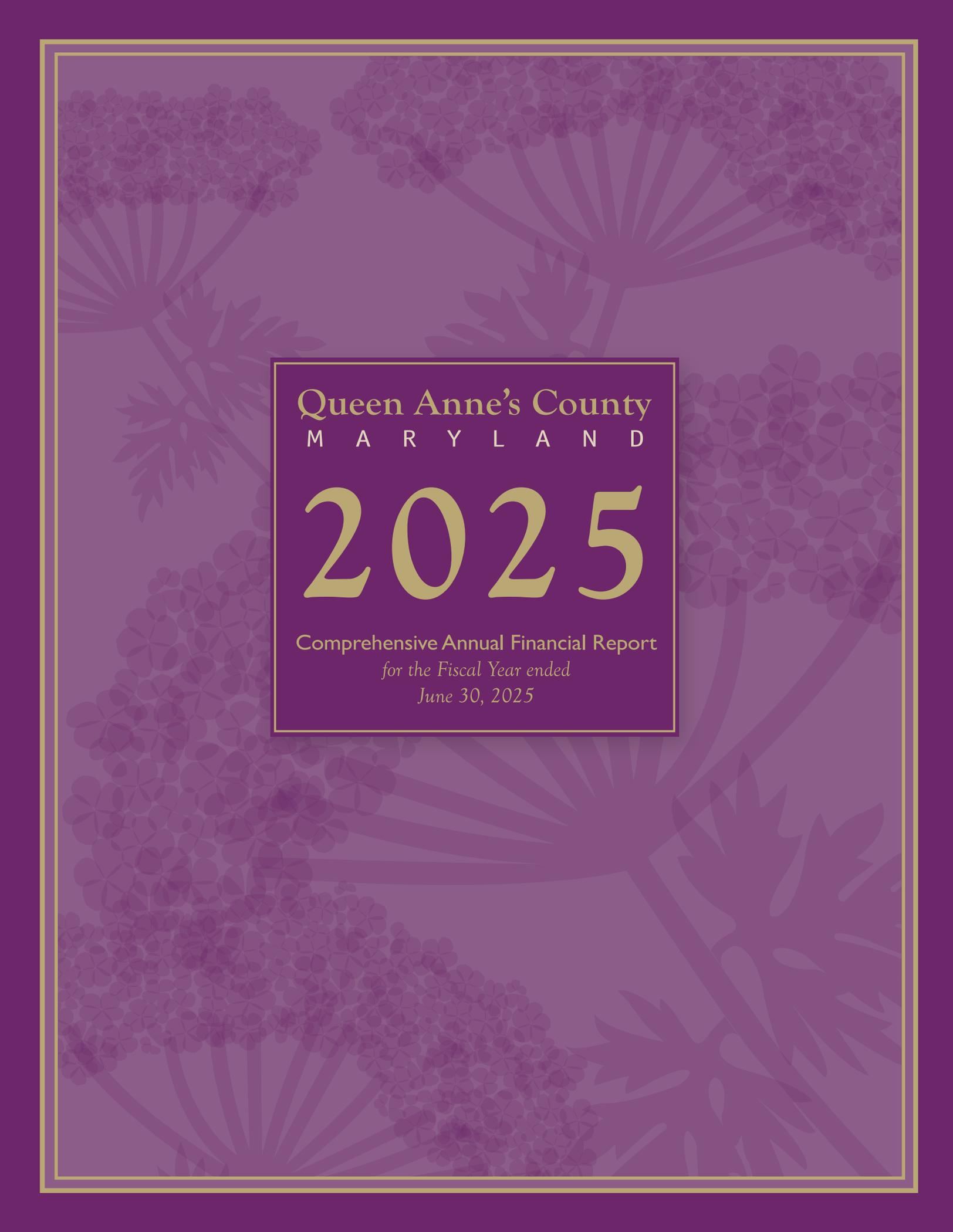


**THE COUNTY COMMISSIONERS OF
QUEEN ANNE'S COUNTY, MARYLAND**

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



Queen Anne's County
M A R Y L A N D

2025

Comprehensive Annual Financial Report
*for the Fiscal Year ended
June 30, 2025*

**QUEEN ANNE'S COUNTY, MARYLAND
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2025
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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION



*Queen
Anne's
County*

OFFICE OF BUDGET AND FINANCE

The Liberty Building
107 North Liberty Street
Centreville, Maryland 21617

Telephone: (410) 758-4064
Fax: (410) 758-3036

County Commissioners:

James J. Moran, At Large
Jack N. Wilson, Jr., District 1
J. Patrick McLaughlin, District 2
Philip L. Dumenil, District 3
Christopher M. Corchiarino, District 4

County Administrator: Todd R. Mohn
Director, Budget & Finance: Jeffrey A. Rank

December 23, 2025

The Board of County Commissioners and
The Citizens of Queen Anne's County, Maryland

FORMAL TRANSMITTAL OF THE ANNUAL COMPREHNSIVE FINANCIAL REPORT (ACFR)

State law requires that all general-purpose governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of Queen Anne's County, Maryland for the fiscal year ended June 30, 2025.

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

Queen Anne's County's financial statements have been audited by UHY LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of Queen Anne's County, for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Queen Anne's County's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Queen Anne's 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 auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Queen Anne's County's separately issued Single Audit report.

GAAP requires that management provide a narrative introduction, overview, and analysis, entitled 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. Queen Anne's County's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE GOVERNMENT

Queen Anne's County is situated on the Eastern Shore of Maryland. It is bordered to the north by Kent County, to the east by the State of Delaware, to the south by Caroline and Talbot counties, and to the west by the Chesapeake Bay. Access to the Western Shore of Maryland is provided by the Chesapeake Bay Bridge. The County is 373 square miles in area and has approximately 52,688 citizens. The County seat is located in Centreville. The County Commissioners of Queen Anne's County are empowered to levy a property tax on both real and personal properties located within its boundaries.

Queen Anne's County was formed in 1706 and is governed by a five-member Board of County Commissioners. County code provides that one Commissioner be elected purely at large; the remaining four Commissioners must reside in specific districts, but are elected at large. The Commissioners operate under Maryland's Code Home Rule form of government. Both the executive and legislative functions of the County are vested with the Board of County Commissioners.

Queen Anne's County provides a full range of services including public safety (police, volunteer fire protection, emergency services, detention center, and animal control), highways and streets, solid waste, planning and zoning, economic development, culture and recreation, education, libraries, and general administrative services. In conjunction with the State, the County also operates services related to general community health and social services. In addition, the County operates a water and wastewater utility, an airport, a golf course, and public landings and marinas.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the County's financial and budgetary controls to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the County Commissioners. The County budget is comprised of the budget message, current revenue and expense budgets and the capital budget and capital program. Activities of the general fund, certain special revenue funds, and the enterprise funds are included in the current budget.

The current operating budget includes appropriations for the full range of basic services. These services include county administration, public safety, education, public works, community services, parks, debt and other agencies. The capital budget includes funds to construct major governmental facilities such as the Detention Center renovation, roads, schools, and water and sewer infrastructure. Capital projects usually take more than a year to complete, unlike the operating budget which covers only a year.

The budget process begins each Fall when the County departments receive budget preparation instructions for the capital budget which is then followed by instructions for the operating budget. The budget preparation is directed by the Director of Budget and Finance. After a thorough review of the departmental requests, a County Administrator's proposed budget is submitted to the County Commissioners in March. The County Commissioners then conduct a series of public hearings and work sessions to review the proposed budget. After its review, the County Commissioners finalize the budget and set tax rates, fees and charges needed to generate enough revenue to balance the budget. The budget must be adopted by the County Commissioners on or before the last day of the month of the fiscal year currently ending, although the Commissioners typically adopt the budget at the end of May.

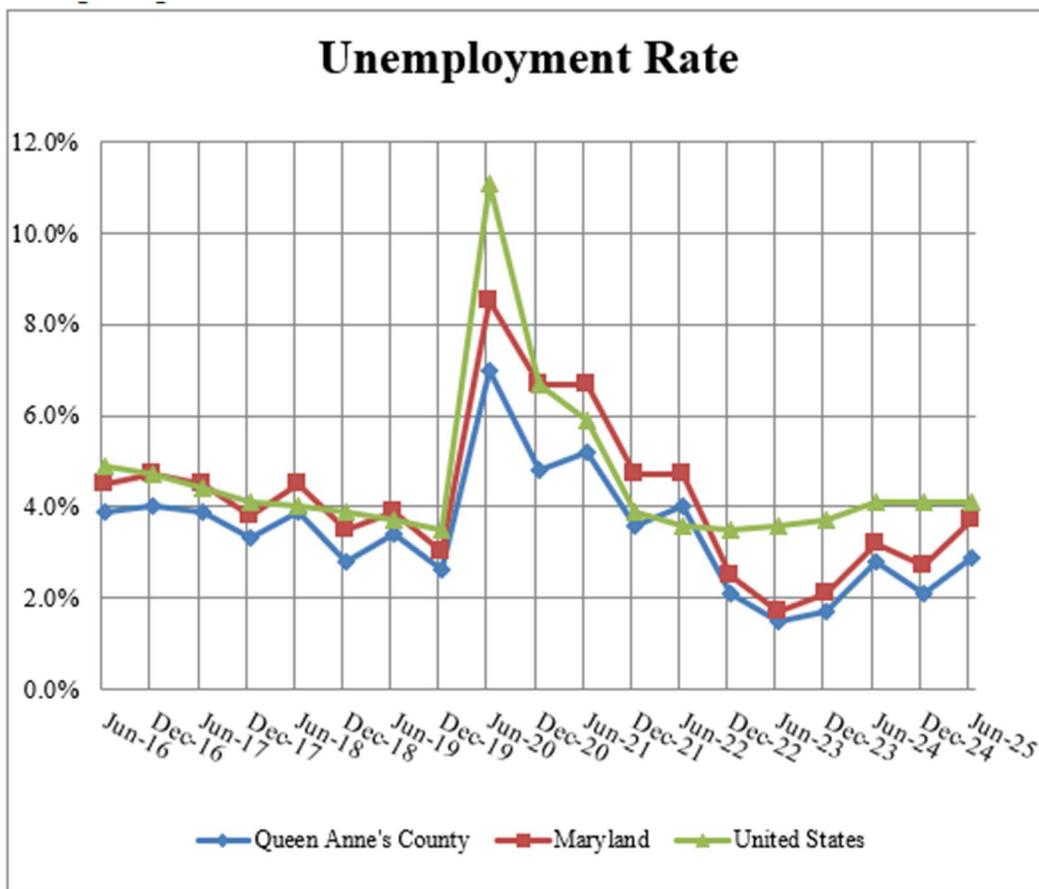
The Office of Budget and Finance is responsible for budgetary control. The appropriated budgets are prepared at the fund, function (e.g., public safety), and department (e.g., Detention Center) level. Expenditures/expenses may not legally exceed appropriations, based on the level at which they were adopted. For the General Fund, annual expenditure budgets are legally adopted at the departmental level. For all other Governmental Funds, for which annual budgets are adopted, expenditure budgets are legally adopted at the fund level. Budgets for the General Capital Projects Fund and the Roads Capital Projects Fund reflect multi-year appropriations at the individual project level.

Departments may request budget modifications; however, approval authority is assigned based on the dollar amount of the adjustment. The Director of Budget and Finance may approve modifications of \$10,000 or less, the County Administrator may approve those up to \$100,000, and the County Commissioners must approve any modification exceeding \$100,000. Budget to actual comparisons are provided in this report for individual governmental funds for which an appropriated annual budget has been adopted. The budget comparisons for the General Fund are presented as part of the Required Supplementary Information portion of this report. For non-major funds with appropriated annual budgets, budget to actual comparisons are presented in the Supplementary Information subsection of this report.

ECONOMIC OUTLOOK AND CONDITION

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

The unemployment rate for Queen Anne’s County is typically below the state and national averages, as shown in the chart below. The June 2025 rate for the County was 2.9%, compared to the state’s rate of 3.7% and the U.S.’s rate of 4.1%. The fiscal year 2025 average rate for the County was 2.6%. The increase in the unemployment rate for fiscal year 2025 was the result of a combination of labor force growth and demographic shifts.



LOCAL ECONOMY

The local employment base is somewhat limited and centers on several stable manufacturers, as well as the agriculture, maritime, construction, retail, leisure, and hospitality industries. The three largest employers are governmental units, including the County, the Board of Education, and Chesapeake College. There is a small, but growing, base of specialty manufacturers. In addition, the County’s proximity to the Western Shore enables about 60% of the workforce to commute to locations outside the County, primarily to higher paying jobs in the Baltimore and Washington areas.

Property and income tax revenue increased when comparing current year to prior year for governmental funds. Property taxes increased in fiscal year 2025 by 6.6% to \$87.6 million due to an increase in assessable base. Local income tax is the County's other main revenue source. Income tax collections increased by 7.8% in fiscal year 2025, from \$86.0 million in fiscal year 2024 to \$92.7 million in fiscal year 2025 as a result of increased employment, capital gains and wages.

Recordation tax increased in fiscal year 2025 with an increase of 26.2% over fiscal year 2024, from \$7.7 million in fiscal year 2024 to \$9.7 million in fiscal year 2025. The transfer tax revenue also increased in fiscal year 2025 by 18.3%, from \$2.9 million in fiscal year 2024 to \$3.4 million in fiscal year 2025.

LONG TERM FINANCIAL PLANNING

Rainy Day Fund – Ordinance No. 12-21 was adopted in January 2013 for the purpose of establishing and maintaining a Rainy Day Fund for contingencies of an emergency nature; requiring annual reports on such fund balance; providing for the appropriation of such funds to meet emergency needs; and requiring surplus revenues be used to maintain the Rainy Day Fund at a set minimum amount. Beginning in fiscal year 2017, County Ordinance No. 16-24 changed the minimum amount of the rainy day fund to 8% (previously 7%) of the following year's budgeted general fund operating revenues, as recommended by the Spending Affordability Committee. The County funded the Rainy Day Fund to the required minimum amount of \$16,551,869 in fiscal year 2025.

Revenue Stabilization Fund (Previously "Special Fund") – Resolution No. 14-05 was adopted in March 2014 for the purpose of establishing and maintaining a Special Fund to set aside certain general funds of the County for certain unanticipated projects, initiatives, and other one-time expenses. Resolution No. 16-99 was adopted in December 2016 for the purpose of renaming the "Special Fund" to the Revenue Stabilization Fund and revising the maximum amount of such fund. The maximum amount of the Revenue Stabilization Fund shall not exceed 5% of budgeted general fund operating revenues and the transfer to the General Fund shall only be made after the requirements of the Rainy Day Fund have been met. The County funded the Revenue Stabilization Fund with \$894,607 in fiscal year 2025. The current balance of the Revenue Stabilization Fund is \$10,344,918.

Spending Affordability Committee – Ordinance No. 15-11 was adopted in November 2015 for the purpose of establishing a committee to provide recommendations and projections for the upcoming budget year. Specifically, the Committee is charged to review in detail the status and projections of revenues and expenditures for the County for the next budget year and subsequent five years; to review future County revenue levels and consider the impact of economic factors such as changes in personal income and assessable base growth; and to review future expenditure levels with consideration of County long-term obligations and any pressure for growth in costs.

The Committee's recommendations help determine general expenditure guidelines based on projected revenue, and the amount of new County debt authorization for the upcoming fiscal year. The Committee recommends policy changes primarily regarding budgeting, debt, and fund balance. This Committee also assesses the County's ability to repay bond debt, determines debt capacity using several debt measures, and provides general guidance regarding future capital budgets.

Capital Projects - The County Commissioners' six-year capital program, starting with fiscal year 2026, prioritizes capital expenditures over these years to meet the County's needs. The six-year program totals \$466.3 million and includes: \$257.0 million for various General Capital Projects (includes \$114.5 million for the Mid-shore Regional Detention Center, \$17.0 million for the Recreation Center, and \$16.0 million for Sheriff facilities, \$8.3 million for Parks playground equipment, \$8.0 million for renovations to the Historic Courthouse, and \$6.4 million for trail development, maintenance, and amenities); \$47.2 million for various Sanitary District projects (includes the Marling Farms/Dominion Sewer extension for \$22.9 million and the Southern Kent Island Sewer service at \$13.3 million); \$93.6 million for various school related projects (includes \$28.2 million for the Career & Technology Education Facility and \$20.5 million for the Centreville Middle School); \$55.7 million for Roads Board capital projects (includes \$22.9 million for pedestrian bridge crossing US 50/301 and \$16.2 million for asphalt overlays); \$9.5 million for various airport related projects (includes \$4.3 million for the construction of the North Apron expansion and \$4.1 million for construction of the South Apron safety enhancement); and \$2.5 million for Public Housing Authority facilities.

FINANCIAL POLICIES

Bond Ratings - The financial policies and management practices of Queen Anne’s County were recognized by three major rating agencies. Fitch Rating Service issued a AAA bond rating, Moody’s issued a rating of Aaa, and Standard & Poor’s also issued a AAA rating.

Debt Management Policy – In calendar year 2013, the County adopted Resolution 13-04, which revised the County’s Local Debt Policy. In accordance with this policy, the Director of Budget and Finance, is responsible for following certain procedures to ensure that debt limits established by the Policy are not exceeded. A key element of the Policy is that prior to the issuance of any new bonded indebtedness, the Director must certify that existing and new General Obligation Debt will not exceed (1) 2.5% of the total taxable assessable base and (2) \$3,000 per capita. This policy also stipulates that although there is some flexibility as to the acceptable percentage of debt service to general fund expenditures, and no absolute limit has been established by the rating agencies or the Government Finance Officers Association, anything above 12% of total general fund expenditures would be a cause to carefully monitor debt service. In addition to the debt management policy, the Spending Affordability Committee recommended that the limit of debt service to general fund expenditures should be limited to 10% and the County Commissioners have adopted that as a limit.

For fiscal year 2025, Queen Anne’s County general obligation debt was 1.09% of the total taxable assessable base, and the per capita debt measurement was \$2,173. The debt service was 6.9% of the general fund expenditures for the year. All thresholds are well below the policy limits.

Fund Balance Policy – Resolution 12-21 was adopted in calendar year 2012 for the purpose of establishing criteria in which year end fund balances can be used. There are five purposes for which using fund balance is permitted: (1) paygo for items/projects in the County Capital Improvement Plan, (2) as a supplement to the Rainy Day Fund if it is underfunded, (3) to pay down existing debt, (4) reserved for future non-operating expenses related to fiscal emergencies, and (5) as one time non-recurring expenditures of capital or non-capital items.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Queen Anne’s County, Maryland for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award that 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 County must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Queen Anne’s County, Maryland has received a Certificate of Achievement for the last twenty-six consecutive years (fiscal years 1999-2024). We believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the annual comprehensive financial report was made possible by the dedicated service of the entire staff of the finance office. Each member of the department has my sincere appreciation for the contributions made in preparation of this report. Special recognition is given to members of the Audit Team: Justine Franzen, who is the principal staff member responsible for preparing the report, Nichole Hepfer, Hayley Effland, Lisa Taylor, and Karen Rodgers. Their dedication and professionalism in the preparation of Queen Anne’s County financial statements has resulted in consistently accurate and transparent financial reporting.

Respectfully submitted,



Jeffrey Rank
Director of Budget and Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Queen Anne's County
Maryland**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

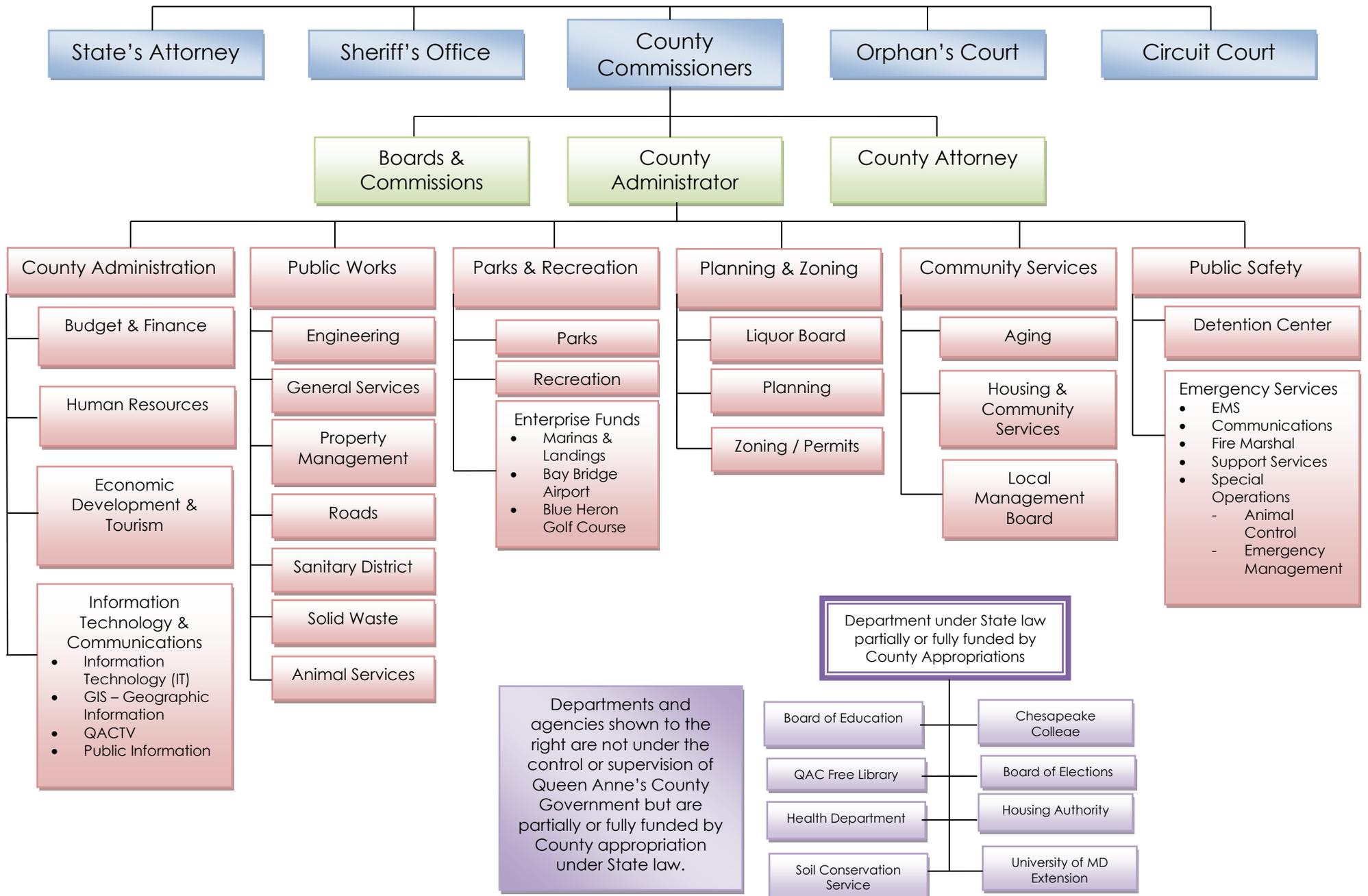
June 30, 2024

Christopher P. Morill

Executive Director/CEO

Queen Anne's County Government Organizational Chart

Queen Anne's County Voters



**QUEEN ANNE’S COUNTY, MARYLAND
GOVERNMENTAL ORGANIZATION
CERTAIN ELECTED AND OTHER OFFICIALS
AS OF JUNE 30, 2025**

CERTAIN ELECTED OFFICIALS

County Commissioners

James J. Moran, At Large
Jack N. Wilson, Jr., District 1
J. Patrick McLaughlin, District 2
Philip L. Dumenil, District 3
Christopher M. Corchiarino, District 4

State’s Attorney

Lance G. Richardson, Esq.

Sheriff

Raymond G. Hofmann

CERTAIN DEPARTMENT HEADS AND OTHER OFFICIALS

County Administrator

Todd R. Mohn

Director of Public Works
Director of Planning and Zoning
Director of Community Services

Alan Quimby, P.E.
Amy Moredock
Catherine R. Willis

Director of Budget and Finance
Director of IT
Chief Treasury Officer

Jeffrey Rank
Brian Riley
Nancy Boone

County Attorney

Patrick E. Thompson, Esq.

Independent Auditor

UHY LLP
Certified Public Accountants
Salisbury, Maryland

Bond Counsel

McKennon, Shelton
& Henn, LLP
Baltimore, Maryland

Financial Advisor

Davenport & Company LLC
Towson, Maryland

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

County Commissioners of
Queen Anne's County
Centreville, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Queen Anne's County, Maryland (the "County") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Queen Anne's County Free Library (the "Library") and the Queen Anne's County Housing Authority (the "Housing Authority") as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose reports has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Library and the Housing Authority, are based solely on the reports of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended June 30, 2025, the County adopted new accounting guidance from the Governmental Accounting Standards Board (GASB) Statement No. 101, "Compensated Absences," and Statement No. 102, "Certain Risk Disclosures." Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The other supplementary information (OSI), as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the OSI, as listed in the table of contents, is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

The logo for UHY LLP is written in a stylized, cursive script. The letters 'UHY' are larger and more prominent, with 'LLP' following in a smaller, similar font.

Salisbury, Maryland
December 23, 2025

Management's Discussion and Analysis

Introduction

This section of the Annual Comprehensive Financial Report of Queen Anne's County, Maryland (the County) presents a narrative overview and analysis of the financial activities of Queen Anne's County Government for the fiscal year ended June 30, 2025. We encourage readers to consider the discussion and analysis along with the other information in this report, including the transmittal letter, basic financial statements, and the notes to the financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Queen Anne's County Government's basic financial statements. The County's basic financial statements are comprised of three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

This report also contains other required and non-required 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 Queen Anne's County Government's finances, in a manner comparable to a private sector business.

The *statement of net position* presents information on all of Queen Anne's County Government's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position and condition of Queen Anne's County Government is improving or declining.

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

Both of the government-wide financial statements distinguish functions of Queen Anne's County Government that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The *governmental activities* of Queen Anne's County Government include general government, public safety, public works, health, social services, education, library, conservation of natural resources, and economic and community development. The *business-type activities* of Queen Anne's County Government include water and sewer services, an airport, a golf course, and public landings and marinas.

The government-wide financial statements include not only Queen Anne's County Government itself (known as the *primary government*), but also legally separate component units. Queen Anne's County Government has the following discretely presented component units: Queen Anne's County Board of Education and the Queen Anne's County Free Library. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found in the basic financial statements section of this report.

Fund Financial Statements: A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Queen Anne’s County Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Queen Anne’s County Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements can be found throughout this report, as listed in the table of contents.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the balance sheet and the statement of revenues, expenditures, and changes in fund balances for governmental funds provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. These two reconciliations begin with *governmental fund* financial data; describe all transactions that are added or subtracted to yield *governmental activities*; and end with *governmental activities* financial data. These reconciliations can be found within this report, as listed in the table of contents.

Queen Anne’s County maintains three types of governmental funds: the general fund, a variety of special revenue funds, and five capital project funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all governmental funds. Fund type is identified for each fund.

Queen Anne’s County adopts an annual appropriated budget for its general fund; school, fire, and parks impact fee capital projects funds; and the following special revenue funds: department of aging, housing and community services, grants fund, economic development incentive, roads operating fund, community partnerships for children, law library, inmate welfare, agricultural transfer, rural legacy, dredging special assessments, Kent Narrows, and Community Reinvestment and Repair Commission. A budgetary comparison statement has been provided for each of these funds, which can be found within this report, as listed in the table of contents.

Proprietary funds: Queen Anne’s County maintains *enterprise funds* to report the same functions presented as *business-type activities* in the government-wide financial statements. Queen Anne’s County Government uses enterprise funds to account for its water and sewer services, airport, golf course, and public landings and marinas. The basic proprietary fund financial statements can be found within this report, as listed in the table of contents.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Queen Anne’s County Government’s own programs. The County acts as a fiduciary for two trust and six custodial funds. The accounting used for fiduciary funds is much like that used for proprietary funds except that the custodial funds report only assets and liabilities and do not report net assets or changes therein. The basic fiduciary fund financial statements can be found within this report, as listed in the table of contents.

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 within this report, as listed in the table of contents.

Government-wide Financial Analysis

Statement of Net Position

A summary of government-wide assets, liabilities, and net position is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 222,254,394	\$ 227,640,414	\$ 68,348,847	\$ 66,024,027	\$ 290,603,241	\$ 293,664,441
Capital Assets	196,756,198	197,753,402	149,341,399	149,868,762	346,097,597	347,622,164
Total Assets	419,010,592	425,393,816	217,690,246	215,892,789	636,700,838	641,286,605
Total deferred Outflows of resources	33,686,190	22,636,795	2,721,296	1,957,649	36,407,486	24,594,444
Noncurrent liabilities	204,679,921	206,383,252	51,566,182	46,743,434	256,246,103	253,126,686
Other Liabilities	15,433,957	18,807,651	2,289,908	1,586,995	17,723,865	20,394,646
Total Liabilities	220,113,878	225,190,903	53,856,090	48,330,429	273,969,968	273,521,332
Total deferred Inflows of resources	21,747,298	20,016,476	23,312,094	23,106,130	45,059,392	43,122,606
Net investment in capital assets	128,115,922	126,092,854	106,302,837	111,940,928	234,418,759	238,033,782
Restricted amounts	30,497,180	27,933,020	3,653,858	4,147,493	34,151,038	32,080,513
Unrestricted amounts (deficit)	52,222,504	48,797,358	33,286,663	30,325,458	85,509,167	79,122,816
Total net position	\$ 210,835,606	\$ 202,823,232	\$ 143,243,358	\$ 146,413,879	\$ 354,078,964	\$ 349,237,111

The County's total current and other assets decreased by \$3.1 million, or 1.0 percent, to \$290.6 million. The County's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of fiscal year 2025 by \$354.1 million.

Net position is divided into three categories: net investment in capital assets; restricted amounts; and unrestricted amounts. By far the largest portion, \$234.4 million, of the County's total net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, vehicles, and infrastructure), less any related and outstanding debt used to construct or acquire those assets. The County uses these capital assets to provide services to citizens; consequently, they are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

It is important to note that, although counties in the State of Maryland issue debt for the construction of schools, the school buildings are owned by each county's Board of Education. Ownership reverts to the county government only if the local Board determines a building is no longer needed for educational purposes. Therefore, while the County's financial statements include outstanding debt related to Board of Education capital assets, those statements do not include the capital assets funded by the debt. Debt outstanding for the Board of Education amounted to \$39.4 million on June 30, 2025. Absent the effect of this relationship, the County would have reported a positive unrestricted amount of \$124.9 million on its government-wide financial statements, rather than the positive unrestricted net assets of \$85.5 million reported herein. For a multi-year view of this calculation, see the Footnote presented in Table 1 of the Statistical Section.

