricted Cash and Investments

As of June 30, 2020, the County had \$52,026,968 in temporarily restricted cash and investments. Of this, unspent proceeds of bond offerings consist of \$29,571,549 in Capital Projects and \$419,019 in Wastewater Funds. Restrictions related to the Landfill Closure and Postclosure Costs account for \$10,729,377. The remaining \$11,307,023 is funds restricted by various grants or state laws. The bond proceeds and other funds as required are invested, tracked and managed separately from operating cash. The funds are subject to the imposed expenditure restrictions.

The chart below provides reconciliation between the amounts disclosed in the chart below and the amounts presented in the Statement of Net Position:

	Primary Government	Fiduciary Funds	Component Units	Total
Cash	\$ 11,129,228	\$ 994,534	\$ 17,789,628	\$ 29,913,390
Investments	113,266,080	65,184,160	30,218,418	208,668,658
Petty Cash Amounts	<u>24,080</u>	<u>-</u>	<u>9,253</u>	<u>33,333</u>
Total	<u>\$ 124,419,388</u>	<u>\$ 66,178,694</u>	<u>\$ 48,017,299</u>	<u>\$ 238,615,381</u>
Unrestricted	\$ 72,392,420	\$ -	\$ 41,182,527	\$ 113,574,947
Restricted	52,026,968	-	6,834,772	58,861,740
Fiduciary Funds	<u>-</u>	<u>66,178,694</u>	<u>-</u>	<u>66,178,694</u>
Total Cash and Investments	<u>\$ 124,419,388</u>	<u>\$ 66,178,694</u>	<u>\$ 48,017,299</u>	<u>\$ 238,615,381</u>

4. Receivables

Primary Government

The following are receivables as of June 30, 2020, for the Government’s major and non-major funds including applicable allowances for uncollectible accounts. Receivables of the internal service funds in the amount of \$1,142,671 are included in the governmental activities of the government-wide statement.

	<u>Governmental Fund Financial Statements</u>				<u>Government-wide Statements</u>
	<u>General</u>	<u>Housing Programs</u>	<u>Non-Major Funds</u>	<u>Total</u>	<u>Governmental Activities</u>
Receivables:					
Property Taxes	\$ 2,998,209	\$ -	\$ -	\$ 2,998,209	\$ 2,998,209
Accounts	-	230,954	61,649	292,603	300,865
Notes	-	-	-	-	-
Interest and Other	738,116	-	-	738,116	1,880,787
Gross Receivables	3,736,325	230,954	61,649	4,028,928	5,179,861
Less: Allowances for Uncollectibles	(764,986)	(230,954)	-	(995,940)	(995,940)
Net Total Receivables	<u>\$ 2,971,339</u>	<u>\$ -</u>	<u>\$ 61,649</u>	<u>\$ 3,032,988</u>	<u>\$ 4,183,921</u>

Receivables as of June 30, 2020, for the Government’s enterprise funds and business-type activities including applicable allowances for uncollectible accounts were as follows:

	<u>Enterprise Fund Financial Statements</u>				<u>Government-wide Statements</u>
	<u>Current</u>			<u>Non-Current</u>	<u>Business-type Activities</u>
	<u>Wastewater Services</u>	<u>Landfill Services</u>	<u>Property Management</u>	<u>Wastewater Services</u>	
Receivables:					
Accounts	\$ 2,580,125	\$ 676,072	\$ 26,340	\$ 3,282,537	\$ -
Other	-	10,576	38	10,614	-
Non-Current	-	-	-	-	2,072,656
Gross Receivables	2,580,125	686,648	26,378	3,293,151	2,072,656
Less: Allowances for Uncollectibles	(124,009)	(33,804)	-	(157,813)	-
Net Total Receivables	<u>\$ 2,456,116</u>	<u>\$ 652,844</u>	<u>\$ 26,378</u>	<u>\$ 3,135,338</u>	<u>\$ 2,072,656</u>
					<u>\$ 5,207,994</u>

Component Units

Receivables as of June 30, 2020, for the Component Units were as follows:

	<u>Board of Education</u>	<u>Cecil College</u>	<u>Cecil County Library</u>	<u>Bainbridge Development Corporation</u>	<u>Total</u>
Receivables:					
Accounts	\$ 262,868	\$ -	\$ 566,219	\$ 82,454	\$ 911,541
Other	-	<u>1,670,553</u>	-	-	<u>1,670,553</u>
Gross Receivables	262,868	1,670,553	566,219	82,454	2,582,094
Less: Allowances for					
Uncollectibles	-	<u>(1,090,510)</u>	-	-	<u>(1,090,510)</u>
Net Total Receivables	<u>\$ 262,868</u>	<u>\$ 580,043</u>	<u>\$ 566,219</u>	<u>\$ 82,454</u>	<u>\$ 1,491,584</u>

Tax Abatements

Cecil County, Maryland provides tax abatements through the Enterprise Zone Tax Credit Program. Maryland’s Enterprise Zone Tax Credit Program is a joint effort between the State and local governments to provide tax incentives to businesses and property owners within targeted areas in return for job creation and investments. Eligible businesses in an enterprise zone may claim a ten-year credit against local real property taxes on a portion of real property improvements. The credit is 80% of the assessment increase during the first five years. The credit then decreases 10% annually thereafter to 30% in the tenth year. The Tax - Property Article, Section 9-103 of the Maryland Annotated Code is the authorization for the Enterprise Zone program and corresponding tax credits. As provided by the State of Maryland budget, the State shall remit to the County an amount equal to one-half of the funds granted for enterprise zone tax credits annually. The County submits an annual request for this reimbursement. As of June 30, 2019, eight properties participate in this program.

<u>Taxes Abated</u>
\$ 1,659,694
<u>\$ 1,659,694</u>

5. Notes Receivable

Economic Development Revolving Loan Fund

The fund provides small loans, through a revolving loan fund, in conjunction with other lenders to enhance economic development within the County. As of June 30, 2020, there were zero outstanding loans.

6. Capital Assets

A. Primary Government

The capital asset activity for Governmental Activities for the year ended June 30, 2020, was as follows:

	<u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 16,581,797	\$ 62,445	\$ -	\$ 16,644,242
Construction in Progress	<u>17,654,210</u>	<u>17,578,418</u>	<u>(18,207,800)</u>	<u>17,024,828</u>
Total Capital Assets Not Being Depreciated	<u>34,236,007</u>	<u>17,640,863</u>	<u>(18,207,800)</u>	<u>33,669,070</u>
Capital Assets Being Depreciated:				
Land Improvements	19,280,836	1,653,541	-	20,934,377
Highways & Bridges	262,173,309	7,554,616	(2,532,671)	267,195,254
Building & Improvements	93,166,387	1,528,245	-	94,694,632
Machinery & Equipment	<u>62,976,401</u>	<u>18,383,815</u>	<u>(12,893,032)</u>	<u>68,467,184</u>
Total Capital Assets Being Depreciated	<u>437,596,933</u>	<u>29,120,217</u>	<u>(15,425,703)</u>	<u>451,291,447</u>
Less Accumulated Depreciation for:				
Land Improvements	(5,590,350)	(1,058,212)	-	(6,648,562)
Highways & Bridges	(156,870,279)	(6,817,633)	2,532,671	(161,155,241)
Building & Improvements	(27,967,584)	(2,263,726)	-	(30,231,310)
Machinery & Equipment	<u>(42,634,182)</u>	<u>(5,850,553)</u>	<u>8,242,498</u>	<u>(40,242,237)</u>
Total Accumulated Depreciation	<u>(233,062,395)</u>	<u>(15,990,124)</u>	<u>10,775,169</u>	<u>(238,277,350)</u>
Total Capital Assets Being Depreciated, Net	<u>204,534,538</u>	<u>13,130,093</u>	<u>(4,650,534)</u>	<u>213,014,097</u>
Governmental Activities Capital Assets, Net	<u>\$238,770,545</u>	<u>\$ 30,770,956</u>	<u>\$ (22,858,334)</u>	<u>\$246,683,167</u>

The capital asset activity for Business-Type Activities for the year ended June 30, 2020, was as follows:

	<u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
<u>Business-Type Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,341,327	\$ -	\$ -	\$ 3,341,327
Construction in Progress	<u>14,867,816</u>	<u>16,472,809</u>	<u>(18,226,461)</u>	<u>13,114,164</u>
Total Capital Assets Not Being Depreciated	<u>18,209,143</u>	<u>16,472,809</u>	<u>(18,226,461)</u>	<u>16,455,491</u>
Capital Assets Being Depreciated:				
Landfill & Land Improvements	42,602,967	-	-	42,602,967
Wastewater Lines	59,011,612	11,290,826	-	70,302,438
Buildings & Improvements	32,228,181	1,371,378	-	33,599,559
Machinery & Equipment	<u>40,835,444</u>	<u>6,817,834</u>	-	<u>47,653,278</u>
Total Capital Assets Being Depreciated	<u>174,678,204</u>	<u>19,480,038</u>	-	<u>194,158,242</u>
Less Accumulated Depreciation for:				
Landfill & Land Improvements	(25,882,317) ▲	(1,309,664)	-	(27,191,981) ▲
Wastewater Lines	(20,833,132) ▲	(1,710,372)	-	(22,543,504) ▲
Building & Improvements	(11,132,893)	(932,393)	-	(12,065,286)
Machinery & Equipment	<u>(17,840,893)</u>	<u>(2,051,074)</u>	-	<u>(19,891,967)</u>
Total Accumulated Depreciation	<u>(75,689,235) ▲</u>	<u>(6,003,503)</u>	-	<u>(81,692,738) ▲</u>
Total Capital Assets Being Depreciated, Net	<u>98,988,969</u>	<u>13,476,535</u>	-	<u>112,465,504</u>
Business-Type Activities Capital Assets, Net	<u>\$ 117,198,112</u>	<u>\$ 29,949,344</u>	<u>\$ (18,226,461)</u>	<u>\$ 128,920,995</u>

Depreciation and depletion expense were charged to the following activities:

Governmental Activities:

General Government	\$ 1,498,176
Public Safety	4,864,378
Highways, Streets, and Bridges	7,828,529
Health and Welfare	423,879
Recreation and Culture	1,148,277
Public Libraries	223,557
Economic Development	3,328
	<u>\$ 15,990,124</u>

Business-type Activities:

Enterprise Funds:	
Wastewater	\$ 4,505,063
Landfill	1,327,767
Property Management	<u>170,673</u>
	<u>\$ 6,003,503</u>

Construction Commitments

Cecil County has active construction contracts as of June 30, 2020. The programs include emergency service communication upgrades, wastewater treatment facilities, and upgrades to sewers. At year-end, the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Northeast Library	\$ 3,735,702	\$ 1,496,130
Replace Port Deposit WWTP	2,024,541	2,663,959
Calvert Park Development	<u>1,308,649</u>	<u>3,081,919</u>
Total	<u>\$ 7,068,892</u>	<u>\$ 7,242,008</u>

B. Discretely Presented Component Units

The following summarizes the capital asset activity of the County's component units for the year ended June 30, 2020:

	<u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
<u>Board of Education</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 5,561,453	\$ 182,306	\$ -	\$ 5,743,759
Construction in Progress	<u>1,138,400</u>	<u>6,276,960</u>	-	<u>7,415,360</u>
Total Capital Assets Not Being Depreciated	<u>6,699,853</u>	<u>6,459,266</u>	-	<u>13,159,119</u>
Capital Assets Being Depreciated:				
Building & Improvements	319,247,562	1,896,418	-	321,143,980
Land Improvements	18,704,320	5,236	-	18,709,556
Machinery & Equipment	<u>24,811,851</u>	<u>2,631,610</u>	<u>(901,996)</u>	<u>26,541,465</u>
Total Capital Assets Being Depreciated	<u>362,763,733</u>	<u>4,533,264</u>	<u>(901,996)</u>	<u>366,395,001</u>
Less Accumulated Depreciation for:				
Building & Improvements	(169,128,760)	(11,741,119)	-	(180,869,879)
Land Improvements	(9,055,753)	(876,324)	-	(9,932,077)
Machinery & Equipment	<u>(13,510,920)</u>	<u>(1,431,962)</u>	<u>820,219</u>	<u>(14,122,663)</u>
Total Accumulated Depreciation	<u>(191,695,433)</u>	<u>(14,049,405)</u>	<u>820,219</u>	<u>(204,924,619)</u>
Total Capital Assets Being Depreciated, Net	<u>171,068,300</u>	<u>(9,516,141)</u>	<u>(81,777)</u>	<u>161,470,382</u>
Board of Education Capital Assets, Net	<u>\$ 177,768,153</u>	<u>\$ (3,056,875)</u>	<u>\$ (81,777)</u>	<u>\$ 174,629,501</u>

Capital assets of the County's component units (continued):

	<u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
<u>Cecil College</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,779,763	\$ -	\$ -	\$ 1,779,763
Total Capital Assets Not Being Depreciated	<u>1,779,763</u>	<u>-</u>	<u>-</u>	<u>1,779,763</u>
Capital Assets Being Depreciated:				
Leasehold & Other Improvements	28,904,253	-	-	28,904,253
Building and Improvements	59,287,745	-	-	59,287,745
Machinery & Equipment	<u>7,968,053</u>	<u>523,949</u>	<u>(84,294)</u>	<u>8,407,708</u>
Total Capital Assets Being Depreciated	<u>96,160,051</u>	<u>523,949</u>	<u>(84,294)</u>	<u>96,599,706</u>
Less Accumulated Depreciation for:				
Leasehold & Other Improvements	(17,992,908)	(1,742,053)	-	(19,734,961)
Building & Improvements	(17,442,629)	(570,630)	-	(18,013,259)
Machinery & Equipment	<u>(6,793,487)</u>	<u>(290,628)</u>	<u>-</u>	<u>(7,084,115)</u>
Total Accumulated Depreciation	<u>(42,229,024)</u>	<u>(2,603,311)</u>	<u>-</u>	<u>(44,832,335)</u>
Total Capital Assets Being Depreciated, Net	<u>53,931,027</u>	<u>(2,079,362)</u>	<u>(84,294)</u>	<u>51,767,371</u>
Cecil College Capital Assets, Net	<u>\$ 55,710,790</u>	<u>\$ (2,079,362)</u>	<u>\$ (84,294)</u>	<u>\$ 53,547,134</u>
<u>Public Library</u>				
Capital Assets Being Depreciated:				
Machinery & Equipment	\$ 4,978,614	\$ 483,665	\$ (514,806)	\$ 4,947,473
Less Accumulated Depreciation for:				
Machinery & Equipment	<u>(2,600,481)</u>	<u>(588,653)</u>	<u>514,806</u>	<u>(2,674,328)</u>
Total Accumulated Depreciation	<u>(2,600,481)</u>	<u>(588,653)</u>	<u>514,806</u>	<u>(2,674,328)</u>
Total Capital Assets Being Depreciated, Net	<u>2,378,133</u>	<u>(104,988)</u>	<u>-</u>	<u>2,273,145</u>
Public Library Capital Assets, Net	<u>\$ 2,378,133</u>	<u>\$ (104,988)</u>	<u>\$ -</u>	<u>\$ 2,273,145</u>
<u>Bainbridge Development Corporation</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,549,600	\$ -	\$ -	\$ 3,549,600
Capital Assets Being Depreciated:				
Machinery & Equipment	<u>64,622</u>	<u>-</u>	<u>-</u>	<u>64,622</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	<u>(25,218)</u>	<u>(3,801)</u>	<u>-</u>	<u>(29,019)</u>
Total Accumulated Depreciation	<u>(25,218)</u>	<u>(3,801)</u>	<u>-</u>	<u>(29,019)</u>
Total Capital Assets Being Depreciated, Net	<u>39,404</u>	<u>(3,801)</u>	<u>-</u>	<u>35,603</u>
Bainbridge Development Corporation Capital Assets, Net	<u>\$ 3,589,004</u>	<u>\$ (3,801)</u>	<u>\$ -</u>	<u>\$ 3,585,203</u>

7. Interfund Balances and Transfers

Interfund balances arise primarily from the General Fund’s role as receiver, investor, and disbursing officer of cash. Transactions that are short-term in nature are classified as inter-fund receivables. The \$419,019 due from the Wastewater Fund is unspent bond funds. The Motor Vehicle and Information Technology internal service fund hold depreciable assets; the receivables from these fund are considered an advance because the cash flow from service charges is insufficient to repay the balances in the short term. The inter-fund receivables as of June 30, 2020, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds	\$ 462,887
	Housing Programs Fund	31,614
	Advance to Waste Water Fund	419,019
	Advance to Information Technology Fund	3,115,325
	Advance to Motor Vehicle Fund	2,957,449
		<u>\$ 6,986,294</u>

Interfund transfers from the General Fund consist of operating transfers to finance debt service of \$16,340,564 and \$4,608,440 to provide additional support to several special revenue programs. The transfers for the year ended June 30, 2020, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total</u>
	<u>Housing Fund</u>	<u>General Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Waste Water Fund</u>	<u>General Fund</u>	
General Fund	\$ 56,925	\$ 600,000	\$ 20,292,079	\$ -	\$ -	\$ 20,949,004
Property Management	-	-	-	-	50,000	50,000
Casino Local Impact	-	528,775	-	756,000	665,225	1,950,000
General Capital Projects	-	-	5,188,323	-	-	5,188,323
Total	<u>\$ 56,925</u>	<u>\$1,128,775</u>	<u>\$ 25,480,401</u>	<u>\$ 756,000</u>	<u>\$ 715,225</u>	<u>\$ 28,137,327</u>

8. Long-Term Debt

A. Changes in Long-Term Liabilities

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 151,544,488	\$ 43,833,852	\$ (12,122,242)	\$ 183,256,098	\$ 13,300,785
Direct Borrowings/Placements	6,330,285	-	(756,100)	5,574,185	771,099
Premium on Debts Issued	12,507,117	5,333,114	(2,160,577)	15,679,654	2,224,119
Total Bonds Payable	170,381,890	49,166,966	(15,038,919)	204,509,937	16,296,003
Capital Leases	4,552,303	1,945,566	(1,219,377)	5,278,492	1,519,473
Insurance Claims Payable	5,366,886	13,028,091	(12,492,288)	5,902,689	5,902,689
Compensated Absences	2,573,761	2,843,793	(2,304,595)	3,112,959	2,075,306
Net Pension Liability	43,177,141	-	(1,394,067)	41,783,074	-
Governmental Activity Long-Term Liabilities	<u>\$ 226,051,981</u>	<u>\$ 66,984,416</u>	<u>\$ (32,449,246)</u>	<u>\$ 260,587,151</u>	<u>\$ 25,793,471</u>

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities:					
General Obligation Bonds	\$ 43,155,516	\$ 3,493,175	\$ (2,719,789)	\$ 43,928,902	\$ 2,884,214
Direct Borrowings/Placements	26,459,952	7,225,000	(2,269,849)	31,415,103	2,444,556
Premium on Debt Issued	1,787,132	428,197	(307,708)	1,907,621	308,936
Total Bonds Payable	71,402,600	11,146,372	(5,297,346)	77,251,626	5,637,706
Compensated Absences	152,301	212,759	(187,641)	177,419	118,279
Accrued Landfill Closure and Postclosure Costs	9,936,861	667,581	-	10,604,442	-
Business-Type Activity Long-Term Liabilities	<u>\$ 81,491,762</u>	<u>\$ 12,026,712</u>	<u>\$ (5,484,987)</u>	<u>\$ 88,033,487</u>	<u>\$ 5,755,985</u>
Component Units					
Board of Education	\$ 66,599,723	\$ 4,323,404	\$ (3,483,582)	\$ 67,439,545	\$ 1,391,961
Cecil College	394,499	-	42,601	437,100	291,400
Cecil County Public Library	490,788	(21,175)	-	469,613	-
Bainbridge Development	91,841	-	-	91,841	-
Component Units Long-Term Liabilities	<u>\$ 67,576,851</u>	<u>\$ 4,302,229</u>	<u>\$ (3,440,981)</u>	<u>\$ 68,438,099</u>	<u>\$ 1,683,361</u>

Compensated absences are reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The General Fund normally pays compensated absence liabilities not recorded in internal service funds. Net pension liabilities are liquidated with General Fund resources.