An additional \$34.2 million of the County's total net position represents resources that are subject to restrictions on how they may be used. For governmental activities, this amount includes: \$16.9 million related to general government services; \$3.1 million for economic/community development; \$7.3 million for public safety; \$2.5 million for conservation of natural resources; and \$728 thousand for social services. For business-type activities, this amount includes \$2.5 million restricted to meet Sanitary District debt covenants and \$1.2 million for the Bay Bridge Airport debt service.

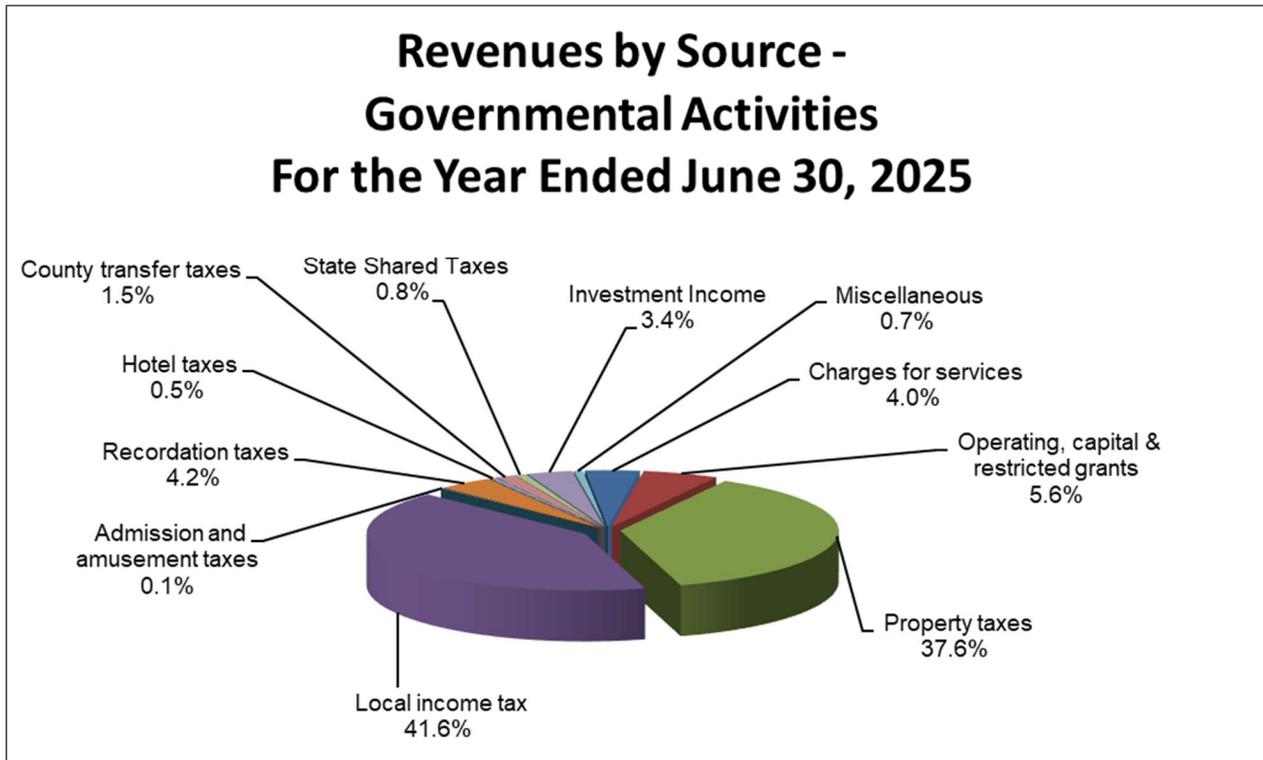
Statement of Activities

The following table summarizes changes in net position for governmental and business-type activities during the year:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues:						
Charges for services	\$ 9,459,399	\$ 8,791,716	\$ 13,854,434	\$ 15,353,749	\$ 23,313,833	\$ 24,145,465
Operating grants and contributions	8,390,974	8,049,065	2,145,609	2,580,846	10,536,583	10,629,911
Capital grants and contributions	4,690,358	9,533,202	477,452	7,635,932	5,167,810	17,169,134
General revenues:						
Property taxes	87,632,233	82,047,674	-	-	87,632,233	82,047,674
Local income tax	97,132,220	86,567,013	-	-	97,132,220	86,567,013
Other local taxes						
Admission and amusement taxes	272,787	261,842	-	-	272,787	261,842
Recordation taxes	9,678,920	7,668,565	-	-	9,678,920	7,668,565
Hotel taxes	1,213,347	1,127,036	-	-	1,213,347	1,127,036
County transfer taxes	3,414,046	2,885,299	-	-	3,414,046	2,885,299
State Shared Taxes	1,865,957	1,560,187	-	-	1,865,957	1,560,187
Investment income	7,932,266	9,192,673	1,817,477	1,732,675	9,749,743	10,925,348
Gain (loss) on sale of capital assets	-	-	-	(21,552)	-	(21,552)
Miscellaneous	1,596,056	2,142,333	1,323,863	1,167,917	2,919,919	3,310,250
Total Revenues	233,278,563	219,826,605	19,618,835	28,449,567	252,897,398	248,276,172
Governmental Activities:						
General government	26,179,090	22,378,707	-	-	26,179,090	22,378,707
Public safety	54,655,168	49,458,541	-	-	54,655,168	49,458,541
Public works	17,436,351	20,222,362	-	-	17,436,351	20,222,362
Parks & recreation	7,032,764	7,458,494	-	-	7,032,764	7,458,494
Health & Social Services	8,458,369	7,944,933	-	-	8,458,369	7,944,933
Education & Library	101,119,281	83,355,583	-	-	101,119,281	83,355,583
Conservation of natural resources	3,463,854	3,702,670	-	-	3,463,854	3,702,670
Economic and Community development	4,107,120	2,826,682	-	-	4,107,120	2,826,682
Interest and fiscal charges	2,695,256	4,254,673	-	-	2,695,256	4,254,673
Business-type Activities:						
Water and sewer	-	-	19,846,575	14,932,981	19,846,575	14,932,981
Airport	-	-	1,459,540	966,183	1,459,540	966,183
Golf course	-	-	744,055	730,908	744,055	730,908
Public landings and marinas	-	-	858,122	666,295	858,122	666,295
Total Expenses	225,147,253	201,602,645	22,908,292	17,296,367	248,055,545	218,899,012
Increase in Net Position before Transfers	8,131,310	18,223,960	(3,289,457)	11,153,200	4,841,853	29,377,160
Transfers in (out)	(118,936)	(484,251)	118,936	484,251	-	-
Increase in Net Position	8,012,374	17,739,709	(3,170,521)	11,637,451	4,841,853	29,377,160
Net Position, prior year	202,823,232	185,083,523	146,413,879	134,776,428	349,237,111	319,859,951
Net Position - current year	\$ 210,835,606	\$ 202,823,232	\$ 143,243,358	\$ 146,413,879	\$ 354,078,964	\$ 349,237,111

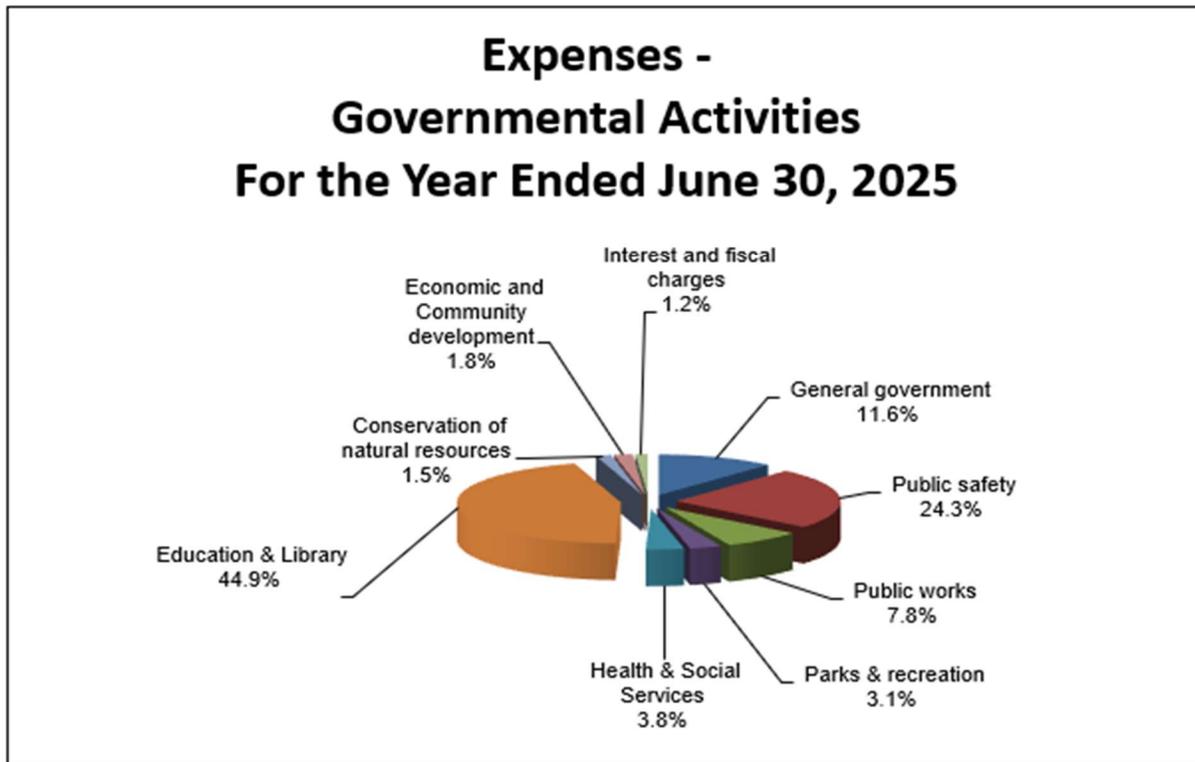
Governmental activities:

Revenues for governmental activities were \$233.3 million for fiscal year 2025. The following chart depicts revenues by source for governmental activities:



- Taxes comprise the largest source of County revenue, totaling \$201.2 million (86.3 percent) of total revenue for fiscal year 2025. Of that amount, property and local income tax together yielded \$184.8 million (79.2 percent) of all revenue. Each County sets its own property and income tax rates, within parameters established by the State. For fiscal year 2025, the County's property tax rate remained at \$.830 per \$100 of assessed value of real property, based on full cash value of that property. The County's local income tax rate was set at 3.2 percent, effective January 1, 2012 and thereafter. There is no local sales tax in the State of Maryland.
- Operating grants and contributions, totaling \$8.4 million, reflect grants from Federal and State agencies that support specific County programs. Programs that benefitted the most were: health and social services (\$3.1 million or 37.3 percent), public safety (\$2.3 million or 27.9 percent), general government (\$1.6 million or 18.9 percent), and economic/community development (\$1.3 million or 15.6 percent).
- Charges for services, totaling \$9.5 million, reflect fees charged to County citizens. These primarily support public safety (\$3.0 million or 32.2 percent), education and library (\$2.1 million or 21.9 percent), general government (\$1.9 million or 20.6 percent), parks and recreation (\$1.2 million or 12.6 percent), and public works (\$1.1 million or 11.8 percent).
- Capital grants and contributions, totaling \$4.7 million, reflect contributions from Federal and State agencies, as well as developers. Programs that benefitted the most were: general government (\$1.9 million or 41.4 percent) and conservation of natural resources (\$1.5 million or 31.2 percent).

Expenses for all governmental activities were \$225.1 million for fiscal year 2025. The following chart depicts expenses by function for governmental activities:



As noted in the chart above and the table below, by far the County’s largest program and highest priority is education, with expenses totaling \$101.1 million (44.9 percent). The following table summarizes costs and program-related revenues for the same programs in order of priority, yielding net service costs:

Net Cost of Governmental Activities	Expenses		Program-Related Revenues		Net Cost of Services	
	2025	2024	2025	2024	2025	2024
Education and Library	\$ 101,119,281	\$ 83,355,583	\$ 2,075,142	\$ 2,291,783	\$ (99,044,139)	\$ (81,063,800)
Public safety	54,655,168	49,458,541	5,594,537	5,425,416	(49,060,631)	(44,033,125)
General government	26,179,090	22,378,707	5,476,921	5,989,969	(20,702,169)	(16,388,738)
Public works	17,436,351	20,222,362	1,413,035	3,726,195	(16,023,316)	(16,496,167)
Parks & recreation	7,032,764	7,458,494	1,573,196	2,089,772	(5,459,568)	(5,368,722)
Health & Social Services	8,458,369	7,944,933	3,554,929	3,242,021	(4,903,440)	(4,702,912)
Economic and Community development	4,107,120	2,826,682	1,309,156	1,066,447	(2,797,964)	(1,760,235)
Interest and fiscal charges	2,695,256	4,254,673	47,669	48,412	(2,647,587)	(4,206,261)
Conservation of natural resources	3,463,854	3,702,670	1,496,146	2,493,968	(1,967,708)	(1,208,702)
Total	\$ 225,147,253	\$ 201,602,645	\$ 22,540,731	\$ 26,373,983	\$ (202,606,522)	\$ (175,228,662)

Of the total cost of \$225.1 million for governmental activities, \$22.5 million (10.1 percent), of those costs were covered by program-related revenues paid by individuals and external governmental entities. Of these outside entities, individuals who benefited directly from County programs were charged user fees of \$9.5 million, while governments and other organizations that benefited indirectly from these programs contributed operating grants of \$8.4 million and capital grants of \$4.7 million.

County taxpayers paid for most of the remaining \$202.6 million in net program costs, through a variety of County taxes. Net program costs of services provided to the public, in order of net cost, were: \$99.0 million for education and library; \$49.1 million for public safety; \$20.7 million for general government; \$16.0 million for public works; \$5.5 million for parks and recreation; \$4.9 million for health and social services; \$2.8 million for economic and community development; and \$2.6 million for interest and fiscal charges, and \$2.0 million

for conservation of natural resources. See Changes in Net Position and General Fund Budgetary Highlights for further details.

Changes in net position: Government-wide revenues, less expenses, plus/minus transfers in/out, yield changes in net position. During fiscal year 2025, governmental activities increased the County's net position overall by \$8.0 million, compared to an increase of \$17.7 million in fiscal year 2024. The following discussion explains changes in net position relative to the prior fiscal year.

Revenues for governmental activities increased by \$13.5 million (6.1 percent). The following key revenues changed, when compared to the prior fiscal year:

- Income taxes increased by \$10.6 million (12.2 percent), from \$86.6 million in fiscal year 2024 to \$97.1 million in fiscal year 2025. This increase was the result of increased receipts from the State for the County's share of collection, due chiefly to capital investment gains and wage increases.
- Property taxes increased by \$5.6 million (6.8 percent), from \$82.0 million in fiscal year 2024 to \$87.6 million in fiscal year 2025 due to an increase in property assessments.
- Recordation taxes increased by \$2.0 million (26.2 percent), from \$7.7 million in fiscal year 2024 to \$9.7 million in fiscal year 2025 due a strong real estate market, rising property assessments, and increased property sales activity.
- Capital grants and contributions decreased by \$4.8 million (50.8 percent), from \$9.5 million in fiscal year 2024 to \$4.7 million in fiscal year 2025. This is mainly due to the use of Federal ARPA funding in fiscal year 2024.
- Investment Income decreased by \$1.3 million (13.7 percent), from \$9.2 million in fiscal year 2024 to \$7.9 million in fiscal year 2025 due to a decrease in the Federal rate (which is the basis of our earned interest rate) in the third quarter of calendar year 2024 through the second quarter of calendar year 2025.

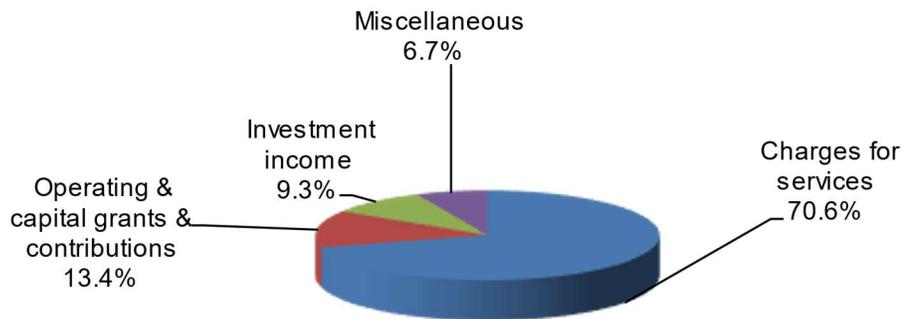
Expenses for governmental activities increased by \$23.5 million (11.7 percent). Key positive and negative expense changes, in order of relative importance, are:

- Education & Library increased by \$17.8 million (21.3 percent). There was an increase of \$11.6 million for various school capital projects, such as the Board of Education new administration building. In addition, the County's allocation to the Board of Education increased by \$6.2 million in fiscal year 2025.
- Public Safety increased by \$5.2 million (10.5 percent). There was an increase of \$5.8 million in expenditures related to the pension liability. The Sheriff's Office also increased by \$1.2 million, as well as an increase of \$1.1 million in Emergency Services. There was a \$3.4 million decrease for the LOSAP liability due to changes in benefit terms.
- General Government increased by \$3.8 million (17.0 percent). \$2.1 million of the increase occurred throughout the General Fund in multiple departments. An additional \$1.0 million increase occurred in Dredging Special Assessments as a result of a dredging project that began in fiscal year 2025.
- Economic and Community Services increased by \$1.3 million (45.3 percent), mainly due to an increase of \$818 thousand in the allocation to the Housing Authority.
- Public Works decreased by \$2.8 million (13.8 percent). Of the decrease, expenditures related to Public Works capital projects decreased by \$1.6 million, mainly as a result of the timing of projects. There was also a decrease of \$1.1 million in expenditures related to the pension liability.

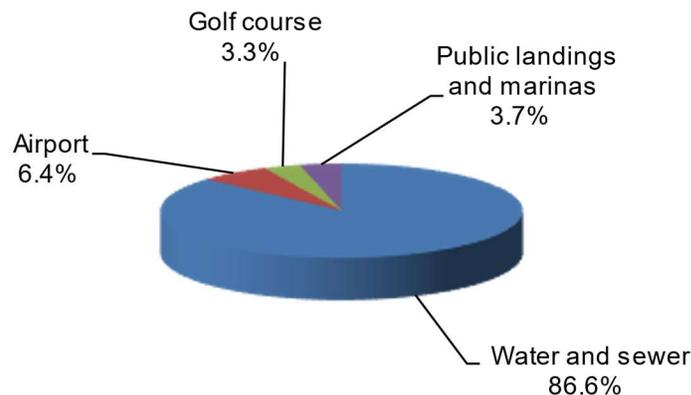
Business-type activities:

Revenues, transfers in, and expenses for business-type activities were \$19.6 million, \$119 thousand, and \$22.9 million, respectively, for fiscal year 2025. The following two charts depict revenues by source and expenses by service for business-type activities:

**Revenues by Source -
Business-Type Activities
For the Year Ended June 30, 2025**



**Expenses by Service -
Business-Type Activities
For the Year Ended June 30, 2025**



Business-type activities decreased the County's net position altogether to \$3.2 million in fiscal year 2025, which is \$14.8 million less than the prior year's increase of \$11.6 million. The fiscal year 2025 change in net position resulted primarily from:

- Capital Grants and Contributions decreased by \$7.2 million (93.7 percent), from \$7.6 million in fiscal year 2024 to \$477 thousand in fiscal year 2025, for all business-type activities. The decrease is due to capital grant funding for the Airport's runway construction in fiscal 2024 for \$5.0 million which was not received in the current year due to timing of the project. In addition, Sanitary received \$2.1 million more in developer contributed capital in fiscal 2024 compared to 2025.
- Operating Expenses increased by \$5.6 million (32.4 percent), from \$17.3 million in fiscal year 2024 to \$22.9 million in fiscal year 2025, for all business-type activities. The increase resulted from Sanitary water and sewer activities increasing by \$4.9 million (32.9 percent), mainly for residential water meter replacement expense and Chester West water main project, Airport increasing by \$493 thousand (51.1 percent) mainly due to hanger repairs, and Public Landings and Marinas increasing by \$192 thousand (28.8 percent) mainly due to Price Creek dredging expense.

Financial Analysis of the Government's Funds

As noted earlier, Queen Anne's County Government uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Detailed financial data based on the government's fund accounting can be found in the governmental fund statements in this report.

Governmental Funds: The focus of Queen Anne's County Government's *governmental funds* is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Queen Anne's County Government's near-term financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, Queen Anne's County Government's governmental funds reported combined ending fund balances of \$165.7 million, compared to \$172.1 million for the prior year. Approximately 31.8 percent of this total (\$52.8 million) constitutes *unassigned fund balance*, which is available for spending. The total *unassigned fund balance* of \$52.8 million is comprised of \$53.8 million of positive unassigned fund balance for the general fund and a negative \$1.0 million of unassigned fund balance for Dredging Special Assessments, resulting from expenses occurring prior to the issuance of loan proceeds intended to fund a dredging project. The loan proceeds are expected in fiscal year 2026.

The *nonspendable fund balance* of \$2.3 million which is not available for spending and includes amounts related to inventory, prepaid items and the excess of lease receivable balance over deferred inflow balance.

Restricted fund balance of \$33.4 million (20.1 percent) includes amounts that can be spent only for specific purposes stipulated by external sources or legal restrictions.

Committed fund balance of \$42.3 million (25.5 percent) represents those amounts that can be used only for the specific purposes of the government's highest level of decision-making authority.

The remaining \$35.1 million of fund balance (21.2 percent) constitutes *assigned fund balances*. These amounts are intended to be used by the government for the specific purposes of each fund.

More detailed information on each classification of governmental fund balance can be found in Note 12 of this report.

The General Fund is the chief operating fund of Queen Anne's County Government. At the end of the current fiscal year, the General Fund had a total fund balance of \$88.8 million, which is an increase of \$11.3 million (14.6 percent) from the fiscal year 2024 balance of \$77.5 million. Of the \$11.3 million increase, local property tax increased by \$5.4 million (6.6 percent) as a result due to an increase in assessments for tax district 3 by an average of 15%. Local income tax also increased \$6.7 million (7.8 percent) due to increases in wage rates and capital gains.

Of the total \$88.8 million in fund balance, \$53.8 million is unassigned, meaning that there are no constraints on how the funds can be spent. Beginning in fiscal year 2017, County Ordinance No. 16-24 changed the minimum amount of the rainy day fund to 8.0 percent (previously 7.0 percent) of budgeted general fund operating revenues as recommended by the Spending Affordability Committee. As a result of that Ordinance, \$16.6 million of rainy day funds are included in the General Fund's restricted fund balance of \$23.6 million for fiscal year 2025. The remaining fund balance is comprised of \$1.0 million in nonspendable, and \$10.3 million in committed.

For further explanations of General Fund revenues and expenditures, see the General Fund Budgetary Highlights section of this MD&A.

The General Capital Projects Fund accounts for all capital projects related to governmental funds, except those accounted for in the Roads Capital Projects Fund, which is discussed below.

As of June 30, 2025, the General Capital Projects Fund has a total fund balance of \$34.2 million, compared to \$56.1 million at the end of the prior fiscal year. The \$34.2 million in total fund balance is comprised of \$3.1 million in restricted fund balance, mainly for unspent bond proceeds, \$6.3 million of fund balance committed for specific projects, and \$24.8 million of assigned fund balance. The decrease in General Capital Projects fund balance resulted from expenditures incurred prior to the issuance of related general obligation bonds in fiscal year 2026. The fund balance will increase upon receipt of bond proceeds.

The Roads Capital Projects Fund accounts for financial resources used for the construction of County Road infrastructure, as well as other large multi-year projects that relate to capital assets.

As of June 30, 2025, the Roads Capital Projects Fund has a total fund balance of \$10.3 million, compared to \$6.5 million at the end of the prior fiscal year. Of this total \$10.3 million fund balance, \$9.4 million has been assigned to fund ongoing projects, while \$926 thousand has been contributed by local developers and is committed to fund specific infrastructure improvements.

The Grants Fund accounts for activities funded by grants and is included in various governmental functions, depending on the grant.

As of June 30, 2025, the Grants Fund has a total fund balance \$0 due to the constraints of grant funding, all grant revenue must be expensed within the fiscal year.

Proprietary funds: Queen Anne's County Government's enterprise fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Also, *due to/due from other funds* are combined in the government-wide statements and reported as Internal Balances between governmental and business-type activities, which net to zero.

Total *unrestricted net position* of the Sanitary District Enterprise Funds at the end of fiscal year 2025 amounted to \$34.4 million, which is an increase of \$3.7 million compared to the prior year. Net investment in capital assets decreased by \$5.6 million.

Total net position of the Sanitary District amounted to \$115.1 million at the end of fiscal year 2025, which decreased by \$2.4 million when compared to the prior year.

The *unrestricted net position* of the Bay Bridge Airport Enterprise Fund at year end amounted to a deficit balance of \$1.2 million, reflecting a decrease of \$633 thousand compared to the prior year. The investment in capital assets for the Bay Bridge Airport increased by \$13 thousand in the current fiscal year.

Total net position of the Bay Bridge Airport amounted to \$20.2 million at the end of fiscal year 2025, which is a decrease of \$655 thousand from the prior year amount of \$20.8 million.

A discussion of Enterprise Fund capital assets and long-term debt can be found in those sections presented later in this MD&A.

General Fund Budgetary Comparisons

The County adopts an operating budget for the General Fund as of July 1 each year and amends that budget throughout the year in response to actual expenditures. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual can be found as part of Required Supplemental Information, which is located after the Notes. The Schedule reports original and final budgets, as well as the variance between actual expenditures and final budgets.

Original to Final Budget Comparisons: The final expenditure budget for the General Fund, including transfers out, totaled \$206.1 million. Amendments increased spending authority by \$14.9 million during fiscal year 2025, when compared to the original budget of \$191.2 million.

Major components of these expenditure budget increases are as follows:

- Budgeted General Government increased by \$1.5 million, mainly due to increases of \$878 thousand in Legal Services.
- Budgeted Public Safety increased by \$1.8 million, mainly due to miscellaneous increases in the Sheriff's Office and Emergency Services.
- Budgeted Transfers Out to General Capital Projects increased by \$7.1 million from the original budget during the year. These funds will be used in subsequent years as funding for the larger capital projects.
- Budgeted Transfers Out to Roads Capital Projects increased by \$3.5 million from the original budget. Similarly to General Capital Projects, these additional funds will be used for Roads Capital projects in subsequent years.
- Budgeted Transfers Out to the Agricultural Transfer Tax Fund increased by \$660 thousand from the original budget, resulting from additional easements available and purchased during the fiscal year.

Budget to Actual Comparisons: Actual revenues for the General Fund, including other financing sources and before appropriated fund balance were more than final budgetary estimates by \$10.2 million.

Actual expenditures, and other financing uses, were less than final budgetary appropriations by \$3.0 million. The net effect of these two disparities was a positive variance of actual to final budget of \$13.2 million.

The most noteworthy differences between final budgeted amounts and actual amounts are summarized as follows:

Revenues:

- Investment Income was \$2.8 million higher than the final budget (74.3 percent) due to the continued higher interest rates, as well as strong cash balances.
- Local Property Tax revenue was \$2.4 million more than the final budget (2.8 percent) due to a higher than anticipated increase in assessments.
- Recordation Tax revenue was \$1.8 million higher than the final budget (23.5 percent) due to strong housing market during the fiscal year.

- Charges for Services revenue was \$1.2 million higher than the final budget (34.8 percent) due to increase Public Safety user fees.
- Transfer Tax revenue was \$1.1 million higher than the final budget (48.4 percent) due to the positive trends in the housing market over the last year.

Expenditures:

- Final Budgeted Salaries and Benefits were \$56.7 million for the year, while actual costs were \$58.6 million. They were overspent at year-end by \$1.9 million (3.3 percent). Budgeted salaries and benefits include reversions of \$2.3 million.
- Final Budgeted Other Operating Charges were \$149.4 million for the year, while actual costs were \$144.5 million. These costs were lower than budget at year end by \$4.9 million (3.3 percent). Operating Charges include contracted services, supplies, other charges, debt service, and transfers out.
 - Other Operating Expenses were underspent by \$2.3 million. Savings were realized in the Health Department (\$737 thousand), General Services (\$242 Thousand), Emergency Services (\$173 thousand), and OPEB (\$158 thousand), The remaining savings for Other Operating Expenses were spread throughout the General Fund.
 - Transfers Out was underspent by \$1.3 million, due to savings realized by Roads Operating (\$944 thousand) and the Golf Course Enterprise Fund (\$160 thousand) which allowed these departments to forgo this portion of their appropriation.
 - Contracted Services were underspent by \$1.2 million, with the largest savings realized by Detention Center (\$397 thousand), Information Technology (\$347 thousand), Solid Waste (\$132 thousand), and Emergency Services (\$104 thousand)

Capital Assets and Debt Administration

Capital assets: Queen Anne’s County Government’s investment in capital assets for its governmental and business-type activities as of June 30, 2025 amounted to \$346.1 million (net of accumulated depreciation). This investment in capital assets includes land and land improvements, intangible rights, construction in progress, buildings, improvements other than buildings, infrastructure, autos, machinery, and equipment. The total decrease in the County’s investment in capital assets for the current fiscal year was \$1.5 million or 0.4%.

Capital asset activities, net of depreciation, are summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and Land Improvements	\$ 87,184,218	\$ 87,169,068	\$ 13,406,924	\$ 13,406,924	\$ 100,591,142	\$ 100,575,992
Intangible Rights - Easements	821,819	821,819	6,140	6,140	827,959	827,959
Construction in Progress	2,117,093	2,878,827	7,892,845	6,599,907	10,009,938	9,478,734
Buildings	55,741,049	56,328,492	4,695,256	4,969,083	60,436,305	61,297,575
Improvements other than Buildings	17,417,089	17,839,824	9,173,063	9,847,789	26,590,152	27,687,613
Infrastructure	8,606,918	7,953,550	105,905,017	106,826,876	114,511,935	114,780,426
Auto, machinery, and equipment	23,665,682	23,352,834	8,181,264	8,102,603	31,846,946	31,455,437
Right-to-use asset	435,536	503,191	80,890	109,440	516,426	612,631
Subscription asset	766,794	905,797	-	-	766,794	905,797
Total	\$ 196,756,198	\$ 197,753,402	\$ 149,341,399	\$ 149,868,762	\$ 346,097,597	\$ 347,622,164

Noteworthy capital asset events during the current fiscal year for governmental activities included the following:

- Replacement of departmental vehicles totaling \$2.5 million.
- Equipment replacement totaling \$2.3 million.
- Completion of various building renovations at the 4-H Park totaling \$1.2 million.
- Completion of Roads infrastructure \$970 thousand.
- Various land/site improvements totaling \$831 thousand.