B. General Obligation Bonds

Cecil County issues general obligation bonds to provide funds for the acquisition and construction of major capital assets. General obligation bonds have been issued for both governmental and business-type activities; they are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 10 to 20 year serial bonds with varying amounts of principal due each year.

Cecil County has also issued special assessment debt to provide for the construction of shore erosion control projects. These funds will be repaid from amounts levied against the property owners benefited by the construction. In the event that a deficiency exists at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources are received.

Bond issues described as “Consolidated Public Improvement Bonds” are used to finance the design, planning, renovation, construction, and equipping of public facilities in Cecil County. Funding from Sanitary District Bonds is used to design, plan, renovate, construct or equip various wastewater facilities.

There are certain limitations and restrictions contained in the various bond indentures including call provisions. The County is in compliance with the limitations and restrictions.

A detailed list of bonds outstanding as of June 30, 2020, is contained on pages 60 and 61.

The annual debt service requirements to maturity for principal and interest for bonds payable as of June 30, 2020, were as follows:

Year Ending June 30	Governmental Activities				Business-Type			
	General		Notes From		General		Notes From	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 13,300,786	\$ 7,129,404	\$ 771,099	\$ 146,192	\$ 2,884,214	\$ 1,755,615	\$ 2,444,556	\$ 580,391
2022	13,049,015	6,276,133	1,340,099	116,216	3,205,985	1,570,699	2,485,271	539,676
2023	12,717,099	5,127,509	1,372,099	77,658	2,907,901	1,225,419	2,526,754	498,193
2024	13,165,276	5,191,928	1,401,099	38,229	2,994,724	1,320,828	1,916,715	456,180
2025	13,655,271	5,121,137	647,099	9,154	3,094,729	1,344,369	1,865,656	424,292
2026-2030	55,402,146	15,558,118	30,494	-	15,662,854	3,880,989	7,085,768	1,694,109
2031-2035	40,324,439	6,475,230	12,196	-	10,650,561	1,273,835	7,097,844	994,041
2036-2040	21,642,066	1,312,887	-	-	2,527,934	135,035	1,429,285	475,777
2041-2045	-	-	-	-	-	-	1,383,267	300,154
2046-2050	-	-	-	-	-	-	989,432	186,808
2051-2055	-	-	-	-	-	-	1,059,754	116,486
2056-2060	-	-	-	-	-	-	1,130,801	41,170
Total	\$ 183,256,098	\$ 52,192,347	\$ 5,574,185	\$ 387,450	\$ 43,928,902	\$ 12,506,788	\$ 31,415,103	\$ 6,307,276

The following is a summary of general, special assessment, and revenue bonds outstanding as of June 30, 2020:

<u>Date of Issue/ Maturity</u>	<u>Amount of Original Issue</u>	<u>Description</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>		<u>Balance Outstanding June 30, 2020</u>
				<u>Govt. Activities</u>	<u>Business Type</u>	
2010/2021	25,160,000	Consolidated Public and Refunding Bonds 2010A New Money \$15,450,000 Refunding \$9,710,000	2.0%-3.0%	\$ 2,496,351	\$ 1,273,649	\$ 3,770,000
2012/2032	33,995,000	Consolidated Public and Refunding Bonds of 2012 New Money \$14,750,000 Refunding \$9,245,000	2.25%-5.0%	16,102,809	962,191	17,065,000
2013/2025	9,290,000	Refunding Bond 2013	2.0%-5.0%	4,365,000	-	4,365,000
2014/2034	48,000,000	Consolidated Public	3.0%-5.0%	24,801,040	13,183,960	37,985,000
2015/2027	34,975,000	Refunding Bond 2015	3.0%-4.0%	24,916,913	3,243,087	28,160,000
2016/2036	50,530,000	Consolidated Public and Refunding Bonds of 2016 New Money \$35,780,000 Refunding \$14,730,000	3.0%-4.0%	32,680,650	10,494,350	43,175,000
2018/2037	47,645,000	Consolidated Public and Refunding Bonds of 2017 New Money \$33,500,000	3.0%-5.0%	34,386,510	11,278,490	45,665,000
2020/2039	47,000,000	Consolidated Public Improvement New Money \$47,000,000	3.0%-5.0%	<u>43,506,825</u>	<u>3,493,175</u>	<u>47,000,000</u>
Total General Obligation Bonds				<u>\$183,256,098</u>	<u>\$43,928,902</u>	<u>\$227,185,000</u>

List of Bonds outstanding at June 30, 2020 (continued):

Date of Issue/ Maturity	Amount of Original Issue	Description	Interest Rates	Balance Outstanding		Balance Outstanding June 30, 2020
				Govt. Activities	Business Type	
2002/2023	2,050,000	Maryland Water Quality Bond 2002A CherryHill WWTP	2.0%	-	361,556	361,556
2002/2024	6,279,112	Maryland Water Quality Bond 2002B 2002B North East River WWTP	1.9%	-	1,142,468	1,142,468
2003/2043	845,000	USDA Bond 2003A CherrvHill WWTP	4.252%	-	648,358	648,358
2004/2023	2,616,645	Maryland Water Quality Bond 2003B Lakeside/Rt 272 Sewer Upgrades	1.2%	-	453,403	453,403
2004/2044	1,585,000	USDA Bond 2004A Carpenters Point Ph I collection system	4.577%	-	1,259,072	1,259,072
2004/2025	\$8,000,000	Maryland Water Quality Bond 2004B Meadowview WWTP	1.1%	-	2,203,557	2,203,557
2008/2027	2,702,000	Maryland Water Quality Bond 2008A Washington Street Pump Station Carpenters Point Ph II collection system	1%	-	946,957	946,957
2009/2028	800,000	Maryland Water Quality Bond 2008B Septage Receiving Facility	None	-	320,000	320,000
2010/2030	1,257,000	Maryland Water Quality Bond 2010A Carpenters Point Ph III collection system	1%	-	690,581	690,581
2011/2024	6,615,000	Suntrust Refunding Bond 2011	2.35%	5,501,000	0	5,501,000
2014/2036	19,705,893	Maryland Water Quality Bond 2014 Northeast River WWTP ENR Upgrade	2%	-	16,164,151	16,164,151
2020/2060	7,225,000	USDA Bond 2004A	1.375%	-	7,225,000	7,225,000
2004/2031	149,000	West View Shores II - Erosion Contr Special Assessment Debt	None	73,185	-	73,185
Total Direct Borrowings				<u>5,574,185</u>	<u>31,415,103</u>	<u>36,989,288</u>
Total Debt Outstanding				<u>\$188,830,283</u>	<u>\$75,344,005</u>	<u>\$264,174,288</u>

C. Defeasance of Debt

Prior Year Defeasance of Debt. In prior years, Cecil County defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County’s financial statements. As of June 30, 2020, \$15,420,000 of Cecil County Maryland bonds outstanding from this defeasement are considered defeased.

9. Leases

A. Operating Leases

The County no longer leases office facilities after the purchase of 107 Chesapeake Blvd in Elkton. The Board of Education leases office and warehouse space, and bus parking. Cecil College leases office space and office equipment. The future minimum lease payments for these leases were as of June 30, 2020:

<u>Years Ending June 30</u>	<u>Board of Education</u>	<u>Cecil College</u>
2021	\$ 954,736	\$ 104,342
2022	876,771	39,731
2023	<u>774,785</u>	<u>-</u>
Total Commitment under the Operating Lease	<u>\$ 2,606,292</u>	<u>\$ 144,073</u>

B. Capital Leases

The County has a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp. The agreements allow the County to purchase equipment at an adjustable market rate of interest. The Board of Education has entered into capital leases for maintenance vehicles and portable classrooms. As such, the present value of all future minimum lease payments has been recorded as a capital lease obligation on the statement of net position. As of June 30, 2020, future minimum payments under capital leases were as follows:

<u>Years Ending June 30</u>	<u>Primary Government</u>		<u>Board of Education</u>
	<u>Motor Vehicle</u>	<u>IT Equip</u>	
2021	\$ 1,277,036	\$ 345,592	\$ 1,074,942
2022	1,277,036	297,101	275,146
2023	948,552	136,815	274,480
2024	812,580	-	-
2025	<u>408,180</u>	<u>-</u>	<u>-</u>
Total Payments	4,723,384	779,508	1,624,568
Less Interest	<u>(201,744)</u>	<u>(22,656)</u>	<u>(39,287)</u>
Capitalized lease obligations	<u>\$ 4,521,640</u>	<u>\$ 756,852</u>	<u>\$ 1,585,281</u>

Capitalized leases for the County at June 30, 2020, consist of the following assets shown at original cost as summarized below:

Type of Property	Primary Government		Board of Education
	Motor Vehicle	IT Fund	
Vehicles	\$ 6,278,861	\$ -	\$ -
Buildings	-	-	9,399,961
IT Equipment and furnitue and fixtures	-	1,641,878	1,891,334
Total	6,278,861	1,641,878	11,291,295
Less Acumulated Depreciation	(2,044,484)	(954,481)	(5,399,929)
Net Assets Under Lease	\$ 4,234,377	\$ 687,397	\$ 5,891,366

10. Landfill Closure and Post-closure Care Costs

State and federal laws and regulations require the County to place a final cover on its central refuse landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each statement of net assets date.

The landfill closure and post-closure care liability of \$10,604,442 as of June 30, 2020, represented the cumulative amount reported to date based on the use of approximately 85% of the estimated capacity of the currently constructed cells at the landfill. Based on the historical average disposal volume in the last 5 years, it is anticipated that the existing landfill has approximately 5.1 years of remaining disposal life. The remaining estimated cost of closure and post-closure care of \$1,613,023 will be recognized as the remaining estimated capacity is filled. The total closure and post-closure liability calculation is based on current 2020 costs. Actual cost may be different because of inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to meet certain financial assurance requirements relative to financing the expected cost of closure and post-closure care. The County is in compliance with these requirements.

11. Unavailable Revenues

Government Funds report unavailable revenues in connection with revenues that are not considered to be available to liquidate liabilities of the current period. In the government-wide statement, unavailable revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

	<u>Governmental Fund Financial Statements</u>	<u>Government-wide Financial Statements</u>
<u>Unavailable Revenues</u>		
General Fund		
Income Taxes	\$ 19,204,246	\$ -
Property Taxes	352,966	-
Total Governmental Activities	<u>\$ 19,557,212</u>	<u>\$ -</u>
<u>Unearned Revenues</u>		
Housing Programs Fund		
Unearned Grant Revenue	\$ 97,012	\$ 97,012
General Capital Project Fund		
Unearned Grant Revenue	275,000	275,000
Non-Major Funds		
Other Special Revenues	9,443,991	9,443,991
Community Services	249,941	249,941
	9,693,932	9,693,932
Internal Service Fund		
Motor Vehicle Fund	-	5,730
Total Governmental Activities	<u>\$ 10,065,944</u>	<u>\$ 10,071,674</u>

12. Fund Balance

The County has adopted GASB Statement No. 54 which redefined how fund balances are presented in fund financial statements. 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, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by formal County Council legislative action.

Assigned – Amounts that are allocated for a future use by the County Executive but are not spendable until a budget ordinance is passed by County Council.

Unassigned – All amounts not included in other spendable classifications.

The details of the fund balances are included in the Balance Sheet of Governmental Funds. Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by Council or the Assignment has been changed by the County Executive. Decreases to fund balance first reduce Unassigned Fund Balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

General Fund

The General Fund had Nonspendable fund balances of \$6,874,368 as of June 30, 2020. The Motor Vehicle internal service fund holds depreciable assets; the receivables from this fund is considered as Advances and classified as Nonspendable because the cash flow from service charges is insufficient to repay the balance in the short term. The \$419,019 due from the Wastewater Fund is unspent bond funds (discussed in Note 7) and therefore is classified as Nonspendable fund balance. The County’s Nonspendable fund balance detail is as follows:

Non-spendable	
Advance to Motor Vehicle Fund	\$ 2,957,449
Advance to Information Technologies Fund	3,115,325
Advance to Wastewater Fund	419,019
Inventory and Other Assets	<u>382,575</u>
	<u>\$ 6,874,368</u>

The General Fund had Committed fund balances of \$2,225,000 as of June 30, 2020. The County did not utilize Fund Balance Appropriation in the fiscal year 2020 approved budget to attain a balanced budget. The County’s Committed fund balance detail is as follows:

Committed	
Volunteer Fire Companies Vehicle Equipment	\$ 575,000
Capital Paygo Funding - SAO Building	1,500,000
Broadbank 5-Star	<u>150,000</u>
	<u>\$ 2,225,000</u>

The General Fund had Assigned fund balances of \$33,187,808 as of June 30, 2020. The Reserve for Contingencies was legislated to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. The Emergency Reserve is equal to 10% of \$207,661,894 - fiscal year 2021 revenues budgeted as of the end of June 30, 2020. The Assigned amount is also related to a Budget Stabilization Reserve (equal to 1% of the fiscal year 2021 revenue budget), the unfunded portion of the fiscal year 2021 vehicle budget request for Volunteer Fire Companies, and other items illustrated below.

The Assigned fund balance detail is as follows:

Assigned		
Emergency Reserve for Contingencies		\$ 20,766,189
Budget Stabilization		2,076,619
CCPS - Admin Service Ctr - Boiler upgrade/cable		810,000
VFC Vehicle Budget		500,000
CCSO - Retrofit Evidence & Armory Space		535,000
Bailiff Road Bridge Rehab CE0071		325,000
Elk Neck over Spur Bridge Painting CE0028		175,000
Roads Infrastructure Maintenance		1,000,000
Subsequent Fiscal Year 2022-2023 Budget		<u>7,000,000</u>
		<u>\$ 33,187,808</u>

The General Fund is the only governmental fund that can report a positive Unassigned fund balance; the Unassigned balance as of June 30, 2020 is \$12,237,704.

Other Funds

The restricted fund balances for all special revenue funds amounted to \$8,648,240 and are intended to be used for subsequent years' expenditures for various grants and activities. The \$25,200,891 restricted funds for all capital projects are bond funds intended to be used for on-going capital projects. The balances as of June 30, 2020 consist of the following:

Restricted		
Major Fund	Housing	\$ 849,178
Major Fund	Casino Local Impact	1,581,685
Major Fund	General Capital Projects	25,200,891
Non-Major Funds	Other Governmental	<u>6,217,377</u>
		<u>\$ 33,849,131</u>

13. Risk Management

A. Health Insurance

The County is self-insured for health care benefits provided to employees. The County pays between 80-90% of the cost of providing benefits with employees contributing 10-20% of the cost. Benefits are provided through the Health Insurance Internal Service Fund. The Fund was established in fiscal year 1993 to provide health care benefits to employees of the County government, and two component units (Cecil College and Cecil County Public Library). Under the Plan, charges are made to employers on a formula basis. Inter-fund charges within the County are recorded as revenue in the Health Insurance Fund and as expenditure/expense to the benefiting department.

The County manages the Plan through retention of risk in the Internal Service Fund and the purchase of commercial insurance. The payment of health-related claims is processed through a third-party administrator. Excess insurance is purchased to cover individual claims that exceed \$200,000 per plan year. During the last 3 fiscal years, the County did not have any claims that exceeded the stop loss limit.

The liability for Health Insurance Fund claims of \$1,071,689 was based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2020. Historical claims experience and other relevant reports are the basis for these estimates.

An analysis of claims liabilities recorded in the Health Insurance Fund is presented below:

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Fiscal Year Liability</u>
2018-2019	\$ 1,223,028	\$ 9,791,938	\$(10,260,080)	\$ 754,886
2019-2020	754,886	10,521,027	(10,204,224)	1,071,689

B. Workers Compensation Insurance

Effective July 1, 2009, the County became self-insured for workers compensation benefits provided to employees. The County manages the Plan through retention of risk in the Internal Service Fund and the purchase of commercial insurance. The payment of workers compensation claims is processed through a third-party administrator. Excess insurance is purchased to cover individual claims that exceed \$650,000 per plan year.

The liability for Workers Compensation Fund claims of \$4,831,000 is based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2020.

An analysis of claims liabilities recorded in the Workers' Compensation Fund is presented below:

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Fiscal Year Liability</u>
2017-2018	\$ 4,476,000	\$ 1,144,556	\$ (1,008,556)	\$ 4,612,000
2018-2019	4,612,000	1,406,670	(1,187,670)	4,831,000

C. Other Insurance

The County is exposed to various risks of loss related to torts, thefts or damage to assets, destruction of assets, errors and omissions, injuries to employees and other losses. The County participates in the Maryland Local Government Insurance Trust (LGIT). Coverage and deductibles under LGIT vary depending on type of incident.

The County insures its primary liability, property damage, and excess liability coverage through participation in LGIT, a public entity risk pool. For the pooled coverage, there is a total risk and cost sharing for all participants. Liabilities in excess of assets of the Trust may be assessed to participating members. Stop loss insurance is provided to protect against catastrophic losses. Premiums are paid by the General Fund. The County does not have any claim liability in addition to premiums, unless an assessment is made by the Trust.

14. Commitments and Contingencies

A. Educational Funding Commitments

The Annotated Code of Maryland (the Code) requires that the County provide funding equal to at least 32% of the Cecil College current expenditures. The County has met the funding requirement for the year ended June 30, 2020. Funding for the year ending June 30, 2021, is estimated to be \$11,841,157. The Code also requires that the County maintain its funding level from year to year for the Board of Education. For the year ended June 30, 2020, such funding amounted to \$84,905,673 and is estimated to be \$86,367,865 for the year ending June 30, 2021.

B. Grant Compliance

The County receives Federal and State funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on the filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustment resulting from subsequent examinations is recognized in the year in which the results of such examinations become known. County officials do not expect any significant adjustment as a result of these examinations.

C. Litigation Compliance

The County is a party to numerous legal proceedings, many of which normally occur in governmental operations. The legal proceedings are not, in the opinion of the County's attorneys, likely to have a material adverse impact on the County's financial position.

15. Employee Retirement Systems and Pension Plans

A. Pension Plans – Primary Government

The County sponsors a single-employer, defined benefit pension plan, the Cecil County Pension Plan for Public Safety Employees (PPPSE), to provide benefits to certain law enforcement and public safety personnel. Except for employees of the Bainbridge Development Corporation, all other County employees and the employees of its component units are covered by the Maryland State Retirement and Pension System (MSRPS), a cost-sharing multiple employer public employee retirement system. The County also has established a Length of Service Award Program (LOSAP) for the County's Department of Fire and Rescue Service volunteers who meet certain age and service criteria. For the year ended June 30, 2020, the County recognized aggregated pension expense of \$5,000,238 for all three pension systems.

Cecil County Pension Plan for Public Safety Employees (PPPSE)

Plan description. Established by Cecil County on July 1, 2002, the Cecil County Pension Plan for Public Safety Employees (PPPSE) is a single-employer, defined benefit pension plan which provides retirement, disability and death benefits to Plan members and their beneficiaries. The Plan covers all full-time employees on the County's Public Safety Pay Scale hired after June 30, 2002, the Cecil County Sheriff, and eligible public safety employees who have opted to convert from the Maryland State Retirement and Pension System Plan. As of June 30, 2020, there were 256 active Plan members, 107 retirees receiving benefits, 2 disabled beneficiary receiving benefits and 27 members entitled to but not yet receiving

retirement benefits. Responsibility for the administration and operation of the Plan is vested with a 9-member Board of Trustees. The Plan issues publicly available financial statements, which are available from the Cecil County Department of Finance, 200 Chesapeake Blvd., Elkton, MD 21921 or www.ccgov.org/government/finance/financial-reports.

The Plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. For fixed income securities, fair value may be based on quoted market prices.

Funding Policy. The contribution requirements of Plan members and the County are established by resolution of the former Board of County Commissioners and may be amended by resolution. Plan members are required to contribute 8% of the base compensation. Cecil County, as the employer, is required to make actuarially determined annual contribution amounts; the current rate is 11.85% of covered payroll.