Noteworthy capital asset events during the current fiscal year for business-type activities included the following:

- Completion of Sanitary district infrastructure projects totaling \$2.2 million, of which \$477 thousand was contributed by commercial developers to be maintained by the County.
- Disposal of land improvements at Bay Bridge Airport due to recent runway reconstruction project totaling \$1.5 million.
- Replacement of departmental vehicles totaling \$510 thousand.

Additional information on the County’s capital assets can be found in Note 6 of this report.

Long-term debt: At the end of the current fiscal year, Queen Anne’s County Government had total bonded debt, loans, OPEB (Other Post-Employment Benefits), net pension liability, LOSAP (Volunteer Fireman Pension Plan Length of Service Award Program), compensated absence obligations, lease obligations, and subscription obligations of \$256.2 million for its governmental and business-type activities.

The full faith, credit and unlimited taxing power of the County are irrevocably pledged to the levy and collection of taxes in order to provide for the payment of principal and interest due on the bonded debt.

Of this \$256.2 million in debt, \$51.6 million is considered to be self-supporting, in that obligations of the County’s enterprise funds will be funded through charges and assessments related to the operations of those funds. In addition, the Sanitary District’s Debt Service Fund holds total assets of \$2.5 million, which are restricted to payment of the Sanitary District’s subsequent year’s debt. See Note 11 for restricted assets and subsequent year debt service obligations.

Debt activities are summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Bonds, Notes, and Premiums	\$ 113,219,246	\$ 123,221,457	\$ 42,097,938	\$ 37,009,458	\$ 155,317,184	\$ 160,230,915
OPEB	19,219,105	24,652,577	4,938,006	5,590,368	24,157,111	30,242,945
Net Pension Liability	55,597,697	41,722,251	3,790,394	3,436,786	59,388,091	45,159,037
LOSAP Liability	11,098,220	11,180,243	-	-	11,098,220	11,180,243
Compensated Absences	4,323,383	4,148,535	657,052	596,108	4,980,435	4,744,643
Lease Liability	496,953	552,354	82,792	110,714	579,745	663,068
Subscription Liability	725,317	905,835	-	-	725,317	905,835
Total Noncurrent liabilities	\$ 204,679,921	\$ 206,383,252	\$ 51,566,182	\$ 46,743,434	\$ 256,246,103	\$ 253,126,686

During the 2025 fiscal year, the County’s total net debt increased by \$3.1 million (1.2 percent). Of this amount, governmental debt decreased by \$1.7 million (0.8 percent), while business-type debt increased by \$4.8 million (10.3 percent). In fiscal year 2025, the Sanitary District continued borrowing funds through the Maryland Water Quality Administration for the Southern Kent Island (SKI) project. The total amount borrowed for this project in fiscal year 2025 was \$7.4 million. In addition, the net pension liability increased by \$14.2 million, total other post-employment benefit obligations decreased by \$6.1 million, the LOSAP liability decreased by \$82 thousand, compensated absences increased by \$236 thousand, lease liability decreased by \$83 thousand and subscription liability decreased by \$181 thousand. Offsetting these increases

and decreases were changes in accruals, plus the County's repayment of existing debt in accordance with established repayment schedules for bonds, notes, and capital lease agreements.

Additional information on the County's long-term debt can be found in Note 9 of this report.

The public local laws of Queen Anne's County limit the amount of general obligation debt to no more than \$8.0 million, beyond any bonded indebtedness of the County. Currently, approximately \$7.5 million of this authority is available. All other debt has been authorized under specific legislation. Additional information on the computation of the legal debt margin can be found in Table 12 of the Statistical Section of this report.

Economic Factors and Next Year's Budget and Rates

The following economic factors were considered in preparing Queen Anne's County Government's operating and capital budgets for the 2026 fiscal year:

- Net assessable real property base is projected to increase by 5.2 percent over the previous year, based on State Assessment Office values used to compute the Constant Yield rate.
- Income tax revenue was projected at \$89.5 million for the 2026 budget.

The following are a few of the highlights from the fiscal year 2026 budget:

- OPEB shall continue to be funded in accordance with the approved ten-year plan;
- The Board of Education will be funded at \$7.6 million above Maintenance of Effort in fiscal year 2026;
- The County's property tax rates remained the same; and
- The County's income tax rates remained the same.

Requests for information

This financial report is designed to provide a general overview of Queen Anne's County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Queen Anne's County Finance Office, 107 N. Liberty Street, Centreville, Maryland 21617. This report can also be found on the County's website, <http://www.qac.org> (see Government, Departments, Budget and Finance Accounting section, Link to 2025 Annual Comprehensive Financial Report (ACFR)).



BASIC FINANCIAL STATEMENTS

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF NET POSITION
June 30, 2025

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Equity in Pooled Cash and Investments	\$ 147,569,407	\$ 15,000,502	\$ 162,569,909
Cash and Cash Equivalents	-	-	-
Taxes Receivable (Net)	1,156,083	-	1,156,083
Accounts and Loans Receivable (Net)	8,081,792	784,735	8,866,527
Special Assessments (Net)	787,513	-	787,513
Lease receivable	806,795	1,635,904	2,442,699
Internal Balances	1,035,547	(1,035,547)	-
Due from Primary Government	-	-	-
Due from Other Governments	52,178,082	267,167	52,445,249
Inventories	1,223,652	828,443	2,052,095
Prepaid Items	1,003,872	2,520	1,006,392
Endowment Fund	-	-	-
Restricted Assets:			
LOSAP Plan Assets	7,034,767	-	7,034,767
Equity in Pooled Cash and Investments	1,376,884	28,645,992	30,022,876
Accounts Receivable (Net)	-	2,776,359	2,776,359
Special Assessments Receivable (Net)	-	19,442,772	19,442,772
Capital Assets:			
Nondepreciable Assets	90,123,130	21,305,909	111,429,039
Depreciable and Amortized Assets, Net	106,633,068	128,035,490	234,668,558
Total Assets	419,010,592	217,690,246	636,700,838
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	439,598	99,000	538,598
Pension Benefits	31,995,860	2,619,938	34,615,798
LOSAP Benefits	1,087,051	-	1,087,051
Deferred Charge on Refunding	163,681	2,358	166,039
Total Deferred Outflows of Resources	33,686,190	2,721,296	36,407,486
LIABILITIES			
Accounts Payable and Other Current Liabilities	10,175,876	1,954,786	12,130,662
Accrued Interest Payable	1,645,665	157,073	1,802,738
Due to Component Units	2,007,138	-	2,007,138
Due to Other Governmental Agencies	331,495	-	331,495
Unearned Revenue	1,273,783	152,017	1,425,800
Escrow Deposits	-	26,032	26,032
Noncurrent Liabilities:			
Due within One Year	14,200,511	2,788,176	16,988,687
Due in More than One Year	190,479,410	48,778,006	239,257,416
Total Liabilities	220,113,878	53,856,090	273,969,968
DEFERRED INFLOWS OF RESOURCES			
OPEB	13,893,431	1,832,508	15,725,939
Pension Benefits	3,448,862	415,260	3,864,122
LOSAP Benefits	2,688,512	-	2,688,512
Lease receivable	774,456	1,590,674	2,365,130
Deferred Inflows related to Refundings	115,500	1,325	116,825
Deferred Assessments	787,529	19,472,327	20,259,856
Deferred Fees	39,008	-	39,008
Total Deferred Inflows of Resources	21,747,298	23,312,094	45,059,392
NET POSITION			
Net Investment in Capital Assets	128,115,922	106,302,837	234,418,759
Amounts Restricted for:			
General Government	16,850,377	-	16,850,377
Economic/Community Development	3,097,352	-	3,097,352
Public Safety	7,327,761	-	7,327,761
Conservation of Natural Resources	2,494,176	-	2,494,176
Social Services	727,514	-	727,514
Debt Service	-	3,653,858	3,653,858
Capital Projects	-	-	-
Other Purposes	-	-	-
Unrestricted Amounts (Deficit)	52,222,504	33,286,663	85,509,167
Total Net Position	\$ 210,835,606	\$ 143,243,358	\$ 354,078,964

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF NET POSITION
June 30, 2025

(CONTINUED)

<u>BOARD OF EDUCATION</u>	<u>COMPONENT UNITS FREE LIBRARY</u>	<u>HOUSING AUTHORITY</u>
\$ -	\$ -	\$ -
17,470,449	1,551,571	1,137,295
-	-	-
651,019	38,554	92,827
-	-	-
-	-	-
2,007,138	-	-
2,530,664	-	-
56,805	-	-
132,647	35,396	-
-	139,821	-
-	-	-
-	-	-
-	-	-
34,609,670	29,850	1,101,448
142,862,897	1,673,770	12,700,488
<u>200,321,289</u>	<u>3,468,962</u>	<u>15,032,058</u>
36,013,260	59,275	-
3,754,905	-	-
-	-	-
<u>39,768,165</u>	<u>59,275</u>	<u>-</u>
15,851,605	108,653	187,653
-	-	-
-	-	-
1,300,086	-	104,563
-	-	-
864,631	5,429	360,793
156,713,659	510,373	737,300
<u>174,729,981</u>	<u>624,455</u>	<u>1,390,309</u>
106,717,289	221,296	-
206,926	-	-
-	-	-
-	-	-
-	-	-
-	73,091	-
<u>106,924,215</u>	<u>294,387</u>	<u>-</u>
176,555,450	1,677,205	12,738,409
-	-	-
-	-	-
-	-	-
-	-	-
77,829	-	-
1,812,590	88,580	367,189
(220,010,611)	843,610	536,151
<u>\$ (41,564,742)</u>	<u>\$ 2,609,395</u>	<u>\$ 13,641,749</u>

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	PRIMARY GOVERNMENT				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL REVENUE
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	\$ 26,179,090	\$ 1,949,432	\$ 1,586,121	\$ 1,941,368	\$ 5,476,921
Public Safety	54,655,168	3,040,986	2,340,500	213,051	5,594,537
Public Works	17,436,351	1,112,618	8,826	291,591	1,413,035
Parks & Recreation	7,032,764	1,189,973	150	383,073	1,573,196
Health and social services	8,458,369	29,624	3,126,948	398,357	3,554,929
Education and Library	101,119,281	2,075,142	-	-	2,075,142
Conservation of Natural Resources	3,463,854	13,955	19,273	1,462,918	1,496,146
Economic/Community Development	4,107,120	-	1,309,156	-	1,309,156
Interest and Fiscal Charges	2,695,256	47,669	-	-	47,669
Total Governmental Activities	225,147,253	9,459,399	8,390,974	4,690,358	22,540,731
Business-type Activities					
Water and Sewer	19,846,575	12,735,451	1,811,221	477,452	15,024,124
Airport	1,459,540	12,086	88,163	-	100,249
Golf Course	744,055	655,355	-	-	655,355
Public Landings and Marinas	858,122	451,542	246,225	-	697,767
Total Business-type Activities	22,908,292	13,854,434	2,145,609	477,452	16,477,495
Total Primary Government	\$ 248,055,545	\$ 23,313,833	\$ 10,536,583	\$ 5,167,810	\$ 39,018,226
COMPONENT UNITS					
Board of Education	\$ 134,810,562	\$ 1,361,401	\$ 30,416,583	\$ 21,383,171	\$ 53,161,155
Free Library	3,439,476	23,126	416,172	-	439,298
Housing Authority	5,129,626	1,481,764	2,479,308	-	3,961,072
Total Component Units	\$ 143,379,664	\$ 2,866,291	\$ 33,312,063	\$ 21,383,171	\$ 57,561,525

General Revenues
Local Property Tax
Local Income Tax
Other Local Taxes
Admission and Amusement Taxes
Recordation Taxes
Hotel Taxes
County Transfer Taxes
State Shared Taxes
Grants and Contributions Not Restricted to Specific Programs
Investment Income
Miscellaneous
Transfers In (Out)
Total General Revenues and Transfers
Change in Net Position
Net Position - Beginning of Year, As Restated
Net Position - End of Year

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

(CONTINUED)

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT			BOARD OF EDUCATION	COMPONENT UNITS FREE LIBRARY	HOUSING AUTHORITY
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL			
\$ (20,702,169)	\$ -	\$ (20,702,169)	\$ -	\$ -	\$ -
(49,060,631)	-	(49,060,631)	-	-	-
(16,023,316)	-	(16,023,316)	-	-	-
(5,459,568)	-	(5,459,568)	-	-	-
(4,903,440)	-	(4,903,440)	-	-	-
(99,044,139)	-	(99,044,139)	-	-	-
(1,967,708)	-	(1,967,708)	-	-	-
(2,797,964)	-	(2,797,964)	-	-	-
(2,647,587)	-	(2,647,587)	-	-	-
(202,606,522)	-	(202,606,522)	-	-	-
-	(4,822,451)	(4,822,451)	-	-	-
-	(1,359,291)	(1,359,291)	-	-	-
-	(88,700)	(88,700)	-	-	-
-	(160,355)	(160,355)	-	-	-
-	(6,430,797)	(6,430,797)	-	-	-
\$ (202,606,522)	\$ (6,430,797)	\$ (209,037,319)	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ (81,649,407)	\$ -	\$ -
-	-	-	-	(3,000,178)	-
-	-	-	-	-	(1,168,554)
-	-	-	(81,649,407)	(3,000,178)	(1,168,554)
87,632,233	-	87,632,233	-	-	-
97,132,220	-	97,132,220	-	-	-
272,787	-	272,787	-	-	-
9,678,920	-	9,678,920	-	-	-
1,213,347	-	1,213,347	-	-	-
3,414,046	-	3,414,046	-	-	-
1,865,957	-	1,865,957	-	-	-
-	-	-	107,159,799	3,004,584	818,009
7,932,266	1,817,477	9,749,743	542,336	91,113	822
1,596,056	1,323,863	2,919,919	12,422	6,032	480,321
(118,936)	118,936	-	-	-	-
210,618,896	3,260,276	213,879,172	107,714,557	3,101,729	1,299,152
8,012,374	(3,170,521)	4,841,853	26,065,150	101,551	130,598
202,823,232	146,413,879	349,237,111	(67,629,892)	2,507,844	13,511,151
\$ 210,835,606	\$ 143,243,358	\$ 354,078,964	\$ (41,564,742)	\$ 2,609,395	\$ 13,641,749

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

QUEEN ANNE'S COUNTY, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	MAJOR FUNDS				NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	GENERAL CAPITAL	ROADS CAPITAL	GRANTS FUND		
ASSETS						
Cash and Cash Equivalents	\$ 77,458,429	\$ 34,054,675	\$ 10,297,972	\$ 57,266	\$ 25,701,065	\$ 147,569,407
Prepaid Items	1,003,872	-	-	-	-	1,003,872
Receivables:						
Taxes Receivable (Net)	1,156,083	-	-	-	-	1,156,083
Accounts Receivable (Net)	609,491	540,075	-	103,086	67,938	1,320,590
Lease Receivable	806,795	-	-	-	-	806,795
Loans Receivable (Net)	-	-	-	-	6,761,202	6,761,202
Special Assessments (Net)	-	-	275,628	-	511,885	787,513
Due from Other Governments	47,476,138	80,482	-	500,155	1,500,494	49,557,269
Due from Other Funds	281,073	813,658	-	-	-	1,094,731
Inventory	-	-	-	-	1,223,652	1,223,652
Restricted:						
Restricted LOSAP Plan Assets	7,034,767	-	-	-	-	7,034,767
Restricted Equity in Pooled Cash	-	1,376,884	-	-	-	1,376,884
Total Assets	\$ 135,826,648	\$ 36,865,774	\$ 10,573,600	\$ 660,507	\$ 35,766,236	\$ 219,692,765
LIABILITIES						
Accrued Liabilities	\$ 7,335,152	\$ 673,648	\$ 6,449	\$ 47,595	\$ 1,746,857	\$ 9,809,701
Due to Other Funds	-	-	-	-	59,184	59,184
Due to Component Units	-	2,007,138	-	-	-	2,007,138
Due to Other Governmental Agencies	-	-	-	-	331,495	331,495
Unearned Revenue	16,946	-	-	612,912	643,925	1,273,783
Total Liabilities	7,352,098	2,680,786	6,449	660,507	2,781,461	13,481,301
DEFERRED INFLOWS OF RESOURCES						
Unavailable Income Taxes	38,748,955	-	-	-	-	38,748,955
Unavailable Property Taxes	162,470	-	-	-	-	162,470
Unavailable Benefit Assessments	-	-	275,644	-	511,885	787,529
Unavailable Fees	-	-	-	-	39,008	39,008
Unavailable Lease Revenue	774,456	-	-	-	-	774,456
Total Deferred Inflows	39,685,881	-	275,644	-	550,893	40,512,418
FUND BALANCES						
Nonspendable	1,036,210	-	-	-	1,223,652	2,259,862
Restricted	23,638,847	3,112,789	-	-	6,612,066	33,363,702
Committed	10,344,918	6,292,834	926,238	-	24,693,145	42,257,135
Assigned	-	24,779,365	9,365,269	-	911,643	35,056,277
Unassigned	53,768,694	-	-	-	(1,006,624)	52,762,070
Total Fund Balances	88,788,669	34,184,988	10,291,507	-	32,433,882	165,699,046
Total Liabilities, Deferred Inflows and Fund Balances	\$ 135,826,648	\$ 36,865,774	\$ 10,573,600	\$ 660,507	\$ 35,766,236	\$ 219,692,765

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

QUEEN ANNE'S COUNTY, MARYLAND
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total Fund Balance - Governmental Funds	\$	165,699,046
<u>Capital assets used in governmental fund activities are not current financial resources and therefore are not reported in the funds.</u>		196,756,198
<u>Receivables not included in the governmental funds because they relate to debt.</u>		
A portion of the County's 2014 Bond offering related to debt issued on behalf of Chesapeake College. Although Queen Anne's County will submit the payments to the lender for the bonds, there are five Counties total that will share the expense of the debt service for the Chesapeake College project. A receivable is booked in Government-Wide in order to offset the debt recorded on the books related to the portion of the Chesapeake College project that the other Counties are responsible for.		2,620,813
<u>Revenues that are deferred in the governmental funds because they do not provide current financial resources are recognized as revenues in the Statement of Activities.</u>		
Property Taxes deferred in governmental funds		162,470
Income Taxes deferred in governmental funds		38,748,955
<u>Long-term liabilities related to governmental fund activities are not due and payable in the current period and therefore are not reported in the funds.</u>		
Liability for Retirement Incentive and Employee Contracts		(366,175)
Bonds and Notes Payable		(113,219,246)
Accrued Interest Payable - long term debt		(1,615,734)
Accrued Interest Payable - leases		(14,448)
Accrued Interest Payable - Subscription		(15,483)
Lease Liability		(496,953)
Subscription Liability		(725,317)
OPEB		(19,219,105)
Net Pension Liability		(55,597,697)
Net LOSAP Liability		(11,098,220)
Accrued Compensated Absences		(4,323,383)
Deferred outflow of resources - OPEB		439,598
Deferred outflow of resources - Maryland State Pension		31,995,860
Deferred outflow of resources - LOSAP		1,087,051
Deferred outflow of resources - Refundings		163,681
Deferred inflow of resources - OPEB		(13,893,431)
Deferred inflow of resources - Maryland State Pension		(3,448,862)
Deferred inflow of resources - LOSAP		(2,688,512)
Deferred inflow of resources - Refundings		(115,500)
Total Net Position - Governmental Activities	\$	<u>210,835,606</u>

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	MAJOR FUNDS				NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	GENERAL CAPITAL	ROADS CAPITAL	GRANTS FUND		
REVENUES						
Taxes						
Local Property Tax	\$ 87,494,793	\$ -	\$ -	\$ -	\$ 61,894	\$ 87,556,687
Local Income Tax	92,720,625	-	-	-	-	92,720,625
Admission and Amusement Taxes	272,787	-	-	-	-	272,787
Recordation Taxes	9,385,619	-	-	-	293,301	9,678,920
Hotel Taxes	1,213,347	-	-	-	-	1,213,347
County Transfer Taxes	3,414,046	-	-	-	-	3,414,046
State Shared Taxes	-	-	-	-	1,865,957	1,865,957
Franchise Fee	332,058	-	-	-	-	332,058
Licenses and Permits	1,004,502	36,895	-	-	-	1,041,397
Intergovernmental	3,383,937	3,286,354	118,939	1,815,735	4,420,712	13,025,677
Charges for Current Services	4,671,784	90,358	33,715	32,054	3,190,116	8,018,027
Fines and Forfeitures	50,961	-	-	-	36,951	87,912
Investment Income	6,500,117	302,634	283,982	-	845,533	7,932,266
Donations	650	-	-	-	35,010	35,660
Miscellaneous	1,226,238	81,006	16,177	155,499	117,136	1,596,056
Total Revenues	211,671,464	3,797,247	452,813	2,003,288	10,866,610	228,791,422
EXPENDITURES						
Current						
General Government	16,815,075	2,596,909	-	109,891	1,023,275	20,545,150
Public Safety	42,683,078	1,240,592	-	565,103	544,553	45,033,326
Public Works	8,982,234	1,193,102	1,502,908	-	6,200,506	17,878,750
Parks & Recreation	6,587,607	298,092	-	28,666	-	6,914,365
Health and Social Services	2,466,877	698,989	-	251,711	5,691,275	9,108,852
Education and Library	80,064,760	20,804,951	-	-	-	100,869,711
Conservation of Natural Resources	909,133	254,076	-	19,273	2,320,691	3,503,173
Economic/Community Development	2,062,174	4,165	-	942,186	1,373,301	4,381,826
Intergovernmental	665,940	-	-	-	-	665,940
Miscellaneous	7,859,623	-	-	-	-	7,859,623
Capital Outlay	-	4,189,725	1,671,040	118,458	119,743	6,098,966
Debt Service						
Principal	8,641,831	-	-	-	47,816	8,689,647
Debt Issuance Costs	-	217,705	-	-	-	217,705
Interest and Fiscal Charges	3,838,431	-	-	-	-	3,838,431
Total Expenditures	181,576,763	31,498,306	3,173,948	2,035,288	17,321,160	235,605,465
Excess of Revenues Over (Under) Expenditures	30,094,701	(27,701,059)	(2,721,135)	(32,000)	(6,454,550)	(6,814,043)
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	(1,289,011)	1,289,011	-	-	-
Proceeds of Capital Asset Disposals	52,860	2,912	-	-	23,903	79,675
Insurance Proceeds	226,231	-	-	-	10,874	237,105
Subscription-Based IT Arrangements	208,958	-	-	-	-	208,958
Transfers In	2,167,290	7,117,445	5,214,061	32,000	9,012,769	23,543,565
Transfers Out	(21,475,549)	-	-	-	(2,186,952)	(23,662,501)
Other Financing Sources (Uses)	(18,820,210)	5,831,346	6,503,072	32,000	6,860,594	406,802
Change in Fund Balances	11,274,491	(21,869,713)	3,781,937	-	406,044	(6,407,241)
Fund Balances, July 1	77,514,178	56,054,701	6,509,570	-	32,027,838	172,106,287
Fund Balances, June 30	\$ 88,788,669	\$ 34,184,988	\$ 10,291,507	\$ -	\$ 32,433,882	\$ 165,699,046

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

QUEEN ANNE'S 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, 2025

Net change in fund balance - Governmental Funds **\$ (6,407,241)**

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated
over the estimated useful lives of those assets through an annual depreciation charge. The differences are as follows:

Current year additions of capital assets	7,912,100
Current year disposals of capital assets	(176,739)
Depreciation expenses recorded in the Statement of Activities	(8,732,565)

Receivables not included in the governmental funds because they relate to debt.

A portion of the County's 2014 Bond offering related to debt issued on behalf of Chesapeake College. Although Queen Anne's County will submit the payments to the lender for the bonds, there are five Counties that will share the expense of the debt service for the Chesapeake College project. A receivable is booked in Government-Wide in order to offset the debt recorded on the books related to the portion of the Chesapeake College project that the other Counties are responsible for.

Change in bond receivable related to 2014 bonds	(237,963)
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Revenues that are earned but not collected within sixty days after the end of the fiscal year are not considered to be "available" to meet current cash requirements and are deferred in the Governmental Funds to the following year. However, these revenues are recognized in the Statement of Activities. The amount by which this type of deferred inflows increased or (decreased) relative to the prior year is as follows:

Change in Property Tax Deferred Inflows	75,546
Change in Income Tax Deferred Inflows	4,411,595

Liability for retirement incentive

As part of the retirement incentives offered in fiscal year 2018, retirees were given a certain period of health insurance at no cost, rather than the normal premium. The maximum period of no cost health insurance was five years. The liability for the benefit offered to the retirees is included in the government-wide statements and adjusted each year until the benefit period is over.

As part of an employee contract of a past employee, the County is responsible for a death benefit of \$250,000 plus inflation. This liability will remain until the payment is made.

Change in liability for the retirement incentive and employee contracts	(9,519)
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Issuance of long-term debt (e.g., bonds, notes, and financing leases) provides current financial resources to Governmental Funds, while repayment of principal due for long-term debt consumes current resources. In the Statement of Net Position, issuing debt increases long term liabilities, while repayment reduces those liabilities.

Retirements and repayments made on long term debt	9,129,474
Bond Premium amortization	872,737

Some accrued expenses, reported in the Statement of Activities, do not require the use of current financial resources and are not reported as expenditures in the Governmental Funds.

Change in:

Accrued Interest Payable - long term debt	145,097
Accrued Interest Payable - leases	1,575
Accrued Interest Payable - Subscription	5,881
Lease Liability	55,401
Subscription Liability	180,518
OPEB	5,433,472
Net pension liability - Maryland State Pension	(13,875,446)
Net LOSAP Liability	82,023
Accrued Compensated Absences	(174,848)
Deferred outflow of resources - OPEB	(232,469)
Deferred outflow of resources - Maryland State Pension	11,627,911
Deferred outflow of resources - LOSAP	(264,207)
Deferred outflow of resources - Refunding	(81,840)
Deferred inflow of resources - OPEB	(1,735,225)
Deferred inflow of resources - Maryland State Pension	(182,221)
Deferred inflow of resources - LOSAP	168,961
Deferred inflow of resources - Refunding	20,366

Change in Net Position - governmental activities **\$ 8,012,374**

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2025

ASSETS	SANITARY DISTRICT				
	SEWER	WATER	RESTRICTED	DEBT SERVICE	TOTAL
	OPERATIONS	OPERATIONS	FUND	FUND	
Current Assets					
Unrestricted					
Equity in Pooled Cash	\$ 5,991,002	\$ 7,073,604	\$ -	\$ -	\$ 13,064,606
Prepaid Items	-	-	-	-	-
Accounts Receivable (Net)	575,276	116,309	-	-	691,585
Due from Other Governments	-	-	-	-	-
Lease receivable	-	1,292,357	-	-	1,292,357
Inventories	800,462	-	-	-	800,462
Restricted					
Restricted Equity in Pooled Cash	-	-	26,485,159	2,160,833	28,645,992
Restricted Accounts Receivable (Net)	-	-	2,443,237	333,122	2,776,359
Total Current Assets	7,366,740	8,482,270	28,928,396	2,493,955	47,271,361
Noncurrent Assets					
Restricted					
Special Assessments Receivable (Net)	-	-	1,057,806	18,384,966	19,442,772
Total Noncurrent Restricted Assets	-	-	1,057,806	18,384,966	19,442,772
Capital and Intangible Assets	158,267,408	41,672,883	-	-	199,940,291
Less Accumulated Depreciation and Amortization	(65,018,180)	(15,627,592)	-	-	(80,645,772)
Total Capital Assets, Net	93,249,228	26,045,291	-	-	119,294,519
Total Assets	100,615,968	34,527,561	29,986,202	20,878,921	186,008,652
DEFERRED OUTFLOWS OF RESOURCES					
OPEB	65,407	28,857	-	-	94,264
Pension Benefits	1,821,334	526,328	-	-	2,347,662
Deferred Charge on Refunding	-	-	-	-	-
Total Deferred Outflows of Resources	1,886,741	555,185	-	-	2,441,926
LIABILITIES					
Current Liabilities					
Payable from Unrestricted Assets					
Accounts Payable	1,231,850	236,983	92,212	-	1,561,045
Accrued Interest Payable	134,986	-	-	-	134,986
Escrow Deposits	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	139,368	3,227	-	-	142,595
Current Portion of Compensated Absences	190,670	127,113	-	-	317,783
Current Portion of Lease Payable	-	-	-	-	-
Current Portion of Bonds/Notes Payable	2,156,871	-	-	-	2,156,871
Total Current Liabilities	3,853,745	367,323	92,212	-	4,313,280
Noncurrent Liabilities					
Payable from Unrestricted Assets					
Compensated Absences	127,113	84,742	-	-	211,855
OPEB	3,349,757	1,133,279	-	-	4,483,036
Net Pension Liability	2,650,621	760,705	-	-	3,411,326
Lease Payable	-	-	-	-	-
Bonds/Notes Payable	38,130,496	-	-	-	38,130,496
Total Noncurrent Liabilities	44,257,987	1,978,726	-	-	46,236,713
Total Liabilities	48,111,732	2,346,049	92,212	-	50,549,993
DEFERRED INFLOWS OF RESOURCES					
OPEB	1,398,339	353,136	-	-	1,751,475
Pension Benefits	274,511	91,972	-	-	366,483
Bond Refundings	-	-	-	-	-
Water and Sewer Assessments	-	-	1,057,990	18,414,337	19,472,327
Lease receivable	-	1,248,001	-	-	1,248,001
Total Deferred Inflows of Resources	1,672,850	1,693,109	1,057,990	18,414,337	22,838,286
NET POSITION					
Net Investment in Capital Assets	52,155,322	26,045,291	-	-	78,200,613
Amounts Restricted for:					
Debt Service	-	-	-	2,464,584	2,464,584
Unrestricted Amounts (Deficit)	562,805	4,998,297	28,836,000	-	34,397,102
Total Net Position	\$ 52,718,127	\$ 31,043,588	\$ 28,836,000	\$ 2,464,584	\$ 115,062,299

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

QUEEN ANNE'S COUNTY, MARYLAND

STATEMENT OF NET POSITION

ENTERPRISE FUNDS

June 30, 2025

(CONTINUED)

			TOTAL PRIMARY GOVERNMENT
BAY BRIDGE AIRPORT	NON-MAJOR ENTERPRISE FUNDS	ENTERPRISE FUNDS	ENTERPRISE FUNDS
\$ 1,134,968	\$ 800,928	\$ 15,000,502	
-	2,520	2,520	
34,071	59,079	784,735	
20,942	246,225	267,167	
343,547	-	1,635,904	
18,730	9,251	828,443	
-	-	28,645,992	
-	-	2,776,359	
1,552,258	1,118,003	49,941,622	
-	-	19,442,772	
-	-	19,442,772	
27,931,875	11,530,781	239,402,947	
(6,470,774)	(2,945,002)	(90,061,548)	
21,461,101	8,585,779	149,341,399	
23,013,359	9,703,782	218,725,793	
825	3,911	99,000	
74,062	198,214	2,619,938	
2,064	294	2,358	
76,951	202,419	2,721,296	
75,229	318,512	1,954,786	
14,208	7,879	157,073	
26,032	-	26,032	
813,658	221,889	1,035,547	
-	9,422	152,017	
30,697	45,752	394,232	
-	28,590	28,590	
124,363	84,120	2,365,354	
1,084,187	716,164	6,113,631	
20,464	30,501	262,820	
249,342	205,628	4,938,006	
110,084	268,984	3,790,394	
-	54,202	54,202	
1,063,287	538,801	39,732,584	
1,443,177	1,098,116	48,778,006	
2,527,364	1,814,280	54,891,637	
16,819	64,214	1,832,508	
10,217	38,560	415,260	
210	1,115	1,325	
-	-	19,472,327	
342,673	-	1,590,674	
369,919	103,889	23,312,094	
20,222,979	7,879,245	106,302,837	
1,189,274	-	3,653,858	
(1,219,226)	108,787	33,286,663	
\$ 20,193,027	\$ 7,988,032	\$ 143,243,358	

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SANITARY DISTRICT				TOTAL
	SEWER OPERATIONS	WATER OPERATIONS	RESTRICTED FUND	DEBT SERVICE FUND	
OPERATING REVENUES					
Charges for Services	\$ 7,697,753	\$ 3,385,789	\$ 981,185	\$ 670,724	\$ 12,735,451
Intergovernmental	881,221	-	930,000	-	1,811,221
Material Sales	-	22,274	-	-	22,274
Miscellaneous Revenues	269,834	256,186	-	-	526,020
Total Operating Revenues	8,848,808	3,664,249	1,911,185	670,724	15,094,966
OPERATING EXPENSES					
Cost of Sales and Services					
Collection	4,126,252	-	-	-	4,126,252
Distribution	-	582,238	-	-	582,238
Treatment	2,309,242	2,179,267	-	-	4,488,509
Shop	191,337	84,787	-	-	276,124
Airport	-	-	-	-	-
Recreation	-	-	-	-	-
Total Cost of Sales and Services	6,626,831	2,846,292	-	-	9,473,123
Administration and Inspection	1,315,803	3,220,390	-	-	4,536,193
OPEB	(302,779)	(95,005)	-	-	(397,784)
Pension Liability Adjustment	(316,170)	(65,306)	-	-	(381,476)
Depreciation and amortization	2,967,755	942,901	-	-	3,910,656
Total Operating Expenses	10,291,440	6,849,272	-	-	17,140,712
Operating Income (Loss)	(1,442,632)	(3,185,023)	1,911,185	670,724	(2,045,746)
NON-OPERATING REVENUES (EXPENSES)					
Investment Income	274,039	154,593	1,011,089	375,399	1,815,120
Interest Expense	(424,511)	-	-	-	(424,511)
Loss on Disposal of Capital Assets	-	(2,281,352)	-	-	(2,281,352)
Total Non-Operating Revenues (Expenses)	(150,472)	(2,126,759)	1,011,089	375,399	(890,743)
Income (Loss) Before Contributions and Transfers	(1,593,104)	(5,311,782)	2,922,274	1,046,123	(2,936,489)
Capital Contributions, Fees and Grants	257,723	219,729	-	-	477,452
TRANSFERS					
Transfers In	2,634,334	2,237,688	260,753	1,039,566	6,172,341
Transfers Out	(184,031)	(76,723)	(3,277,254)	(2,545,760)	(6,083,768)
Net Transfers In (Out)	2,450,303	2,160,965	(3,016,501)	(1,506,194)	88,573
Change in Net Position	1,114,922	(2,931,088)	(94,227)	(460,071)	(2,370,464)
Total Net Position - Beginning of Year	51,603,205	33,974,676	28,930,227	2,924,655	117,432,763
Total Net Position - End of Year	\$ 52,718,127	\$ 31,043,588	\$ 28,836,000	\$ 2,464,584	\$ 115,062,299

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

(CONTINUED)

			TOTAL PRIMARY GOVERNMENT ENTERPRISE FUNDS
BAY BRIDGE AIRPORT	NON-MAJOR ENTERPRISE FUNDS		
\$ 12,086	\$ 1,106,897	\$	13,854,434
88,163	246,225		2,145,609
228,534	70,351		321,159
447,902	28,782		1,002,704
<u>776,685</u>	<u>1,452,255</u>		<u>17,323,906</u>
-	-		4,126,252
-	-		582,238
-	-		4,488,509
-	-		276,124
756,807	-		756,807
-	1,403,592		1,403,592
<u>756,807</u>	<u>1,403,592</u>		<u>11,633,522</u>
-	-		4,536,193
(3,836)	(14,494)		(416,114)
(11,509)	(33,723)		(426,708)
656,261	231,686		4,798,603
<u>1,397,723</u>	<u>1,587,061</u>		<u>20,125,496</u>
<u>(621,038)</u>	<u>(134,806)</u>		<u>(2,801,590)</u>
2,357	-		1,817,477
(61,817)	(15,116)		(501,444)
-	-		(2,281,352)
<u>(59,460)</u>	<u>(15,116)</u>		<u>(965,319)</u>
<u>(680,498)</u>	<u>(149,922)</u>		<u>(3,766,909)</u>
-	-		477,452
25,796	4,567		6,202,704
-	-		(6,083,768)
<u>25,796</u>	<u>4,567</u>		<u>118,936</u>
(654,702)	(145,355)		(3,170,521)
<u>20,847,729</u>	<u>8,133,387</u>		<u>146,413,879</u>
<u>\$ 20,193,027</u>	<u>\$ 7,988,032</u>	<u>\$</u>	<u>143,243,358</u>

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SANITARY DISTRICT				TOTAL
	SEWER OPERATIONS	WATER OPERATIONS	RESTRICTED FUND	DEBT SERVICE FUND	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 7,532,651	\$ 3,377,343	\$ 1,375,538	\$ 1,121,071	\$ 13,406,603
Receipts from other operating sources	1,203,489	119,295	930,000	-	2,252,784
Payments to suppliers	(2,794,752)	(3,892,618)	-	-	(6,687,370)
Payments to employees and on behalf of employees	(5,084,656)	(1,934,469)	-	-	(7,019,125)
Net Cash Provided (Used) by Operating Activities	856,732	(2,330,449)	2,305,538	1,121,071	1,952,892
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	2,634,334	2,237,688	260,753	1,039,566	6,172,341
Transfers to other funds	(184,031)	(76,723)	(3,277,254)	(2,545,760)	(6,083,768)
(Payments) Receipts of interfund loans	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	2,450,303	2,160,965	(3,016,501)	(1,506,194)	88,573
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from capital grants	-	-	-	-	-
Proceeds from capital debt	7,427,240	-	-	-	7,427,240
Proceeds from lease receivable	-	127,574	-	-	127,574
Principal paid on capital debt	(2,137,804)	-	-	-	(2,137,804)
Interest paid on capital debt	(407,956)	-	-	-	(407,956)
Acquisition and construction of capital assets	(5,007,190)	(408,187)	-	-	(5,415,377)
Net Cash Used by Capital and Related Financing Activities	(125,710)	(280,613)	-	-	(406,323)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	274,039	154,593	1,011,089	375,399	1,815,120
Net Cash Provided by Investing Activities - Investment Income	274,039	154,593	1,011,089	375,399	1,815,120
Net Increase (Decrease) in Cash and Cash Equivalents	3,455,364	(295,504)	300,126	(9,724)	3,450,262
Balances - Beginning of the year	2,535,638	7,369,108	26,185,033	2,170,557	38,260,336
Balances - End of the year	\$ 5,991,002	\$ 7,073,604	\$ 26,485,159	\$ 2,160,833	\$ 41,710,598
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (1,442,632)	\$ (3,185,023)	\$ 1,911,185	\$ 670,724	\$ (2,045,746)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	2,967,755	942,901	-	-	3,910,656
Lease revenue - deferred inflow	-	(140,118)	-	-	(140,118)
(Increase) decrease in assets:					
Accounts receivable, net	(165,102)	(30,720)	302,032	420,978	527,188
Special assessments receivable, net	-	-	(350,994)	167,552	(183,442)
Due from Other Governments	-	-	-	-	-
Inventories	(48,155)	-	-	-	(48,155)
Increase (decrease) in liabilities:					
Accounts payable	178,389	125,546	92,137	-	396,072
Escrow deposits	-	-	-	-	-
Unearned revenue	52,434	3,227	351,178	(138,183)	268,656
Compensated absences	(67,008)	114,048	-	-	47,040
OPEB	(302,779)	(95,005)	-	-	(397,784)
Pension Obligation	(316,170)	(65,305)	-	-	(381,475)
Net Cash Provided (Used) by Operating Activities	\$ 856,732	\$ (2,330,449)	\$ 2,305,538	\$ 1,121,071	\$ 1,952,892
Noncash investing, capital and financing activities:					
Contributed capital assets	\$ 257,723	\$ 219,729	\$ -	\$ -	\$ 477,452
Change in capital assets acquired through accounts and retainage payable	\$ 327,971	\$ -	\$ -	\$ -	\$ 327,971

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

(CONTINUED)

			TOTAL PRIMARY GOVERNMENT
BAY BRIDGE AIRPORT	NON-MAJOR ENTERPRISE FUNDS		ENTERPRISE FUNDS
\$ 270,519	\$ 1,209,159	\$	14,886,281
431,977	43,402		2,728,163
(533,352)	(649,431)		(7,870,153)
(204,455)	(516,783)		(7,740,363)
(35,311)	86,347		2,003,928
25,796	4,567		6,202,704
-	-		(6,083,768)
(61,678)	35,960		(25,718)
(35,882)	40,527		93,218
(18,289)	-		(18,289)
-	-		7,427,240
86,232	-		213,806
(120,080)	(108,798)		(2,366,682)
(62,437)	(16,328)		(486,721)
(549,961)	(60,546)		(6,025,884)
(664,535)	(185,672)		(1,256,530)
2,357	-		1,817,477
2,357	-		1,817,477
(733,371)	(58,798)		2,658,093
1,868,339	859,726		40,988,401
\$ 1,134,968	\$ 800,928	\$	43,646,494
\$ (621,038)	\$ (134,806)	\$	(2,801,590)
656,261	231,686		4,798,603
(87,407)	-		(227,525)
29,399	31,911		588,498
-	-		(183,442)
-	(231,226)		(231,226)
38,946	(1,147)		(10,356)
(26,083)	230,758		600,747
500	-		500
(16,681)	(379)		251,596
6,137	7,767		60,944
(3,836)	(14,494)		(416,114)
(11,509)	(33,723)		(426,707)
\$ (35,311)	\$ 86,347	\$	2,003,928
\$ -	\$ -	\$	477,452
\$ (278,715)	\$ -	\$	49,256

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST, OTHER POST-EMPLOYMENT BENEFIT TRUST, AND CUSTODIAL FUNDS
June 30, 2025

	PRIVATE PURPOSE TRUST FUND	OTHER POST- EMPLOYMENT BENEFIT TRUST FUND	CUSTODIAL FUNDS
	TAX SALE DEPOSITS		
ASSETS			
Cash and Cash Equivalents	\$ 443,016	\$ 766,349	\$ 1,509,519
Investments, at Fair Value			
Debt Securities	-	7,668,117	-
Fixed Income Fund	-	1,251,743	-
Mutual and Global Funds	-	12,003,899	-
International	-	4,134,992	-
Total Investments	-	25,058,751	-
Total Assets	443,016	25,825,100	1,509,519
LIABILITIES			
Accounts Payable and Other Liabilities	143,279	45,855	1,259
Due to Other Governments	-	-	307,607
Total Liabilities	143,279	45,855	308,866
NET POSITION			
Restricted for:			
Held in Trust	299,737	-	-
Other Post-Employment Benefits	-	25,779,245	-
Individuals, Organizations, and other Governments	-	-	1,200,653
Total Net Position	\$ 299,737	\$ 25,779,245	\$ 1,200,653

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST, OTHER POST-EMPLOYMENT BENEFIT TRUST, AND CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	PRIVATE PURPOSE TRUST FUND	OTHER POST- EMPLOYMENT BENEFIT TRUST FUND	CUSTODIAL FUNDS
	TAX SALE DEPOSITS		
ADDITIONS			
Contributions:			
Tax Sale Collections in Excess of Tax Due Employers	\$ 150,434	\$ -	\$ -
Members	-	3,471,912	-
	-	516,498	-
Total Contributions	150,434	3,988,410	-
Investment Earnings:			
Net Change in the Fair Value of Investments	-	1,796,852	-
Interest	-	656,612	-
Total Investment Earnings	-	2,453,464	-
Less Investment Administrative Expenses	-	10,294	-
Net Investment Earnings	-	2,443,170	-
Tax Ditch	-	-	35,918
Zoning Deposits	-	-	206,531
Tax Collections for Other Governments	-	-	17,895,321
Motor Vehicle Administration	-	-	233,820
Escheat - Abandoned Property	-	-	62,732
Inmate Welfare	-	-	99,806
Total Additions	150,434	6,431,580	18,534,128
DEDUCTIONS			
Distributions to Property Holders	173,348	-	-
Claims Paid for Other Post-Employment Benefits	-	2,530,256	-
Administrative Expenses	-	113,536	-
Distribution of Tax Ditch Funds	-	-	37,800
Refund of Zoning Deposits	-	-	81,079
Payments of Tax to Other Governments	-	-	17,895,321
Payments to Motor Vehicle Administration	-	-	233,820
Payments of Escheat to Others	-	-	62,732
Distribution of Inmate Welfare Funds	-	-	108,298
Total Deductions	173,348	2,643,792	18,419,050
Net Increase in Fiduciary Net Position	(22,914)	3,787,788	115,078
Net Position-Beginning of Year	322,651	21,991,457	1,085,575
Net Position-End of Year	\$ 299,737	\$ 25,779,245	\$ 1,200,653

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

**QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) applicable to local government entities. The following is a summary of significant policies.

A. REPORTING ENTITY

Queen Anne's County, Maryland (the County) was founded in 1706. The County is governed by five Commissioners who are elected to serve four-year terms. This board assumes responsibilities conferred upon them by the Maryland General Assembly under Code Home Rule and provides the following services: public safety, public facility/infrastructure maintenance and improvements, sanitation, health and social services, education, recreation and culture, library, conservation of natural resources, economic and community development, and general administrative services.

As required by GAAP, these financial statements present the primary government and its component units, which are entities for which the primary government is considered financially accountable. The decision to include a potential component unit in the financial reporting entity was made by applying the criteria set forth in the Government Accounting Standards Board (GASB) Statements No. 14 and 39. Blended component units, although separate entities, are in substance, part of the government's operations. However, each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for descriptions) to emphasize that it is legally separate from the government.

Blended Component Units

The Queen Anne's County Sanitary District serves citizens of the government and is governed by a board comprised of the government's elected Commissioners. The rates for user charges and bond issuance authorizations are approved by the Board of Commissioners and the legal liability for the general obligation portion of the District's debt remains with the government. The Sanitary District is reported as an enterprise fund.

The Queen Anne's County Roads Board serves all the citizens of the government and is governed by a board comprised of the government's elected Commissioners. All operations of the Roads Board are approved by the Board of Commissioners and the legal liability for any debt remains with the government. The Roads Operating Fund is included as a governmental fund.

Discretely Presented Component Units

Component units are legally separate entities that are included in the County's reporting entity because of the significance of their operating or financial relationships with the County. The criteria for including organizations as component units within the County's reporting entity include whether:

- the organization is legally separate
- the County Commissioners appoint a voting majority of the organization's board
- the County Commissioners have the ability to impose their will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- the organization is fiscally dependent on the County

Based on the application of these criteria, the following organizations are considered component units of Queen Anne's County Government. Their financial data is discretely presented in separate columns in the government-wide financial statements. Both discretely presented component units have a June 30 year end.

The Board of Education of Queen Anne's County is a five-member body responsible for the operation of Queen Anne's County Schools. Beginning with the November 2008 election, the members were elected by the County voters. The Board of Education is a component unit of Queen Anne's County, Maryland by virtue of the Board's fiscal dependency on the County through the County's responsibility for levying taxes, issuing debt, and its budgetary control over the Board of Education.

The Queen Anne's County Free Library is a component unit of the Queen Anne's County Government by virtue of the Library's fiscal dependency on the County. The County levies taxes and approves the Library's budget. The Library Board of Trustees governs the Library. Vacancies on the Board of Trustees are filled by vote of the remaining members of that Board.

**QUEEN ANNE’S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

Discretely Presented Component Units (continued)

Queen Anne’s County Housing Authority is a component unit of the Queen Anne’s County Government by virtue of the Housing Authority’s fiscal dependency on the County. Beginning in fiscal year 2025, the Housing Authority is again a component unit of the County, as it was in 2012 and prior. Through a partnership agreement the County’s government is designated as the management agency for the Housing Authority and shares responsibility for overseeing properties, projects, and staff. The Housing Authority Board retains its governance and oversight role.

Complete financial statements of the discretely presented component units can be obtained from their respective administrative offices listed below:

**Board of Education of
Queen Anne’s County**
202 Chesterfield Avenue
Centreville, MD 21617

**Queen Anne’s County
Free Library**
121 S. Commerce Street
Centreville, MD 21617

**Queen Anne’s County
Housing Authority**
PO Box 280
Centreville, MD 21617

Joint Venture

The operation of the Midshore Regional Landfill is considered a joint venture of the County. Disclosure of the County’s participation in this joint venture is presented in Note 20.

Complete financial statements can be obtained at the joint ventures’ administrative office listed below:

Maryland Environmental Service
259 Najoles Road
Millersville, Maryland 21108

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements – The government-wide financial statements report information on all of the non-fiduciary activities of the Primary Government and its component units. Since, by definition, assets of fiduciary funds are held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

Interfund activity within the primary government’s governmental activities and business-type activities has been eliminated from the government-wide statements. Interfund services provided and used are not eliminated in the process of consolidation. Residual balances between the governmental and business-type categories are presented on the Statement of Net Position as “Internal balances”.

Governmental activities of the Primary Government, 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.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Statement of Net Position – This statement is designed to display the financial position of the reporting entity as of year-end. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense, the cost of “using up” capital assets, in the Statement of Activities. Net position is divided into three categories: 1) net investment in capital assets; 2) restricted amounts; and 3) unrestricted amounts. *Net Investment in capital assets* consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. *Restricted amounts* are assets for which constraints are placed due to restrictions that are either (1) externally imposed by creditors, grantors, contributors, or laws and regulations of the government, or (2) imposed by law through constitutional provisions or enabling legislation. *Unrestricted amounts* consist of net assets that do not meet the definition of restricted or invested in capital assets.

Statement of Activities – This statement demonstrates the degree to which the direct expenses of a given function for the fiscal year are offset by program revenues. Therefore, this statement reflects both the gross and net costs per functional category (general government; public safety; public works; parks and recreation; health; social services; education; library; conservation of natural resources; and economic/community development) that are otherwise supported by general revenues. Direct expenses (including depreciation) are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. The operating grants and contributions column includes operating-specific and discretionary (either operating or capital) grants, while the capital grants and contributions column reflects capital-specific grants. Taxes and other items not properly included among program revenues are reported as general revenues. The County does not allocate indirect expenses.

Fund Financial Statements – Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise assets, liabilities, fund balance/net assets, revenues, and expenditures/expenses.

Governmental Fund Budget-to-Actual Comparison Statements – Demonstrating compliance with the legally adopted budget is an important component of government’s accountability to the public. The County provides a budget-to-actual comparison of the General Fund and Grants Fund as part of the required supplementary information section located after the Notes to the basic financial statements. A budget-to-actual comparison is also included for all non-major governmental funds with legally adopted budgets in the supplementary information section.

The County and many other governments revise their original budgets over the course of the year for a variety of reasons; the County’s amended budget is reflected in a separate column in the budget-to-actual comparison statements. Variances are calculated based on final budgets.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement Focus and Basis of Accounting

Full Accrual Basis 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Capital assets and related depreciation are recorded in these statements, as well as debt, accrued compensated absences, other post-employment benefits, and other accruals.

Modified Accrual Basis Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Revenues are recorded as soon as they are susceptible to accrual (i.e., when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment has matured and is due. Similarly, expenditures related to claims, judgments, compensated absences, and other post-employment benefits are recorded only to the extent that they are expected to be liquidated with expendable available financial resources. Capital assets, and related depreciation, as well as long-term liabilities are not recorded in these statements.

In applying the susceptible to accrual concept to income taxes (distributed by the State), property taxes, and inter-governmental revenues other than grants, the County defines "available" as received within 60 days after year-end.

In the State of Maryland, the State has assumed responsibility for the collection of all income taxes and for distributing those collections to the respective counties. The counties set their individual tax rates within limits provided by State law. However, collection and pursuit of delinquent taxes are the responsibility of the State. The County records estimated receivables relating to income taxes when the underlying income is earned. Amounts not received within 60 days are reported as deferred inflows of resources. At year-end, deferred revenue relating to income taxes primarily includes the final fiscal year distribution (which is normally received in September after the fiscal year-end) and amounts related to late filers, delinquent returns and audits, and unallocated withholding, all of which are not received within the County's availability period. Most deferred inflows are expected to be received from the State within the next fiscal year; however, collections related to delinquent returns and audits as well as unallocated withholding may not be remitted to the County for several years.

In applying the susceptible to accrual concept to operating and capital grants, which are classified with intergovernmental revenues in the fund financial statements, the County records receivables when the applicable eligibility requirements including time requirements are met. Related revenues are recognized to the extent that cash is expected to be received within one year of year-end. Resources received before the eligibility requirements are met are reported as unearned revenue.

Licenses and permits, charges for services, and miscellaneous revenues (except earnings on investments) are generally recorded as revenues when received in cash during the year. At year-end, receivables are recorded for significant amounts due. If such amounts are received in cash after year-end within the County's 60-day availability period, they are recognized as revenue. Benefit assessment receivables not billed at year end are reported as deferred inflows of resources.

Fiduciary Funds – The County's trust fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as is used by proprietary funds. Custodial funds report assets, liabilities, and changes in net position. Since fiduciary funds are, by their very nature, independent of the County, they are omitted from all government-wide statements.

Financial Statement Presentation - The County reports the following major governmental and proprietary funds, as well as fiduciary funds.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

General Fund – This fund is the general operating fund of the County. It is used to account for all financial resources except those required or recommended, by GAAP, to be accounted for in another fund.

Capital Projects Funds –

General Capital Projects - This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities, as well as other large multi-year projects that relate to capital assets, that are financed from general governmental resources.

Roads Capital Projects - This fund accounts for financial resources to be used for the construction of County Road infrastructure, as well as other large multi-year projects that relate to capital assets, that are financed from grants received from State and Federal Governments, Highway User Tax funds, and general governmental resources.

Grants Fund – This special revenue fund accounts for activities funded by grants and is included in various governmental functions, depending on the grant.

Non-Major Governmental Funds – There are eighteen non-major governmental funds, which are used to account for and report the proceeds of specific revenue sources. Included in the eighteen non-major governmental funds are fifteen special revenue funds and three capital project funds.

Major Enterprise Funds - Enterprise Funds are used to account for those activities of the Primary Government that are financed and operated in a manner similar to private business enterprises in that all costs and expenses, including depreciation, are recovered primarily or partially through user charges. The Sanitary District Funds are intended to be self-supporting as a whole, while the Airport is intended to be only partially self-supporting. The County reports the following major enterprise funds:

Sanitary District -

Sewer Operations - This fund is used to account for the operation of the sewer system serving approximately 9,900 customers.

Water Operations - This fund is used to account for the operation of the water supply system serving approximately 5,500 customers.

Restricted Fund - This fund is used to account for the proceeds of sewer and water capacity charges (one-time allocation fees) and is used to fund capital and debt service expenses.

Debt Service Fund - This fund is used to account for the collection of special benefit assessments, and financial resources from other sources, to fund debt associated with construction of water and sewer facilities in accordance with debt covenants.

Bay Bridge Airport – This fund is used to account for the operation of the County's airport that serves small, private aircraft.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Non-Major Enterprise Funds – Non-major Enterprise Funds account for activities which are commercial in nature and are primarily or partially intended to be self-supporting. The County has two non-major enterprise funds, neither of which is meant to be fully self-supporting. These funds include the Golf Course and Public Landings and Marinas.

Fiduciary Funds – Fiduciary Funds are used to report assets held in a trustee or agency capacity for entities other than the County. The County reports the following fiduciary fund types:

Private-Purpose Trust Fund – This fund accounts for an arrangement under which monies received at tax sale, in excess of taxes due, are legally held in trust for property owners who have not been located within a legally-defined time frame.

Other Post-Employment Benefit Trust Fund – This fund only accounts for the Queen Anne's County portion of the MACo (Maryland Association of Counties) pooled OPEB Investment Trust Fund.

Custodial Funds - These funds are used to account for deposits that are collected and held on behalf of individuals, organizations, and other governments. These monies include escrow deposits for tax ditches, zoning deposits, state and town tax collections, motor vehicle administration deposits, abandoned property, and inmate welfare funds.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the County's accounting policies are described below.

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds should be eliminated or reclassified. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The effect of interfund services provided and used between functions has not been eliminated in the Statement of Activities, since to do so would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1) **Cash and Investments**

Cash and Cash Equivalents – For Statement of Cash Flows reporting purposes, the County has defined “cash equivalents” as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present an insignificant risk of changes in value because of changes in interest rates. Generally, only investments with maturities of three months or less at time of purchase meet this definition. The balance sheet classification for “cash and cash equivalents” in the Statement of Cash Flows includes the following: “Equity in pooled cash and investments,” “Cash and cash equivalents,” and “Restricted Equity in pooled cash and investments.”

2) **Receivables and Payables**

Due To/From Other Funds and Internal Balances – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are current and are referred to as “due to/from other funds.” On the Statement of Net Position, these balances are referred to as “internal balances” and are reported as positive and negative “assets” that net to zero for the primary government as a whole.

Trade Accounts Receivable – Trade and other receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts is calculated based on historical collection data and, in some cases, specific account analysis.

3) **Inventories, Prepaids, and Other Assets**

Inventories consisting of materials, parts and supplies are recorded at cost and determined by weighted average cost method. Inventories held for resale are reported at lower of cost or market and determined by the first-in, first-out method. For budgetary purposes, the cost is recorded as an expenditure at the time individual inventory items are purchased (purchase method). The consumption method is used for financial reporting purposes whereby expense is recognized as the items are used (consumed). Reported inventories are equally offset by a fund balance reserve. Inventories in the Proprietary Funds are also recorded using the consumption method.

Prepaid items are payments made to vendors for services that will benefit periods beyond the end of the fiscal year.

4) **Capital Assets**

Capital assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or functionality of the asset, or materially extend asset lives, are not capitalized.

Land and other inexhaustible assets such as intangible property easements and other land usage rights are capitalized but not depreciated, as these assets are expected to have indefinite useful lives.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

4) **Capital Assets (continued)**

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense, incurred from the date of the borrowing until completion of the project, with interest earned on invested proceeds over the same period. Capital projects that are under construction and not yet ready for their intended use at year-end are classified as "construction in progress" (CIP).

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and structures	20 - 50
Improvements other than buildings	15 - 50
Infrastructure	20 - 50
Machinery and equipment	5 - 20
Office furniture, fixtures and equipment	5 - 15
Vehicles	5 - 10

5) **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources until that time.

6) **Other Post-Employment Benefit Obligation (OPEB)**

The Queen Anne's County post-employment benefit plan provides medical insurance benefits to retirees and their eligible dependents. The Plan's financial information is prepared based on full accrual accounting. Expenses are recognized on the accrual basis as retirees' insurance costs are incurred. Typically, OPEB liabilities are liquidated in the following governmental funds: the General Fund, Department of Aging, Housing and Community Services, and Community Partnerships for Children. OPEB liabilities are also liquidated in the following enterprise funds: Sanitary Sewer, Sanitary Water, Bay Bridge Airport, Golf Course, and Public Landings and Marinas. In both the government-wide and enterprise funds, the liability for OPEB is adjusted at the end of the fiscal year. Additional details regarding OPEB can be found in Notes 9 and 16.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

7) Net Pension Liability

The Queen Anne's County government participates in the Maryland State Retirement and Pension Systems. Beginning in fiscal year 2015, the County was required to report the net pension liability associated with this system. Typically, pension liabilities are liquidated in the following governmental funds: the General Fund, Department of Aging, Housing and Community Services, and Community Partnerships for Children. Pension liabilities are also liquidated in the following enterprise funds: Sanitary Sewer, Sanitary Water, Bay Bridge Airport, Golf Course, and Public Landings and Marinas. Additional details regarding retirement benefits can be found in Notes 9 and 14.

8) Volunteer Fireman Pension Plan Length of Service Award Program (LOSAP)

The LOSAP is a single-employer defined benefit length of service award program that covers all volunteer members of the County's Fire and EMS Commission. The County began recording the net LOSAP liability associated with this benefit in fiscal year 2019 with the implementation of Governmental Accounting Standards Board's Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68*. Additional details regarding LOSAP benefits can be found in Notes 9 and 17.