Annual Pension Cost. For the fiscal year ended June 30, 2020, the County’s annual contribution to the PPPSE was \$1,615,251 which was equal to the actuarially determined contribution. The required contribution to the Public Safety Plan was determined as part of the July 1, 2019, actuarial valuation using the entry age normal. The total pension liability was determined by an actuarial valuation as of July 1, 2019 rolled forward to June 30, 2020. The actuarial assumptions included: (a) 7.0% investment rate of return compounded annually, net of investment expenses; (b) projected salary increases vary by years of service; (c) termination of service rates vary by years of service; (d) an inflation rate of 2.5% resulting in post-retirement benefit increases of the maximum 2%; (e) For healthy participants and beneficiaries, the RFP-2014 Combined Healthy tables with the Blue Collar adjustment and generational; projection by Scale MP-2015. For disabled participants, the table is set forward five years; (f) the remaining amortization ranges from 4 to 18 years; (g) the source of mortality assumptions is the RP-2014 combined healthy tables and (h) the actuarial assumptions are based largely on an experience study completed in July 2018.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimates 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 allocation percentage and by adding expected inflation (2.5%). The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	52%	5.7%
International	12%	6.8%
Emerging Markets	3%	8.8%
Fixed Income	33%	0.6%
Cash	0%	2.6%

Discount rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/19	\$ 65,568,853	\$ 58,595,530	\$ 6,973,323
Changes for the year:			
Service cost	2,243,458	-	2,243,458
Interest	4,495,322	-	4,495,322
Difference between Expected/Actual Experience	542,195	-	542,195
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,615,251	(1,615,251)
Contributions - Member	-	997,274	(997,274)
Net Investment Income	-	(892,149)	892,149
Benefit Payments/ Refunds	(2,699,946)	(2,699,946)	-
Administrative Expense	-	(46,275)	46,275
Net Changes	<u>4,581,029</u>	<u>(1,025,845)</u>	<u>5,606,874</u>
Balances at 6/30/20	<u>\$ 70,149,882</u>	<u>\$ 57,569,685</u>	<u>\$ 12,580,197</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
County's Net Pension Liability	\$ 23,318,286	\$ 12,580,197	\$ 3,923,778

Detailed information about the pension plan’s net position is available in the separately issued PSPP financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2020, the County recognized pension expense of \$2,718,136. As of June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,075,561	\$ 739,440
Changes in Assumptions	-	375,303
Net difference between projected and actual earnings on pension plan investments	<u>4,038,171</u>	<u>-</u>
Total	<u>\$ 5,113,732</u>	<u>\$ 1,114,743</u>

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

<u>Years Ending June 30</u>	<u>Pension Expense</u>
2021	\$ 232,311
2022	1,052,270
2023	1,608,136
2024	<u>1,106,272</u>
Total	<u>\$ 3,998,989</u>

Maryland State Retirement and Pension System (MSRPS)

Plan description. Except for public safety personnel participating in the Pension Plan for Public Safety described previously and employees of Bainbridge Development Corporation, the employees of the County and its component units are covered by a plan within either the Employees’ Retirement and Pension System or the Teachers’ Retirement and Pension System. These plans are part of the Maryland State Retirement and Pension System (MSRPS), a cost-sharing multiple-employer public employee retirement system administered by the State Retirement Agency. The MSRPS was established by the State Personnel and Pensions Article of the Annotated Code of Maryland (State law) to provide retirement allowances and other benefits to state employees, teachers, police, judges, legislators and employees of participating governmental units. Responsibility for the administration and operation of the MSRPS is vested in a 14-member Board of Trustees. The MSRPS issues annual financial statements which are publicly available at www.sra.state.md.us or may be obtained by writing to the State Retirement and Pension System of Maryland, 301 West Preston Street, Baltimore, MD 21201, or by calling 1-800-492-5909.

Funding policy. The contribution requirements for plan members, the County and its component units are established by State law. Employees are required to contribute two percent to seven percent of their compensation, depending on the plan in which they are enrolled. Employers, including the County, are required to contribute at an actuarially determined rate based on annual actuarial valuations using the entry age normal cost method with projection and other actuarial assumptions adopted by the Board of Trustees. Current employer contribution rates to the Employees’ Retirement and Employees’ Pension

plans vary from 5% to 10% of covered payroll depending on the plan. The County’s contributions to the MSRPS for the years ending June 30, 2020, 2019, and 2018 were \$1,822,489, \$1,655,900 and \$1,502,619, respectively and equaled the required contribution for each year. Amounts contributed by the State on behalf of the component units can be found in their respective financial statements.

Summary of total pension costs. The total annual pension cost for the County and its component units to the MSRPS and the Pension Plan for Public Safety Employees for the year ended June 30, 2020, was equal to the required and actual contributions as follows:

	<u>MSRPS</u>	<u>Public Safety</u>	<u>Total</u>
Primary Government	\$ 1,822,489	\$ 1,615,251	\$ 3,437,740
Component Units			
Board of Education	13,274,989	-	13,274,989
Community College	613,469	-	613,469
Public Library	<u>437,951</u>	<u>-</u>	<u>437,951</u>
Total	<u>\$ 16,148,898</u>	<u>\$ 1,615,251</u>	<u>\$ 17,764,149</u>

Pension Liabilities. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2020, the County reported a liability of \$16,632,084 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participants members, actuarially determined. As of June 30, 2020, the County’s proportion was .08064%.

For the year ended June 30, 2020, the County recognized pension expense of \$1,919,185. As of June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions Subsequent to Measurement Date	\$ 1,822,489	\$ -
Differences between expected and actual experience	-	834,423
Changes in Assumptions	-	167,194
Net difference between projected and actual earnings on pension plan investments	<u>288,606</u>	<u>-</u>
Total	<u>\$ 2,111,095</u>	<u>\$ 1,001,617</u>

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

<u>Years Ending June 30</u>	<u>Pension Expense</u>
2021	\$ 17,096
2022	(384,843)
2023	(189,872)
2024	(81,189)
2025	<u>(74,203)</u>
Total	<u>\$ (713,011)</u>

Actuarial Assumptions. The key actuarial assumptions used to perform the June 30, 2019 pension liability calculation are as follows:

Actuarial	Entry Age Normal
Amortization method	Level Percentage of Payroll
Inflation	2.65% General, 3.15% Wage
Salary Increases	3.10% to 11.6% Including Inflation
Investment Rate of Return	7.40%

Mortality rates were based on the Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimates 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 allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the System’s Board after considering input from the System’s investment consultant(s) and actuary(s). For each major asset allocation, the best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Public Equity	37%	6.30%
Private Equity	13%	7.50%
Rate Sensitive	19%	1.30%
Credit Opportunity	9%	3.90%
Real Assets	14%	4.50%
Absolute Return	8%	3.00%
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.40 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current active and inactive employees. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate. The following presents the County’s proportionate share of the net pension calculated using the discount rate of 7.40 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.40%	Discount Rate 7.40%	1% Increase 8.40%
County's Net Pension Liability	\$ 24,073,277	\$ 16,632,084	\$ 10,434,508

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued System’s Comprehensive Annual Report for the fiscal year ended June 30, 2019. This can be found at:

www.sra.state.md.us/Agency/Downloads/CAFR/CAFR_fullreport.pdf.

Length of Service Award Program (LOSAP)

Plan description. Under Section 7-209 of the Maryland Public Safety Code, the County has established a Length of Service Award Program (LOSAP) for the County's Department of Fire and Rescue Service volunteers who meet certain age and service criteria. This program is a single-employer deferred compensation plan because the benefits are based on the age and years of service. Any local fire and rescue volunteer is eligible for this program if the volunteer is at least 16 years old and satisfies the following conditions: (a) was an active volunteer on or after January 1, 1979 or (b) on January 1, 1984, had completed 25 years as an active volunteer or (c) from and after July 1 ,2008, any member who accumulates the proper number of points needed to qualify and certify for 25 years of service may receive benefits at the age of 55 years.

Benefit provisions for this program are established under Section 7-209 (4) of the County Code. The types of benefits included in this program are monthly award payments, disability benefits, survivor's benefits, death benefits, and other benefits. Effective July 1, 2008 normal benefits are payable earlier of (a) 25 years of service and age 55, or (b) 10 years of service and age 70, The lifetime benefit equal to (a) \$12.00 per month for each year of service up to 25 years plus (b) \$6.00 per month for each year of service in excess of 25 years. The maximum total benefit is \$600 per month. There is a 50% survivor annuity for the spouse. A \$1,000 lump sum benefit paid to spouse for any member with a minimum of 25 years of service. Benefits continue to accrue for service earned after payments commence. There is no provision with respect to benefit change for automatic cost of living adjustment. The benefit terms are established by and may be amended by the County Council.

The credited service is based on the point system as described in the Cecil County By-Laws for the Volunteer Length of Service Program (VLOSAP). An active volunteer is one who accumulates at least 50 points in a calendar year under the point system. The points are not transferable to another year. An

individual must not receive points for any activity performed as a County employee.

Funding Policy. In August 2019, Bill No. 2019-07 was put into effect after being approved by County Council to authorize the establishment of the Cecil County, Maryland Volunteer Length of Service Award Program Trust Fund. The establishment of said trust allows the County to contribute on an annual basis (per an actuarial study) towards investments to provide future affordability of the pension plan and thus reducing the County’s LOSAP Net Pension Liability.

Pension Liabilities. The County's total pension liability of \$12,570,793 was measured as of June 30, 2020, and was determined by an actuarial valuation date as of January 1, 2019.

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

Actuarial Valuation Date	January 1, 2019
Actuarial Method	Entry Age Normal
Retirement Age	100 percent of members are assumed to commence benefits at Earliest eligibility of:
	1. Age 70 with 10 years of LOSAP Service
	2. Any age with 25 years of LOSAP Service

Mortality rates were based on the RP-2014 Blue Collar Mortality with fully generational projection using Scale MP2015 to the year of the valuation is assumed to be current mortality experience. Generational projection beyond the valuation date is assumed to account for future mortality improvements for all participants, using MP2015 as the projection scale.

Discount rate. For this valuation, a discount rate of 7.0% was used to measure the total pension liability as of June 30, 2020.

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/19	\$ 20,393,315	\$ -	\$ 20,393,315
Changes for the year:			
Service cost	244,207	-	244,207
Interest	1,404,182	-	1,404,182
Changes of Assumptions	(7,943,350)	-	(7,943,350)
Contributions - Employer	-	1,515,025	(1,515,025)
Net Investment Income	-	15,180	(15,180)
Benefit Payments/ Refunds	(667,148)	(667,148)	-
Administrative Expense	-	(2,644)	2,644
Net Changes	(6,962,109)	860,413	(7,822,522)
Balances at 6/30/20	\$ 13,431,206	\$ 860,413	\$ 12,570,793

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate. The following presents the total pension liability calculated using the discount rate of 7.0%, as well as

what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) discount rate:

	1% Decrease	Current	1% Increase
	6.00%	Discount Rate	8.00%
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
County's Total Pension Liability	\$ 13,987,823	\$ 12,570,793	\$ 11,383,866

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2020, the County recognized pension expense of \$362,917. As of June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between expected and actual experience	\$ 189,971	\$ -
Changes in Assumptions	791,799	6,354,680
Net difference between projected and actual earnings on pension investments	<u>11,522</u>	<u>-</u>
Total	<u>\$ 993,292</u>	<u>\$ 6,354,680</u>

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

Years Ending	Pension
June 30	Expense
2021	\$ (1,258,533)
2022	(1,258,533)
2023	(1,258,531)
2024	<u>(1,585,791)</u>
Total	<u>\$ (5,361,388)</u>

B. Pension Plans – Component Units

Cecil County Public Schools: As of June 30, 2019, the Public Schools reported a liability of approximately \$11.1 million for its proportionate share of the Employees Retirement System of the State of Maryland (ERS) net pension liability. The ERS net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Public School’s proportion of the ERS net pension liability was based on a projection of the Board’s long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined. As of June 30, 2019, the Board’s proportion for ERS was 0.0540%, which was substantially the same from its proportion measured as of June 30, 2018. For the year ended June 30, 2020, the Public Schools recognized pension expense for ERS of approximately \$1.2million. Detailed retirement plan information for the Public Schools is available in their current year audited financial statements.

Cecil County Library: As of June 30, 2020, the Library reported a liability of approximately \$469 thousand for its proportionate share of the Employees Retirement System of the State of Maryland (ERS) net pension liability. The ERS net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the ERS net pension liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined. As of June 30, 2019, the Board's proportion for ERS was 0.0023%, which was substantially the same from its proportion measured as of June 30, 2018. For the year ended June 30, 2020, the Library recognized pension expense for ERS of approximately \$48 thousand. Detailed retirement plan information for the Library is available in their current year audited financial statements.

C. Defined Contribution Plan

Employees of Cecil College are eligible to be covered under the Teachers' Insurance and Annuity Association - College Retirement Equity Fund (TIAA-CREF). TIAA-CREF, a private insurance company, is the optional retirement program chosen by the State Board of Community Colleges for professional staff only. The College has also chosen a TIAA-CREF plan to provide retirement benefits to certain employees not eligible to participate in any other plan. Covered payroll for employees participating in the TIAA-CREF Plan was \$7,505,507 in 2020.

16. Other Post-Employment Benefits

A. Plan Description

The Cecil County Maryland Non-Pension Post-Employment Benefits Trust (the "Plan") is a single employer defined benefit plan administered by the County. The Plan provides medical, prescription drug, dental and vision to all eligible retired employees of the County, Cecil County Public Library and Cecil College. The retiree must be continuously enrolled under the Cecil County Employee Benefit Plan for four years immediately preceding retirement date and must meet the eligibility requirements of the plan. 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 depending on the employee's years of service, the County contributes \$75 to \$150 per month per participant to the Plan, and the participant is required to pay the balance of the Plan's insurance premiums, as well as any annual deductibles. As of December 1, 2018, the date of the last actuarial valuation, approximately 66 retirees and their beneficiaries were receiving benefits, and an estimated 706 active employees are potentially eligible to receive future benefits. The Plan issues publicly available financial statements, which are available from the Cecil County Department of Finance, 200 Chesapeake Blvd., Elkton, MD 21921 or ccgov.org/government/finance/financial-reports.

The Plan's financial statements are prepared using the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. For fixed income securities, fair value may be based on quoted market prices.

B. Funding Policy

The County pays a portion of retiree healthcare premiums based on years of service. The retiree pays

the remaining premium, including the cost of eligible dependents. The County pays post-retirement medical benefits (normal cost) from the General Fund, not from the trust. The Cecil County Maryland, Non-Pension Post-Employment Benefits Trust was established by Cecil County to provide funding for post-retirement non-pension benefits for certain employees of the County, Cecil College and the Cecil County Library. The County funded \$234,000 which was \$79,000 over and above the Actuarially Determined Contribution (ADC) of \$155,000.

C. Net OPEB Liability of the County

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

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of December 1, 2018 rolled forward to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Asset valuation method	Market Value of Assets
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	20 years (as of July 1, 2020)
Inflation	2.40%
Projected salary increase	2.5% per year
Discount rate	7.0%, net of investment expenses
Healthcare cost trend rate	SOA Long-Run Medical Cost Trend Model baseline assumptions. The SOA model was released in October 2010 and updated in October 2018 (1.5% GDP) adjusted for the effects of the Cadillac Tax set to take effect in 2022.
Employees Included	25% of active employees enrolled in health care 5% of terminated employees currently enrolled in Health care
Marital Status and Age of Spouse	Actual coverage election

The actuarial assumptions used in the June 30, 2020 valuation are based on a weighted average of the projected claims with retiree claims for each fiscal year weighted 10% each (a total of 30 percent), and age adjusted active and pre-Medicare claims for the 2015-2016 period and the 2016-2017 period weighted 35% each (a total of 70 percent). For the employee claims data, the resulting average claims were age adjusted. The source of mortality assumptions is the RP-2014 combined healthy tables and the actuarial assumptions are based largely on an experience study completed in July 2018.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence 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 determined 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 long-term expected rate of return of OPEB investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges are

combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation (2.4%).

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	49%	7.50%
International equity	15%	8.61%
Fixed income	35%	3.86%
Cash	1%	1.06%

Discount rate. The discount rate used to measure the OPEB liability was 7.0 percent. The included calculations assume that the members and the County will continue to make the current contribution levels. Based on that assumption, the plan’s fiduciary net position is expected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB investments was applied to all periods of the projected benefit payments to determine the Actuarially Determined Contribution.

	Changes in the Net OPEB Liability (Asset)		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at 6/30/19	\$ 6,250,581	\$ 7,009,910	\$ (759,329)
Changes for the year:			
Service Cost	270,453	-	270,453
Interest	428,961	-	428,961
Changes of Benefit Terms	(2,338,643)	-	(2,338,643)
Experience Losses	(143,180)	-	(143,180)
Trust Contribution Employer	-	234,000	(234,000)
Net Investment Income	-	95,053	(95,053)
Changes in Assumptions	(347,987)	-	(347,987)
Benefit Payments	(101,967)	(101,967)	-
Administrative Expense	-	(15,313)	15,313
Net Changes	(2,232,363)	211,773	(2,444,136)
Balances at 6/30/20	\$ 4,018,218	\$ 7,221,683	\$ (3,203,465)
<i>Funded Status</i>		<i>179.72%</i>	

Sensitivity of Total and Net OPEB liability to changes in the discount rate and the trend rate. The following table presents the County's Total and Net OPEB liability using the discount rate of 7.0 percent, as well as what it would be using a discount rate that is 1 percentage point lower or 1 percentage point higher.

	<u>1% Decrease 6.00%</u>	<u>Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net OPEB Liability/(Asset)	\$ (2,647,980)	\$ (3,203,465)	\$ (3,666,734)

The following table presents the County's Net OPEB liability using the health care trend rate, as well as what it would be using a trend rate that is 1 percentage point lower or 1 percentage point higher.

	<u>1% Decrease 2.90%</u>	<u>Current Medical Rate 3.90%</u>	<u>1% Increase 4.90%</u>
Net OPEB Liability/(Asset)	\$ (3,287,664)	\$ (3,203,465)	\$ (3,106,350)

Detailed information about the OPEB plan's net position is available in the separately issues OPEB financial report.

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

For the year ended June 30, 2020, the County recognized OPEB expense of (\$2,176,995). As of June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 657,774
Changes in Assumptions	-	616,472
Net difference between projected and actual earnings on OPEB plan investments	<u>392,745</u>	<u>-</u>
Total	<u>\$ 392,745</u>	<u>\$ 1,274,246</u>

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

<u>Years Ending June 30</u>	<u>Pension Expense</u>
2021	\$ (58,300)
2022	(58,301)
2023	(52,130)
2024	(80,564)
2025	(160,510)
Thereafter	<u>(471,696)</u>
Total	<u>\$ (881,501)</u>

Board of Education

The Board of Education (the Board) offers post-retirement health care benefits, in accordance with a Board-adopted plan, to all retired employees who have completed fourteen years or more of service and have been continuously covered by the Board's health care plan for one year prior to retirement. Currently, 754 retirees meet these requirements. The Board pays retirees' health care premiums up to a maximum of \$8,583 per year based on years of service and employee classification. Expenditures for post-retirement health care benefits are recognized as retirees report claims and include an accrual for the estimate of the amount payable at the end of the fiscal year.

The components of the net OPEB liability of the Board of Education for fiscal year 2020, were as follows:

Total OPEB liability	\$ 67,655,098
Plan fiduciary net position	<u>16,526,561</u>
Board of Education's net OPEB liability	<u>\$ 51,128,537</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 24.43%

17. Subsequent Events

As part of the fiscal year 2020 budget and related legislation passed in June 2020, the County was authorized to initiate a \$2,000,000 capital lease for purchasing vehicles and IT equipment.