9) Compensated Absences

Primary Government – The County recognizes a liability for compensated absences that meet the criteria outlined in GASB Statement No. 101. A liability is recognized when the leave is attributable to services already rendered, accumulates and carries forward, and it is more likely than not that the leave will be used or paid in the future. The measurement of the liability is based on the employees' pay rates at the end of the reporting period and includes applicable salary-related payments. The current portion of this liability (expected to be paid within one year) is reported in the government-wide financial statements and enterprise fund financial statements as a current liability, and the remainder as a noncurrent liability. Compensated absences are reported in the governmental fund financial statements for absences used within the 60 day time period under the current financial resources measurement focus.

Component Unit - Board of Education – Twelve-month employees earn annual leave at varying rates dependent upon position and length of service. Annual leave generally must be taken by June 30 each year. For support staff, up to 20 days may be transferred to the next fiscal year. For administrative staff, up to 33 days must be transferred to the next fiscal year. Employees earn sick leave at varying rates per year depending upon position and utilization. There is no limit on the accumulation of sick leave. At termination, employees are not paid for accumulated sick leave; however, at retirement, a portion may be used as additional credited service under the retirement plan. The Board recognizes a liability for compensated absences that meet the criteria outlined in GASB Statement No. 101. A liability is recognized when leave is attributable to services already rendered, accumulates and carries forward, and is more likely than not that the leave will be used or paid in the future. The measurement of the liability is based on the employee's pay rates at the end of the reporting period.

Component Unit – Library – The Library accrues a liability for certain compensated absences (primarily vacation pay and certain accrued sick leave) that employees have earned but not have yet been paid.

Component Unit – Housing Authority – The liability for compensated absences reported in the financial statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

10) Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable in the proprietary fund financial statements and noncurrent liabilities in the government-wide financial statements are reported net of the applicable bond premium or discount. Bond issuance costs are reported in the period in which they have been incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. When debt is refunded in an advance refunding, payments to the Bond Refunding Agent and associated bond issuance costs are reported as other financing uses. When debt is refunded in a current refunding, the principal on refunded debt is reported as other financing uses.

11) Net Position/Fund Equity

In the government-wide financial statements, the County has reported an unrestricted net surplus of \$85,509,167. The County issues general obligation bonded debt for purposes of capital construction on behalf of the Queen Anne's County Board of Education. The capital assets constructed with the proceeds of this debt are reported on the financial statements of Queen Anne's County Board of Education. This amount is also classified as net investment in capital assets in the Board of Education column of the Component Units section of the County's government-wide Statement of Net Position. Since the Board of Education is not authorized to borrow funds, they do not have any debt.

Since the issuance of such debt has not resulted in capital assets owned by the Primary Government, the effect of this debt is reflected in the unrestricted net assets in the Governmental Activities column of the government-wide Statement of Net Position. At June 30, 2025, the County has reported outstanding general obligation debt related to assets held by the Board of Education amounting to \$39,390,472 (of which \$38,823,947 has been spent and the remaining \$566,525 relates to unspent bond proceeds).

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

11) Net Position/Fund Equity (continued)

The County reports a portion of its net position in its government-wide financial statements as restricted. In this context, restricted means that, as of June 30, 2025, this portion of net position was restricted for a particular purpose either by external parties; by provision of the County Charter; or by enabling legislation. Net position restricted by enabling legislation represents legislative restrictions that a party external to the government can compel the government to honor. For the County, such amounts represent primarily accumulated net position attributed to revenue streams that are restricted for specified purposes in the County Code. This generally includes the Rainy Day Fund, Capital Projects Fund impact fee collections and developer exactions on hand for outside entities; restricted amount for special revenue funds; and ending restricted net assets of the Sanitary District and other enterprise funds. Such amounts, which are restricted in the government-wide Statement of Net Position, are as follows at year-end:

Amounts Restricted for:	Governmental Activities	Business-type Activities
General government	\$ 16,850,377	\$ -
Economic/community development	3,097,352	-
Public safety	7,327,761	-
Conservation of natural resources	2,494,176	-
Social services	727,514	-
Debt service	-	3,653,858
Other Purposes	-	-
Total amounts restricted	\$ 30,497,180	\$ 3,653,858

Note that unspent bond proceeds of \$2,866,522 are included in restricted fund balance for the General Capital Projects Fund. At the Government-Wide level, the unspent bond proceeds are offset by the liability.

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

Nonspendable – amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. Nonspendable fund balances for the County include inventory and prepaid items.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Queen Anne's County Commissioners. The Commissioners are the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through formal actions such as a County Ordinance approved by the County Commissioners.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The assignment of funds rests with the County Commissioners. In addition, GASB 54 requires all positive residual amounts in special revenue funds to be reported as assigned.

Unassigned – all other spendable amounts; however, the General Fund is the only fund permitted to have a positive unassigned fund balance. Negative unassigned fund balances may occur in other governmental funds.

The County typically uses restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

12) Property Tax

The County's real property tax is levied each July 1 on the assessed values certified as of that date for all taxable real property located in the County. The levy functions as a lien against the property. Assessed values are established by the Maryland State Department of Assessments and Taxation at estimated market value. A revaluation of all property is required to be completed every three years. Taxes are then billed to property owners and collected by the County. Property represented by delinquent taxes is sold at a public auction in May of the following calendar year, with title transferring after foreclosure proceedings have been completed.

For small businesses that meet certain criteria and also principal residences, an installment plan is offered whereby total tax is paid in two equal installments. The first installment is due by September 30. Beginning October 1, a 1% penalty is charged on the first day of each month that the installment remains unpaid. This 1% penalty is based on the amount of the first installment only. The second installment is due by December 31. Beginning January 1, the 1% penalty would then include all outstanding balances. The County accepts partial payments.

For non-principal residences, payment is due in full by September 30. Beginning October 1, a penalty is charged for each month that taxes remain unpaid. For new construction, completed and assessed between July 1 and December 31, a supplementary tax is levied equal to half of the full-year levy. Payment in full is due by March 31. Beginning April 1, a penalty is charged for each month that taxes remain outstanding.

Real and personal property taxes are levied at rates enacted by the County Commissioners in the annual budget on the assessed value as determined by the Maryland Department of Assessments and Taxation. The rates of levy cannot exceed the constant yield rate furnished by the Maryland Department of Assessments and Taxation without public notice and only after public hearings. The County tax rate for the fiscal year ended June 30, 2025 was \$0.8300 per \$100 of assessed value.

E. NEW ACCOUNTING POLICIES

The County adopted Government Accounting Standards Board Statement No. 101, *Compensated Absences* on July 1, 2024. This statement's objective is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

The County adopted Government Accounting Standards Board Statement No. 102, *Certain Risk Disclosures* on July 1, 2024. This statement's objective is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Management has not identified any concentrations or constraints that are expected to have a severe impact on the County's ability to provide services or meet its obligations within this near term.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

Pursuant to the Code of Public Local Laws of Queen Anne's County, the County Commissioners adopt an annual operating budget and real property tax rate prior to July 1 each year. This action, taken after public hearings, provides the spending authority for the fiscal year beginning on July 1. Unexpended and unencumbered appropriation authority expires the following June 30, except in the case of Capital Projects where appropriations lapse only upon completion or cancellation of each project by the County Commissioners. The appropriated budgets are prepared at the fund, function, and departmental level. Expenditures/expenses may not legally exceed appropriations, based on the level at which they were adopted. For the General Fund, annual expenditure budgets are legally adopted at the departmental level. For all other Governmental Funds, for which annual budgets are adopted, expenditure budgets are legally adopted at the fund level.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

During the fiscal year, the Commissioners may adopt supplemental appropriations. For the year ended June 30, 2025, supplemental appropriations were as follows:

Supplemental Appropriations	Original Budget	Final Budget	Increase
General Fund - expenditures and transfers	\$ 191,173,501	\$ 206,100,159	\$ 14,926,658
Special Revenue Funds that adopt annual budgets			
Grants Fund - expenditures and transfers	\$ 2,253,555	\$ 2,458,175	\$ 204,620
Non-Major Funds that adopt annual budgets -			
Department of Aging - expenditures and transfers	\$ 4,094,408	\$ 4,286,544	\$ 192,136
Housing & Community Services - expenditures and transfers	1,483,563	2,161,588	678,025
Economic Development Incentive - expenditures and transfers	150,000	160,000	10,000
Roads Operating - expenditures and transfers	6,734,491	6,944,350	209,859
Community Partnerships for Children - expenditures and transfers	1,270,660	1,509,387	238,727
Agricultural Transfer - expenditures and transfers	5,068,102	5,727,746	659,644
Dredging Special Assessments - expenditures and transfers	47,816	1,097,816	1,050,000
Kent Narrows - expenditures and transfers	61,000	127,000	66,000
Community Reinvestment and Repair Commission - expenditures and transfers	-	90,000	90,000
Total Special Revenue Funds that adopt annual budgets	\$ 21,163,595	\$ 24,562,606	\$ 3,399,011

All final budgets are presented as amended. The Finance Director may approve budget amendments of \$10,000 or less, the County Administrator may approve budget amendments of \$100,000 or less, and amendments greater than \$100,000 require the approval of the County Commissioners.

Annual operating budgets are legally adopted for the General Fund, Grants Fund, and the following non-major governmental funds: Department of Aging, Housing and Community Services, Economic Development Incentive, Roads Operating, Community Partnerships for Children, Law Library, Inmate Welfare, Agricultural Transfer, Rural Legacy, Dredging Special Assessments, Kent Narrows, Community Reinvestment and Repair Commission, School Impact Fees Capital Projects, Fire Company Impact Fees Capital Projects, and Parks and Recreation Impact Fees Capital Projects. Proprietary Fund budgets are adopted for management control only and include all enterprise funds. Budgets are adopted using the same method of accounting as that used for Fund reporting purposes.

Budgets for the General Capital Projects Fund and the Roads Capital Projects Fund reflect multi-year appropriations at the individual project level. Expenditures may not legally exceed appropriations at that level and appropriations lapse at the completion or cancellation of individual projects. Since these capital projects funds do not adopt an annual budget per project, a Statement of Revenues, Expenditures, and Changes in Fund Balances on a budget-to-actual basis is not presented for these funds.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME

A. DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS

Deposits are maintained in a variety of financial institutions. Statutes authorize the County to invest in obligations of the United States Government, Federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the Maryland Local Government Investment Pool, money market mutual funds, commercial paper and repurchase agreements secured by direct government or agency obligations.

At year-end, the County Primary Government had deposits, including certificates of deposit of \$95,325,792 with local banks (carrying value \$96,104,604), all of which was covered by federal depository insurance or by collateral held by the County's agent in the County's name.

Of these options, the County participates in the Maryland Local Government Investment Pool (MLGIP), which provides all local government units of the state with a safe investment vehicle for short-term investment of funds. The State Legislature created MLGIP with the passage of Article 95 Section 22G, of the Annotated Code of Maryland. PNC Financial manages the MLGIP, under administrative control of the State Treasurer. A MLGIP Advisory Committee of current participants reviews the activities of the Fund on a quarterly basis and provides suggestions to enhance the pool. The MLGIP portfolio is managed in a manner consistent with the Securities and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. Standard and Poors rates the MLGIP as AAAM. The fair value of the pool is the same as the value of the pool shares. At June 30, 2025, the County had investments in MLGIP of \$98,428,238, which are recorded at cost, which approximates fair value.

As of June 30, 2025, the County's investments (excluding investments held for retiree health benefits), for both custodial and credit risk purposes, consisted solely of shares in the MLGIP. This investment is not deemed to have either risk and is in conformity with the County's policy relating to minimal credit risk of investments.

The majority of the Retiree Health Trust investments are invested in the Maryland Association of Counties Pooled OPEB Trust (MACO Trust). The MACO Trust is administered by Davenport & Company LLC, and is a wholly-owned instrumentality of its members.

The assets of the Trust are managed by a Board of Trustees and consist of U.S. Treasury obligations, U.S. government agencies, corporate and foreign bonds, municipal obligations, taxable fixed income securities, mutual funds, global funds, and international equity securities.

Cash and cash equivalents for the MACO Trust include an investment in a money market mutual fund. At June 30, 2025, the weighted average maturity (WAM) for the Trust's money market mutual fund investment was 37 days. At June 30, 2025, the short-term rating of the money market mutual fund was AAAM by Standard & Poor's.

The main objectives of the Trust's investment policy are the protection of investment principal, maximizing investment income through diversification while assuring financial liquidity. The policy allows for investment in U.S. and non-U.S. equities, corporate, government, or government agency bonds, non-U.S. bonds, Real Estate, and Limited Partnerships.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME (CONTINUED)

A. DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS (CONTINUED)

The Trust categorizes its fair value measurements with the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- 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.

Transactions are recorded on the trade date. Realized gains and losses are determined using the identified cost method. Any change in net unrealized gain or loss from the preceding period is reported in the statement of changes in fiduciary net position. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis. Following is a description of the valuation methodologies used for assets measured at fair value.

Equity securities classified in Level 1 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.

The Trust has the following recurring fair value measurements as of June 30, 2025, of which Queen Anne's County's portion was 24.9% of the total:

	Level 1	Level 2	Level 3	Total
Investments by fair value level:				
Debt Securities				
U.S. Treasury Obligations	\$ -	\$ 12,574,138	\$ -	\$ 12,574,138
U.S. Governmental Agencies	-	4,759,300	-	4,759,300
Corporate & Foreign Bonds	-	10,773,019	-	10,773,019
Municipal Obligations	-	2,709,746	-	2,709,746
Equity and Mutual Fund Investments				
Taxable Fixed Income Funds	-	5,030,434	-	5,030,434
Mutual Funds	39,348,893	-	-	39,348,893
Global Funds	8,891,709	-	-	8,891,709
International	16,617,477	-	-	16,617,477
Total	\$ 64,858,079	\$ 35,846,637	\$ -	\$ 100,704,716

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME (CONTINUED)

A. DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS (CONTINUED)

Information about the sensitivity of the fair values of the Trust's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Trust's investments by maturity as of June 30, 2025:

	Investment Maturities (in Years)					Total
	Less than 1	1 - 5	6 - 10	More than 10	Total	
Investments with Maturities						
U.S. Treasury Obligations	\$ -	\$ 2,929,205	\$ 2,866,178	\$ 6,778,755	\$ 12,574,138	
U.S. Governmental Agencies	-	180,054	325,699	4,253,547	4,759,300	
Corporate & Foreign Bonds	-	1,049,141	2,289,111	7,434,767	10,773,019	
Municipal Obligations	-	-	-	2,709,746	2,709,746	
Total	\$ -	\$ 4,158,400	\$ 5,480,988	\$ 21,176,815	\$ 30,816,203	

Credit Risk. The Trust is exposed to both market risk, the risk arising from changes in fair value, and credit risk, the risk of failure by another party to perform according to the terms of a contract. Trust assets may only be invested in investment grade bonds with a minimum rating of Baa3 by Moody's or BBB- by S&P. The Trust bears the risk of loss only to the extent of the fair value of its respective investments. At June 30, 2025, the ratings of the underlying investments of the Trust's investments were as follows:

Type	Rating						Total
	Aaa	Aa1/Aa2/	Aa3	A1/A2/A3	Baa1/Baa2/ Baa3	Not Rated	
U.S. Treasury Obligations	\$ -	\$ 12,398,879	\$ -	\$ -	\$ -	\$ 175,259	\$ 12,574,138
U.S. Governmental Agencies	-	-	-	-	-	4,759,300	4,759,300
Corporate & Foreign Bonds	158,156	2,074,094	6,227,095	2,313,674	-	-	10,773,019
Municipal Obligations	430,276	1,624,933	87,528	-	-	567,009	2,709,746
Total	\$ 588,432	\$ 16,097,906	\$ 6,314,623	\$ 2,313,674	\$ 5,501,568	\$ 30,816,203	

The *custodial credit risk* for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Trust will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Trust's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. The Trust has all of its assets on deposit with Wilmington Trust Company in connection with its investing and cash management activities. All of the investments held by the Trust at June 30, 2025, were exposed to custodial credit risk as the investments are uninsured and unregistered.

The following tables summarizes the composition of the Trust's investment balances by type as well as the interest rate range as of June 30, 2025:

	Fair Value	Interest Rate Range
U.S. Treasury Obligations	\$ 12,574,138	3.63 to 4.75%
U.S. Governmental Agencies	4,759,300	1.30 to 5.00%
Corporate & Foreign Bonds	10,773,019	1.95 to 6.63%
Municipal Obligations	2,709,746	3.05 to 7.34%
Taxable Fixed Income Funds	5,030,434	N/A
Mutual Funds	39,348,893	N/A
Global Funds	8,891,709	N/A
International	16,617,477	N/A
Total	\$ 100,704,716	

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME (CONTINUED)

A. DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS (CONTINUED)

Concentration of credit risk. The following general asset allocation guidelines have been established through the Trust's investment policy.

Asset Class	Minimum	Maximum	Target
Equities	50%	70%	65%
Fixed Income	30%	50%	35%
Cash and Equivalents	0%	10%	0%

The Trust held the following investments as of June 30, 2025 that exceeded 5% of the total investment balance as of June 30, 2025:

Name	Amount
VANGUARD 500 INDEX CL ADML	\$ 10,114,567
NEW WORLD FUND-R6	8,891,709
AMERICAN FUNDS INTERNATIONAL VNTG F-3	8,311,615
TRANSAMERICA TS&W INTERNATIONAL EQ-IS	8,305,863
FULLERTHALER BEHAVIORAL SC EQ R6	8,098,787
ISHARES MSCI USA QUALITY FACTOR ETF	6,519,727
VANGUARD MID-CAP INDEX FUND ADMIRAL SHARES	5,386,295

Foreign currency risk is the risk that changes in the exchange rate of investments will adversely affect the fair value of an investment. The Trust was not exposed to Foreign Currency risk as of June 30, 2025, as the Trust did not have any investments denominated in foreign currencies.

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of expense, was 5.6%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Capital Accounts

The Trust accounts for contributions, allocations, and redemptions on a per member capital account basis. The revenues, consulting and management fees, and administrative service fee are allocated pro rata to the capital accounts of each member based on committed capital. The fair value of member capital accounts is determined monthly.

Income Taxes

The Trust complies with the requirements of Section 115 of the Internal Revenue Code and is exempt from income taxes.

LOSAP Funds

The LOSAP funds are invested in a General Investment Account (GIA). The MassMutual Guaranteed Interest Account (GIA) is a general account product. Because the GIA is a general account product offered through a group annuity contract, participant principal and interest are backed by the entire general account assets of Empower Annuity Insurance Company of America (EAICA).

The investment strategy employed for this product seeks to achieve consistent returns to support a competitive credited rate. Bonds invested in the general account segment have an average maturity between three and seven years; are investment-grade in quality; and are diversified across a range of fixed-income asset classes such as asset-backed securities, mortgage-backed securities, commercial mortgage-backed securities, commercial mortgages and private equity.

General account products within retirement plans are offerings through which insurance companies guarantee both principal and interest to participants invested in the products. This affords participants the ability to both preserve capital and receive a generally higher credited rate than what is offered by money market funds in most interest rate environments. General account products tend to be less than equities or bond funds.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME (CONTINUED)

A. DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS (CONTINUED)

LOSAP Funds (Continued)

The fair value GAAP hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. GIA is measured on recurring basis and is considered to be Level 3 as liquidation value is based on actuarial formula as defined under the terms of the contract with no observable price.

The County's LOSAP fund GIA account balance as of June 30, 2025 is \$7,034,767 and is included in restricted LOSAP plan assets on the general fund balance sheet.

COMPONENT UNITS (BOARD OF EDUCATION AND LIBRARY)

Component Unit - Board of Education - At year-end, the carrying amount of deposits was \$17,170,449, including \$300,000 in certificates of deposit and excluding the carrying amount of fiduciary funds. At June 30, 2025, the Board had deposits of approximately \$18.5 million with local banks and the bank deposits were fully insured or collateralized.

Component Unit – Library - At year-end, the carrying amount of all bank deposits, including certificates of deposit, was \$1,551,571 and the balance per bank records totaled \$1,713,607. Of the bank balances, \$927,792 was secured by the FDIC and up to \$637,830 was available to be secured by collateral held by the pledging bank's trust department but not in the Library's name.

Component Unit – Housing Authority At year-end, the carrying amount of deposits was \$1,137,295 and the bank balance per bank records totaled \$1,595,198. At year end, the Housing Authority had \$373,567 in bank deposits (checking, money market, and savings accounts) that were uninsured and uncollateralized.

Total investment income earned in all governmental and business-type funds was credited for use as follows:

Investment Income	Governmental Activities	Business-type Activities
Major Governmental Funds		
General Fund	\$ 6,500,117	\$ -
General Capital Projects	302,634	-
Roads Capital Projects	283,982	-
Grants Fund	-	-
Non-Major Governmental Funds	845,533	-
Major Enterprise Funds		
Sanitary District	-	1,815,120
Bay Bridge Airport	-	2,357
Non-Major Enterprise Funds	-	-
Total Investment Income	\$ 7,932,266	\$ 1,817,477

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables as of June 30, 2025 for the governmental and business-type activities are as follows:

	General Fund	General Capital Projects	Roads Capital Projects	Grants Fund	Non-Major Governmental Funds	Total Governmental Funds	Total Enterprise Funds	Total Governmental and Enterprise Funds
Receivables								
Taxes - Real Property	\$ 451,012	\$ -	\$ -	\$ -	\$ -	\$ 451,012	\$ -	\$ 451,012
Taxes - Other	705,071	-	-	-	-	705,071	-	705,071
Subtotal Taxes Receivable (Net)	1,156,083	-	-	-	-	1,156,083	-	1,156,083
Other Accounts Receivable:								
QAC - PHA	-	531,258	-	-	-	531,258	-	531,258
Sanitary District - User and Septage Fees	-	-	-	-	-	-	691,585	691,585
Airport - Fuel Sales, User and Rental Fees	-	-	-	-	-	-	34,071	34,071
Miscellaneous Receivables	609,491	8,817	-	103,086	67,938	789,332	59,079	848,411
Subtotal Accounts Receivable (Net)	609,491	540,075	-	103,086	67,938	1,320,590	784,735	2,105,325
Loans Receivable	-	-	-	-	6,761,202	6,761,202	-	6,761,202
Special Assessments	-	-	275,628	-	511,885	787,513	-	787,513
Intergovernmental								
Income Taxes Held by State	45,927,229	-	-	-	-	45,927,229	-	45,927,229
Grants Receivable	166,641	80,482	-	500,155	1,074,315	1,821,593	267,167	2,088,760
Recordation Tax	1,382,268	-	-	-	-	1,382,268	-	1,382,268
State-Highway User Tax	-	-	-	-	426,179	426,179	-	426,179
Subtotal Due from Other Governments	47,476,138	80,482	-	500,155	1,500,494	49,557,269	267,167	49,824,436
Restricted Receivables								
Accounts Receivable (Net)	-	-	-	-	-	-	2,776,359	2,776,359
Special Assessments Receivable (Net)	-	-	-	-	-	-	19,442,772	19,442,772
Subtotal Restricted Receivables	-	-	-	-	-	-	22,219,131	22,219,131
Total Receivables	\$ 49,241,712	\$ 620,557	\$ 275,628	\$ 603,241	\$ 8,841,519	\$ 59,582,657	\$ 23,271,033	\$ 82,853,690

The County does not have any allowance for doubtful accounts related to the above receivables.

In Fiscal Year 2014, the County issued bonds on behalf of three mid-shore counties (Dorchester, Caroline, and Talbot) in order to provide funding for the new Center for Allied Health and Athletics at Chesapeake College. Therefore, in addition to the Governmental and Enterprise Fund receivables listed above, the County also has a \$2.6 million receivable on its government-wide Statement of Net Position, which represents the collective obligation of the three aforementioned counties for funding the facility at Chesapeake College.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 - ACCOUNTS RECEIVABLE (CONTINUED)

The County expects to receive all receivables listed in the table within one year, excluding the following items.

Loans receivable in the amount of \$6,761,202 relate to the Housing and Community Services, Impact Fees, and Revolving Loan Special Revenue Funds. Loans receivable in the amount of \$6,647,194 for Housing and Community Services will be repaid when the homes are sold, in virtually all cases. These loans support housing rehabilitation and home-ownership. When the loans are repaid to the County, the funds are then loaned out again to serve the same purpose. Loans for the Revolving Loan Fund in the amount of \$75,000 are also repaid over a number of years. The remaining loan receivable balance of \$39,008 relates to school, fire, and parks and recreation impact fees. In July 2007, the County began accepting promissory notes for impact fees, in certain situations, with the understanding that when certificate of occupancy was obtained, these notes would be paid in full. To ensure repayment, the notes attach to the property incurring the impact fee; therefore, payment will be required automatically prior to legal transfer of title.

Income taxes held by the State in the amount of \$45,927,229 have been estimated by the State as income tax due to the County. Local income tax revenue is collected by the State and distributed to the local governments throughout the year. The State's distribution of the County's share of income taxes lags behind the County's fiscal year. However, the State indicates that this is a reasonable estimate of their liability to the County and the County reports this amount in accordance with GAAP.

Special Assessments in the amount of \$787,513 represent receivables for governmental activities. Part of this amount consists of \$275,628 for assessments levied on homeowners to reimburse the County for construction or upgrade of private roads prior to their acceptance into the County Roads System. The other part of this amount consists of \$511,885 for assessments levied on homeowners relating to dredging costs. Payment of these assessments is expected over a number of years.

Restricted Special Assessments in the amount of \$19,442,772 represent restricted receivables for the Sanitary District. These receivables relate to assessments levied on homeowners for the construction of sewer and water lines, as well as for hook up costs. Only the current portion due is billed and the remaining balances are repaid over a number of years, as determined by the original agreement. As the funds are paid back, the County uses the money to repay debt.

NOTE 5 – UNEARNED REVENUE

Governmental funds report unearned revenue in connection with resources that have been received, but unearned. At the end of the current fiscal year, the components of *unearned revenue* were reported as follows:

	General	General	Roads	Grants	Non-Major	Total	Total	Total
	Capital	Capital	Capital		Governmental	Governmental	Enterprise	Governmental
Unearned Revenue	Fund	Projects	Projects	Fund	Funds	Funds	Funds	and Enterprise
								Funds
Property Tax Deferrals	\$ 10,185	\$ -	\$ -	\$ -	\$ -	\$ 10,185	\$ -	\$ 10,185
Inspection Fees Collected in Advance	-	-	-	-	-	-	142,595	142,595
Grant Drawdowns in Excess of Expenditures	-	-	-	612,912	643,925	1,256,837	-	1,256,837
Miscellaneous	6,761	-	-	-	-	6,761	9,422	16,183
Total Unearned Revenue	\$ 16,946	\$ -	\$ -	\$ 612,912	\$ 643,925	\$ 1,273,783	\$ 152,017	\$ 1,425,800

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – CAPITAL ASSETS

PRIMARY GOVERNMENT

Changes in the County's capital assets for governmental activities for the year ended June 30, 2025 are summarized as follows, with depreciation shown separately. Assets resulting from completed capital projects are shown in the Transfers column. Asset retirements are shown in the Decreases column.

Governmental Activities	Balance June 30, 2024	Increases	Transfers	Decreases	Balance June 30, 2025
Capital Assets, not being depreciated/amortized:					
Land	\$ 38,949,464	\$ -	\$ -	\$ -	\$ 38,949,464
Intangible Rights - Easements	821,819	-	-	-	821,819
Land Improvements	4,328,741	15,150	-	-	4,343,891
Construction in Progress	2,878,827	1,555,974	(2,235,682)	(82,026)	2,117,093
Land - Inexhaustible Infrastructure Improvements	43,890,863	-	-	-	43,890,863
Total Capital Assets, not being depreciated/amortized	90,869,714	1,571,124	(2,235,682)	(82,026)	90,123,130
Capital Assets, being depreciated/amortized:					
Buildings and Building Improvements	80,194,497	49,878	1,123,617	-	81,367,992
Improvements other than Buildings	25,235,850	830,874	-	-	26,066,724
Vehicles	18,525,120	2,470,893	-	(696,543)	20,299,470
Equipment	19,540,006	2,104,447	210,078	(253,172)	21,601,359
Furniture and Fixtures	15,496,620	608,113	-	(60,986)	16,043,747
Infrastructure Improvements - Depreciable	18,711,533	67,813	901,987	-	19,681,333
Intangible right to use lease land/facilities	638,500	-	-	-	638,500
Intangible right to use IT subscription	1,541,069	208,958	-	-	1,750,027
Total Capital Assets, being depreciated/amortized	179,883,195	6,340,976	2,235,682	(1,010,701)	187,449,152
Less Accumulated Depreciation/Amortization for:					
Buildings and Building Improvements	23,866,005	1,760,938	-	-	25,626,943
Improvements other than Buildings	7,396,026	1,253,609	-	-	8,649,635
Vehicles	11,348,044	1,965,053	-	(629,446)	12,683,651
Equipment	10,554,275	1,333,395	-	(225,556)	11,662,114
Furniture and Fixtures	8,306,593	1,687,522	-	(60,986)	9,933,129
Infrastructure Improvements - Depreciable	10,757,983	316,432	-	-	11,074,415
Intangible right to use lease land/facilities	135,309	67,655	-	-	202,964
Intangible right to use IT subscription	635,272	347,961	-	-	983,233
Total Accumulated Depreciation/Amortization	72,999,507	8,732,565	-	(915,988)	80,816,084
Total Capital Assets, being depreciated/amortized, net	106,883,688	(2,391,589)	2,235,682	(94,713)	106,633,068
Governmental activities Capital Assets, net	\$ 197,753,402	\$ (820,465)	\$ -	\$ (176,739)	\$ 196,756,198

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – CAPITAL ASSETS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Changes in the County's capital assets for business-type activities for the year ended June 30, 2025 are summarized as follows, with depreciation shown separately. Assets resulting from completed capital projects are shown in the Transfers column. Asset retirements are shown in the Decreases column.

Business-Type Activities	Balance June 30, 2024	Increases	Transfers	Decreases	Balance June 30, 2025
Capital Assets, not being depreciated/amortized:					
Land	\$ 10,916,330	\$ -	\$ -	\$ -	\$ 10,916,330
Land Improvements	9,500	-	-	-	9,500
Intangible Rights	6,140	-	-	-	6,140
Construction in Progress	6,599,907	3,666,982	(92,692)	(2,281,352)	7,892,845
Land - Inexhaustible Infrastructure Improvements	2,481,094	-	-	-	2,481,094
Total Capital Assets, not being depreciated/amortized	20,012,971	3,666,982	(92,692)	(2,281,352)	21,305,909
Capital Assets, being depreciated/amortized:					
Buildings and Improvements to Buildings	16,205,773	-	-	-	16,205,773
Improvements other than Buildings	18,807,369	-	-	(1,526,408)	17,280,961
Vehicles	2,019,358	510,235	14,534	-	2,544,127
Equipment	25,057,569	268,297	-	(80,768)	25,245,098
Furniture and Fixtures	72,375	-	-	-	72,375
Infrastructure Improvements - Depreciable	154,406,188	2,107,078	92,692	-	156,605,958
Intangible right to use lease equipment	142,746	-	-	-	142,746
Total Capital Assets, being depreciated/amortized	216,711,378	2,885,610	107,226	(1,607,176)	218,097,038
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements to Buildings	11,236,690	273,827	-	-	11,510,517
Improvements other than Buildings	8,959,580	674,726	-	(1,526,408)	8,107,898
Vehicles	1,610,017	157,223	14,534	-	1,781,774
Equipment	17,400,680	535,862	-	(80,768)	17,855,774
Furniture and Fixtures	36,002	6,786	-	-	42,788
Infrastructure Improvements - Depreciable	47,579,312	3,121,629	-	-	50,700,941
Intangible right to use lease equipment	33,306	28,550	-	-	61,856
Total Accumulated Depreciation/Amortization	86,855,587	4,798,603	14,534	(1,607,176)	90,061,548
Total Capital Assets, being depreciated/amortized, net	129,855,791	(1,912,993)	92,692	-	128,035,490
Business-Type activities Capital Assets, net	\$ 149,868,762	\$ 1,753,989	\$ -	\$ (2,281,352)	\$ 149,341,399

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – CAPITAL ASSETS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

	Governmental Activities	Business-type Activities
General Government	\$ 1,516,654	\$ -
Public Safety	3,201,525	-
Public Works	1,757,807	-
Parks & Recreation	1,439,897	-
Health and Social Services	369,136	-
Education and Library	249,570	-
Conservation of Natural Resources	113,876	-
Economic/Community Development	84,100	-
Major Enterprise Funds:		
Sanitary District	-	3,910,656
Bay Bridge Airport	-	656,261
Non-Major Enterprise Funds	-	231,686
Total amounts restricted	\$ 8,732,565	\$ 4,798,603

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – CAPITAL ASSETS (CONTINUED)

COMPONENT UNITS

Board of Education: Capital asset activity for the year ended June 30, 2025 is as follows:

Board of Education	Balance June 30, 2024	Increases	Transfers	Decreases	Balance June 30, 2025
Capital Assets, not being depreciated/amortized:					
Land	\$ 6,363,040	\$ -	\$ -	\$ -	\$ 6,363,040
Construction in Progress	10,124,077	19,618,538	(1,495,985)	-	28,246,630
Total Capital Assets, not being depreciated/amortized	16,487,117	19,618,538	(1,495,985)	-	34,609,670
Capital Assets, being depreciated/amortized:					
Land Improvements	5,398,921	861,863	1,094,404	(247,589)	7,107,599
Buildings	222,833,411	484,387	-	(83,225)	223,234,573
Furniture, Fixtures, and Equipment	22,133,658	745,416	401,581	(370,667)	22,909,988
Leased Equipment	2,042,919	515,011	-	-	2,557,930
Total Capital Assets, being depreciated/amortized	252,408,909	2,606,677	1,495,985	(701,481)	255,810,090
Less Accumulated Depreciation/Amortization for:					
Land Improvements	5,110,061	58,798	-	(245,526)	4,923,333
Buildings	85,363,426	4,491,793	-	(54,790)	89,800,429
Furniture, Fixtures, and Equipment	15,867,466	1,510,308	-	(352,735)	17,025,039
Leased Equipment	579,359	619,033	-	-	1,198,392
Total Accumulated Depreciation/Amortization	106,920,312	6,679,932	-	(653,051)	112,947,193
Total Capital Assets, being depreciated/amortized, net	145,488,597	(4,073,255)	1,495,985	(48,430)	142,862,897
Capital Assets, net	\$ 161,975,714	\$ 15,545,283	\$ -	\$ (48,430)	\$ 177,472,567

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – CAPITAL ASSETS (CONTINUED)

COMPONENT UNITS (CONTINUED)

Queen Anne's County Free Library: Capital asset activity for the year ended June 30, 2025 is as follows:

Library	Balance June 30, 2024	Increases	Transfers	Decreases	Balance June 30, 2025
Capital Assets, not being depreciated/amortized:					
Artwork	\$ 29,850	\$ -	\$ -	\$ -	\$ 29,850
Total Capital Assets, not being depreciated/amortized	29,850	-	-	-	29,850
Capital Assets, being depreciated/amortized:					
Books and Media	1,901,143	195,739	-	(204,994)	1,891,888
Building Improvements	402,207	33,500	-	-	435,707
Equipment	634,358	-	-	(23,597)	610,761
Right-to-use - Equipment	27,018	29,043	-	(27,018)	29,043
Total Capital Assets, being depreciated/amortized	2,964,726	258,282	-	(255,609)	2,967,399
Less Accumulated Depreciation/Amortization	1,275,065	241,375	-	(222,811)	1,293,629
Total Capital Assets, being depreciated/amortized, net	1,689,661	16,907	-	(32,798)	1,673,770
Capital Assets, net	\$ 1,719,511	\$ 16,907	\$ -	\$ (32,798)	\$ 1,703,620

Queen Anne's County Housing Authority: Capital asset activity for the year ended June 30, 2025 is as follows:

Housing Authority	Balance June 30, 2024	Increases	Transfers	Decreases	Balance June 30, 2025
Capital Assets, not being depreciated/amortized:					
Land	\$ 1,101,448	\$ -	\$ -	\$ -	\$ 1,101,448
Total Capital Assets, not being depreciated/amortized	1,101,448	-	-	-	1,101,448
Capital Assets, being depreciated/amortized:					
Buildings	22,429,007	567,370	-	(300,000)	22,696,377
Furniture, Equipment and Machinery:					
Dwellings	299,984	18,700	-	(21,855)	296,829
Administration	245,122	-	-	(57,232)	187,890
Total Capital Assets, being depreciated/amortized	22,974,113	586,070	-	(379,087)	23,181,096
Less Accumulated Depreciation/Amortization	10,145,376	495,827	-	(160,595)	10,480,608
Total Capital Assets, being depreciated/amortized, net	12,828,737	90,243	-	(218,492)	12,700,488
Capital Assets, net	\$ 13,930,185	\$ 90,243	\$ -	\$ (218,492)	\$ 13,801,936

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables are usually used by the County to cover temporary cash deficits in individual funds until grant or similar resources are received.

The interfund and intra-entity receivables and payables consist of the following at June 30, 2025:

Due to Fund	Due from Fund									Total Due From
	General Fund	Capital Projects	Roads Capital	Grants Fund	Non-Major Governmental	Sanitary District	Bay Bridge Airport	Non-Major Enterprise		
General Fund	\$ 281,073	\$ -	\$ -	\$ -	\$ -	\$ 59,184	\$ -	\$ -	\$ 221,889	\$ 281,073
General Capital Projects	813,658	-	-	-	-	-	-	813,658	-	813,658
Roads Capital	-	-	-	-	-	-	-	-	-	-
Grants Fund	-	-	-	-	-	-	-	-	-	-
Non-Major Governmental	-	-	-	-	-	-	-	-	-	-
Sanitary District	-	-	-	-	-	-	-	-	-	-
Bay Bridge Airport	-	-	-	-	-	-	-	-	-	-
Non-Major Enterprise	-	-	-	-	-	-	-	-	-	-
Total Due To Fund	\$ 1,094,731	\$ -	\$ -	\$ -	\$ -	\$ 59,184	\$ -	\$ 813,658	\$ 221,889	\$ 1,094,731

Interfund receivables and payables are reported on the Statement of Net Position as Internal Balances, net of transactions between the same types of funds.

NOTE 8 - INTERFUND TRANSFERS

Interfund transfers represent a transfer of resources from one fund to another without expectation of repayment. Usually, these transfers are undertaken to enable the receiving entity to provide services that the government has determined to be in the best interest of the County.

The transfers from the General Fund provide funding for capital projects and to fund programs in the non-major special revenue funds. Transfers from the General Fund to the enterprise funds are to pay for a portion of debt service related to an Airport project and also to provide funding to the Golf Course and Public Landings Funds for capital projects. The transfers from non-major governmental funds provide funding from the Impact Fee Funds to the General Fund. The transfers from Restricted and Debt Service Sanitary funds are to cover Sanitary related debt service.

The following interfund transfers were made during the fiscal year ended June 30, 2025:

Transfers Out	Transfers In									Total Transfers In
	General Fund	Capital Projects	Roads Capital	Grants Fund	Non-Major Governmental	Sanitary District	Bay Bridge Airport	Non-Major Enterprise		
General Fund	\$ 21,475,549	\$ -	\$ 7,117,445	\$ 5,214,061	\$ 32,000	\$ 9,012,769	\$ 68,911	\$ 25,796	\$ 4,567	\$ 21,475,549
General Capital Projects	-	-	-	-	-	-	-	-	-	-
Roads Capital	-	-	-	-	-	-	-	-	-	-
Grants Fund	-	-	-	-	-	-	-	-	-	-
Non-Major Governmental	2,186,952	2,167,290	-	-	-	-	19,662	-	-	2,186,952
Sanitary District	6,083,768	-	-	-	-	-	6,083,768	-	-	6,083,768
Bay Bridge Airport	-	-	-	-	-	-	-	-	-	-
Non-Major Enterprise	-	-	-	-	-	-	-	-	-	-
Total Transfers Out	\$ 29,746,269	\$ 2,167,290	\$ 7,117,445	\$ 5,214,061	\$ 32,000	\$ 9,012,769	\$ 6,172,341	\$ 25,796	\$ 4,567	\$ 29,746,269

Reconciliation of interfund transfers to the Statement of Activities

Governmental Funds Transfers In	\$ 23,543,565	Enterprise Funds Transfers In	\$ 6,202,704
Governmental Funds Transfers Out	(23,662,501)	Enterprise Funds Transfers Out	(6,083,768)
Total Governmental Activities	\$ (118,936)	Total Business-Type Activities	\$ 118,936

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 - NONCURRENT LIABILITIES

A. CHANGES IN NONCURRENT LIABILITIES

During the year ended June 30, 2025, the following changes occurred in the noncurrent liabilities of the primary government's governmental activities:

PRIMARY GOVERNMENT

Governmental Activities	Balance June 30, 2024	Additions of debt	Retirements and Repayments	Balance June 30, 2025	Due Within One Year	Due in More than One Year
General Bonds Payable	\$ 109,864,531	\$ -	\$ 8,773,920	\$ 101,090,611	\$ 9,128,634	\$ 91,961,977
General Bonds Payable - Related to PHA	376,513	-	69,774	306,739	72,885	233,854
General Bonds Payable - Related to Ches College	2,858,777	-	237,964	2,620,813	247,611	2,373,202
Notes Payable	560,325	-	47,816	512,509	47,816	464,693
Bond Premiums	9,561,311	-	872,737	8,688,574	872,744	7,815,830
Subtotal Governmental Activities Debt	123,221,457	-	10,002,211	113,219,246	10,369,690	102,849,556
Lease Liability	552,354	-	55,401	496,953	58,224	438,729
Subscription Liability	905,835	208,958	389,476	725,317	364,534	360,783
OPEB	24,652,577	-	5,433,472	19,219,105	-	19,219,105
Net Pension Liability	41,722,251	13,875,446	-	55,597,697	-	55,597,697
LOSAP Liability	11,180,243	-	82,023	11,098,220	472,350	10,625,870
Compensated Absences	4,148,535	174,848	-	4,323,383	2,935,713	1,387,670
Total Governmental Activities Debt	\$ 206,383,252	\$ 14,259,252	\$ 15,962,583	\$ 204,679,921	\$ 14,200,511	\$ 190,479,410

The change in the compensated absences liability is presented as a net change in the chart above.

The reconciliation from retirements and repayments in the above table to the total principal payments on the Statement of Revenues, Expenditures, and Changes in Fund Balance is as follows:

Retirements and Repayments	
General Bonds Payable	\$ 8,773,920
General Bonds Payable - PHA	69,774
Payments made by PHA	(201,863)
Notes Payable	47,816
Total Principal Payments	\$ 8,689,647

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

A. CHANGES IN NONCURRENT LIABILITIES (CONTINUED)

During the year ended June 30, 2025, the following changes occurred in the noncurrent liabilities of the primary government's business-type activities:

PRIMARY GOVERNMENT

Business-Type Activities	Balance June 30, 2024	Additions of debt	Retirements and Repayments	Balance June 30, 2025	Due Within One Year	Due in More than One Year
Golf Course	\$ 75,485	\$ -	\$ 4,674	\$ 70,811	\$ 4,894	\$ 65,917
Bay Bridge Airport	1,247,076	-	112,595	1,134,481	116,878	1,017,603
Public Landings and Marinas	557,620	-	66,074	491,546	69,098	422,448
Sanitary District	34,997,931	7,427,240	2,137,804	40,287,367	2,156,871	38,130,496
Subtotal Debt	36,878,112	7,427,240	2,321,147	41,984,205	2,347,741	39,636,464
Bond Premiums						
Golf Course	4,714	-	362	4,352	362	3,990
Bay Bridge Airport	60,654	-	7,485	53,169	7,485	45,684
Public Landings and Marinas	65,978	-	9,766	56,212	9,766	46,446
Subtotal Bond Premiums	131,346	-	17,613	113,733	17,613	96,120
Subtotal Business-Type Activities Debt	37,009,458	7,427,240	2,338,760	42,097,938	2,365,354	39,732,584
Lease Liability	110,714	-	27,922	82,792	28,590	54,202
OPEB	5,590,368	-	652,362	4,938,006	-	4,938,006
Net Pension Liability	3,436,786	353,608	-	3,790,394	-	3,790,394
Compensated Absences	596,108	412,368	351,424	657,052	394,232	262,820
Total Business-Type Activities Debt	\$ 46,743,434	\$ 8,193,216	\$ 3,370,468	\$ 51,566,182	\$ 2,788,176	\$ 48,778,006

During the year ended June 30, 2025, the following changes occurred in the noncurrent liabilities of the primary government's Component Units:

COMPONENT UNITS

Board of Education, Free Library, and Housing Authority	Balance June 30, 2024	Additions of debt	Retirements and Repayments	Balance June 30, 2025	Due Within One Year	Due in More than One Year
Board of Education						
Compensated Absences	\$ 1,306,083	\$ 123,076	\$ -	\$ 1,429,159	\$ -	\$ 1,429,159
Financed Purchases	1,170,875	-	253,758	917,117	269,034	648,083
Intangible Right-to-Use Leases	1,493,905	515,011	604,426	1,404,490	595,597	808,893
OPEB	140,819,860	4,457,564	-	145,277,424	-	145,277,424
Net Pension Liability	6,898,132	1,651,968	-	8,550,100	-	8,550,100
Subtotal	151,688,855	6,747,619	858,184	157,578,290	864,631	156,713,659
Free Library						
Lease Payable	2,602	29,043	5,230	26,415	5,429	20,986
OPEB	520,386	-	30,999	489,387	-	489,387
Subtotal	522,988	29,043	36,229	515,802	5,429	510,373
Housing Authority						
Long-term Debt	1,321,443	-	257,916	1,063,527	335,839	727,688
Compensated Absences	16,125	20,207	1,766	34,566	24,954	9,612
Subtotal	1,337,568	20,207	259,682	1,098,093	360,793	737,300
Total Component Units Debt	\$ 153,549,411	\$ 6,796,869	\$ 1,154,095	\$ 159,192,185	\$ 1,230,853	\$ 157,961,332

Long-term liabilities are normally paid from the General fund.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, LEASE LIABILITY, SUBSCRIPTION LIABILITY, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, NET PENSION LIABILITY, VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM LIABILITY, AND COMPENSATED ABSENCES

PRIMARY GOVERNMENT

All general obligation bonds are valid and legally binding general obligations of Queen Anne's County and constitutes an irrevocable pledge of its full faith and credit and unlimited taxing power. Governmental bonds are payable from ad valorem taxes, unlimited as to rate or amount on all real, tangible, personal, and certain intangible property subject to taxation at full rate for local purposes in the County.

Business-type bonds, while representing general obligations of the County government, are to be paid from income earned by the related enterprise fund. Enterprise funds that have such debt are: Sewer Operations, Bay Bridge Airport, Blue Heron Golf Course, and Public Landings and Marinas.

During fiscal year 2019, the County implemented Governmental Accounting Standards Board's Statement (GASB) Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68*. The County's Fire and EMS Commission Pension Plan Length of Service Award Program ("LOSAP") is included in GASB 73 reporting. For governmental funds, the LOSAP obligations are reported in the government-wide statements in the public safety function. There are not any LOSAP obligations in the enterprise funds. LOSAP costs in governmental funds are charged to the General Fund. Additional information can be found in Note 17.

During fiscal year 2018, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*. For governmental funds, OPEB is reported in the government-wide statements in the function in which that employee usually charges their productive time. For enterprise funds, OPEB is reported in the enterprise fund in which that employee charges the majority of their productive time. OPEB costs in governmental funds are charged to the General Fund. Additional information can be found in Note 16, Other Post-Employment Benefits.

During fiscal year 2015, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*. For governmental funds, the net pension liability is reported in the government-wide statements in the function in which that employee usually charges their productive time. For enterprise funds, these obligations are reported in the enterprise fund in which the employee charges the majority of their productive time. Net Pension Liability costs in governmental funds are charged to the Governmental Fund in which the employee charges their time. Additional information can be found in Note 14, Retirement Plans.

Compensated absences that mature during the fiscal year, in that they are paid when the employee takes vacation leave or upon the employee's termination, are typically liquidated from the governmental or enterprise fund in which that employee charges the majority of their productive time. They are paid as regular wages. Compensated absences that do not mature during the fiscal year are accrued at year-end as an adjustment to liability for compensated absences. For governmental funds, these adjustments are reported in the government-wide statements in the function in which that employee usually charges their productive time. For enterprise funds, these adjustments are reported in the enterprise fund in which that employee charges the majority of their productive time. In the case of grant-funded activities that disallow compensated absences as an eligible cost, they are paid as administrative wages in the same Fund. Compensated absences in governmental funds are primarily charged to the General Fund or Special Revenue Funds; they are usually not charged to Capital Projects Funds.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, LEASE LIABILITY, SUBSCRIPTION LIABILITY, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, NET PENSION LIABILITY, VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM LIABILITY, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

As of June 30, 2025, general obligation bonds and notes payable for governmental activities are comprised of the following, along with lease liability, subscription liability, other post-employment benefit obligation, net pension liability, volunteer fireman pension plan length of service award program liability and compensated absences:

Governmental Activities	Paying Fund	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2025	Due Within One Year	Due in More than One Year
<u>General Obligation Bonds Payable</u>							
2014 Public Facilities	General	2.00%-4.00%	2034	\$ 17,590,000	\$ 9,058,183	\$ 855,804	\$ 8,202,379
2015 Public Facilities	General	3.00%-5.00%	2036	11,622,756	7,435,065	547,251	6,887,814
2015 Refunding Bonds	General	2.00%-5.00%	2027	13,521,625	3,128,571	1,540,070	1,588,501
2016 Public Facilities	General	2.00%-4.00%	2036	13,934,364	9,624,189	665,106	8,959,083
2017 Public Facilities	General	3.00%-5.00%	2037	12,600,000	9,405,000	555,000	8,850,000
2018 Public Facilities	General	3.00%-5.00%	2038	16,000,000	12,625,000	665,000	11,960,000
2019 Public Facilities	General	3.00%-5.00%	2039	11,000,000	9,100,000	440,000	8,660,000
2019 Refunding Bonds	General	4.00%-5.00%	2029	14,236,594	8,025,280	1,454,903	6,570,377
2020 Public Facilities	General	2.00%-5.00%	2040	9,000,000	7,743,431	349,028	7,394,403
2021 Public Facilities	General	1.50%-5.00%	2041	13,000,000	10,862,391	638,964	10,223,427
2021 Refunding Bonds	General	1.50%-5.00%	2030	10,835,995	7,063,500	1,027,508	6,035,992
2022 Public Facilities	General	3.375%-5.00%	2043	7,800,000	7,020,000	390,000	6,630,000
2015 Refunding Facilities (2006 Bonds)	Due from PHA	2.00%-3.00%	2027	240,112	55,556	27,348	28,208
2019 Refunding Facilities (2009 Bonds)	Due from PHA	4.00%-5.00%	2029	445,590	251,183	45,537	205,646
2014 Public Facilities	Due from other Counties	2.00%-4.00%	2034	4,800,000	2,620,814	247,611	2,373,203
Subtotal Bonds Payable					104,018,163	9,449,130	94,569,033
<u>Notes Payable</u>							
State of Maryland - Grove Ck.	Spec. Rev.	0.00%	2034	510,617	183,817	20,425	163,392
State of Maryland - Narrows Pointe	Spec. Rev.	0.00%	2037	525,318	328,692	27,391	301,301
Subtotal Notes Payable					512,509	47,816	464,693
Subtotal Bonds and Notes Payable					104,530,672	9,496,946	95,033,726
Bond Premiums					8,688,574	872,744	7,815,830
Subtotal Governmental Activities Debt					113,219,246	10,369,690	102,849,556
Lease Liability					496,953	58,224	438,729
Subscription Liability					725,317	364,534	360,783
OPEB					19,219,105	-	19,219,105
Net Pension Liability					55,597,697	-	55,597,697
LOSAP Liability					11,098,220	472,350	10,625,870
Compensated Absences					4,323,383	2,935,713	1,387,670
Total Governmental Activities					\$ 204,679,921	\$ 14,200,511	\$ 190,479,410

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, LEASE LIABILITY, SUBSCRIPTION LIABILITY, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, NET PENSION LIABILITY, VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM LIABILITY, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

The annual requirements to amortize general obligation bonds and notes payable outstanding as of June 30, 2025 for governmental activities are as follows:

<u>Governmental Activities</u> Year Ending June 30,	<u>Governmental Bonds Payable</u>			<u>Governmental Notes Payable</u>		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 9,449,130	\$ 3,627,820	\$ 13,076,950	\$ 47,816	\$ -	\$ 47,816
2027	9,836,235	3,229,929	13,066,164	47,816	-	47,816
2028	8,547,051	2,815,797	11,362,848	47,816	-	47,816
2029	8,884,716	2,448,449	11,333,165	47,816	-	47,816
2030	9,232,358	2,076,222	11,308,580	47,816	-	47,816
2031 - 2035	33,753,387	6,263,923	40,017,310	218,647	-	218,647
2036 - 2040	21,254,065	1,696,103	22,950,168	54,782	-	54,782
2041 - 2045	3,061,221	99,490	3,160,711	-	-	-
	<u>\$ 104,018,163</u>	<u>\$ 22,257,733</u>	<u>\$ 126,275,896</u>	<u>\$ 512,509</u>	<u>\$ -</u>	<u>\$ 512,509</u>

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, LEASE LIABILITY, SUBSCRIPTION LIABILITY, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, NET PENSION LIABILITY, VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM LIABILITY, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

General obligation bonds and notes payable outstanding as of June 30, 2025 for business-type activities are comprised of the following, as well as lease liability, other post-employment benefit obligation, net pension liability, and compensated absences:

Business -Type Activities	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2025	Due Within One Year	Due in More than One Year
<u>Golf Course</u>						
2016 Public Facilities Bonds	2.00%-4.00%	2036	\$ 85,636	\$ 70,811	\$ 4,894	\$ 65,917
Bond Premiums				4,352	362	3,990
Subtotal Golf Course				75,163	5,256	69,907
<u>Bay Bridge Airport</u>						
2014 Public Facilities Bonds	2.00%-4.00%	2034	964,940	546,002	51,584	494,418
2015 Public Facilities Bonds	3.00%-5.00%	2036	577,244	444,935	32,749	412,186
2015 Refunding Bonds	2.00%-5.00%	2027	173,556	40,157	19,768	20,389
2019 Refunding Bonds	4.00%-5.00%	2029	92,167	51,955	9,419	42,536
2020 Public Facilities Bonds	2.00%-5.00%	2040	22,686	21,569	972	20,597
2021 Public Facilities Bonds	1.50%-5.00%	2041	26,594	22,605	1,330	21,275
2021 Refunding Bonds	1.50%-5.00%	2030	11,134	7,258	1,056	6,202
Bond Premiums				53,169	7,485	45,684
Subtotal Airport				1,187,650	124,363	1,063,287
<u>Public Landings and Marinas</u>						
2015 Refunding Bonds	2.00%-5.00%	2027	24,707	5,717	2,814	2,903
2019 Refunding Bonds	4.00%-5.00%	2029	490,649	276,582	50,142	226,440
2021 Refunding Bonds	1.50%-5.00%	2030	67,871	44,242	6,436	37,806
2021 Public Facilities Bonds	1.50%-5.00%	2043	194,123	165,005	9,706	155,299
Bond Premiums				56,212	9,766	46,446
Subtotal Public Landings and Marinas				547,758	78,864	468,894
<u>Sanitary District</u>						
Maryland Water Quality-2005 Enhancement	1.00%	2027	18,252,291	1,978,204	991,527	986,677
Maryland Water Quality-SKI Phase One	0.80%	2049	29,342,242	25,515,611	975,867	24,539,744
Maryland Water Quality-SKI Phase Two	0.80%	2053	5,740,767	5,366,312	189,477	5,176,835
Maryland Water Quality-SKI Phase Three	0.90%	2056	7,427,240	7,427,240	-	7,427,240
Subtotal Sanitary District				40,287,367	2,156,871	38,130,496
Total Business-Type Activities Debt				42,097,938	2,365,354	39,732,584
Lease Liability				82,792	28,590	54,202
OPEB				4,938,006	-	4,938,006
Net Pension Liability				3,790,394	-	3,790,394
Compensated Absences				657,052	394,232	262,820
Total Business-Type Activities				\$ 51,566,182	\$ 2,788,176	\$ 48,778,006

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, LEASE LIABILITY, SUBSCRIPTION LIABILITY, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, NET PENSION LIABILITY, VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM LIABILITY, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

The annual requirements to amortize business-type bonds and notes outstanding at June 30, 2025, are as follows:

<u>Business-Type Activities</u> Year Ending June 30,	<u>Business-Type Bonds Payable</u>			<u>Business-Type Notes Payable</u>		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 190,870	\$ 60,325	\$ 251,195	\$ 2,156,871	\$ 356,062	\$ 2,512,933
2027	198,765	52,916	251,681	2,512,439	400,509	2,912,948
2028	182,949	44,698	227,647	1,538,318	378,057	1,916,375
2029	190,284	37,196	227,480	1,550,980	365,368	1,916,348
2030	197,642	29,729	227,371	1,563,745	352,573	1,916,318
2031 - 2035	586,613	71,036	657,649	8,013,921	1,567,227	9,581,148
2036 - 2040	125,935	6,856	132,791	8,349,230	1,164,309	9,513,539
2041 - 2045	23,780	461	24,241	8,698,606	680,442	9,379,048
2046 - 2050	-	-	-	5,757,776	209,176	5,966,952
2051 - 2055	-	-	-	145,481	1,166	146,647
	<u>\$ 1,696,838</u>	<u>\$ 303,217</u>	<u>\$ 2,000,055</u>	<u>\$ 40,287,367</u>	<u>\$ 5,474,889</u>	<u>\$ 45,762,256</u>

C. ISSUANCE OF NEW DEBT

PRIMARY GOVERNMENT

In fiscal year 2025, the County began borrowing funds through the Maryland Water Quality Financing Administration for phase three of the Southern Kent Island (SKI) Sanitary Project. The total loan amount for phase three will be approximately \$12.0 million and funds will be disbursed as the project costs are incurred. Principal payments will begin after the final draw and the loan will be repaid over 30 years at an interest rate of 0.90%. In fiscal year 2025, the County received \$7,427,240 as part of this loan. The total amount outstanding as of June 30, 2025, was \$7,427,240.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

D. LOCAL DEBT POLICY

PRIMARY GOVERNMENT

In May 2013, Queen Anne’s County adopted Resolution No. 13-04, which updated and replaced Resolution No. 09-13, to continue a local debt policy in compliance with Article 95, Section 22F of the Annotated Code of Maryland. This policy requires that the County’s Director of Budget and Finance: (1) prepare a six-year capital project plan each year; (2) propose an amount to be transferred from the General Fund operating balances to the General Capital Projects Fund to serve as pay-as-you-go funding in the latter Fund, in order to lessen the need for future County debt; (3) limit the County’s non-bonded indebtedness to \$8.0 million for general operating expenses or capital improvements; and (4) certify that the sum of outstanding general bonded debt and any new general obligation debt is 2.5% or less of the total taxable assessable base and is \$3,000 or less per capita. This policy also stipulates that although there is some flexibility as to the acceptable percentage of debt service to general fund expenditures, and no absolute limit has been established by the rating agencies or the Government Finance Officers Association, anything above 12% of total general fund expenditures would be a cause to carefully monitor debt service. In addition to the debt policy, the Spending Affordability Committee recommended that the limit of debt service to general fund expenditures should be limited to 10% and the County Commissioners have adopted that as a limit.

Queen Anne’s County has complied with the above policy and has not had any violations. For calculations relating to this local debt policy, see Table 12-b in the Statistical Section of this document.

NOTE 10 – LEASES

PRIMARY GOVERNMENT

The County implemented guidance of GASB 87, Leases, at July 1, 2021 for accounting and reporting of leases. The County uses its incremental borrowing rate to determine the initial value of the lease receivable and corresponding deferred inflows.

County as Lessor

The County’s Governmental Activities entered into various lease agreements to lease land for cultivation and other similar purposes. The County received a combination of semi-annual and monthly payments from these leases ranging from \$5,895 to \$17,225 during the year. These leases typically have variable payments that increase each year or each successive renewable lease term by a set percentage rate included in the lease agreement. The County has options to extend which typically are in five-year increments. The County has considered the probability of exercising the lease renewal options in the initial calculation of the lease.

The following is a summary of Governmental Activities lease receivable and the corresponding deferred inflow:

	Balance	Additions	Retirements and Repayments	Balance
Governmental Activities	June 30, 2024	June 30, 2024	June 30, 2025	June 30, 2025
Lease Receivable	\$ 957,290	\$ -	\$ 150,495	\$ 806,795
Lease Receivable deferred inflows	\$ (921,365)	\$ -	\$ (146,909)	\$ (774,456)

For the year ended June 30, 2025, rental and interest income associated with the governmental activities lease receivable was approximately \$147,000 and \$1,800, respectively.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – LEASES (CONTINUED)

The County's Sanitary District has entered into various lease agreements to lease land near County water towers for antenna sites. The County received monthly payments from these leases ranging from \$290 to \$3,390 during the year. These leases typically have variable payments that increase each year by a set percentage rate included in the lease agreement. The County has options to extend which typically are in five-year increments. The County has considered the probability of exercising the lease renewal options in the initial calculation of the lease.