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REQUIRED SUPPLEMENTARY INFORMATION

**THE CECIL COUNTY PENSION PLAN
FOR PUBLIC SAFETY EMPLOYEES
SCHEDULE OF CHANGES IN THE COUNTY'S
NET PENSION LIABILITY AND RELATED RATIOS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Pension Liability							
Service cost	\$ 2,197,590	\$ 2,283,832	\$ 2,338,610	\$ 2,336,327	\$ 2,417,404	\$ 2,239,555	\$ 2,243,458
Interest	2,922,270	3,327,286	3,553,215	3,769,916	3,880,936	4,247,837	4,495,322
Differences between expected and actual experience	-	(1,214,713)	(736,331)	(1,268,373)	1,283,613	(323,218)	542,195
Changes of assumptions	2,298,433	674,511	-	(998,224)	-	(70,937)	-
Benefit payments, including refunds of member contributions	(1,455,709)	(1,808,984)	(1,877,716)	(2,241,817)	(2,265,496)	(2,415,526)	(2,699,946)
Net change in total pension liability	5,962,584	3,261,932	3,277,778	1,597,829	5,316,457	3,677,711	4,581,029
Total pension liability - beginning	42,474,563	48,437,146	51,699,078	54,976,856	56,574,685	61,891,142	65,568,853
Total pension liability - ending (a)	<u>\$ 48,437,147</u>	<u>\$ 51,699,078</u>	<u>\$ 54,976,856</u>	<u>\$ 56,574,685</u>	<u>\$ 61,891,142</u>	<u>\$ 65,568,853</u>	<u>\$ 70,149,882</u>
Plan Fiduciary net position							
Contributions - employer	\$ 2,267,679	\$ 2,199,663	\$ 2,288,108	\$ 2,102,732	\$ 1,676,936	\$ 1,898,390	\$ 1,615,251
Contributions - member	877,946	909,516	925,386	957,910	955,419	974,306	997,274
Net investment income	6,148,908	1,316,789	(1,304,390)	6,587,039	4,490,113	2,106,178	(892,149)
Benefit payments, including refunds of member contributions	(1,455,709)	(1,808,984)	(1,877,716)	(2,241,817)	(2,265,496)	(2,415,526)	(2,699,946)
Administrative expense	(33,352)	(50,396)	(66,571)	(56,331)	(54,940)	(36,279)	(46,275)
Net change in plan fiduciary net position	7,805,472	2,566,588	(35,183)	7,349,533	4,802,032	2,527,069	(1,025,845)
Plan fiduciary net position - beginning	33,580,020	41,385,491	43,952,079	43,916,896	51,266,429	56,068,461	58,595,530
Plan fiduciary net position - ending (b)	<u>\$ 41,385,492</u>	<u>\$ 43,952,079</u>	<u>\$ 43,916,896</u>	<u>\$ 51,266,429</u>	<u>\$ 56,068,461</u>	<u>\$ 58,595,530</u>	<u>\$ 57,569,685</u>
County's net pension liability - ending (a)-(b)	<u>\$ 7,051,655</u>	<u>\$ 7,746,999</u>	<u>\$ 11,059,960</u>	<u>\$ 5,308,256</u>	<u>\$ 5,822,681</u>	<u>\$ 6,973,323</u>	<u>\$ 12,580,197</u>
Plan fiduciary net position as a percentage of the total pension liability	85.44%	85.02%	79.88%	90.62%	90.59%	89.36%	82.07%
Covered payroll ¹	\$ 10,968,011	\$ 11,505,952	\$ 11,637,624	\$ 11,869,325	\$ 12,526,137	\$ 13,494,174	\$ 13,634,895
County's net pension liability as a percentage of covered payroll	64.29%	67.33%	95.04%	44.72%	46.48%	51.68%	92.26%
Expected average remaining service years of all participants	6	6	6	6	6	5	5

¹ Per GASB 82, the amount shown reflect pensionable earnings only

Notes to schedule:

Information for fiscal year 2013 and earlier is not available.

Benefit Changes: None

Change of Assumptions: Based on 2018 experience study, there were changes to retirement, termination and disability decrements.

Source: Cecil County Public Safety Pension Plan Actuarial Reports

**THE CECIL COUNTY PENSION PLAN
FOR PUBLIC SAFETY EMPLOYEES
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 2,267,679	\$ 2,199,663	\$ 2,171,030	\$ 2,102,732	\$ 1,676,936	\$ 1,898,390	\$ 1,615,251
Contributions in relation to the actuarially determined contribution	<u>2,267,679</u>	<u>2,199,663</u>	<u>2,288,108</u>	<u>2,102,732</u>	<u>1,676,936</u>	<u>1,898,390</u>	<u>1,615,251</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ (117,078)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 10,968,011	\$ 11,505,952	\$ 11,637,624	\$ 11,869,325	\$ 12,526,137	\$ 13,494,174	\$ 13,634,895
Contributions as a percentage of covered payroll	20.68%	19.12%	19.66%	17.72%	13.39%	14.07%	11.85%

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Cost
Amortization method	Level Percentage of Payroll
Remaining amortization period	Ranging from 4 to 18 years
Asset valuation method	5-year smoothed market
Inflation	2.5%
Salary increases	Rates vary by participant service
Investment rate of return	7.0%, net of pension plan investment expense, including inflation.
Retirement age	Rates vary by participant age and service
Mortality	For healthy participants and beneficiaries, the RFP-2014 Combined Healthy tables with the Blue Collar adjustment and generational projection by Scale MP-2015. For disabled participants, the table is set forward five years

Prior Year Information:

Information for fiscal year 2013 and earlier is not available

Source: Cecil County Public Safety Pension Plan Actuarial Reports

**THE CECIL COUNTY PENSION PLAN
FOR PUBLIC SAFETY EMPLOYEES
SCHEDULE OF INVESTMENT RETURNS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	17.88%	3.10%	-2.93%	14.82%	8.79%	3.89%	-1.39%

Notes to schedule:

This schedule is presented to illustrate the requirement 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 information is available.

**THE CECIL COUNTY, MARYLAND
VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
SCHEDULE OF CHANGES IN THE COUNTY'S
NET LOSAP LIABILITY AND RELATED RATIOS**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total LOSAP Liability			
Service cost	\$ 424,251	\$ 497,636	\$ 244,207
Interest	658,480	566,006	1,404,182
Differences between expected and actual experience	-	316,617	-
Changes of assumptions	-	1,319,665	(7,943,350)
Benefit payments	<u>(750,814)</u>	<u>(779,739)</u>	<u>(667,148)</u>
Net change in LOSAP liability	331,917	1,920,185	(6,962,109)
Total LOSAP liability - beginning	<u>18,141,213</u>	<u>18,473,130</u>	<u>20,393,315</u>
Total LOSAP liability - ending (a)	<u>\$ 18,473,130</u>	<u>\$ 20,393,315</u>	<u>\$ 13,431,206</u>
Plan Fiduciary net position			
Contributions - employer	\$ -	\$ -	\$ 1,515,025
Net investment income	-	-	15,180
Benefit payments	-	-	(667,148)
Administrative expense	<u>-</u>	<u>-</u>	<u>(2,644)</u>
Net change in plan fiduciary net position	-	-	860,413
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 860,413</u>
County's net pension liability - ending (a)-(b)	<u>\$ 18,473,130</u>	<u>\$ 20,393,315</u>	<u>\$ 12,570,793</u>
Fiduciary net position as a percentage of the total LOSAP liability	0.00%	0.00%	6.41%
Covered payroll ¹	NA	NA	NA
Net LOSAP liability as a percentage of payroll ¹	NA	NA	NA
Expected average remaining service years of all participants	5	5	5

¹ Since the LOSAP plan does not depend on salary, the salary information is not shown.

Notes to schedule:

Information for fiscal year 2017 and earlier is not available.
Benefits changes: None
Changes in Assumptions: Discount rate changed from 3.13% to 7.00%

Source: Cecil County LOSAP Plan Actuarial Reports

**THE CECIL COUNTY, MARYLAND
VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 1,461,990	\$ 779,739	\$ 1,461,000
Contributions in relation to the actuarially determined contribution	<u>750,814</u>	<u>779,739</u>	<u>1,515,025</u>
Contribution deficiency (excess)	<u>\$ 711,176</u>	<u>\$ -</u>	<u>\$ (54,025)</u>
Covered payroll ¹	NA	NA	NA
Contributions as a percentage of payroll ¹	NA	NA	NA

¹ Since the LOSAP plan does not depend on salary, the salary information is not shown.

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Cost
Amortization method	Level Dollar
Remaining amortization period	Ranging from 17 to 20 years
Asset valuation method	Market Value of Assets
Inflation	2.5%
Salary increases	Not Applicable
Investment rate of return	7.0%, net of pension plan investment expense, including inflation.
Retirement age	Rates vary by participant age.
Mortality	SOA RP-2014 Blue Collar Mortality Table with fully generational projection using Scale MP-2015

Prior Year Information:

Information for fiscal year 2017 and earlier is not available

Source: Cecil County LOSAP Plan Actuarial Reports

**MARYLAND STATE RETIREMENT AND PENSION SYSTEM
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
County's portion of the net pension liability	0.0575%	0.0657%	0.0716%	0.0729%	0.0667%	0.0754%	0.0806%
County's porportionate share of the net pension liability	\$ 11,323,431	\$ 11,659,304	\$ 14,887,172	\$ 17,189,747	\$ 14,413,561	\$ 15,810,503	\$ 16,632,084
Covered payroll	25,567,660	25,576,863	26,603,993	26,852,179	27,669,211	30,061,458	32,821,401
County's Net Pension Liability as a percentage of covered payroll	44.29%	45.59%	55.96%	64.02%	52.09%	52.59%	50.67%
Plan fiduciary net position as a percentage of the total pension liability	67.20%	71.87%	68.78%	65.79%	69.38%	71.18%	71.18%

**MARYLAND STATE RETIREMENT AND PENSION SYSTEM
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 1,531,008	\$ 1,509,892	\$ 1,419,302	\$ 1,356,684	\$ 1,502,619	\$ 1,655,900	\$ 1,822,489
Contributions in relation to the actuarially determined contribution	<u>1,531,008</u>	<u>1,509,892</u>	<u>1,419,302</u>	<u>1,356,684</u>	<u>1,502,619</u>	<u>1,655,900</u>	<u>1,822,489</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 25,576,863	\$ 26,603,993	\$ 26,852,179	\$ 27,669,211	\$ 30,061,458	\$ 32,821,401	\$ 33,970,280
Contributions as a percentage of covered payroll	5.99%	5.68%	5.29%	4.90%	5.00%	5.05%	5.36%

Source: Maryland State Retirement and Pension System

Note: Information for fiscal year 2013 and earlier is not available

**THE CECIL COUNTY, MARYLAND NON-PENSION
POST EMPLOYMENT BENEFIT TRUSTS
SCHEDULE OF CHANGES IN THE COUNTY'S
NET OPEB LIABILITY AND RELATED RATIOS**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability				
Service cost	\$ 309,000	\$ 331,630	\$ 314,936	\$ 270,453
Interest	415,000	436,619	430,095	428,961
Changes of benefit terms	-	-	-	(2,338,643)
Differences between expected and actual experience	-	(590,415)	(145,405)	(143,180)
Changes of assumptions	-	-	(379,104)	(347,987)
Benefit payments	<u>(534,136)</u>	<u>(301,175)</u>	<u>(234,600)</u>	<u>(101,967)</u>
Net change in OPEB liability	189,864	(123,341)	(14,078)	(2,232,363)
Total OPEB liability - beginning	<u>6,198,136</u>	<u>6,388,000</u>	<u>6,264,658</u>	<u>6,250,581</u>
Total OPEB liability - ending (a)	<u>\$ 6,388,000</u>	<u>\$ 6,264,659</u>	<u>\$ 6,250,580</u>	<u>\$ 4,018,218</u>
Plan Fiduciary net position				
Contributions - employer	\$ 948,000	\$ 322,000	\$ 254,947	\$ 234,000
Net investment income	651,279	466,729	325,839	95,053
Benefit payments	(534,136)	(301,175)	(234,600)	(101,967)
Administrative expense	<u>(20,241)</u>	<u>(31,730)</u>	<u>(24,241)</u>	<u>(15,313)</u>
Net change in plan fiduciary net position	1,044,902	455,824	321,945	211,773
Plan fiduciary net position - beginning	<u>5,187,238</u>	<u>6,232,140</u>	<u>6,687,964</u>	<u>7,009,910</u>
Plan fiduciary net position - ending (b)	<u>\$ 6,232,140</u>	<u>\$ 6,687,964</u>	<u>\$ 7,009,909</u>	<u>\$ 7,221,683</u>
County's net pension liability (asset) - ending (a)-(b)	<u>\$ 155,860</u>	<u>\$ (423,305)</u>	<u>\$ (759,329)</u>	<u>\$ (3,203,465)</u>
Fiduciary net position as a percentage of the total OPEB liability	97.56%	106.76%	112.15%	179.72%
Covered-employee payroll ¹	NA	NA	NA	NA
Net OPEB liability as a percentage of payroll ¹				
Expected average remaining service years of all participants	10	10	10	10

¹ Since the OPEB plan does not depend on salary, the salary information is not shown.

Notes to schedule:

Information for fiscal year 2016 and earlier is not available.

Benefit Changes: Effective January 1, 2020, the plan was changed to provide a health reimbursement plan (HRA) for participants.

The County provides a fixed dollar benefit for retirees based on their years of service.

Medical Trend was updated to the latest model released by the SOA

Claims assumptions was updated to include the most recent three years of plan experience

Source: Cecil County OPEB Plan Actuarial Reports

**THE CECIL COUNTY, MARYLAND NON-PENSION
POST EMPLOYMENT BENEFIT TRUSTS
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 331,000	\$ 233,000	\$ 155,000	\$ 155,000
Contributions in relation to the actuarially determined contribution	<u>948,000</u>	<u>322,000</u>	<u>254,947</u>	<u>234,000</u>
Contribution deficiency (excess)	<u>\$ (617,000)</u>	<u>\$ (89,000)</u>	<u>\$ (99,947)</u>	<u>\$ (79,000)</u>
Covered payroll ¹				
Contributions as a percentage of payroll ¹				

¹ Since the OPEB plan does not depend on salary, the salary information is not shown.

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Cost
Amortization method	Level Percentage of Payroll
Remaining amortization period	20 years (as of July 1, 2020)
Asset valuation method	Market Value of Assets
Inflation	2.40%
Salary increases	2.5% per year
Investment rate of return	7.0%, net of investment expense
Healthcare cost trend rate	Based on the SOA Model was released in October 2010 and updated in October 2018 (1.5% GDP) adjusted for the effects of the Cadillac Tax set to take effect in 2022
Employees Included	25% of active employees enrolled in health care 5% of terminated employees currently enrolled in health care The OPEB coverage is assumed to begin at age 65
Marital Status and Age of Spouse	Actual coverage election

Prior Year Information:

Information for fiscal year 2016 and earlier is not available

Source: Cecil County OPEB Plan Actuarial Reports

**THE CECIL COUNTY, MARYLAND NON-PENSION
POST EMPLOYMENT BENEFIT TRUSTS
SCHEDULE OF INVESTMENT RETURNS**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	12.97%	7.67%	4.95%	1.36%

Notes to schedule:

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

Cecil County Public Safety



CECIL COUNTY, MARYLAND

Major Governmental Fund

General Fund

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

The schedules on the following pages present General Fund budget and actual activity in its lowest level of legal budgetary control - the department.

Note that due to the size of the Department of Public Works and the Sheriff's Office, the divisions of those departments are shown and totaled. Also, the divisions of Building Maintenance are shown in the four primary functions that they serve to more closely disclose the costs of each function.

CECIL COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER
FINANCING SOURCES (USES) - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				Positive
				(Negative)
Revenues				
Property Taxes	\$ 122,398,340	\$ 122,398,340	\$ 121,515,271	\$ (883,069)
Income Taxes	63,322,542	63,322,542	67,934,905	4,612,363
Licenses and Permits	1,940,754	1,940,754	1,862,139	(78,615)
Intergovernmental	3,501,128	3,511,128	3,021,247	(489,881)
Charges for Services	9,441,692	9,441,692	13,157,236	3,715,544
Investment Earnings	1,374,631	1,374,631	1,138,480	(236,151)
Contributions & Other Revenues	64,000	64,000	60,661	(3,339)
Total Revenues	<u>202,043,087</u>	<u>202,053,087</u>	<u>208,689,939</u>	<u>6,636,852</u>
Other Financing Sources				
Transfers in from Other Funds	845,225	845,225	715,225	(130,000)
Total Other Financing Sources	<u>845,225</u>	<u>845,225</u>	<u>715,225</u>	<u>(130,000)</u>
Total Revenues and Other Financing Sources	<u>\$ 202,888,312</u>	<u>\$ 202,898,312</u>	<u>\$ 209,405,164</u>	<u>\$ 6,506,852</u>
Expenditures				
General Government				
County Executive	\$ 191,581	\$ 191,581	\$ 190,250	\$ 1,331
County Council	433,475	433,475	401,905	31,570
Office of Administrator	462,745	459,245	449,953	9,292
County Attorney & Legal	340,298	339,798	322,933	16,865
Human Resources	1,325,927	1,313,927	1,311,990	1,937
Finance Department	2,733,921	2,707,421	2,710,977	(3,556)
Circuit Court	2,344,975	2,343,975	2,267,193	76,782
Orphans Court	49,013	49,013	44,160	4,853
Board of Elections	946,626	938,126	833,749	104,377
Liquor Board Licensing	193,436	192,436	180,404	12,032
Building Maintenance	2,075,602	2,062,806	1,803,969	258,837
Total General Government	<u>11,097,599</u>	<u>11,031,803</u>	<u>10,517,483</u>	<u>514,320</u>
Highways, Streets, and Bridges				
Public Works - Administration	2,743,441	2,712,441	2,497,739	214,702
Public Works - Roads Administration	5,110,886	5,042,574	4,900,387	142,187
Public Works - Roads Maintenance	4,041,162	6,826,474	6,918,498	(92,024)
Total Highways, Streets, and Bridges	<u>11,895,489</u>	<u>14,581,489</u>	<u>14,316,624</u>	<u>264,865</u>
Recreation and Culture				
Board of Parks	1,926,089	1,921,589	1,544,108	377,481
Building Maintenance	142,345	129,345	90,363	38,982
Total Recreation and Culture	<u>\$ 2,068,434</u>	<u>\$ 2,050,934</u>	<u>\$ 1,634,471</u>	<u>\$ 416,463</u>

CECIL COUNTY, MARYLAND

**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER
FINANCING SOURCES (USES) - BUDGET AND ACTUAL
GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures (Continued)				
Public Safety				
Sheriff's Office - Law Enforcement	\$ 13,525,441	\$ 13,594,156	\$ 13,712,456	\$ (118,300)
Sheriff's Office - Special Assignments	221,819	221,819	292,036	(70,217)
Sheriff's Office - Detention Center	8,476,844	8,485,144	8,231,392	253,752
Sheriff's Office - Work Release Program	2,508,545	2,497,745	2,321,838	175,907
Sheriff's Office - Department Total	24,732,649	24,798,864	24,557,722	241,142
State's Attorney's Office	2,619,810	2,614,810	2,522,020	92,790
Emergency Management	8,860,186	9,310,186	9,070,413	239,773
Volunteer Fire Departments	4,774,928	6,421,420	5,824,355	597,065
Land Use & Development Services	2,363,033	2,347,033	2,272,662	74,371
Animal Control	1,107,415	1,107,415	1,072,174	35,241
Building Maintenance	1,976,519	2,024,316	1,884,238	140,078
Total Public Safety	<u>46,434,540</u>	<u>48,624,044</u>	<u>47,203,584</u>	<u>1,420,460</u>
Health and Welfare				
Health Department	3,781,026	3,781,026	3,765,473	15,553
Social Services	502,722	502,722	437,120	65,602
Domestic Violence				-
Non-Profit Agencies	55,741	55,741	51,325	4,416
Building Maintenance	243,175	218,675	148,544	70,131
Total Health and Welfare	<u>4,582,664</u>	<u>4,558,164</u>	<u>4,402,462</u>	<u>155,702</u>
Education				
Cecil County Board of Education	86,109,586	87,019,736	86,873,149	146,587
Cecil Community College	11,674,357	11,722,857	11,708,519	14,338
Total Education	<u>97,783,943</u>	<u>98,742,593</u>	<u>98,581,668</u>	<u>160,925</u>
Public Libraries	<u>6,010,417</u>	<u>6,010,417</u>	<u>6,010,417</u>	<u>-</u>
Economic Development	<u>1,235,702</u>	<u>1,202,202</u>	<u>1,110,055</u>	<u>92,147</u>
Agriculture	<u>697,609</u>	<u>697,609</u>	<u>657,772</u>	<u>39,837</u>
Municipalities	<u>710,314</u>	<u>710,314</u>	<u>710,314</u>	<u>-</u>
Total Expenditures	<u>182,516,711</u>	<u>188,209,569</u>	<u>185,144,850</u>	<u>3,064,719</u>
Other Financing Uses				
Transfers to Special Revenue Funds	4,284,790	4,290,790	4,008,439	282,351
Transfers to Debt Service Fund	16,014,197	16,014,197	16,340,565	(326,368)
Transfers to Capital Projects Funds	-	600,000	600,000	-
Total Other Financing Uses	<u>20,298,987</u>	<u>20,904,987</u>	<u>20,949,004</u>	<u>(44,017)</u>
Total Expenditures and Other Financing Uses	<u>\$202,815,698</u>	<u>\$209,114,556</u>	<u>\$ 206,093,854</u>	<u>\$ 3,020,702</u>

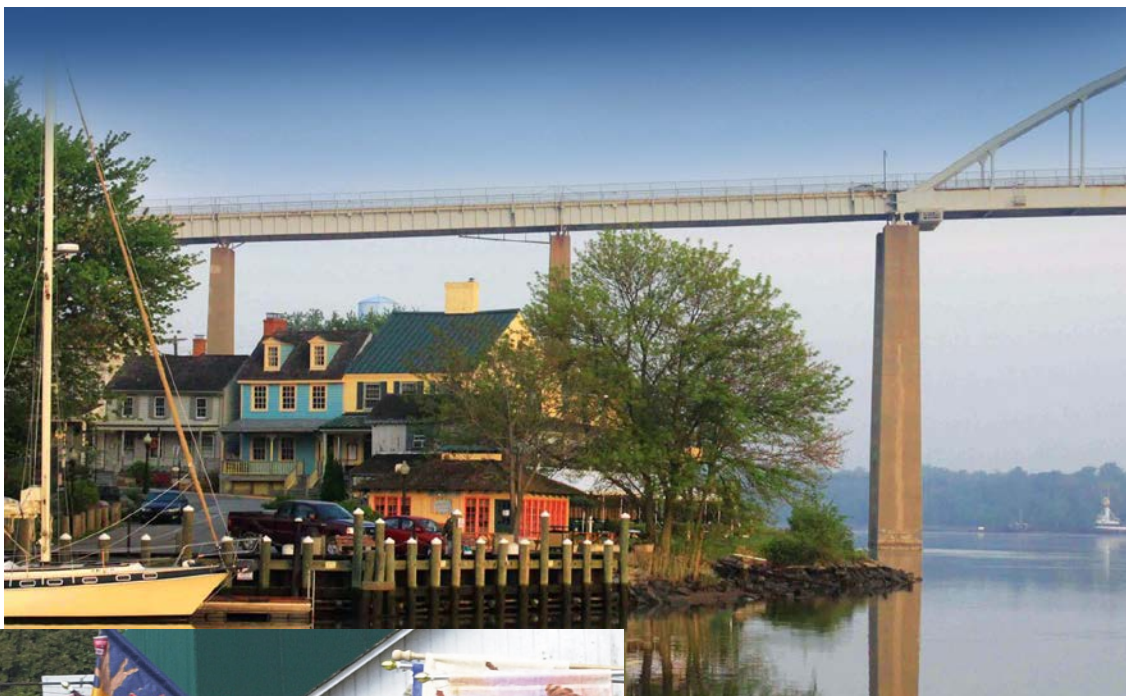
CECIL COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS			
Cash (Note 3)	\$ -	\$ 4,769,880	\$ 4,769,880
Receivables, Net (Note 4)	61,531	118	61,649
Due from Other Governments	7,323,302	-	7,323,302
Other Assets	3,108	-	3,108
Restricted Assets: Cash and Investments (Note 3)	<u>8,374,889</u>	<u>-</u>	<u>8,374,889</u>
Total Assets	<u>\$ 15,762,830</u>	<u>\$ 4,769,998</u>	<u>\$ 20,532,828</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 588,458	\$ -	\$ 588,458
Salaries and Benefits Payable	3,506,172	-	3,506,172
Due to Other Funds	462,887	-	462,887
Deferred Revenue	9,693,932	-	9,693,932
Other Liabilities	<u>64,002</u>	<u>-</u>	<u>64,002</u>
Total Liabilities	<u>14,315,451</u>	<u>-</u>	<u>14,315,451</u>
Fund Balances:			
Restricted	<u>1,447,379</u>	<u>4,769,998</u>	<u>6,217,377</u>
Total Fund Balances	<u>1,447,379</u>	<u>4,769,998</u>	<u>6,217,377</u>
Total Liabilities and Fund Balances	<u>\$ 15,762,830</u>	<u>\$ 4,769,998</u>	<u>\$ 20,532,828</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES			
Special Assessments	\$ -	\$ 6,099	\$ 6,099
Intergovernmental	12,559,707	-	12,559,707
Charges for Services	646,127	-	646,127
Investment Earnings	7,392	-	7,392
Contributions & Other Revenues	<u>1,069,057</u>	<u>-</u>	<u>1,069,057</u>
Total Revenues	<u>14,282,283</u>	<u>6,099</u>	<u>14,288,382</u>
EXPENDITURES			
Current:			
General Government	1,113,087	-	1,113,087
Highways, Streets, and Bridges	2,133,748	-	2,133,748
Public Safety	1,483,860	-	1,483,860
Health and Welfare	13,012,525	-	13,012,525
Recreation and Culture	-	-	-
Economic Development	48,323	-	48,323
Agriculture	-	-	-
Debt Service:			
Principal	-	12,878,341	12,878,341
Interest and Fiscal Charges	<u>-</u>	<u>5,845,222</u>	<u>5,845,222</u>
Total Expenditures	<u>17,791,543</u>	<u>18,723,563</u>	<u>36,515,106</u>
Deficiency of Revenues (Under) Expenditures	<u>(3,509,260)</u>	<u>(18,717,464)</u>	<u>(22,226,724)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>3,951,514</u>	<u>21,528,887</u>	<u>25,480,401</u>
Total Other Financing Sources	<u>3,951,514</u>	<u>21,528,887</u>	<u>25,480,401</u>
Net Change in Fund Balances	442,254	2,811,423	3,253,677
Fund Balances - Beginning	<u>1,005,125</u>	<u>1,958,575</u>	<u>2,963,700</u>
Fund Balances - Ending	<u>\$ 1,447,379</u>	<u>\$ 4,769,998</u>	<u>\$ 6,217,377</u>

Cecil County - Small Towns



CECIL COUNTY, MARYLAND

Non-Major Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for operating revenues that are restricted to finance particular functions or activities of government.

Other Special Revenue Funds - These funds are used to account for granted funds legally restricted to specific purposes.

Agricultural Land Preservation Fund - This fund is used to account for federal, state (including the Maryland Agricultural Land Preservation Foundation programs), and County funding of agricultural land easement purchases and direct land purchases.

Community Services Fund - This fund is used to account for services, programs, and activities supported by legally restricted state and federal grants, and funds from County government resources.

Economic Development Catalyst Loan Fund - This fund is used to account for federal Community Development Block Grants and State revolving loan programs legally restricted to economic development programs within the County.

CECIL COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Other Special Revenues	Agricultural Land Preservation	Community Services	Economic Development Catalyst Loan Fund	Total
ASSETS					
Receivables, Net:					
Accounts	\$ 4,105	\$ -	\$ 1,026	\$ -	\$ 5,131
Notes	-	-	-	56,400	56,400
Due from Other Governments	6,074,826	-	1,248,476	-	7,323,302
Other Assets	-	2,308	800	-	3,108
Restricted Assets: Cash and Investments	<u>7,722,677</u>	<u>231,738</u>	<u>-</u>	<u>420,474</u>	<u>8,374,889</u>
Total Assets	<u>\$ 13,801,608</u>	<u>\$ 234,046</u>	<u>\$ 1,250,302</u>	<u>\$ 476,874</u>	<u>\$ 15,762,830</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 239,359	\$ -	\$ 349,099	\$ -	\$ 588,458
Salaries and Benefits Payable	3,265,193	-	240,979	-	3,506,172
Due to Other Funds	-	-	406,487	56,400	462,887
Deferred Revenue	9,443,991	-	249,941	-	9,693,932
Other Liabilities	<u>60,206</u>	<u>-</u>	<u>3,796</u>	<u>-</u>	<u>64,002</u>
Total Liabilities	<u>13,008,749</u>	<u>-</u>	<u>1,250,302</u>	<u>56,400</u>	<u>14,315,451</u>
Fund Balances:					
Restricted	<u>792,859</u>	<u>234,046</u>	<u>-</u>	<u>420,474</u>	<u>1,447,379</u>
Total Fund Balances	<u>792,859</u>	<u>234,046</u>	<u>-</u>	<u>420,474</u>	<u>1,447,379</u>
Total Liabilities and Fund Balances	<u>\$ 13,801,608</u>	<u>\$ 234,046</u>	<u>\$ 1,250,302</u>	<u>\$ 476,874</u>	<u>\$ 15,762,830</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Other Special Revenue</u>	<u>Agricultural Land Preservation</u>	<u>Community Services</u>	<u>Economic Development Catalyst Loan Fund</u>	<u>Total</u>
REVENUES					
Intergovernmental	\$ 8,511,479	\$ 95,658	\$ 3,952,570	\$ -	\$ 12,559,707
Charges for Services	-	-	646,127	-	646,127
Investment Earnings	-	-	-	7,392	7,392
Contributions & Other Revenues	<u>1,069,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,069,057</u>
Total Revenues	<u>9,580,536</u>	<u>95,658</u>	<u>4,598,697</u>	<u>7,392</u>	<u>14,282,283</u>
EXPENDITURES					
Current:					
General Government	1,113,087	-	-	-	1,113,087
Highways, Streets, and Bridges	2,133,748	-	-	-	2,133,748
Recreation and Culture	-	-	-	-	-
Public Safety	1,483,860	-	-	-	1,483,860
Health and Welfare	5,316,168	-	7,696,357	-	13,012,525
Economic Development	48,323	-	-	-	48,323
Agriculture	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>10,095,186</u>	<u>-</u>	<u>7,696,357</u>	<u>-</u>	<u>17,791,543</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(514,650)</u>	<u>95,658</u>	<u>(3,097,660)</u>	<u>7,392</u>	<u>(3,509,260)</u>
OTHER FINANCING SOURCES					
Transfers In	<u>853,854</u>	<u>-</u>	<u>3,097,660</u>	<u>-</u>	<u>3,951,514</u>
Total Other Financing Sources	<u>853,854</u>	<u>-</u>	<u>3,097,660</u>	<u>-</u>	<u>3,951,514</u>
Net Change in Fund Balances	339,204	95,658	-	7,392	442,254
Fund Balances - Beginning	<u>453,655</u>	<u>138,388</u>	<u>-</u>	<u>413,082</u>	<u>1,005,125</u>
Fund Balances - Ending	<u>\$ 792,859</u>	<u>\$ 234,046</u>	<u>\$ -</u>	<u>\$ 420,474</u>	<u>\$ 1,447,379</u>

CECIL COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,500,904	\$ 28,423,774	\$ 8,511,479	\$ (19,912,295)
Contributions & Other Revenues	<u>15,007</u>	<u>1,249,608</u>	<u>1,069,057</u>	<u>(180,551)</u>
Total Revenues	<u>6,515,911</u>	<u>29,673,382</u>	<u>9,580,536</u>	<u>(20,092,846)</u>
EXPENDITURES				
Current:				
General Government	\$ 153,422	\$ 1,428,280	\$ 1,113,087	315,193
Highways, Streets, and Bridges	4,475,776	8,417,604	2,133,748	6,283,856
Recreation and Culture	231,883	631,065	-	631,065
Public Safety	1,745,276	3,757,757	1,483,860	2,273,897
Health and Welfare	203,946	16,585,787	5,316,168	11,269,619
Economic Development	<u>48,522</u>	<u>96,846</u>	<u>48,323</u>	<u>48,523</u>
Total Expenditures	<u>6,858,825</u>	<u>30,917,339</u>	<u>10,095,186</u>	<u>20,822,153</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(342,914)</u>	<u>(1,243,957)</u>	<u>(514,650)</u>	<u>729,307</u>
OTHER FINANCING SOURCES				
Transfers In	<u>7,036</u>	<u>898,076</u>	<u>853,854</u>	<u>(44,222)</u>
Total Other Financing Sources	<u>7,036</u>	<u>898,076</u>	<u>853,854</u>	<u>(44,222)</u>
Net Change in Fund Balance	(335,878)	(345,881)	339,204	685,085
Fund Balance - Beginning	<u>453,655</u>	<u>453,655</u>	<u>453,655</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 117,777</u>	<u>\$ 107,774</u>	<u>\$ 792,859</u>	<u>\$ 685,085</u>

CECIL COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

AGRICULTURAL LAND PRESERVATION
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 95,658	\$ 65,658
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>95,658</u>	<u>65,658</u>
EXPENDITURES				
Current:				
Agriculture	<u>172,915</u>	<u>172,915</u>	<u>-</u>	<u>172,915</u>
Total Expenditures	<u>172,915</u>	<u>172,915</u>	<u>-</u>	<u>172,915</u>
Deficiency of Revenues (Under) Expenditures	<u>(142,915)</u>	<u>(142,915)</u>	<u>95,658</u>	<u>238,573</u>
Net Change in Fund Balance	(142,915)	(142,915)	95,658	238,573
Fund Balance - Beginning	<u>138,388</u>	<u>138,388</u>	<u>138,388</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (4,527)</u>	<u>\$ (4,527)</u>	<u>\$ 234,046</u>	<u>\$ 238,573</u>

CECIL COUNTY, MARYLAND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS**

**COMMUNITY SERVICES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 4,227,234	\$ 5,505,634	\$ 3,952,570	\$ (1,553,064)
Charges for Services	<u>640,626</u>	<u>644,761</u>	<u>646,127</u>	<u>1,366</u>
Total Revenues	<u>4,867,860</u>	<u>6,150,395</u>	<u>4,598,697</u>	<u>(1,551,698)</u>
EXPENDITURES				
Current:				
Health and Welfare	<u>8,209,266</u>	<u>9,491,801</u>	<u>7,696,357</u>	<u>1,795,444</u>
Total Expenditures	<u>8,209,266</u>	<u>9,491,801</u>	<u>7,696,357</u>	<u>1,795,444</u>
Deficiency of Revenues (Under) Expenditures	<u>(3,341,406)</u>	<u>(3,341,406)</u>	<u>(3,097,660)</u>	<u>243,746</u>
OTHER FINANCING SOURCES				
Transfers In	<u>3,341,406</u>	<u>3,341,406</u>	<u>3,097,660</u>	<u>(243,746)</u>
Total Other Financing Sources	<u>3,341,406</u>	<u>3,341,406</u>	<u>3,097,660</u>	<u>(243,746)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CECIL COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

ECONOMIC DEVELOPMENT CATALYST LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	7,392	7,392
Total Revenues	-	-	7,392	7,392
EXPENDITURES				
Current:				
Economic Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	7,392	7,392
Net Change in Fund Balance	-	-	7,392	7,392
Fund Balance - Beginning	420,474	420,470	413,082	-
Fund Balance - Ending	<u>\$ 420,474</u>	<u>\$ 420,470</u>	<u>\$ 420,474</u>	<u>\$ 7,392</u>

Cecil County's Great Outdoors



CECIL COUNTY, MARYLAND

Non-Major Governmental Funds

Debt Service Fund

The Debt Service Fund is maintained to account for the issuance and payment of long-term general obligation bonds and other long-term debt.

CECIL COUNTY, MARYLAND
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUND

DEBT SERVICE FUND
JUNE 30, 2020

ASSETS	
Cash	\$ 4,769,880
Investments	-
Receivables, Net	<u>118</u>
Due from Other Funds	-
Due from Other Governments	-
Inventory	-
Other Assets	-
Restricted Assets: Cash and Investments	<u>-</u>
Total Assets	<u><u>\$ 4,769,998</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	<u>\$ -</u>
Total Liabilities	<u>-</u>
 Fund Balance:	
Restricted	<u>4,769,998</u>
Total Fund Balances	<u>4,769,998</u>
Total Liabilities and Fund Balance	<u><u>\$ 4,769,998</u></u>

CECIL COUNTY, MARYLAND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
NON-MAJOR GOVERNMENTAL FUND**

**DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u></u>
REVENUES				
Special Assessments	\$ 6,099	\$ 6,099	\$ 6,099	\$ -
Total Revenues	<u>6,099</u>	<u>6,099</u>	<u>6,099</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal	12,439,889	12,439,889	12,878,341	(438,452)
Interest & Fiscal Charges	<u>5,831,169</u>	<u>5,831,169</u>	<u>5,845,222</u>	<u>(14,053)</u>
Total Expenditures	<u>18,271,058</u>	<u>18,271,058</u>	<u>18,723,563</u>	<u>(452,505)</u>
Deficiency of Revenues (Under) Expenditures	<u>(18,264,959)</u>	<u>(18,264,959)</u>	<u>(18,717,464)</u>	<u>(452,505)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>16,014,197</u>	<u>16,014,197</u>	<u>21,528,887</u>	<u>5,514,690</u>
Total Other Financing Sources	<u>16,014,197</u>	<u>16,014,197</u>	<u>21,528,887</u>	<u>5,514,690</u>
Net Change in Fund Balance	(2,250,762)	(2,250,762)	2,811,423	5,062,185
Fund Balance - Beginning	<u>1,958,575</u>	<u>1,958,575</u>	<u>1,958,575</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (292,187)</u>	<u>\$ (292,187)</u>	<u>\$ 4,769,998</u>	<u>\$ 5,062,185</u>

Cecil County – A Community



CECIL COUNTY, MARYLAND

Internal Service Funds

Internal Service Funds are maintained to account for the financing of goods and/or services provided by one department to other departments or governmental units on a cost-reimbursement basis.

Health Insurance Fund - This fund is used to account for the expenditures and allocations of costs of the group health insurance plan. The Plan employer participants are Cecil County Government, Cecil College, and Cecil County Public Library.

Workers Compensation Fund - This fund is used to account for the expenditures and allocations of the costs of the self-insured workers compensation benefits. The expenditures consist of payments for work related injuries to employees. Stop loss insurance is provided to protect against catastrophic losses.

Motor Vehicle Fund - This fund is used to account for the expenditures and allocations of the costs of the County fleet of vehicles. The expenditures consist of depreciation and the operating costs of the County central garage including utilities and a contract maintenance services. In 2014, the County changed this fund from just a maintenance service cost allocation fund to a fund that owned and depreciated the vehicles as well as performed maintenance services. As part of this change, the County acquired vehicles from the General Fund and Enterprise Funds.

Information Technology Fund - This fund is used to account for the expenditures and allocations of the costs of the County's information technology department. The expenditures consist of depreciation and operating costs related to maintaining the County's computer and network infrastructure, communication and telephone infrastructure, and copier services. In 2014, the County created this fund and transferred in the budget and responsibilities from the General Fund.