The County's Bay Bridge Airport has entered into various lease agreements to lease land and/or facilities at the airport. The County received monthly payments from these leases ranging from \$489 to \$5,732 during the year. These leases typically have variable payments that increase each year by a set percentage rate included in the lease agreement. The County has options to extend which typically are in one-year increments. The County has considered the probability of exercising the lease renewal options in the initial calculation of the lease.

The following is a summary of Business-Type activities lease receivable and the corresponding deferred inflow:

Business-Type Activities	Balance June 30, 2024	Additions	Retirements and Repayments	Balance June 30, 2025
Sanitary District - Lease Receivable	\$ 1,419,931	\$ -	\$ 127,574	\$ 1,292,357
Bay Bridge Airport - Lease Receivable	429,779	-	86,232	343,547
Total lease receivable	\$ 1,849,710	\$ -	\$ 213,806	\$ 1,635,904
Sanitary District - Deferred inflows	\$ (1,388,119)	\$ -	\$ (140,118)	\$ (1,248,001)
Bay Bridge Airport - Deferred inflows	(430,080)	-	(87,407)	(342,673)
Total lease receivable deferred inflows	\$ (1,818,199)	\$ -	\$ (227,525)	\$ (1,590,674)

For the year ended June 30, 2025, rental and interest income associated with the business-type activities lease receivable was approximately \$227,500 and \$5,000, respectively.

County as Lessee

The County has entered into various agreements to lease land and facilities for their public works department. There were no new lease liabilities recognized within these funds that fell under the purview of GASB 87 during fiscal year 2025. The County is required to make both fixed and variable payments that range from \$9,000 to \$62,424 for the current year. Leases for which have variable payments will increase at a rate of 2% each year until lease termination. The County has no extension or termination options present in these agreements.

The County has entered into an agreement to lease equipment for their enterprise funds. There were no new lease liabilities recognized within these funds that fell under the purview of GASB 87 during fiscal year 2025. The County is required to make annual fixed payments of \$2,520 for leases in the scope of GASB 87. The County has no extension or termination options present in this agreement.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – LEASES (CONTINUED)

The future minimum lease payments are approximately as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 58,224	\$ 14,448	\$ 72,672	\$ 28,590	\$ 1,650	\$ 30,240
2027	61,154	12,792	73,946	29,274	966	30,240
2028	55,193	11,052	66,245	24,928	271	25,199
2029	58,134	9,436	67,570	-	-	-
2030	61,187	7,735	68,922	-	-	-
Thereafter	203,061	12,083	215,144	-	-	-
Total	\$ 496,953	\$ 67,546	\$ 564,499	\$ 82,792	\$ 2,887	\$ 85,679

For the year ended June 30, 2025, interest expense for governmental and business-type activities lease liability was \$16,023 and \$2,318, respectively.

In fiscal year 2019, Queen Anne's County entered into an agreement with the Division of Housing and Community Services (DHCS) to lease property from DHCS for \$1 per year for 25 years.

COMPONENT UNITS

BOARD OF EDUCATION

Financed Purchases

The Board has entered into non-cancelable contracts to finance performance contracting equipment that transfer ownership at the end of the contract term, January 2028. The amount due on the contract at June 30, 2025 is \$714,142. During 2024, the Board entered into an agreement to finance the purchase of two school buses. The agreement requires payments through September 2033. The amount due on the agreement at June 30, 2025 is \$202,975. As such, the Board has recorded the related obligations and the related assets in the appropriate funds.

The assets acquired and capitalized as fixed assets under financed purchases are as follows:

Equipment, at cost	\$ 2,845,938
Less: accumulated depreciation	(2,134,253)
Total	\$ 711,685

Interest expense related to the above finance purchases was approximately \$34,000 for the year ended June 30, 2025. The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2025 were as follows:

Year ended June 30:	
2026	\$ 295,613
2027	303,602
2028	232,892
2029	29,339
2030	29,339
Thereafter	102,684
Total minimum lease payments	993,469
Less: amount representing interest	(76,352)
Present value of minimum financed purchase payments	\$ 917,117

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – LEASES (CONTINUED)

Intangible Right-to-Use Assets

The Board implemented the guidance of GASB No. 87, Leases, at July 1, 2021 for accounting and reporting leases that had previously been reporting as operating leases and recognized the value of copiers leased under long-term contracts along with a related liability.

During fiscal year 2023, the Board entered into copier lease agreements. Payments under these leases total approximately \$65,000 per year for leases that expire in fiscal year 2027 and \$31,000 per year for leases expiring in fiscal year 2025. For purposes of discounting future payments on these leases the Board used its incremental borrowing rate in place at the time of lease inception of 3.75%.

During fiscal year 2024, the Board entered into additional lease agreements for office equipment and vehicles. Payments under these leases total approximately \$390,000 per year for leases that expire in fiscal year 2027 and \$52,000 per year for leases expiring in fiscal year 2028. For purposes of discounting future payments on these leases the Board used its incremental borrowing rate in place at the time of lease inception of 3.75%.

During fiscal year 2025, the Board entered into additional lease agreements for office equipment. Payments under these leases total approximately \$6,000 per year for leases that expire in fiscal year 2029 and \$132,000 per year for leases expiring in fiscal year 2028. For purposes of discounting future payments on these leases the Board used its incremental borrowing rate in place at the time of lease inception of 3.75%.

The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note 6.

Minimum lease payments on equipment and vehicles over the next five years are as follows:

	Lease Payments to Maturity		
	Equipment and Vehicles		
	Principal	Interest	Total
2026	\$ 595,597	\$ 52,669	\$ 648,266
2027	617,931	30,334	648,265
2028	184,369	7,161	191,530
2029	6,593	247	6,840
2030	-	-	-
	\$ 1,404,490	\$ 90,411	\$ 1,494,901

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – LEASES (CONTINUED)

LIBRARY

Leases Payable

In December 2024, the Library entered into an operating lease with Delmarva Document Solutions for use of a photocopier with an expiration date of December 2029. As of June 30, 2025, total lease liabilities were \$26,415, which represents the present value of the remaining lease payments of \$540, discounted using the Library's incremental borrowing rate of 4.38%.

Following is the principal and interest requirements through maturity of the lease liability under this non-cancelable operating lease:

Year ended June 30:	Principal	Interest
2026	\$ 5,429	\$ 1,049
2027	5,672	806
2028	5,925	553
2029	6,190	288
2030	3,199	41
	\$ 26,415	\$ 2,737

NOTE 11 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County implemented guidance of GASB 96, Subscription-Based Information Technology Arrangements (SBITAs) for accounting and reporting of subscription arrangements. The County uses its incremental borrowing rate to determine the initial value of their right-to-use subscription assets and liabilities.

The County enters into various agreements in order to use web software and licensing services. An initial subscription liability was recorded in the amount of \$208,958 for all new subscription arrangements entered into in the current year. As of June 30, 2025, the value of the subscription liability is \$725,317. The County is required to make annual fixed payments ranging from \$10,250 to \$298,043 for subscriptions in the scope of GASB 96. The County has options to extend which typically are in one-year increments. The County has considered the probability of exercising the lease renewal options in the initial calculation of the subscription.

The future minimum subscription payments are as follows:

	Governmental Activities		
	Principal	Interest	Total
2026	\$ 364,534	\$ 18,393	\$ 382,927
2027	360,783	9,143	369,926
2028	-	-	-
2029	-	-	-
2030	-	-	-
Thereafter	-	-	-
Total	\$ 725,317	\$ 27,536	\$ 752,853

For the year ended June 30, 2025, interest expense related to the subscription liability was \$15,483.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 – RESTRICTED ASSETS AND LIABILITIES AND FUND BALANCES

A. RESTRICTED ASSETS AND RELATED LIABILITIES

PRIMARY GOVERNMENT

BUSINESS-TYPE ACTIVITIES - Queen Anne's County Sanitary District

Restricted Fund - The County Commissioners created a restricted fund within the Sanitary District Enterprise Fund in November of 1989 by enabling legislation. Revenue sources to the fund are sales of water and sewer allocations and interest earned on investments. Authorized uses of restricted funds are major capital expenses for repairs, construction, plant expansion, debt service, or other similar uses within the Sanitary District. To date, such funds have been used almost exclusively for debt service.

Debt Service Fund - Principal and interest payments for water and wastewater debt used to expand the service area are payable primarily from water and sewer special benefit assessments. These assessments, made at the time the expansion is ready for use, are created by enabling legislation and amortized over the same life as underlying debt. They constitute a lien on the served property and may be prepaid at any time. The amount of assessments collectable in future years is recorded as benefit assessments receivable. A portion of those assessments receivable is not due currently and is recorded as unearned revenue.

Water Quality Revolving Loan Fund debt covenants stipulate that sufficient financial resources must be available in the Debt Service Fund as of June 30 of each year to cover the subsequent year's debt service payments. If such resources are not available at that time, the covenants require that the County increase service rates, impose benefit assessments, or otherwise increase financial resources so that debt service payments are covered before they are due throughout the year.

The assets and related liabilities restricted for the above purposes at June 30, 2025 are as follows:

	SANITARY DISTRICT		
	RESTRICTED FUND	DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>			
Current Restricted Assets			
Restricted Equity in Pooled Cash	\$ 26,485,159	\$ 2,160,833	\$ 28,645,992
Restricted Accounts Receivable (Net)	2,443,237	333,122	2,776,359
Total Current Restricted Assets	28,928,396	2,493,955	31,422,351
Noncurrent Restricted Assets			
Special Assessments Receivable (Net)	1,057,806	18,384,966	19,442,772
Total Noncurrent Restricted Assets	1,057,806	18,384,966	19,442,772
<u>LIABILITIES</u>			
Current Restricted Liabilities			
Accounts Payable	92,212	-	92,212
Total Current Restricted Liabilities	92,212	-	92,212
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Water and Sewer Assessments	1,057,990	18,414,337	19,472,327
Total Deferred Inflows of Resources	1,057,990	18,414,337	19,472,327
<u>NET POSITION</u>			
Amounts Restricted for:			
Debt Service	-	2,464,584	2,464,584
Unrestricted Amounts	28,836,000	-	28,836,000
Total Net Position	\$ 28,836,000	\$ 2,464,584	\$ 31,300,584

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 – RESTRICTED ASSETS AND LIABILITIES AND FUND BALANCES (CONTINUED)

B. RESTRICTED NET POSITION

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES

Net Investment in Capital Assets for governmental activities, is calculated as follows:

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
Capital Assets	\$ 277,572,282
Less Accumulated Depreciation	(80,816,084)
Total Capital Assets, Net of Depreciation	196,756,198
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Charge on Refunding	163,681
Total Deferred Outflows of Resources	163,681
<u>LIABILITIES</u>	
Lease Payable	496,953
Subscription Payable	725,317
Capital Retainage Payable	24,491
Capital Accounts Payable	742,863
Bonds/Notes Payable	113,219,246
Less:	
Debt relating to Board of Education Assets	(38,823,947)
Unspent portion of Bond Proceeds for Board of Education debt	(566,525)
Unspent portion of Bond Proceeds for Governmental debt	(2,299,997)
Debt relating to Chesapeake College	(4,010,696)
Debt relating to PHA	(306,739)
Debt relating to non-capital assets (Dredging)	(512,509)
Total Liabilities	68,688,457
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Bond Refundings	115,500
Total Deferred Inflows of Resources	115,500
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 128,115,922

BUSINESS-TYPE ACTIVITIES

Net Investment in Capital Assets for business-type activities, are as follows:

<u>ASSETS</u>	<u>SANITARY DISTRICT</u>			<u>BAY BRIDGE AIRPORT</u>	<u>NON-MAJOR ENTERPRISE FUNDS</u>	<u>TOTAL PRIMARY GOVERNMENT ENTERPRISE FUNDS</u>
	<u>SEWER OPERATIONS</u>	<u>WATER OPERATIONS</u>	<u>TOTAL</u>			
	\$	\$	\$			
Capital Assets	\$ 158,267,408	\$ 41,672,883	\$ 199,940,291	\$ 27,931,875	\$ 11,530,781	\$ 239,402,947
Less Accumulated Depreciation	(65,018,180)	(15,627,592)	(80,645,772)	(6,470,774)	(2,945,002)	(90,061,548)
Total Capital Assets, Net of Depreciation	93,249,228	26,045,291	119,294,519	21,461,101	8,585,779	149,341,399
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Charge on Refunding	-	-	-	2,064	294	2,358
Total Deferred Outflows of Resources	-	-	-	2,064	294	2,358
<u>LIABILITIES</u>						
Lease Payable	-	-	-	-	82,792	82,792
Capital Retainage Payable	408,989	-	408,989	50,000	-	458,989
Capital Accounts Payable	397,550	-	397,550	2,326	-	399,876
Bonds/Notes Payable	40,287,367	-	40,287,367	1,187,650	622,921	42,097,938
Total Liabilities	41,093,906	-	41,093,906	1,239,976	705,713	43,039,595
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Bond Refundings	-	-	-	210	1,115	1,325
Total Deferred Inflows of Resources	-	-	-	210	1,115	1,325
<u>NET POSITION</u>						
Net Investment in Capital Assets	\$ 52,155,322	\$ 26,045,291	\$ 78,200,613	\$ 20,222,979	\$ 7,879,245	\$ 106,302,837

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 – RESTRICTED ASSETS AND LIABILITIES AND FUND BALANCES (CONTINUED)

C. FUND BALANCES

PRIMARY GOVERNMENT

Governmental fund balances are composed of the following:

Governmental Funds	General Fund	General Capital	Roads Capital	Grants Fund	Non-Major Governmental	Total Governmental Funds
Nonspendable						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 1,223,652	\$ 1,223,652
Prepaid Items	1,003,872	-	-	-	-	1,003,872
Other	32,338	-	-	-	-	32,338
Subtotal Nonspendable	1,036,210	-	-	-	1,223,652	2,259,862
Restricted						
Rainy Day Fund	16,551,869	-	-	-	-	16,551,869
Employee Benefits - LOSAP	7,034,737	-	-	-	-	7,034,737
Mosquito Control	52,241	-	-	-	-	52,241
Unspent Bond Proceeds	-	2,866,522	-	-	-	2,866,522
Impact Fees	-	165,362	-	-	-	165,362
Vehicle Acquisition	-	80,905	-	-	-	80,905
Department of Aging	-	-	-	-	955	955
House and Community Services	-	-	-	-	2,892,815	2,892,815
Community Reinvestment and Repair	-	-	-	-	726,559	726,559
Critical Areas	-	-	-	-	397,582	397,582
Sheriff's Drug Task Force	-	-	-	-	132,729	132,729
Inmate Welfare	-	-	-	-	160,295	160,295
Agricultural Transfer	-	-	-	-	1,608,067	1,608,067
Rural Legacy	-	-	-	-	473,486	473,486
Dredging Special Assessments	-	-	-	-	15,041	15,041
Kent Narrows	-	-	-	-	204,537	204,537
Subtotal Restricted	23,638,847	3,112,789	-	-	6,612,066	33,363,702
Committed						
House and Community Services	-	-	-	-	8,981,562	8,981,562
Revolving Loan Fund	-	-	-	-	90,000	90,000
Economic Development Incentive	-	-	-	-	1,109,684	1,109,684
School Impact Fees	-	-	-	-	13,034,930	13,034,930
Fire Company Impact Fees	-	-	-	-	341,375	341,375
Parks and Recreation Impact Fees	-	-	-	-	1,135,594	1,135,594
Revenue Stabilization Fund	10,344,918	-	-	-	-	10,344,918
Rubble Surcharge	-	620,141	-	-	-	620,141
Developer Exactions	-	5,672,693	926,238	-	-	6,598,931
Subtotal Committed	10,344,918	6,292,834	926,238	-	24,693,145	42,257,135
Assigned						
Encumbrances	-	13,685,676	5,073,598	-	-	18,759,274
Subsequent Years' Expenditures	-	9,748,774	3,108,000	-	-	12,856,774
Department of Aging	-	-	-	-	128,177	128,177
Roads Operating	-	-	-	-	103,723	103,723
Community Partnerships for Children	-	-	-	-	61,065	61,065
Law Library	-	-	-	-	618,678	618,678
Capital Projects	-	-	1,183,671	-	-	1,183,671
Loans Receivable	-	1,344,915	-	-	-	1,344,915
Subtotal Assigned	-	24,779,365	9,365,269	-	911,643	35,056,277
Unassigned						
General Fund	53,768,694	-	-	-	-	53,768,694
Dredging Special Assessments	-	-	-	-	(1,006,624)	(1,006,624)
Subtotal Unassigned	53,768,694	-	-	-	(1,006,624)	52,762,070
Total Governmental Funds Balances	\$ 88,788,669	\$ 34,184,988	\$ 10,291,507	\$ -	\$ 32,433,882	\$ 165,699,046

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 – RESTRICTED ASSETS AND LIABILITIES AND FUND BALANCES (CONTINUED)

C. FUND BALANCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Encumbrances included in the General Capital and Roads Capital funds are for the following purposes:

	General Capital	Roads Capital
General Government	\$ 3,888,701	\$ -
Public Safety	1,518,468	-
Public Works	2,944,040	-
Parks & Recreation	3,316,743	-
Health and Social Services	250,608	-
Education and Library	1,258,599	-
Conservation of Natural Resources	7,014	-
Economic/Community Development	501,503	-
Resurfacing Contracts and Materials	-	4,255,016
Roads Construction Equipment	-	818,582
Total encumbrances	\$ 13,685,676	\$ 5,073,598

NOTE 13 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The government carries commercial insurance to cover such risks. Certain assets of the County such as roads, bridges, and other infrastructure are not insurable due to their nature.

General Insurance Coverage - The County is a participant in the Local Government Insurance Trust (LGIT), which is a consortium of Maryland local governments created to provide insurance coverage and services to Maryland local governments. The LGIT provides general liability, public officials' liability, fleet insurance, and building and property insurance to its members.

Workmen's compensation and fidelity insurance are obtained from various commercial insurance companies.

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

Health Insurance - Effective with the 1996 fiscal year, the County joined together with other Eastern Shore county governments, libraries, and Boards of Education to form the Eastern Shore of Maryland Education Consortium Health Insurance Alliance (ESMEC), a public entity risk pool currently operating as a common risk management and insurance program for health insurance coverage. CareFirst BlueCross BlueShield, of Maryland, administers this program.

The agreement for formulation of the alliance provides that the pool will be self-sustaining through member premiums. In addition to the annual premiums, the pooling agreement provides for additional assessments, if needed, but not to exceed certain limits. As of the date of this report, it is believed that there are no outstanding claims in excess of the equity of the trust.

Settlements – In fiscal years 2023, 2024 and 2025, settlements have not exceeded insurance coverage for any type of policy in effect.

QUEEN ANNE’S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - RETIREMENT PLANS

Virtually all full and eligible part-time employees of Queen Anne’s County, Maryland, and its related agencies are covered by one of the statewide contributory pension systems of the State of Maryland.

Maryland State Retirement and Pension Systems

Organization

The State Retirement Agency is the administrator of the Maryland State Retirement and Pension System (the System). The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. Responsibility for the System’s administration and operation is vested in a 15-member Board of Trustees. The System is a cost-sharing multiple-employer defined benefit plan made up of two cost-sharing employer pools: the “State Pool” and the “Municipal Pool”. The “State Pool” consists of State agencies, boards of education, community colleges, and libraries. “The Municipal Pool” consists of participating governmental units that elected to join the System. Neither pool shares in each other’s actuarial liabilities, thus participating governmental units that elect to join the System (the “Municipal Pool”) share in the liabilities of the Municipal Pool only. Although separate valuations are performed for each pool, all assets accumulated in the plan may legally be used to pay benefits to any member.

The State of Maryland is the statutory guarantor for the payment of all pensions, annuities, retirement allowances, refunds, reserves, and other benefits of the System. The State is obligated to annually pay into the accumulation fund of each State system at least an amount that, when combined with the State’s accumulation funds, is sufficient to provide benefits payable under each plan during that fiscal year. The System is accounted for as a cost-sharing multiple-employer defined benefit plan as defined in accordance with accounting principles generally accepted in the United States of America. Additionally, the System is fiscally dependent on the State by virtue of the legislative and executive controls exercised with respect to its operations, policies, and administrative budget. Accordingly, the System is included in the State’s reporting entity as a fiduciary component unit and disclosed in its financial statements as a pension trust fund.

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

The following groups of employees participate in:

<u>Employees</u>	<u>Plan</u>
Board of Education – regular employees	Employees System
Board of Education – teachers	Teachers System
Library	Teachers System
Queen Anne’s County:	
Elected officials	Employees System
Sheriff’s Deputies	LEOPS
Regular employees	Employees System

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - RETIREMENT PLANS (CONTINUED)

Covered Members

Teachers' Retirement System

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

Employees' Retirement System

On October 1, 1941, the Employees' Retirement System was established to provide retirement allowances and other benefits to State employees, elected and appointed officials and the employees of participating governmental units. Effective January 1, 1980, the Employees' Retirement System was essentially closed to new members and the Employees' Pension system was established. As a result, State employees (other than correctional officers) and employees of participating governmental units hired after December 31, 1979, became members of the Employees' Pension System as a condition of employment, while all State correctional officers and members of the Maryland General Assembly continue to be enrolled as members of the Employees' Retirement System. On or after January 1, 2005, an individual who is a member of the Employees' Retirement System may not transfer membership to the Employees' Pension System. Currently, more than 150 governmental units participate in the Employees' Retirement System.

The Law Enforcement Officers' Pension System (LEOPS)

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

Summary of Significant Plan Provisions

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

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - RETIREMENT PLANS (CONTINUED)

The member contribution rate for members of the Teachers' Retirement Pension System and Employees' Retirement Pension System is 7% and 6% respectively, and 7% for members of the Law Enforcement Officers' Pension system.

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

A brief summary of the retirement eligibility requirements of and the benefits available under the various systems in effect during fiscal year 2024, are as follows:

Service Retirement Allowances

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

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

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

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

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

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - RETIREMENT PLANS (CONTINUED)

Vested Allowances

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

Early Service Retirement

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

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

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

Disability and Death Benefits

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

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - RETIREMENT PLANS (CONTINUED)

Adjusted Retirement Allowances

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

Members of the Law Enforcement Officers' Pension System (LEOPS) are eligible to participate in a Deferred Retirement Option Program (DROP). For members who enter the DROP on or after July 1, 2011, the member is deemed retired and the retirement allowance is placed in an account earning 4% interest per year, compounded annually. At the end of the DROP period, the lump sum held in the DROP account is paid to the retiree. The LEOPS members must end employment and fully retire at the end of the DROP period. The maximum period of participation is 5 years for LEOPS.

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

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	In the 2024 actuarial valuation, 2.5% general, 3% wage. In the 2023 actuarial valuation, 2.25% general, 2.75% wage.
Salary Increases	In the 2024 actuarial valuation, 3% to 22.5%.. In the 2023 actuarial valuation, 2.75% to 11.25%.
Investment Rate of Return	In the 2024 actuarial valuation 6.80%. In the 2023 actuarial valuation 6.80%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2024 valuation pursuant to the 2024 experience study for the period July 1, 2018 to June 30, 2023.
Mortality	Various versions of the Pub- 2010 Mortality Tables with projected generational mortality improvements based on the MP-2021 fully generational mortality improvements scale for males and females.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - RETIREMENT PLANS (CONTINUED)

Investments

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

For each major asset class that is included in the System's target asset allocation, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34%	6.0%
Private Equity	16%	8.5%
Rate Sensitive	20%	2.4%
Credit Opportunity	9%	5.4%
Real Assets	15%	5.5%
Absolute Return	6%	3.9%
Total	100%	

The above was the Board of Trustees adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2024.

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 6.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 6.80%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - RETIREMENT PLANS (CONTINUED)

Sensitivity of the Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.80%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% point lower or 1% point higher:

System	1% Decrease 5.80%	Discount Rate 6.80%	1% Increase 7.80%
County	\$ 86,311,382	\$ 59,388,091	\$ 36,945,635
Board of Education	12,426,244	8,550,100	5,319,061

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

Teachers' Retirement and Pension Systems:

In accordance with Maryland Senate Bill 1301, *Budget Reconciliation and Financing Act of 2012*, the Board is required to pay the State 100% of the normal cost portion of the total pension cost for teachers. The normal cost is the portion of the total retirement benefit cost that is allocated to the current year of the employee's service. The related payment for fiscal year ending 2025 was \$3,044,698. In addition, the State of Maryland contributed \$6,772,856 on behalf of the Board. The Board has recognized the State on-behalf payments as both a revenue and expense.

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

Because the State of Maryland pays the unfunded liability for the Teachers' Systems on behalf of the Board and Library, and the Board pays the normal cost for the Teachers' Systems, the Board and Library are not required to record its' share of the unfunded pension liability for the Teachers' Systems, the State of Maryland is required to record that liability. The Board is required to record a liability for the Employees' Systems.

At June 30, 2025, the Board of Education reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Board. The amount recognized by the Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Board were as follows:

Board's proportionate share of the net pension liability (Employees' System)	\$ 8,550,100
State's proportionate share of the net pension liability (Teachers' System)	58,330,888
Total	\$ 66,880,988

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - RETIREMENT PLANS (CONTINUED)

The net pension liability was measured as of June 30, 2024, 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 calculated as follows by the System(s):

1. Calculate the net pension liability for the entire System in accordance with the provisions of GASB No. 67.
2. Determine the total contributions to the System by the State and PGUs, inclusive of any underfunding of contributions.
3. Based on the number of participants at each Board of Education, calculate the difference between what each Board would have contributed if they funded at the rate of all other participating governments and what the Board actually contributed. The difference between what the Boards contributed and what they would have contributed if they funded at the rate of the other participating governments, is then added to the total contribution to the System, to calculate the System's adjusted calculation.
4. Calculate for each participating government, their percentage of the adjusted System contribution by dividing the total adjusted System contribution into each PGU's contribution.
5. Provide each PGU its adjusted percentage of contribution and the System's net pension liability and other related amounts under the GASB No. 67 requirements.

At June 30, 2025, the County reported the following related to pensions:

	Board	County
Employer's proportionate (percentage) of the collective net pension liability	0.032%	0.226%
Employer's proportionate share of the collective net pension liability	\$ 8,550,100	\$ 59,388,091
Pension expense recognized by the employer for the year ended	\$ 4,346,684	\$ 9,751,096
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>County</u>		
Changes in assumptions	\$ 4,006,877	\$ -
Net difference between projected and actual investment earnings on pension plan investments	4,289,404	-
Differences between expected and actual experience	6,133,967	(1,437,290)
Change in proportion	12,437,502	(2,426,832)
Contributions subsequent to measurement date	7,748,048	-
Total	\$ 34,615,798	\$ (3,864,122)
<u>Board</u>		
Changes in assumptions	\$ 576,870	\$ -
Net difference between projected and actual investment earnings on pension plan investments	617,545	-
Differences between expected and actual experience	883,107	(206,926)
Change in proportion and share of contributions	730,397	-
Contributions subsequent to measurement date	946,986	-
Total	\$ 3,754,905	\$ (206,926)

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - RETIREMENT PLANS (CONTINUED)

The \$7,748,048 and \$946,986 of deferred outflows of resources resulting from the County and the Board's contributions to the Employees' Systems subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources for the County will be amortized over a five-year period, as follows:

Year ended June 30:	Board	County
2026	\$ 538,054	\$ 4,569,300
2027	1,072,988	8,708,160
2028	517,054	4,542,455
2029	335,220	3,399,656
2030	137,677	1,784,057
	<u>\$ 2,600,993</u>	<u>\$ 23,003,628</u>

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

	Covered Payroll	On-Behalf By State
County	\$ 42,765,236	\$ -
Board of Education	70,589,129	6,772,856
Library	1,545,959	238,488

Pension contributions made by the State of Maryland, on behalf of the Board of Education and the Library are recognized as both revenue and expenditure.

The aggregate amount of pension expense is as follows:

Maryland State Retirement and Pension System	\$ 9,751,096
Length of Service Award Program ("LOSAP")	496,743
<u>Aggregate amount of pension expense</u>	<u>\$ 10,247,839</u>

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to all County employees and permits participants to defer a portion of their salary to future years. Participation in the plan is optional, and deferred compensation is generally not available to participants until termination, retirement, death, or an unforeseeable emergency, as defined by the Plan. All amounts deferred, related investment earnings, and associated rights are the sole property of the participants, and the County has no liability for losses under the Plan.

Investments are managed by the Plan's administrator based on investment options selected by each participant. The County has no management control over the assets of the Plan. Accordingly, pursuant to GASB Statement No. 32, the assets of the Plan are not included in these financial statements.

During fiscal year 2025, the County approved the implementation of an employer matching contribution program in conjunction with the existing 457(b) deferred compensation plan. Effective January 1, 2025, the County established a 401(a) match plan to provide an employer match of \$10 per pay period for eligible employees who contribute to the County's 457(b) plan. The purpose of the employer match is to increase participation and enhance employee retention. Voya serves as the plan administrator for both plans, and the estimated annual cost of the employer matching contribution program is between \$50,000 and \$60,000.

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS

PRIMARY GOVERNMENT

Other Post-Employment Benefit Trust (OPEB Trust)

In fiscal year 2015, the County Commissioners approved the County joining the MACo Pooled OPEB Investment Trust Fund. A separate Trust document for the MACo OPEB Trust can be found on the MACo website at www.mdcounties.org.

Plan Reporting

The measurement date for GASB 74 is the Employer's fiscal year end, June 30, 2025. Plan assets (Fiduciary Net Position) are measured as of this date. The Total OPEB Liability (TOL) as of this date is based on an actuarial valuation as of January 1, 2025, with adjustments made for the one-half year difference. Adjustments include Service Cost, Interest on Total OPEB Liability, and expected benefit payments during the year. This is also known as a roll-forward.

Under GASB 74, the Net OPEB Liability (NOL) is established as the difference between the Total OPEB Liability and the Plan Fiduciary Net Position. The NOL is very much like the unfunded actuarial accrued liability that is developed for the funding valuation, with adjustments for any time between the valuation date and the measurement date.