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Information Technology</u>	<u>Motor Vehicle</u>	<u>Total Internal Service Funds</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 3)	\$ 1,221,339	\$ -	\$ -	\$ -	\$ 1,221,339
Investments (Note 3)	2,794,220	8,903,873	-	-	11,698,093
Receivables, Net:					
Accounts	8,262	-	-	-	8,262
Other	462,016	-	490	680,165	1,142,671
Due from Other Governments	-	-	-	8,280	8,280
Inventory	-	-	-	25,989	25,989
Other Assets	185,400	90,000	17,826	126,992	420,218
Total Current Assets	<u>4,671,237</u>	<u>8,993,873</u>	<u>18,316</u>	<u>841,426</u>	<u>14,524,852</u>
Non-Current Assets:					
Capital Assets, Net:					
Construction In Progress	-	-	-	23,285	23,285
Vehicles	-	-	-	8,889,501	8,889,501
Buildings	-	-	-	181,112	181,112
Machinery & Equipment	-	-	6,760,120	3,170	6,763,290
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>6,760,120</u>	<u>9,097,068</u>	<u>15,857,188</u>
Total Assets	<u>4,671,237</u>	<u>8,993,873</u>	<u>6,778,436</u>	<u>9,938,494</u>	<u>30,382,040</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	24,007	46,578	273,835	375,030	719,450
Salary & Benefits Payable	-	-	60,882	-	60,882
Accrued Expenses	1,071,689	4,831,000	8,839	2,570	5,914,098
Unearned Revenue (Note 11)	-	-	-	153,841	153,841
Bonds Payable	-	-	-	-	-
Capital Lease	-	-	332,102	1,187,371	1,519,473
Compensated Absences	-	-	34,411	-	34,411
Total Current Liabilities	<u>1,095,696</u>	<u>4,877,578</u>	<u>710,069</u>	<u>1,718,812</u>	<u>8,402,155</u>
Non-Current Liabilities:					
Bonds Payable	-	-	-	-	-
Capital Lease	-	-	424,751	3,334,268	3,759,019
Advances from Other Funds (Note 7)	-	-	3,115,325	2,957,449	6,072,774
Compensated Absences	-	-	17,205	-	17,205
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>3,557,281</u>	<u>6,291,717</u>	<u>9,848,998</u>
Total Liabilities	<u>1,095,696</u>	<u>4,877,578</u>	<u>4,267,350</u>	<u>8,010,529</u>	<u>18,251,153</u>
NET POSITION					
Net Investment in Capital Assets	-	-	6,003,267	4,575,429	10,578,696
Unrestricted (Deficit)	3,575,541	4,116,295	(3,492,181)	(2,647,464)	1,552,191
Total Net Position	<u>\$ 3,575,541</u>	<u>\$ 4,116,295</u>	<u>\$ 2,511,086</u>	<u>\$ 1,927,965</u>	<u>\$ 12,130,887</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Information Technology</u>	<u>Motor Vehicle</u>	<u>Total Internal Service Funds</u>
Operating Revenues:					
Charges for Services	\$ 12,887,249	\$ 1,745,449	\$ 4,305,583	\$ 4,620,068	\$23,558,349
Miscellaneous Revenue	-	-	63,441	17,347	80,788
	<u>12,887,249</u>	<u>1,745,449</u>	<u>4,369,024</u>	<u>4,637,415</u>	<u>23,639,137</u>
Operating Expenses:					
Benefit Payments	11,304,618	1,187,670	-	-	12,492,288
Salaries and Related	-	-	1,081,294	-	1,081,294
Materials, Supplies, and Services	617,151	62,657	2,316,585	2,823,905	5,820,298
Depreciation	-	-	1,389,129	2,086,220	3,475,349
	<u>11,921,769</u>	<u>1,250,327</u>	<u>4,787,008</u>	<u>4,910,125</u>	<u>22,869,229</u>
Total Operating Expenses					
	<u>11,921,769</u>	<u>1,250,327</u>	<u>4,787,008</u>	<u>4,910,125</u>	<u>22,869,229</u>
Operating Income (Loss)	<u>965,480</u>	<u>495,122</u>	<u>(417,984)</u>	<u>(272,710)</u>	<u>769,908</u>
Non-Operating Revenues (Expenses)					
Investment Earnings	35,220	149,300	-	-	184,520
Interest Expense	-	-	(19,656)	(70,319)	(89,975)
Bond Issue Expense	-	-	-	(4,610)	(4,610)
Gain/Loss on Fixed Asset Disposals	-	-	-	95,051	95,051
	<u>35,220</u>	<u>149,300</u>	<u>(19,656)</u>	<u>20,122</u>	<u>184,986</u>
Total Non-Operating Revenues					
	<u>35,220</u>	<u>149,300</u>	<u>(19,656)</u>	<u>20,122</u>	<u>184,986</u>
Income (Loss) Before					
Contributions and Transfers	1,000,700	644,422	(437,640)	(252,588)	954,894
Capital Contributions and Transfers:					
Intergovernmental Grants	-	-	1,649,816	1,241,129	2,890,945
	<u>1,000,700</u>	<u>644,422</u>	<u>1,212,176</u>	<u>988,541</u>	<u>3,845,839</u>
Change in Net Position					
	<u>1,000,700</u>	<u>644,422</u>	<u>1,212,176</u>	<u>988,541</u>	<u>3,845,839</u>
Net Position - Beginning	<u>2,574,841</u>	<u>3,471,873</u>	<u>1,298,910</u>	<u>939,424</u>	<u>8,285,048</u>
Net Position - Ending	<u>\$ 3,575,541</u>	<u>\$ 4,116,295</u>	<u>\$ 2,511,086</u>	<u>\$ 1,927,965</u>	<u>\$ 12,130,887</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Information Technology</u>	<u>Motor Vehicle</u>	<u>Total Internal Service Funds</u>
Cash Flows From Operating Activities:					
Receipts from Service Charges & Insured	\$ 12,854,592	\$ 1,745,449	\$ 4,369,024	\$ 4,516,413	\$23,485,478
Payments to Suppliers and Providers	(11,591,143)	(1,014,082)	(2,292,707)	(2,797,779)	(17,695,711)
Payments to Employees	-	-	(1,074,229)	-	(1,074,229)
Net Cash Provided by Operating Activities	<u>1,263,449</u>	<u>731,367</u>	<u>1,002,088</u>	<u>1,718,634</u>	<u>4,715,538</u>
Cash Flows From Non-Capital Financing Activities:					
Advances from Other Funds	-	-	2,317,329	81,302	2,398,631
Cash Flows From Non-Capital Financing Activities:	<u>-</u>	<u>-</u>	<u>2,317,329</u>	<u>81,302</u>	<u>2,398,631</u>
Cash Flows From Capital and Related Financing Activities:					
Proceeds from Capital Lease Received	-	-	-	1,945,566	1,945,566
Proceeds from Capital Grants Received	-	-	1,774,816	1,241,129	3,015,945
Acquisition of Capital Assets	-	-	(4,748,901)	(4,286,042)	(9,034,943)
Principal Paid on Debt Maturities	-	-	(325,676)	(893,701)	(1,219,377)
Interest Paid on Debt	-	-	(19,656)	(70,319)	(89,975)
Proceeds from Sale of Capital Assets	-	-	-	263,431	263,431
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(3,319,417)</u>	<u>(1,799,936)</u>	<u>(5,119,353)</u>
Cash Flows From Investing Activities:					
Interest on Investments	35,220	149,300	-	-	184,520
Net Cash Flows From Investment Activities	<u>35,220</u>	<u>149,300</u>	<u>-</u>	<u>-</u>	<u>184,520</u>
Net Increase in Cash and Cash Equivalents	1,298,669	880,667	-	-	2,179,336
Cash and Cash Equivalents - June 30, 2018	<u>2,716,890</u>	<u>8,023,206</u>	<u>-</u>	<u>-</u>	<u>10,740,096</u>
Cash and Cash Equivalents - June 30, 2019	<u>\$ 4,015,559</u>	<u>\$ 8,903,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,919,432</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 965,480	\$ 495,122	\$ (417,984)	\$ (272,710)	\$ 769,908
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	1,389,129	2,086,220	3,475,349
Effect of changes in Assets and Liabilities:					
Accounts Receivable	(32,657)	-	-	(6,857)	(39,514)
Due to Other Funds	-	-	-	-	-
Inventory	-	-	-	-	-
Other Assets	-	-	40,944	61,786	102,730
Accounts Payable	13,823	17,245	43,092	(37,420)	36,740
Salary & Benefits Payable	-	-	7,244	-	7,244
Compensated Absences	-	-	(179)	-	(179)
Accrued Expenses	316,803	219,000	(60,158)	1,760	477,405
Unearned Revenue	-	-	-	(114,145)	(114,145)
Total Adjustments	<u>297,969</u>	<u>236,245</u>	<u>1,420,072</u>	<u>1,991,344</u>	<u>3,945,630</u>
Net Cash Provided by Operating Activities	<u>\$ 1,263,449</u>	<u>\$ 731,367</u>	<u>\$ 1,002,088</u>	<u>\$ 1,718,634</u>	<u>\$ 4,715,538</u>

CECIL COUNTY, MARYLAND

Fiduciary Fund Type - Pension Funds

Public Safety Retirement Fund - This fund is used to account for the pension system of certain law enforcement and public safety employees of Cecil County.

Other Post Employment Benefits Fund - This fund is used to account for the County's other post-employment benefits; the trust fund will act as a funding mechanism for the employer's cost of retiree benefits.

Volunteer Length of Service Award Program Fund - This fund is used to account for the deferred compensation plan of certain local fire and rescue service volunteers of Cecil County.

CECIL COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
JUNE 30, 2020

	<u>Public Safety Retirement Fund</u>	<u>Other Post Employment Benefits Fund</u>	<u>Volunteer Length of Service Award Program Fund</u>	<u>Total Pension Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 315,552	\$ 159,597	\$ -	\$ 475,149
Investments, at fair value:				
Institutional Separate Accounts	49,262,817	-	-	49,262,817
Mutual Funds	7,991,850	6,794,640	-	14,786,490
Maryland Local Govt. Investment Pool	<u>-</u>	<u>274,440</u>	<u>860,413</u>	<u>1,134,853</u>
Total Investments	<u>57,254,667</u>	<u>7,069,080</u>	<u>860,413</u>	<u>65,184,160</u>
Total Assets	<u>57,570,219</u>	<u>7,228,677</u>	<u>860,413</u>	<u>65,659,309</u>
LIABILITIES				
Accounts Payable	<u>534</u>	<u>6,994</u>	<u>-</u>	<u>7,528</u>
Total Liabilities	<u>534</u>	<u>6,994</u>	<u>-</u>	<u>7,528</u>
NET POSITION				
Restricted for:				
Employee Benefits	<u>57,569,685</u>	<u>7,221,683</u>	<u>860,413</u>	<u>65,651,781</u>
Total Net Position	<u>\$ 57,569,685</u>	<u>\$ 7,221,683</u>	<u>\$ 860,413</u>	<u>\$ 65,651,781</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Public Safety Retirement Fund	Other Post Employment Benefits Fund	Volunteer Length of Service Award Program Fund	Total Pension Funds
ADDITIONS				
Contributions				
Cecil County	\$ 1,615,251	\$ 234,000	\$ 1,515,025	\$ 3,364,276
Participants	997,274	-	-	997,274
Total Contributions	2,612,525	234,000	1,515,025	4,361,550
INVESTMENT INCOME				
Investment Earnings:				
Net Depreciation				
in Fair Value of Investments	(2,216,778)	(51,010)	-	(2,267,788)
Interest and Dividends	1,684,888	171,815	15,179	1,871,882
Total Investment Earnings (Loss)	(531,890)	120,805	15,179	(395,906)
Less: Investment Expense	(360,259)	(25,751)	-	(386,010)
Net Investment Income (Loss)	(892,149)	95,054	15,179	(781,916)
Total Additions	1,720,376	329,054	1,530,204	3,579,634
DEDUCTIONS				
Benefit Payments	2,300,546	101,967	663,148	3,065,661
Refunds of Contributions	399,400	-	4,000	403,400
Administrative Expense	46,275	15,313	2,643	64,231
Total Deductions	2,746,221	117,280	669,791	3,533,292
Change in Net Position	(1,025,845)	211,774	860,413	46,342
Net Position - Beginning	58,595,530	7,009,909	-	65,605,439
Net Position - Ending	\$ 57,569,685	\$ 7,221,683	\$ 860,413	\$ 65,651,781

The Faces of Cecil County Government



CECIL COUNTY, MARYLAND

Fiduciary Fund Type - Agency Funds

The Agency Funds are maintained to account for assets held by the County in an agency capacity.

State Tax Collection Fund - This fund is maintained to account for state taxes collected and held in an agency capacity.

State Bay Restoration Fee Collection Fund - This fund is maintained to account for State Bay Restoration Fees collected and held in an agency capacity.

Town Collection Funds - These funds are maintained to account for taxes billed and collected on behalf of the County's incorporated towns and held in an agency capacity.

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
COLLECTIONS - STATE TAXES				
Assets				
Cash	\$ 99,719	\$ 23,218,292	\$ (23,195,564)	\$ 122,447
Accounts Receivable - Property Taxes	<u>15,952</u>	<u>14,879,292</u>	<u>(14,847,697)</u>	<u>47,547</u>
Total Assets	<u>\$ 115,671</u>	<u>\$ 38,097,584</u>	<u>\$ (38,043,261)</u>	<u>\$ 169,994</u>
Liabilities				
Due to Other Governments	\$ 115,671	\$ 45,682,429	\$ (45,628,106)	\$ 169,994
Total Liabilities	<u>\$ 115,671</u>	<u>\$ 45,682,429</u>	<u>\$ (45,628,106)</u>	<u>\$ 169,994</u>
COLLECTIONS - STATE BAY RESTORATION FEE				
Assets				
Cash	\$ 274,778	\$ 3,143,607	\$ (3,142,270)	\$ 276,115
Accounts Receivable - Fees	<u>172,374</u>	<u>1,917,631</u>	<u>(1,910,948)</u>	<u>179,057</u>
Total Assets	<u>\$ 447,152</u>	<u>\$ 5,061,238</u>	<u>\$ (5,053,218)</u>	<u>\$ 455,172</u>
Liabilities				
Due to Other Governments	\$ 447,152	\$ 6,178,020	\$ (6,170,000)	\$ 455,172
Total Liabilities	<u>\$ 447,152</u>	<u>\$ 6,178,020</u>	<u>\$ (6,170,000)</u>	<u>\$ 455,172</u>
COLLECTIONS - CECILTON				
Assets				
Cash	\$ 4,942	\$ 352,836	\$ (354,624)	\$ 3,154
Accounts Receivable - Fees & Taxes	<u>70</u>	<u>182,293</u>	<u>(181,914)</u>	<u>449</u>
Total Assets	<u>\$ 5,012</u>	<u>\$ 535,129</u>	<u>\$ (536,538)</u>	<u>\$ 3,603</u>
Liabilities				
Due to Other Governments	\$ 5,012	\$ 709,291	\$ (710,700)	\$ 3,603
Total Liabilities	<u>\$ 5,012</u>	<u>\$ 709,291</u>	<u>\$ (710,700)</u>	<u>\$ 3,603</u>
COLLECTIONS - CHESAPEAKE CITY				
Assets				
Cash	\$ 9,647	\$ 797,353	\$ (801,728)	\$ 5,272
Accounts Receivable - Property Taxes	<u>95</u>	<u>455,291</u>	<u>(455,213)</u>	<u>173</u>
Total Assets	<u>\$ 9,742</u>	<u>\$ 1,252,644</u>	<u>\$ (1,256,941)</u>	<u>\$ 5,445</u>
Liabilities				
Due to Other Governments	\$ 9,742	\$ 1,619,905	\$ (1,624,202)	\$ 5,445
Total Liabilities	<u>\$ 9,742</u>	<u>\$ 1,619,905</u>	<u>\$ (1,624,202)</u>	<u>\$ 5,445</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
COLLECTIONS - CHARLESTOWN				
Assets				
Cash	\$ 3,627	\$ 1,062,176	\$ (1,058,508)	\$ 7,295
Accounts Receivable - Property Taxes	<u>8,220</u>	<u>565,447</u>	<u>(570,557)</u>	<u>3,110</u>
Total Assets	<u>\$ 11,847</u>	<u>\$ 1,627,623</u>	<u>\$ (1,629,065)</u>	<u>\$ 10,405</u>
Liabilities				
Due to Other Governments	\$ 11,847	\$ 2,127,543	\$ (2,128,985)	\$ 10,405
Total Liabilities	<u>\$ 11,847</u>	<u>\$ 2,127,543</u>	<u>\$ (2,128,985)</u>	<u>\$ 10,405</u>
COLLECTIONS - ELKTON				
Assets				
Cash	\$ 47,502	\$ 14,809,470	\$ (14,807,729)	\$ 49,243
Accounts Receivable - Property Taxes	<u>17,047</u>	<u>8,079,661</u>	<u>(8,061,916)</u>	<u>34,792</u>
Total Assets	<u>\$ 64,549</u>	<u>\$ 22,889,131</u>	<u>\$ (22,869,645)</u>	<u>\$ 84,035</u>
Liabilities				
Due to Other Governments	\$ 64,549	\$ 29,796,942	\$ (29,777,456)	\$ 84,035
Total Liabilities	<u>\$ 64,549</u>	<u>\$ 29,796,942</u>	<u>\$ (29,777,456)</u>	<u>\$ 84,035</u>
COLLECTIONS - NORTH EAST				
Assets				
Cash	\$ 4,822	\$ 3,781,226	\$ (3,764,159)	\$ 21,889
Accounts Receivable - Fees & Taxes	<u>1,647</u>	<u>2,161,836</u>	<u>(2,158,317)</u>	<u>5,166</u>
Total Assets	<u>\$ 6,469</u>	<u>\$ 5,943,062</u>	<u>\$ (5,922,476)</u>	<u>\$ 27,055</u>
Liabilities				
Due to Other Governments	\$ 6,469	\$ 5,897,759	\$ (5,877,173)	\$ 27,055
Total Liabilities	<u>\$ 6,469</u>	<u>\$ 5,897,759</u>	<u>\$ (5,877,173)</u>	<u>\$ 27,055</u>
COLLECTIONS - PORT DEPOSIT				
Assets				
Cash	\$ 53,338	\$ 778,125	\$ (816,968)	\$ 14,495
Accounts Receivable - Property Taxes	<u>4,588</u>	<u>457,072</u>	<u>(449,954)</u>	<u>11,706</u>
Total Assets	<u>\$ 57,926</u>	<u>\$ 1,235,197</u>	<u>\$ (1,266,922)</u>	<u>\$ 26,201</u>
Liabilities				
Due to Other Governments	\$ 57,926	\$ 1,244,714	\$ (1,276,439)	\$ 26,201
Total Liabilities	<u>\$ 57,926</u>	<u>\$ 1,244,714</u>	<u>\$ (1,276,439)</u>	<u>\$ 26,201</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
COLLECTIONS - PERRYVILLE				
Assets				
Cash	\$ 3,006	\$ 3,335,194	\$ (3,327,332)	\$ 10,868
Accounts Receivable - Property Taxes	<u>1,134</u>	<u>1,797,188</u>	<u>(1,792,409)</u>	<u>5,913</u>
Total Assets	<u>\$ 4,140</u>	<u>\$ 5,132,382</u>	<u>\$ (5,119,741)</u>	<u>\$ 16,781</u>
Liabilities				
Due to Other Governments	\$ 4,140	\$ 6,712,140	\$ (6,699,499)	\$ 16,781
Total Liabilities	<u>\$ 4,140</u>	<u>\$ 6,712,140</u>	<u>\$ (6,699,499)</u>	<u>\$ 16,781</u>
COLLECTIONS - RISING SUN				
Assets				
Cash	\$ 18,537	\$ 2,481,353	\$ (2,491,283)	\$ 8,607
Accounts Receivable - Property Taxes	<u>1,368</u>	<u>1,287,982</u>	<u>(1,284,453)</u>	<u>4,897</u>
Total Assets	<u>\$ 19,905</u>	<u>\$ 3,769,335</u>	<u>\$ (3,775,736)</u>	<u>\$ 13,504</u>
Liabilities				
Due to Other Governments	\$ 19,905	\$ 5,189,021	\$ (5,195,422)	\$ 13,504
Total Liabilities	<u>\$ 19,905</u>	<u>\$ 5,189,021</u>	<u>\$ (5,195,422)</u>	<u>\$ 13,504</u>
TOTALS - ALL FUNDS				
Assets				
Cash	\$ 519,918	\$ 53,759,632	\$ (53,760,165)	\$ 519,385
Accounts Receivable - Fees & Taxes	<u>222,495</u>	<u>31,783,693</u>	<u>(31,713,378)</u>	<u>292,810</u>
Total Assets	<u>\$ 742,413</u>	<u>\$ 85,543,325</u>	<u>\$ (85,473,543)</u>	<u>\$ 812,195</u>
Liabilities				
Due to Other Governments	\$ 742,413	\$ 105,157,764	\$ (105,087,982)	\$ 812,195
Total Liabilities	<u>\$ 742,413</u>	<u>\$ 105,157,764</u>	<u>\$ (105,087,982)</u>	<u>\$ 812,195</u>

STATISTICAL
SECTION

CECIL COUNTY, MARYLAND

STATISTICAL SECTION

This part of Cecil 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.

Contents	<u>Page</u>
Financial Trends - Tables I to IV	124
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity - Tables V to VIII	129
These schedules contain information to help the reader assess the County's most significant revenue source, the property tax.	
Debt Capacity - Tables IX to XIII	133
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information - Tables XIV - XVI	137
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information - Tables XVII to XVIII	140
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the services it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. The County implemented GASB 34 in 2003 and GASB 54 was implemented in 2010; Table III has been restated to reflect the change in fund balance presentation.

Cecil County Thanks County Executive McCarthy

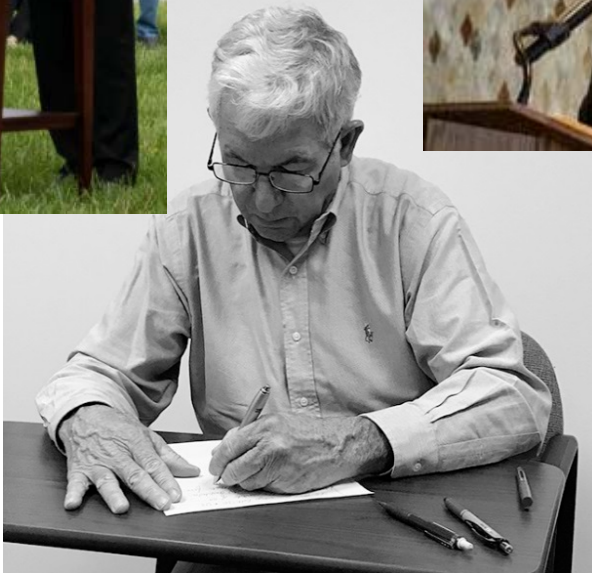


Table I

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 144,335,428	\$ 131,319,211	\$ 157,253,521	\$ 166,819,030	\$ 171,724,604	\$ 163,724,657	\$ 155,575,258	\$ 165,183,735	\$ 165,352,831	\$ 186,718,203
Restricted	15,691,081	21,257,511	6,857,073	15,914,261	12,254,006	17,513,461	8,420,657	15,366,150	5,713,812	8,648,240
Unrestricted (Deficit)	(45,695,780)	(14,643,027)	(22,670,285)	(53,601,877)	(84,302,472)	(88,292,865)	(78,992,974)	(105,036,602)	(84,633,191)	(91,719,916)
Total Governmental Activities Net Position	\$ 114,330,729	\$ 137,933,695	\$ 141,440,309	\$ 129,131,414	\$ 99,676,138	\$ 92,945,253	\$ 85,002,941	\$ 75,513,283	\$ 86,433,452	\$ 103,646,527
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 42,443,506	\$ 38,470,096	\$ 36,274,177	\$ 40,395,599	\$ 49,134,864	\$ 47,186,961	\$ 47,487,579	\$ 45,917,726	\$ 50,824,139	\$ 52,088,388
Restricted	9,715,314	4,748,159	-	-	-	-	-	-	-	-
Unrestricted	(13,411,799)	(5,222,061)	2,237,683	(1,137,604)	(5,787,900)	(2,858,161)	(3,137,463)	(31,029)	2,549,840	9,585,932
Total Business-type Activities Net Position	\$ 38,747,021	\$ 37,996,194	\$ 38,511,860	\$ 39,257,995	\$ 43,346,964	\$ 44,328,800	\$ 44,350,116	\$ 45,886,697	\$ 53,373,979	\$ 61,674,320
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 186,778,934	\$ 169,789,307	\$ 193,527,698	\$ 207,214,629	\$ 220,859,468	\$ 210,911,618	\$ 203,062,837	\$ 211,101,461	\$ 216,176,970	\$ 238,806,591
Restricted	25,406,395	26,005,670	6,857,073	15,914,261	12,254,006	17,513,461	8,420,657	15,366,150	5,713,812	8,648,240
Unrestricted	(59,107,579)	(19,865,088)	(20,432,602)	(54,739,481)	(90,090,372)	(91,151,026)	(82,130,437)	(105,067,631)	(82,083,351)	(82,133,984)
Total Primary Government Net Position	\$ 153,077,750	\$ 175,929,889	\$ 179,952,169	\$ 168,389,409	\$ 143,023,102	\$ 137,274,053	\$ 129,353,057	\$ 121,399,980	\$ 139,807,431	\$ 165,320,847

Table II

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES										
Governmental Activities:										
General Government	\$ 13,541,706	\$ 13,473,632	\$ 14,265,775	\$ 12,609,671	\$ 12,826,539	\$ 13,103,376	\$12,619,834	\$11,457,065	\$12,520,607	\$13,065,581
Public Safety	34,124,715	34,008,873	35,046,031	40,619,762	40,998,732	41,637,796	43,903,804	45,100,531	49,442,403	50,059,790
Highways, Streets, and Bridges	14,174,041	13,893,866	13,317,166	16,513,958	16,162,586	17,134,114	16,467,551	15,839,552	17,306,415	19,712,812
Health and Welfare	12,498,027	12,177,894	12,159,676	14,227,016	14,331,807	15,163,709	15,755,447	15,498,604	17,066,704	23,047,432
Recreation and Culture	983,512	1,020,488	1,091,711	1,291,050	1,356,836	1,541,526	1,780,757	2,112,900	2,532,142	2,675,352
Education	81,391,571	78,627,416	83,905,699	92,433,904	102,085,334	98,805,396	96,384,547	101,432,771	101,462,249	102,174,873
Public Libraries	4,599,509	4,480,298	4,318,158	4,576,546	4,946,275	5,122,366	5,523,248	5,604,168	5,879,199	6,170,855
Economic Development	960,743	1,589,105	1,500,430	2,703,849	1,549,098	1,675,209	1,776,517	1,508,011	2,835,459	1,733,234
Agriculture	546,120	551,134	1,241,922	2,115,454	614,728	851,666	1,463,623	760,117	686,363	636,345
Interest on Long-Term Debt	5,550,175	4,939,364	9,353,839	4,658,763	5,135,996	4,933,867	4,568,004	4,906,177	4,967,097	5,275,494
Total Governmental Activities Expenses	168,370,119	164,762,070	176,200,407	191,749,973	200,007,931	199,969,025	200,243,332	204,219,896	214,698,638	224,551,768
Business-Type Activities:										
Water	1,168,243	672,752	-	-	-	-	-	-	-	-
Wastewater	5,200,826	5,734,358	6,094,709	6,610,145	6,971,250	8,004,698	8,882,464	8,572,029	8,920,270	10,636,091
Landfill	5,538,979	6,180,447	6,504,396	8,276,214	7,743,691	6,818,531	6,287,612	6,279,323	7,805,548	6,985,591
Property Management	-	-	-	-	-	373,677	570,994	575,199	572,446	527,942
Total Business-Type Activities Expenses	11,908,048	12,587,557	12,599,105	14,886,359	14,714,941	15,196,906	15,741,070	15,426,551	17,298,264	18,149,624
Total Primary Government Expenses	\$ 180,278,167	\$ 177,349,627	\$ 188,799,512	\$ 206,636,332	\$ 214,722,872	\$ 215,165,931	\$ 215,984,402	\$ 219,646,447	\$ 231,996,902	\$ 242,701,392
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 5,420,162	\$ 4,572,364	\$ 6,781,040	\$ 5,902,590	\$ 6,598,891	\$ 8,471,469	\$8,150,707	\$12,328,147	\$9,658,092	\$12,411,095
Public Safety	2,038,347	2,114,895	2,178,875	1,891,611	1,960,971	2,533,004	2,268,430	2,847,862	2,929,027	2,179,553
Highways, Streets, and Bridges	311,194	236,162	289,249	375,530	191,757	397,877	217,050	85,018	91,476	76,918
Other Activities	449,605	515,874	628,754	621,065	773,109	812,469	997,753	1,237,903	1,302,246	1,237,275
Operating Grants and Contributions	15,499,994	17,745,716	14,400,458	14,555,600	13,742,967	14,730,843	15,554,549	16,375,078	18,082,698	23,668,531
Capital Grants and Contributions	7,248,329	12,722,681	3,272,737	3,827,146	5,558,647	3,620,846	2,549,237	4,271,822	4,388,697	8,227,583
Total Governmental Activities Revenues	30,967,631	37,907,692	27,551,113	27,173,542	28,826,342	30,566,508	29,737,726	37,145,830	36,452,236	47,800,955

Table II

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-Type Activities:										
Charges for Services:										
Water	1,275,093	653,831	-	-	-	-	-	-	-	-
Wastewater	3,683,375	4,737,750	4,883,880	6,504,839	5,654,938	5,584,673	5,999,821	6,317,783	7,111,602	8,429,367
Landfill	5,275,317	5,191,842	5,294,063	5,903,453	6,632,144	7,313,027	7,877,565	8,404,849	8,555,589	8,763,531
Property Management	-	-	-	-	-	386,868	782,635	780,600	740,061	880,579
Capital Grants and Contributions	645,117	1,710,837	2,869,610	3,210,932	6,496,436	2,810,889	1,199,597	782,466	6,863,455	7,412,144
Total Business-Type Activities Revenues	10,878,902	12,294,260	13,047,553	15,619,224	18,783,518	16,095,457	15,859,618	16,285,698	23,270,707	25,485,621
Total Primary Government Revenues	\$ 41,846,533	\$ 50,201,952	\$ 40,598,666	\$ 42,792,766	\$ 47,609,860	\$ 46,661,965	\$ 45,597,344	\$ 53,431,528	\$ 59,722,943	\$ 73,286,576
OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes										
Property Taxes	\$ 101,274,085	\$ 102,575,768	\$ 104,706,894	\$ 103,397,531	\$ 102,727,666	\$ 106,810,382	\$ 106,490,517	\$ 114,077,543	\$ 117,898,407	\$ 121,433,103
Income Taxes	49,000,281	47,342,973	46,755,227	48,064,353	56,937,725	55,496,525	55,493,386	62,507,845	70,079,906	75,391,465
Investment Earnings	571,783	334,147	270,374	236,961	226,259	130,596	284,934	897,195	1,815,229	1,547,817
Other Revenues including Capital Asset Sales Gains (Losses)	48,787	40,831	117,277	568,691	209,749	234,129	108,004	352,294	278,029	(3,702,497)
Grants, Entitlements, and Contributions not Restricted to Specific Programs	518,068	163,625	306,136	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	186,453	180,000	(905,000)	(706,000)
Total Governmental Activities	151,413,004	150,457,344	152,155,908	152,267,536	160,101,399	162,671,632	162,563,294	178,014,877	189,166,571	193,963,888
Business-Type Activities:										
Investment Earnings	32,233	13,410	57,916	13,270	20,392	73,285	89,221	857,434	609,839	258,344
Other Revenues including Capital Asset Sales Gains (Losses)	(229,120)	(470,940)	9,302	-	-	10,000	-	-	-	-
Transfers	-	-	-	-	-	-	(186,453)	(180,000)	905,000	706,000
Total Business-Type Activities	(196,887)	(457,530)	67,218	13,270	20,392	83,285	(97,232)	677,434	1,514,839	964,344
Total Primary Government	\$ 151,216,117	\$ 149,999,814	\$ 152,223,126	\$ 152,280,806	\$ 160,121,791	\$ 162,754,917	\$ 162,466,062	\$ 178,692,311	\$ 190,681,410	\$ 194,928,232
CHANGE IN NET POSITION										
Governmental Activities	\$ 14,010,516	\$ 23,602,966	\$ 3,506,614	\$ (12,308,895)	\$ (11,080,190)	\$ (6,730,885)	\$ (7,942,312)	\$ 10,940,811	\$ 10,920,169	\$ 17,213,075
Business-Type Activities	(1,226,033)	(750,827)	515,666	746,135	4,088,969	981,836	21,316	1,536,581	7,487,282	8,300,341
Total Primary Government	\$ 12,784,483	\$ 22,852,139	\$ 4,022,280	\$ (11,562,760)	\$ (6,991,221)	\$ (5,749,049)	\$ (7,920,996)	\$ 12,477,392	\$ 18,407,451	\$ 25,513,416

Table III

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
GENERAL FUND										
Non-Spendable Fund Balance	\$ 1,807,790	\$ 477,087	\$ 6,400,689	\$ 10,982,077	\$ 13,335,406	\$ 10,603,047	\$ 10,215,102	\$ 10,075,089	\$ 9,812,028	\$ 6,874,368
Unrestricted Fund Balance										
Committed Fund Balance	13,885,400	13,118,597	16,363,777	17,548,538	14,683,298	16,196,482	-	-	1,360,150	2,225,000
Assigned Fund Balance	7,784,000	4,541,000	7,541,000	4,055,000	3,500,000	2,300,000	15,327,610	23,788,045	28,659,727	33,187,808
Unassigned Fund Balance	<u>12,876,339</u>	<u>19,632,997</u>	<u>15,015,485</u>	<u>7,425,546</u>	<u>6,206,671</u>	<u>8,755,014</u>	<u>10,247,486</u>	<u>9,775,539</u>	<u>11,381,665</u>	<u>12,237,704</u>
Total General Fund	<u>\$ 36,353,529</u>	<u>\$ 37,769,681</u>	<u>\$ 45,320,951</u>	<u>\$ 40,011,161</u>	<u>\$ 37,725,375</u>	<u>\$ 37,854,543</u>	<u>\$ 35,790,198</u>	<u>\$ 43,638,673</u>	<u>\$ 51,213,570</u>	<u>\$ 54,524,880</u>
ALL OTHER GOVERNMENTAL FUNDS										
Non-Spendable Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Fund Balance	6,804,178	7,457,083	13,274,563	38,089,278	12,254,036	17,513,461	8,420,657	21,201,499	5,713,812	33,849,131
Unrestricted Fund Balance:										
Committed Fund Balance	13,006,747	18,650,074	2,190,137	482,681	-	2,361,577	-	-	-	-
Unassigned Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,477,840)</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 19,810,925</u>	<u>\$ 26,107,157</u>	<u>\$ 15,464,700</u>	<u>\$ 38,571,959</u>	<u>\$ 12,254,036</u>	<u>\$ 19,875,038</u>	<u>\$ 8,420,657</u>	<u>\$ 21,201,499</u>	<u>\$ (764,028)</u>	<u>\$ 33,849,131</u>

Notes:

In FY2017, after management review the Contingency Reserve was changed from Committed Fund Balance to Assigned Fund Balance.

Table IV

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Property Taxes	\$ 101,811,471	\$ 102,628,643	\$ 104,235,995	\$ 103,371,143	\$ 102,735,882	\$ 106,839,214	\$ 106,417,932	\$ 114,098,978	\$ 117,739,156	\$ 121,521,370
Income Taxes	46,835,947	49,813,198	50,421,108	50,800,381	53,954,296	55,806,618	57,614,306	58,909,734	66,782,105	67,934,905
Licenses and Permits	1,427,706	1,545,645	1,736,610	1,682,772	1,741,618	2,383,661	1,981,371	2,198,271	2,496,542	1,862,139
Intergovernmental	22,873,190	27,651,332	16,238,456	14,465,177	16,122,745	16,441,829	15,800,667	18,274,023	19,410,912	26,440,450
Charges for Services	6,898,159	5,891,840	8,135,280	7,108,024	7,783,110	9,831,158	9,652,569	14,300,659	11,484,299	14,042,702
Investment Earnings	491,228	292,787	232,228	202,803	200,176	109,889	244,228	752,754	1,409,236	1,165,950
Contributions and Other Revenues	111,188	85,982	336,928	727,073	-	119,614	475,240	288,302	192,858	1,129,718
Total Revenues	180,448,889	187,909,427	181,336,605	178,357,373	182,537,827	191,531,983	192,186,313	208,822,721	219,515,108	234,097,234
EXPENDITURES										
General Government	12,158,101	13,106,207	12,903,976	11,088,643	11,176,755	11,412,816	10,436,710	10,493,224	10,773,331	11,630,570
Public Safety	33,121,253	33,444,470	33,873,650	37,063,402	38,531,809	39,188,740	42,140,763	42,918,915	46,404,066	48,687,444
Highways, Streets, and Bridges	9,438,103	9,601,220	8,793,209	11,131,474	11,554,492	11,217,928	9,561,474	11,319,441	12,405,752	16,450,372
Health and Welfare	12,416,523	12,078,386	12,119,555	13,083,185	13,841,044	14,778,726	15,192,470	15,445,675	16,483,436	22,762,243
Recreation and Culture	817,817	928,135	752,279	990,382	1,077,710	938,744	1,048,438	2,335,160	1,985,335	1,634,471
Education	76,475,835	75,267,220	79,225,368	82,888,100	85,446,064	89,945,828	92,020,570	93,617,178	95,555,299	98,581,668
Public Libraries	4,462,309	4,283,817	4,283,817	4,417,020	4,749,675	4,882,779	5,250,869	5,442,217	5,685,417	6,010,417
Economic Development	967,940	1,606,236	1,501,779	1,628,989	1,528,922	1,648,873	1,741,087	1,554,079	2,786,321	1,765,447
Agriculture	552,009	558,768	1,244,247	2,097,608	605,650	840,466	1,440,998	784,580	666,360	657,772
Municipalities	840,039	725,251	697,502	664,218	667,120	671,363	674,409	684,577	695,530	710,314
Capital Outlay	31,032,515	27,011,212	14,394,252	15,246,843	26,832,434	19,720,867	9,743,836	17,890,992	22,631,912	19,483,654
Debt Service:										
Principal	10,038,418	10,935,206	9,395,046	9,858,406	9,794,710	9,784,234	10,971,475	11,722,922	12,817,374	12,878,341
Interest	5,694,206	4,838,557	5,623,335	4,851,033	5,568,661	5,397,046	5,668,428	5,488,549	6,410,605	5,845,222
Total Expenditures	198,015,068	194,384,685	184,808,015	195,009,303	211,375,046	210,428,410	205,891,527	219,697,509	235,300,738	247,097,935
Deficiency of Revenues Under Expenditures	(17,566,179)	(6,475,258)	(3,471,410)	(16,651,930)	(28,837,219)	(18,896,427)	(13,705,214)	(10,874,788)	(15,785,630)	(13,000,701)
OTHER FINANCING SOURCES (USES)										
Proceeds from Capital Asset Disposal	80,500	74,639	146,905	440,893	17,600	2,088	36	88,979	-	-
Proceeds from Debt Transfer from Enterprise Fund	-	-	-	-	-	-	-	-	2,300,000	2,900,000
Proceeds from Bonds Issued	-	13,267,000	-	29,840,000	-	23,210,000	-	28,900,000	-	43,506,825
Premium on Debt Issued	-	3,370,242	463,827	4,401,727	3,730,456	5,209,762	-	3,484,818	-	5,333,114
Refunding Bonds Issued	-	25,860,000	9,290,000	-	31,128,617	12,243,531	-	6,347,823	-	-
Bond Issuance Cost	-	(227,458)	-	(233,221)	-	(78,558)	-	(121,445)	-	(108,768)
Advance Refunding Agent	-	(28,156,780)	(9,531,073)	-	(34,643,163)	(14,038,367)	-	(7,376,070)	-	-
Transfers In	19,374,828	23,922,626	21,118,974	26,387,095	18,761,837	21,431,745	19,351,635	22,092,347	20,885,973	27,381,326
Transfers Out	(19,374,828)	(23,922,626)	(21,108,409)	(26,387,095)	(18,761,837)	(21,333,604)	(19,165,183)	(21,912,347)	(21,790,973)	(28,087,327)
Total Other Financing Sources (Uses)	80,500	14,187,643	380,224	34,449,399	233,510	26,646,597	186,488	31,504,105	1,395,000	50,925,170
Net Change in Fund Balances	\$ (17,485,679)	\$ 7,712,385	\$ (3,091,186)	\$ 17,797,469	\$ (28,603,709)	\$ 7,750,170	\$ (13,518,726)	\$ 20,629,317	\$ (14,390,630)	\$ 37,924,469
Debt Service as a Percentage of Non-capital Expenditures	9.26%	9.54%	8.75%	7.93%	7.79%	7.64%	8.29%	8.37%	9.01%	8.32%

Table V

**ASSESSED VALUE AND ACTUAL VALUE
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Real Property				Personal Property		Total Taxable Actual Value	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate ¹
	Residential Property	Governmental	Commercial / Industrial	Agricultural	Public Utilities	Other				
2020	\$ 8,833,705,387	n/a	\$ 1,298,012,324	\$ 551,574,289	\$ 231,785,000	\$ 216,000,000	\$ 11,131,077,000	\$ 1,076,496,766	\$ 10,054,580,234	1.111
2019	8,345,879,340	n/a	2,336,465,061	552,147,755	217,818,000	372,430,000	11,824,740,156	1,082,038,904	10,742,701,252	1.127
2018	8,083,377,107	n/a	2,196,422,419	577,145,678	201,388,000	185,409,000	11,243,742,204	1,045,798,818	10,197,943,386	1.101
2017	7,251,167,566	n/a	2,728,635,767	523,372,208	189,268,000	247,205,000	10,939,648,541	1,027,108,919	9,912,539,622	1.057
2016	7,204,868,497	n/a	2,643,369,801	507,534,006	198,056,000	233,500,000	10,787,328,304	1,015,229,774	9,772,098,530	1.056
2015	6,933,465,147	n/a	1,871,273,169	489,623,429	141,257,000	230,000,000	9,665,618,745	995,209,501	8,670,409,244	1.054
2014	6,963,756,250	n/a	1,830,995,567	504,922,966	141,257,000	230,000,000	9,670,931,783	953,466,796	8,717,464,987	1.054
2013	7,183,574,528	n/a	1,904,424,331	528,946,520	149,296,000	236,000,000	10,002,241,379	960,909,069	9,041,332,310	1.054
2012	7,682,905,130	n/a	1,952,981,591	539,244,741	117,881,000	259,900,000	10,552,912,462	975,324,958	9,577,587,504	0.996
2011	8,289,959,319	n/a	1,865,379,056	580,610,700	129,707,850	165,677,050	11,031,333,975	1,013,288,272	10,018,045,703	0.956

Source: Maryland State Department of Assessment and Taxation
Cecil County Department of Finance

Notes:

¹ The total direct tax rate is a weighted average of real and personal property rates.

Table VI

**DIRECT AND OVERLAPPING
PROPERTY TAX RATES
(per \$100 of Assessed Value)
LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Cecil County Direct Rates										
Real Property	\$0.915	\$0.940	\$0.991	\$0.991	\$0.991	\$0.991	\$0.991	\$1.041	\$1.041	\$1.041
Personal Property	2.288	2.350	2.477	2.477	2.477	2.477	2.479	2.604	2.604	2.604
¹ Total Direct Tax Rate	0.956	0.996	1.054	1.054	1.054	1.056	1.057	1.101	1.127	1.111
Towns										
Cecilton	0.219	0.219	0.217	0.217	0.220	0.220	0.237	0.237	0.237	0.232
Charlestown	0.280	0.280	0.314	0.314	0.333	0.333	0.333	0.333	0.333	0.333
Chesapeake City	0.432	0.425	0.422	0.448	0.449	0.449	0.449	0.449	0.469	0.469
Elkton	0.473	0.466	0.463	0.586	0.586	0.586	0.586	0.636	0.636	0.636
North East	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480
Perryville	0.353	0.339	0.314	0.314	0.313	0.313	0.310	0.310	0.360	0.360
Port Deposit	0.551	0.551	0.551	0.551	0.554	0.551	0.551	0.546	0.546	0.546
Rising Sun	0.360	0.406	0.406	0.406	0.406	0.406	0.480	0.480	0.470	0.460

Sources: Cecil County Department of Finance
The government of each town establishes its respective tax rate.

Note: ¹ The total direct tax rate is a weighted average of real and personal property rates.

Table VII

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

FISCAL YEAR 2020			
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total Assessed Value
Delmarva Power & Light Company	Utility	\$ 122,406,520	1.22%
W.L. Gore & Associates, Inc.	Manufacturing	102,376,897	1.02%
Ikea Property, Inc.	Retail	95,383,983	0.95%
CLPF principio llc	Property Mgmt	93,124,333	0.93%
Lidl US operations, LLC	Communications	76,498,750	0.76%
Cole ID	Distribution	71,910,400	0.72%
Mid-Atlantic Distribution LTD	Distribution	48,208,000	0.48%
West Creek Apartments LLC	Property Mgmt	43,490,400	0.43%
Charlestown Crossing Apts.	Property Mgmt	36,990,267	0.37%
Stonegate Property Holding	Property Mgmt	36,532,900	0.36%
Totals		<u>\$ 726,922,450</u>	<u>7.23%</u>

FISCAL YEAR 2011			
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total Assessed Value
W.L. Gore & Associates, Inc.	Manufacturing	\$ 144,460,819	1.44%
Ikea Property, Inc.	Retail	82,474,032	0.82%
Delmarva Power & Light Company	Utility	44,112,140	0.44%
Teachers Belvidere Properties	Property Mgmt	31,000,000	0.31%
Pine Valley, LLC	Property Mgmt	26,961,100	0.27%
Chesapeake Ridge, LLC	Property Mgmt	26,696,966	0.27%
MasonDixon Sand & Gravel		26,054,198	0.26%
Verizon-Maryland	Communications	25,926,020	0.26%
Trade Center 95 Industrial, LLC		25,813,332	0.26%
Cecil 316, LLC		24,700,000	0.25%
Totals		<u>\$ 458,198,607</u>	<u>4.57%</u>

Source: Cecil County Department of Finance

Note: Taxpayer data included only if in the top ten for that year.

Table VIII

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy ¹	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
	for Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 116,935,573	\$ 116,367,725	99.5%	\$ -	\$ 116,367,725	99.5%
2019	113,075,267	112,524,488	99.5%	49,064	112,573,552	99.6%
2018	109,108,923	108,970,437	99.9%	52,372	109,022,809	99.9%
2017	101,641,723	101,569,226	99.9%	72,497	101,641,723	100.0%
2016	101,636,001	101,463,753	99.8%	164,327	101,628,080	100.0%
2015	99,732,494	99,440,061	99.7%	246,350	99,686,411	100.0%
2014	100,162,002	99,753,092	99.6%	384,913	100,138,005	100.0%
2013	101,864,701	101,573,341	99.7%	252,143	101,825,484	100.0%
2012	100,215,039	99,666,488	99.5%	507,927	100,174,415	100.0%
2011	97,464,433	97,214,771	99.7%	210,479	97,425,250	100.0%

Source: Cecil County Department of Finance

Note: ¹ For presentation purposes, the County considers Tax Levy to be the taxes levied during the normal tax year and excludes adjustments to prior year taxes.

Note: Total tax levy is all tax bill additions and insolvencies from general ledger for fiscal year. Amount collected is the total tax levy reduced by the ending general ledger balance.

Table IX

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita ¹
	General Obligation Bonds	Capital Leases	Special Assessment Bonds	Wastewater Bonds	Landfill Bonds	Property Mgmt.	Capital Leases			
2020	\$ 204,436,753	\$ 5,278,492	\$ 73,187	\$ 60,179,429	\$ 10,825,396	\$ 6,246,802	\$ -	\$ 287,040,059	6.07%	\$ 2,791
2019	170,302,603	4,552,304	79,285	52,930,641	11,946,819	6,525,140	-	246,336,792	5.21%	\$ 2,396
2018	185,090,721	3,361,901	85,384	54,740,952	13,059,685	6,793,282	-	263,131,925	5.81%	2,561
2017	166,250,368	1,876,310	91,483	54,724,461	13,045,166	7,051,229	-	243,039,017	5.47%	2,369
2016	179,272,367	-	97,582	57,568,263	13,931,049	7,300,000	-	258,169,261	6.06%	2,522
2015	159,837,619	-	103,681	49,061,076	14,763,528	-	-	223,765,904	5.16%	2,186
2014	168,262,646	-	109,780	42,685,905	16,265,125	-	-	227,323,456	5.19%	2,231
2013	139,637,122	-	115,879	26,776,659	17,749,965	-	-	184,279,625	4.57%	1,812
2012	151,143,753	316,247	121,978	28,440,508	19,116,764	-	-	199,139,250	5.11%	1,958
2011	144,302,654	930,441	135,263	28,568,841	20,017,483	-	-	193,954,682	5.22%	1,918

Source: Cecil County Department of Finance

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

¹ See Schedule XIV for population data.

This ratio uses population data from the prior calendar year.

Table X

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value¹ of Property	Per Capita²
2020	\$ 281,688,380	2.80%	\$ 2,738.69
2019	241,705,203	2.25%	2,350.62
2018	259,684,640	2.55%	2,527.44
2017	241,071,224	2.43%	2,349.55
2016	258,071,679	2.64%	2,520.67
2015	223,662,223	2.58%	2,184.56
2014	227,213,676	2.61%	2,229.49
2013	184,163,746	2.04%	1,810.92
2012	198,701,025	2.07%	1,953.91
2011	192,888,978	1.93%	1,907.75

Source: Cecil County Department of Finance

Note: ¹ See Schedule V for Actual Taxable Value of Property data.
² See Schedule XIV for population data.
 This ratio uses population data from the prior calendar year.

Table XI

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to Cecil County</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property and Income Taxes			
Elkton	\$ 656,000	100%	\$ 656,000
North East	1,652,352	100%	1,652,352
Perryville	2,000,000	100%	2,000,000
Rising Sun	<u>1,091,821</u>	100%	<u>1,091,821</u>
Subtotal - Overlapping Debt			5,400,173
Cecil County Direct Debt	209,788,432	100%	<u>209,788,432</u>
Totals			<u>\$215,188,605</u>

Sources: Cecil County Department of Finance
The government of each town is the source of its respective debt.

Table XII

**LEGAL DEBT LIMITATION INFORMATION
(Unaudited)**

There is no aggregate limit to the amount of bonds and other evidences of indebtedness that may be outstanding at any one time for Cecil County. There is a general limitation for short-term borrowing in any fiscal year; the County is authorized to borrow up to \$2,500,000 on a temporary basis provided that all such borrowing be repaid and all demands fully satisfied on or before June 30 of the fiscal year in which the money is borrowed.

Table XIII

**PLEDGED - REVENUES COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Wastewater Revenue Bonds						Special Assessment Bonds		
	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service			Special Assessment Collections	Debt Service	
				Principal	Interest	Coverage		Principal	Coverage
2020	\$ 8,491,934	\$ 9,213,747	(721,813)	\$ 3,769,745	\$ 1,422,344	-14%	\$ 6,099	\$ 6,099	100%
2019	7,220,627	7,420,411	(199,784)	3,614,254	1,499,859	-4%	6,099	6,099	100%
2018	6,256,258	7,125,920	(869,662)	3,498,158	1,446,109	-18%	6,099	6,099	100%
2017	6,047,881	7,372,155	(1,324,274)	3,334,137	1,510,309	-27%	6,099	6,099	100%
2016	5,631,738	6,571,666	(939,928)	2,367,669	1,433,032	-25%	6,099	6,099	100%
2015	8,586,607	5,696,015	2,890,592	1,999,804	1,275,235	88%	6,099	6,099	100%
2014	6,505,751	5,874,501	631,250	1,763,754	735,644	25%	6,099	6,099	100%
2013	4,939,317	5,309,937	(370,620)	1,663,849	784,772	-15%	6,099	6,099	100%
2012	4,641,400	4,976,129	(334,729)	1,638,654	758,229	-14%	13,287	13,287	100%
2011	3,696,270	4,425,922	(729,652)	1,571,460	774,904	-31%	13,994	13,994	100%

Fiscal Year	Landfill Revenue Bonds					
	Landfill Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2020	\$ 8,959,308	\$ 6,795,005	\$ 2,164,303	\$ 941,551	\$ 190,586	191%
2019	9,056,403	7,588,875	1,467,528	929,118	216,673	128%
2018	9,177,098	5,957,723	3,219,375	911,301	321,600	261%
2017	7,917,946	5,861,891	2,056,055	876,171	425,721	158%
2016	7,348,970	6,399,300	949,670	893,354	419,231	72%
2015	6,652,536	7,230,652	(578,116)	1,501,597	513,039	-29%
2014	5,915,811	7,765,909	(1,850,098)	1,484,840	510,305	-93%
2013	5,296,542	5,965,106	(668,564)	1,366,799	539,290	-35%
2012	5,196,182	5,619,803	(423,621)	900,718	560,644	-29%
2011	5,294,655	4,822,085	472,570	508,759	716,894	39%

Fiscal Year	Property Management Revenue Bonds					
	Property Mgmt Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2020	\$ 880,579	\$ 296,883	\$ 583,696	\$ 278,338	\$ 231,059	115%
2019	740,061	330,434	409,627	268,142	242,012	80%
2018	780,600	322,700	457,900	257,947	252,499	90%
2017	783,415	308,576	474,839	248,771	262,418	93%
2016	387,145	158,400	228,745	-	109,286	209%

Source: Cecil County Department of Finance
Note: The property management fund began in FY 2016

Table XIV

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population^a	Personal Income^{a,1,}	Per Capita Income^a	Average Employment^{b,2}	Average Unemployment Rate^{b,2}	Median Price of Housing Sales^d	School Enrollment^{c,3}
2019	102,826	\$ 4,732,415,000	\$ 46,059	50,507	3.8%	\$ 225,308	15,255
2018	102,826	4,732,415,000	46,059	50,507	3.8%	225,308	15,307
2017	102,746	4,531,488,000	44,104	50,558	4.8%	216,484	15,364
2016	102,603	4,440,668,000	43,374	51,074	4.7%	194,765	15,633
2015	102,382	4,262,448,000	41,632	50,042	6.0%	197,902	15,859
2014	102,383	4,337,575,000	42,562	48,665	6.6%	194,000	15,681
2013	101,913	4,383,534,000	43,104	47,269	7.7%	193,000	15,824
2012	101,696	4,036,174,000	39,689	46,810	8.4%	218,278	15,634
2011	101,694	3,897,356,000	38,508	46,188	8.9%	199,900	15,827
2010	101,108	3,715,479,000	36,861	44,944	9.9%	214,000	15,937

Sources: ^a U.S. Census Bureau

^b Maryland Department of Labor, Licensing, and Regulation (DLLR)
BEA and DLLR data is presented as revised periodically based on census and survey results and analysis, and changes to statistical benchmarks.

^c Maryland Department of Planning, Planning Data Services

^c Cecil County Board of Education Annual Budgets

^d Maryland Association of Realtors

Notes: ¹ Personal Income is a total for the year.

² Employment and unemployment rates are adjusted annual averages. Employment is calculated as the count of County citizens employed in any location (i.e., inside or outside the County).

³ School enrollment is for the school year ended in June of the calendar year.

Table XV

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Calendar Year 2010			Calendar Year 2019		
	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees
W.L. Gore & Associates, Inc.	2,302	2	4.98%	2,405	1	4.74%
Cecil County Board of Education	2,328	1	5.03%	2,058	2	4.06%
Perry Point V.A. Hospital	1,125	3	2.43%	1,500	3	2.96%
Union Hospital	1,000	4	2.16%	1,235	4	2.44%
Amazon	*			1,100	5	2.17%
Wal-Mart Stores, Inc.	500	7	1.08%	700	6	1.38%
Cecil County Government	577	6	1.25%	645	7	1.27%
Terumo Medical Group	345	9	0.75%	610	8	1.20%
IKEA/Genco	370	8	0.80%	580	9	1.14%
Cecil College	300	10	0.65%	565	10	1.11%
Orbital ATK, Inc(formerly Tactical Sys)	750	5	1.62%	*		
Totals	<u>9,597</u>		<u>20.75%</u>	<u>11,398</u>		<u>22.47%</u>

*Note: Employer is not one of the principal employers during the year noted

**Note: Per Maryland Department of Commerce, employee count not available as of August 200, however Cecil County Board of Education and Cecil County Government counts were updated.

Table XVI

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES
BY FUNCTION
LAST TEN FISCAL YEARS**

<u>Function</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government	102	107	104	99	110	99	105	108	116	112
Public Safety	291	284	303	302	303	315	321	322	331	337
Law Enforcement	97	97	95	99	105	105	108	111	112	114
Detention Center	65	63	84	81	70	78	74	76	70	72
EMS & Emergency Services	81	80	77	74	77	84	83	77	84	82
Other	48	44	47	48	51	48	56	58	65	69
Highways, Streets, and Bridges	68	64	68	65	68	67	61	64	64	63
Roads Maintenance	45	44	45	42	41	44	42	46	44	43
Engineering and Other	23	20	23	23	27	23	19	18	20	20
Health and Welfare	50	51	43	43	61	47	58	59	66	66
Senior Services	24	24	23	23	39	30	37	40	45	41
Other	26	27	20	20	22	17	21	19	21	25
Recreation and Culture	8	6	7	8	8	8	8	11	13	12
Economic Development	5	6	6	6	7	6	7	6	7	7
Agriculture	5	5	5	5	5	5	4	5	5	5
Water	3	-	-	-	-	-	-	-	-	-
Wastewater	12	14	16	16	15	14	16	16	17	19
Landfill	25	25	22	25	24	22	23	23	21	24
Totals	569	562	574	569	601	583	603	614	640	645

Sources: Cecil County Finance and Human Resources Departments

Table XVII

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Physical Arrests	2,577	2,611	2,608	2,422	2,548	2,743	3,066	3,065	3,376	3,905
911 Calls	207,019	164,265	171,258	168,535	224,643	135,127	129,993	127,484	128,889	126,764
Fire/Paramedic Calls	13,525	22,751	23,217	28,845	29,820	12,360	14,441	14,706	15,114	14,767
Building Permits Issued	323	220	464	234	202	192	198	212	348	238
Highways, Streets, and Bridges										
Street Resurfacing (miles)	12.67	15.76	13.11	15.93	18.07	15.49	6.35	10.11	10.85	21.72
Health and Welfare										
Participants (avg. monthly)	1,170	1,327	1,434	1,135	1,235	1,765	1,327	843	918	917
Meals served	21,276	21,433	21,868	25,005	18,052	29,066	33,808	33,494	41,804	41,801
Bus Passengers	60,066	66,892	76,990	92,314	100,929	101,251	97,043	102,353	111,611	86,833
Recreation and Culture										
Recreation Registrations	n/a	11,000	14,000	15,750	15,130	14,620	17,388	18,546	14,500	13,330
Recreation Programs	n/a	150	180	197	157	162	244	248	207	184
Safetyville (attendance)	88	71	106	147	64	86	71	103	84	32
Agriculture										
Acres under Preservation Agreements	23,900	24,739	25,108	25,799	26,382	26,497	27,079	27,798	28,945	33,742
Water										
Average Daily Consumption (thousands of gallons)	169,546	87,039	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wastewater										
Annual Sewage Treatment (thousands of gallons)	496,752	520,077	526,507	648,139	580,480	578,510	539,450	580,123	681,339	819,000
Landfill										
Annual Tons of Refuse	91,475	84,855	83,428	84,796	83,449	85,172	87,706	93,118	94,561	98,972

Sources: Various Cecil County departments.

Note: Quantifiable and meaningful operating indicators are not available for all functions.
 NA = Not available
 As of FY2007 a new Communication Systems came online to accept County-wide emergency calls.
 The County sold the Water Operations effective December 21, 2011.

Table XVIII

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police Patrol Units	85	89	83	95	100	100	100	106	111	113
Paramedic Units	8	8	8	8	8	8	8	8	9	9
Highways, Streets, and Bridges										
Roads & Highways (miles)	601	601	599	599	600	604	604	604	606	607
Bridges	95	95	95	97	97	97	98	98	99	99
Health and Welfare										
Buses	14	11	11	13	17	17	14	17	18	20
Recreation and Culture										
Park Acreage	531	531	531	535	535	535	535	661	686	686
Water										
Production Capacity (millions of gallons per day)	1.348	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wastewater										
Wastewater Treatment Capacity (millions of gallons per day)	3.065	3.065	3.490	3.490	3.490	3.465	3.165	3.165	3.165	3.165
Landfill										
Remaining Built Capacity (cubic yards)	2,215,500	2,137,740	1,975,875	1,800,200	1,628,300	1,501,646	1,333,555	1,155,234	939,152	853,830

Sources: Various Cecil County departments.

Note: Quantifiable and meaningful capital asset statistics are not available for all functions.
The County sold the Water Operations effective December 21, 2011.