Relevant Dates

- Valuation Date: January 1, 2025
- Measurement Date: June 30, 2025
- Reporting Date: June 30, 2025

Plan Membership

The following is a summary of the plan membership as of January 1, 2025.

Active	547
Retired	305
<hr/>	
Total	852
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QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefit Trust (OPEB Trust) (Continued)

PRIMARY GOVERNMENT

Plan Description

The County's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer defined benefit healthcare plan that covers retired employees of the primary government, the Queen Anne's County Board of Education, and the Queen Anne's County Free Library. The Plan was established as specified in County Ordinance No. 09-12.

Plan descriptions and actuarial assumptions for each participant are described: (1) as follows for the primary government and (2) in financial statements issued separately for all other participants.

The County's Retiree Health Insurance Program provides medical insurance benefits to retirees and their eligible dependents. The retiree and their dependents will receive a subsidy as outlined in the tables below provided that (1) the retiree retired directly from County service with a County retirement/pension allowance, (2) has health insurance through the County prior to retirement, (3) retired with at least 15 years of County service, and (4) the retiree elects to participate upon retirement. Retirees who retire directly from County service with a County retirement/pension with less than 15 years of County service, who have health insurance through the County prior to retirement and who elect to participate upon retirement are eligible for the County's Retiree Health Insurance Program however are not eligible for a subsidy.

Medical/Drug Plan

PPO (80/20), EPO (85/15), BCA (85/15), Medicare Supplement

Eligibility

Queen Anne's County and Library employees are eligible to continue group insurance coverage after retirement provided that:

- a. Retiring employees have coverage in effect when they stop working.
- b. Retirement commences on the first of the month, following the last day they are employed.
- c. An employee must have been a permanent active employee. To receive a subsidy, must have at least 15 years of service.
- d. Eligibility for Retirement:

Non-LEOPS hired on or after 7/1/2011

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

Non-LEOPS hired before 7/1/2011

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

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Plan description (Continued)

LEOPS

- Age 50 (no service requirement), or
- 25 years of service (no age requirement)

Retiree Payment

The employer subsidy is based on service, which medical plan you are enrolled in, retirement date and location.

For current County retirees receiving a 90% subsidy, they would continue to receive this subsidy rate, for all others:

Years of County Service Prior to Retirement	EPO/BCA Total Subsidy Percentage	PPO Total Subsidy Percentage
Less than 15 years	0.0%	0.0%
At least 15 yrs but less than 18	60.0%	60.0%
At least 18 yrs but less than 21	70.0%	65.0%
At least 21 yrs but less than 24	80.0%	75.0%
24 years or more	85.00%	80.00%

Plan Changes Since Prior Valuation

Since the last valuation, the claims assumptions and medical trend rates were updated to better reflect actual experience and available information regarding healthcare costs.

Actuarial Information

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

- Investment Return: 6.00%, net of investment expense and including inflation
- Healthcare Trend: 6.00% initially for all plans, grading down to 4.25% for PPO, EPO, and BCA plans ultimate

Mortality rates are based on the PUB2010G Headcount tables with Scale SSA applied on a generational basis. PUB2010G Headcount Disabled tables are used for those on disability, if applicable.

Changes in Actuarial assumptions

The discount rate was changed due to an updated fund availability analysis.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Actuarial Information (Continued)

Actuarial Methods for Determining Employer Contributions

The same economic and demographic assumptions are used for both funding and financial reporting purposes under GASB 74/75.

The Entry Age method is used for accounting/GASB purposes, therefore all of the actuarial figures within this footnote are based on it. Actuarially Determined Contributions are also based on the Entry Age method, with a closed level percentage of payroll amortization of the unfunded liability (13 years remaining as of the valuation date).

Expected Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Weight
US Equity	5.90%	36.0%
International Equity	6.25%	24.0%
Fixed Income	2.40%	35.0%
Real Estate	4.50%	5.0%
Total Weighted Average Real Return	4.69%	100.0%
Plus Inflation	2.50%	
Total Return w/o Adjustment	7.19%	
Risk Adjustment	-1.19%	
Total Expected Return	6.00%	

Discount Rate

The discount rate used to measure the total OPEB liability is 6.00%. The projection of cash flows used to determine the discount rate assumed by the County contributions will be made equal to the actuarially determined contributions.

Based on the above, the OPEB's 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 rates of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Net OPEB Liability

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the plans, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher:

System	DISCOUNT RATE		
	1% Decrease 5.00%	Discount Rate 6.00%	1% Increase 7.00%
Net OPEB liability	\$ 30,919,677	\$ 24,157,111	\$ 17,824,712

Sensitivity of the net OPEB liability to changes in the trend rate

The following presents the net OPEB liability of the plans, calculated using the current health care trend rate of from 6.00% to an ultimate rate of 4.25% for PPO, EPO, and BCA plans, as well as what each plans net OPEB liability would be if it were calculated using a health care trend rate that is 1% point lower or 1% point higher:

	HEALTH CARE TREND		
	1% Decrease to 3.25%	Discount Rate 4.25%	1% Increase to 5.25%
Net OPEB liability	\$ 17,365,702	\$ 24,157,111	\$ 31,580,893

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Net OPEB Liability (Continued)

Changes in the net OPEB liability are as follows:

Total OPEB Liability ("TOL")	
Service cost	\$ 1,013,276
Interest	3,083,058
Changes in benefit terms	-
Difference between expected and actual experience	(3,750,411)
Changes in assumptions	(630,211)
Benefit payments	(2,013,758)
Net change in total OPEB liability	(2,298,046)
Total OPEB liability - beginning of year	52,234,402
Total OPEB liability - end of year	\$ 49,936,356
Plan Fiduciary Net Position ("PFNP")	
Contributions - employer	\$ 3,471,912
Contributions - member	-
Net investment income	2,344,561
Benefit payments	(2,013,758)
Admin expenses	(14,927)
Other	-
Net change in plan fiduciary net position	3,787,788
Plan fiduciary net position - beginning of year	21,991,457
Plan fiduciary net position - end of year	\$ 25,779,245
Net OPEB liability ("NOL") - beginning of year	\$ 30,242,945
Net OPEB liability - end of year	\$ 24,157,111
PFNP as a % of TOL	51.6%
Covered employee payroll	\$ 41,579,596
NOL as a % of covered payroll	58.1%

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

OPEB Expense

The amount of OPEB expense recognized in the reporting period are as follows:

Service cost	\$	1,013,276
Interest on total OPEB liability		3,083,058
Difference between expected and actual experience*		(2,524,241)
Changes in actuarial assumptions*		(382,612)
Employee contributions		-
Changes in benefit terms		-
Projected earnings on plan investments		(1,320,834)
Difference between projected and actual earnings*		(293,554)
Administrative expense		14,927
Other changes in fiduciary net position		-
<hr/>		
Total OPEB expense	\$	(409,980)

* - portions recognized for expense

Deferred Outflow/Inflow Summary

The deferred outflows / inflows are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ -	\$ (1,033,819)
Differences between expected and actual experience	163,453	(12,090,731)
Changes in actuarial assumptions	375,145	(2,601,389)
Total	\$ 538,598	\$ (15,725,939)

Net deferred outflows / (inflows) will be amortized as follows:

Year ended June 30:	
2026	\$ (2,856,073)
2027	(3,437,115)
2028	(3,498,985)
2029	(3,371,990)
2030	(562,966)
Thereafter	(1,460,212)
\$ (15,187,341)	

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS

BOARD OF EDUCATION

Plan Description

The Board of Education of Queen Anne's County administers a single-employer defined benefit healthcare plan ("the Plan"). The Plan provides healthcare insurance for eligible retirees and their spouses through the Board's group health insurance plan, which covers both active and retired members. The Plan does not issue a stand-alone report. Benefit provisions are based on contractual agreements with employee groups. Employees are eligible to participate in the Plan upon retirement. Participants must meet the eligibility requirements of the Maryland State Teachers' pension system described below:

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

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

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

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

As of January 1, 2024, the date of the actuarial valuation data, approximately 525 plan members or beneficiaries were receiving benefits, and 910 active employees are potentially eligible to receive future benefits. These numbers exclude 97 employees who waived coverage.

Funding Policy

The Board pays a portion of retiree healthcare premiums based on years-of-service ranging from 5 years of service to 25+ years of service until the retiree becomes Medicare-eligible. The retiree pays the remaining premium, including the cost of eligible dependents. Pre-Medicare retirees may choose between two medical plans (a PPN plan and an EPO plan). Both plans include medical and prescription benefits. Once a participant is Medicare eligible, the participant must switch to a Medicare supplement plan, which is also packaged with a prescription plan. Retirees have the option of electing dental and vision coverage in addition to medical coverage.

Employer Contribution

Retirees receive a subsidy for their post-retirement medical insurance based on service. The subsidy requires a minimum of 5 years of service for Administration and 10 years of service for Teachers. For teachers, once ten years of service is reached, the Board covers 36% of the cost of the individual's EPO health plan. The percentage subsidized by the Board increases 3.6% per year for every year of service in excess of ten. At 25 years of service, the maximum subsidy of 90% is reached. For administrators, once five years of service is reached, the Board covers 35% of the cost of the individual's EPO health plan. The percentage subsidized by the Board increases 5.5% per year for every year of service in excess of five. At 15 years of service, the maximum subsidy of 90% is reached. Retirees with less than the minimum years of service required to receive a subsidy are allowed access to the medical coverage, but must pay 100% of the published rates. In addition, the Board is contractually obligated to pay the full cost of medical insurance for certain retired directors, superintendents, and their spouses.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

BOARD OF EDUCATION (CONTINUED)

Employer Contribution (Continued)

The Board also pays the cost of providing term life insurance for its retirees in varying amounts depending upon length of service and date of retirement. The benefits payable upon death are \$5,000 (fixed) for 5 to 25 years of service or \$50,000 (maximum-based on annual salary at retirement) for over 25 years of service. There is a reduction of benefit of 25% at age 70 and a benefit reduction of 50% at age 75 and beyond.

Net OPEB Liability

The annual OPEB expense under GASB Statement No. 75 is equal to the change in the unfunded actuarial accrued liability from the prior year's measurement date to the current year measurement date, with some of the liability changes being deferred to future years. Changes in the actuarial accrued liability due to experience gains or losses or changes in assumptions are recognized over the expected future working lifetime of all plan participants, including retirees. For the fiscal year ended June 30, 2025, the Board recognized an OPEB expense of \$2,976,627.

The Board's total OPEB liability is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The total OPEB liability is calculated using a measurement date of June 30, 2024. Therefore, plan information for the year ended June 30, 2024 is utilized. The following table shows the components of the Board's total and net OPEB liability at June 30, 2024.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance - beginning of year	\$ 141,377,136	\$ 557,276	\$ 140,819,860
Changes for the Year			
Service Cost	5,115,293	-	5,115,293
Interest	5,389,201	-	5,389,201
Experience Losses/Gains	(8,988,624)	-	(8,988,624)
Trust Contributions - Employer	-	2,974,621	(2,974,621)
Net Investment Income	-	59,234	(59,234)
Changes in Assumptions	5,975,549	-	5,975,549
Benefit Payments (net of retiree contributions)	(2,974,621)	(2,974,621)	-
Net Changes	4,516,798	59,234	4,457,564
Balance - end of year	\$ 145,893,934	\$ 616,510	\$ 145,277,424

Plan Fiduciary Net Position as a % of Total OPEB Liability	0.42%
Covered employee payroll	\$ 70,796,191
Net OPEB Liability as a % of covered payroll	205.21%

Payments have typically been liquated from the General Fund in prior years.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

BOARD OF EDUCATION (CONTINUED)

Funding Status and Funding Progress

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 required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of net OPEB liability, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the net OPEB liability is increasing or decreasing over time relative to the total OPEB liability for benefits.

Additional information is as follows:

Valuation Date	January 1, 2024
Measurement Date	June 30, 2024
Actuarial Cost Method - GASB 75	Entry age normal
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Discount Rate - June 30, 2023	3.86%
Discount Rate - June 30, 2024	3.97%
Payroll Growth	2.20%
Inflation Rate	2.60%
Rate of Growth in Real Income	1.40%
Investment Rate of Return	6.00%
Medical Trend	Based on the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The current valuation uses the 2024 version of the model with baseline assumptions. The initial rate assumed is 7.50% and decreases to 7.00% in 2025 ultimately leveling off at 4.04% in 2075.
Mortality	The mortality rates for healthy pre-retirees was calculated using the Pub-2010 Employees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale. The mortality rates for healthy post-retirees was calculated using the Pub-2010 Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale. The mortality rates for disabled individuals was calculated using the Pub-2010 Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

BOARD OF EDUCATION (CONTINUED)

Discount Rate

The discount rate used to determine OEPB liabilities under GASB 75 depends on the Board's funding policy. The Board has established an irrevocable Trust, but because they have not established a formal contribution policy they are considered a government that makes ad-hoc contributions. Therefore, the discount rate should be determined based on a blend of the funded and unfunded rates based on a projection of the plan's fiduciary net position. The funded rate for the Board is the long-term expected rate of return on assets of 6.00%. However, for simplicity we have used the unfunded rate as the basis for the discount rate, which under GASB 75 must be based on an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The Board uses the Fidelity 20-year Municipal General Obligation AA bond (Municipal GO AA) index. This rate was 3.97% as of June 30, 2024.

Sensitivity of the Net OPEB Liability

The following table presents the Board's net OPEB liability at June 30, 2024 using the discount rate of 3.97%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

DISCOUNT RATE			
System	1% Decrease 2.97%	Discount Rate 3.97%	1% Increase 4.97%
Net OPEB liability	\$ 170,696,713	\$ 145,277,424	\$ 124,892,849

The following table presents the Board's net OPEB liability at June 30, 2024 using the health care trend rate of 3.92%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% point lower or 1% point higher than the current rate:

HEALTH CARE TREND			
	1% Decrease to 2.92%	Discount Rate 3.92%	1% Increase to 4.92%
Net OPEB liability	\$ 122,476,720	\$ 145,277,424	\$ 174,904,836

Deferred Inflows/Outflows of Resources related to OPEB

At June 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 32,001,931	\$ (48,030,860)
Net difference between projected and actual earnings	-	(13,994)
Differences between expected and actual experience	1,034,702	(58,672,435)
Contributions subsequent to measurement date	2,976,627	-
Total	\$ 36,013,260	\$ (106,717,289)

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

BOARD OF EDUCATION (CONTINUED)

Deferred Inflows/Outflows of Resources related to OPEB (Continued)

The \$2,976,627 of deferred outflows of resources resulting from the Board's contributions to the plan subsequent to the measurement date of June 30, 2024 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Amounts reported as differences between projected and actual earnings on OPEB plan investments will be amortized and expensed over a closed five-year period. Amounts reported as differences between expected and actual experience will be amortized and expensed over a period equal to the average remaining service lives of all employees that are provided with other post-employment benefits through the plan. Amounts reported as changes in assumptions will be amortized and expensed over a period equal to the average remaining service lives of all employees that are provided with other post-employment benefits through the plan.

Amortization expense related to net deferred inflows and outflows of resources over the next five years is expected to be as follows:

Year ended June 30:	
2026	\$ (16,118,029)
2027	(16,104,801)
2028	(14,802,052)
2029	(16,801,818)
2030	(8,611,131)
Thereafter	(1,242,825)
	<u>\$ (73,680,656)</u>

LIBRARY

Plan description

The Library participates in an agent multiple-employer defined benefit healthcare plan ("the Plan") that covers retired employees of Queen Anne's County, the Queen Anne's County Board of Education, and the Library.

A Trust entity was established in June, 2009 entitled *Other Post-Employment Benefit Trust – County Commissioners of Queen Anne's County, County Commissioners of Kent County, and Participating Agencies* (the "Trust"). In August 2020, the Trust was closed and all members transferred their respective funds to the MACo (Maryland Association of Counties) Pooled OPEB Investment Trust Fund. A separate "Trust document for the MACo OPEB Trust can be found on the MACo website at www.mdcounties.org.

Benefits provided

The plan reimburses eligible retirees for a portion of healthcare insurance based on years-of-service ranging from \$3,000 for 15 years of service to \$4,400 for 25 plus years of service. The retiree pays the remaining premium, including the cost of eligible dependents. Participants must meet the eligibility requirements of the State Retirement and Pension System of Maryland, which are age 55 with 15 years of service, age 62 with 5 years of service, or 30 years of service (regardless of age).

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

LIBRARY (CONTINUED)

Employees covered by benefit terms

The following is a summary of plan membership as of January 1, 2024.

Active	24
Retired	9
<hr/>	
Total	33
<hr/>	

Contributions

The Library pays retiree healthcare benefits on a pay-as-you-go basis. For the year ended June 30, 2025, the Library contributed \$30,312.

Net OPEB liability

The Library's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation January 1, 2024.

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods in the measurement:

Expected return – 6% including inflation and net of investment expenses.

Healthcare trend – Because this is a flat dollar plan and retirees secure their own insurance, the trend is not applicable.

Mortality rates are based on PUB2010G Headcount tables with Scale SSA applied on a generational basis. PUB2010G Headcount Disabled tables are used for those on disability, if applicable.

There were no changes in actuarial assumptions since the prior year, except the change in discount rate due to an updated depletion analysis.

Actuarial methods for determining employer contributions use the same economic and demographic assumptions for both funding and financial reporting purposes under GASB 74/75. The Entry Age method is used for accounting/GASB purposes, therefore all of the actuarial figures within this report are based on it. Actuarially Determined Contributions are based on the Entry Age method, with a closed level percentage of payroll amortization of the unfunded liability (13 years remaining).

Discount rate

The discount rate used to measure the total OPEB liability is 5.0%. There is essentially no prefunding of benefits in an OPEB trust for this plan (i.e., pay as you go), however, the Library has funds invested in the MACo pooled OPEB trust. For this analysis, we assumed the trust assets would grow with earnings until a 60% funding ratio is reached. Based on this, a blended rate was developed which consists of the 20-year municipal bond Aa index as of June 30, 2025 of 4.81% blended with the assumed return of 6.00%.

Benefits would be paid from the trust from 2054 to 2064, and from general fund assets before and after this time period, resulting in a blended rate of 5.0%. The prior rate was 4.3%.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

LIBRARY (CONTINUED)

Changes in the net OPEB liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance - beginning of year	\$ 556,711	\$ 36,325	\$ 520,386
Changes for the year			
Contributions - employer	-	30,312	(30,312)
Service cost	7,024	-	7,024
Net investment income	23,596	3,499	20,097
Difference between expected and actual experience	7,792	-	7,792
Changes in actuarial assumptions	(35,600)	-	(35,600)
Benefit payments, including refunds	(30,312)	(30,312)	-
Net changes	(27,500)	3,499	(30,999)
Balance - end of year	\$ 529,211	\$ 39,824	\$ 489,387

Plan fiduciary net position as a % of total OPEB liability	7.53%
Covered employee payroll	\$ 1,545,959
Net OPEB liability as a % of covered payroll	31.66%

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the Library, as well as what the net OPEB 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 discount rate:

System	DISCOUNT RATE		
	1% Decrease 4.00%	Discount Rate 5.00%	1% Increase 6.00%
Net OPEB liability	\$ 544,744	\$ 489,387	\$ 442,870

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

Because the benefits from this plan are a fixed dollar amount based on years of services and there is no implicit subsidy (retirees secure their own health insurance), a change in assumed trend rate will not have an impact on the OPEB liability.

Investments

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

LIBRARY (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2025, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Weight
US Equity	5.90%	36.0%
International Equity	6.25%	24.0%
Fixed Income	2.40%	35.0%
Real Estate	4.50%	5.0%
Total Weighted Average Real Return	4.69%	100.0%
Plus Inflation	2.50%	
Total Return w/o Adjustment	7.19%	
Risk Adjustment	-1.19%	
Total Expected Return	6.00%	

OPEB expense and deferred outflows of resources related to OPEB

For the year ended June 30, 2025, the Library recognized an OPEB expense of \$28,262. At June 30, 2025, the Library reported deferred outflows and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,517	\$ (97,624)
Changes in actuarial assumptions	44,758	(122,651)
Net difference between projected and actual earnings	-	(1,021)
Total	\$ 59,275	\$ (221,296)

Amounts reported as deferred outflows and deferred inflows of resources related to the OPEB plan will be recognized in expense over a period ranging from five to nine years as follows:

Year ended June 30:	
2026	\$ 42
2027	(33,969)
2028	(42,745)
2029	(42,489)
2030	(38,201)
Thereafter	(4,659)
	\$ (162,021)

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 – VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

Plan Description

The County established the County Fire and EMS Commission Pension Plan Length of Service Award Program (“LOSAP”) in November 2004. The LOSAP is a single-employer defined benefit length of service award program that covers all volunteer members (“members”) of the County’s Fire and EMS Commission. The LOSAP has no assets accumulated in a trust that meet the criteria in GASB 73, paragraph 4. The LOSAP is funded entirely by the general fund.

Relevant dates

- Valuation date: January 1, 2024
- Measurement date: December 31, 2024
- Reporting date: June 30, 2025

An active member, upon reaching 55 years of age, is eligible to receive \$6 or \$10 per month for each year of eligible service determined by two separate benefit formulas which determine the monthly rate, with a \$400 maximum monthly benefit that may be earned. An inactive member that reaches 55 years of age and is vested with 10 years of service is also entitled to the same benefits (\$6 or \$10/month for each year of service, maximum \$400 per month). Payments are made over a 10-year annuity and the sponsor reserves the right to distribute a one-time lump sum actuarial equivalent benefit to terminated participants in lieu of the annuity. At the time of death, the participants’ designated beneficiary will receive the lump sum of the present value of the participants’ accrued benefit.

The participant summary as of the January 1, 2024 actuarial valuation is as follows:

Active members	344
Vested-terminated	111
Retired and beneficiaries	180
<hr/>	
Total	635
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Actuarial Assumptions

The total LOSAP liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	0.00%
Salary increases	Not Applicable
Investment rate of return	4.28%, net of pension plan investment expense, including inflation
Mortality	No pre-retirement mortality; post retirement RP2000 projected to 2030
Retirement	First eligible
Turnover	T5
Disability	None

The 4.28% discount rate is based on the S&P Municipal Bond 20-year High Grade Index as of December 31, 2024.

The above is a summary of key actuarial assumptions. Full descriptions of the actuarial assumptions are available in the January 1, 2024 actuarial valuation report.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 17 – VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
(CONTINUED)**

Sensitivity of Total LOSAP Liability

The following presents the total LOSAP liability, calculated using single discount rate of 4.28%, as well as what the total LOSAP liability would be if it were calculated using a discount rate that is 1% point lower and 1% point higher.

System	1% Decrease 3.28%	Discount Rate 4.28%	1% Increase 5.28%
Net LOSAP liability	\$ 12,989,804	\$ 11,098,220	\$ 9,604,908

Total LOSAP Liability

The components of the total LOSAP liability are as follows:

	Total LOSAP Liability	Plan Fiduciary Net Position	Net LOSAP Liability
Balances as of January 1, 2024	\$ 11,180,243	\$ -	\$ 11,180,243
Changes for the year:			
Service cost	400,444	-	400,444
Interest	468,442	-	468,442
Changes of benefit terms	-	-	-
Differences between expected and actual experience	418,351	-	418,351
Changes of assumptions	(885,740)	-	(885,740)
Benefits payments and expenses	(483,520)	-	(483,520)
Net changes	(82,023)	-	(82,023)
Balances as of December 31, 2024	\$ 11,098,220	\$ -	\$ 11,098,220

Plan fiduciary net position as a percentage of the total pension liability 0%

LOSAP Expense

The components of LOSAP expense are as follows:

	LOSAP Expense
Service cost	\$ 400,444
Interest	468,442
Changes in benefit terms	-
Differences between expected and actual earnings	-
Differences between expected and actual experience	199,762
Changes of assumptions	(571,905)
Total LOSAP expense	\$ 496,743

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 17 – VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
(CONTINUED)**

Maryland State Retirement and Pension System	\$	9,751,096
Length of Service Award Program ("LOSAP")		496,743
Aggregate amount of pension expense	\$	10,247,839

LOSAP Deferred Outflows and Deferred Inflows of Resources

The components of LOSAP deferred outflows and deferred inflows are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 716,808	\$ (351,257)
Changes of assumptions	370,243	(2,337,255)
Net difference between projected and actual earnings	-	-
Total	\$ 1,087,051	\$ (2,688,512)

Amounts reported as deferred outflows and deferred inflows will be amortized as follows:

Year ended June 30:		
2026	\$	(640,483)
2027		(716,604)
2028		(139,892)
2029		(104,482)
2030		-
Thereafter		-
	\$	(1,601,461)

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 18 – DEFICIT EQUITY BALANCES

The following Non-Major Governmental Funds ended the year with deficit equity balances:

The Dredging Special Assessments Fund had a deficit balance in unrestricted net position of \$1,006,624 as of June 30, 2025. This is a temporary deficit balance as loan funding for current year projects will be received in fiscal year 2026.

The following Enterprise Funds ended the year with deficit equity balances:

The Bay Bridge Airport Fund has a deficit balance in unrestricted net position of \$1,219,226 as of June 30, 2025.

The Golf Course Enterprise Fund has a deficit balance in unrestricted net position of \$324,109 as of June 30, 2025.

The County Commissioners established the guideline that the Enterprise Funds should be self-supporting, to the extent possible. Therefore, a variety of measures are being evaluated in order to attempt the goal of balancing the Enterprise Funds.

NOTE 19 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

PRIMARY GOVERNMENT

Grants - The County and its component units are recipients of various federal and state grant and/or loan programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by these grantor agencies. If the County has not complied with the rules and regulations governing the programs, refunds of money received may be required and the collectability of any related receivable as of June 30, 2025 may be impaired. The County's management believes that there are no significant contingent liabilities that must be recorded relating to compliance with the rules and regulations governing these programs. No funds were required to be returned in fiscal year 2025.

Further, certain grants for capital projects, such as various park projects funded by the State, must be used for the intended purpose of the grant. If, at any time during the useful lives of these projects, the facilities cease to operate in their intended capacity, the County may be required to reimburse the granting agency that portion of the grant or note that is equal to the percentage of useful life remaining. The County's Management believes that no such grant reimbursements will be needed.

In fiscal year 2010, the County's Department of Housing and Community Services received a grant of \$350,000 from the Maryland Department of Housing and Community Development. This Maryland Neighborhood Conservation Initiative (NCI) Grant provided funding to be used for the acquisition and purchase of foreclosed properties for resale to qualifying homebuyers, as well as the issuance of zero percent deferred payment loans to eligible critical service workers. Per the terms of the agreement, the grantee may reuse funds for these same activities until June 30, 2013. Funds returned to the County from program participants after June 30, 2013 must be returned to the state. Therefore, this grant has been recorded as a pass-through grant, with the County contingently liable for the return of these funds to the state at some point in time after June 30, 2013. During fiscal year 2014, the County identified \$69,569 in funds that were required to be returned to the grantor per grant provisions. No funds were required to be returned in fiscal years 2015 thru 2025.

In accordance with the provisions of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the County has committed certain fund balances for future construction projects. In the General Capital Projects Fund, a total of \$6,292,834 has been committed, including \$5,672,693 for site improvements pursuant to agreements with local developers, and \$620,141 for rubble surcharge. In the Roads Capital Projects Fund, \$926,238 has been contributed by developers and is committed to fund infrastructure improvements.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

On November 22, 2024, the Circuit Court entered a judgment finding that the County did not validly accept an offer of common-law dedication, that the County's installation of a sewer line constituted a taking without just compensation and a trespass. The Circuit Court ruled that (1) the compensation to Queen Anne's Research and Development Corporation ("QARD") for the acquisition of the permanent easement was \$816,000; (2) QARD was entitled to an additional \$81,600 for trespass; (3) \$791,286.50 in attorney's fees under 42 U.S.C. Section 1983; and (4) the County's acquisition of the Easement violated QARD's right to procedural due process. The County has appealed this matter, expects to vigorously prosecute the appeal and is confident that the judgments will be either stricken or reduced significantly.

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

Effective July 1, 2025, the County assumed ownership of all assets, liabilities, financial management, and operations of the Town of Sudlersville's Water and Sewer Utility. The County, which also serves as a County-wide Sanitary District will continue to manage this utility as part of the overall Sanitary District.

In October 2025, the County issued \$23 million of Public Facilities Bonds and \$11 million of Public Facilities Refunding Bonds. The proceeds of the Public Facilities Bonds will be used to fund school and administrative building improvements, as well as other County improvement projects. The proceeds of the refunding bonds will be used to refund the County's outstanding Public Facilities Bonds of 2014. The County received ratings of AAA from S&P and Fitch and an upgraded rating of Aaa from Moody's.

The County and State of Maryland Department of Natural Resources have an agreement on loan funding for the Price Creek Dredging project. The currently approved loan amount is \$1,050,000 for the project. This will cover certain engineering and permitting costs, dredging, and a majority of the transport of the dredge material. Although expenditures totaling \$1 million occurred in fiscal year 2025, loan proceeds are not expected until fiscal 2026.

NOTE 20 – JOINT VENTURE

In 1991, the County Commissioners, in conjunction with Talbot, Caroline, and Kent Counties, entered into a regional partnership known as the Midshore Regional Landfill Joint Venture. This venture was formed to provide a long-term, solid waste management solution for the four-county area. As part of the agreement, each of the four Counties agreed to host a solid waste facility for a twenty-year period, giving the venture a total duration of eighty years. In 1991, the Midshore Regional Landfill opened in Talbot County and served the waste management needs of the four-County area for twenty years. This facility, owned and operated by the Maryland Environmental Service (MES), closed on December 31, 2010. The second Midshore facility, Midshore II, opened in Caroline County in January 2011 and is fully operational. After the facility in Caroline County reaches capacity, another landfill will be constructed in Queen Anne's County, with Kent County to follow in turn. Each County is required to, and has, set aside sufficient land to construct a landfill within their borders. The agreement expires when the last of the four landfills is closed.

Queen Anne's County has a 36.07% financial interest in the Midshore Regional Landfill. If expenditures exceed revenues, the County is obligated to cover the deficiency in proportion to its financial interest; however, to date additional funding from the County has not been required nor does management anticipate it.

Total closure and post closure costs for the landfills are \$25.4 million, with approximately \$9.2 million attributable to Queen Anne's County. These costs are paid from tipping fees of acceptable waste delivered by or for the account of the counties. It is currently expected that sufficient funds will be available from landfill revenues to pay future closure and post closure costs. MES has accrued and reported a long-term liability of \$12.5 million as of June 30, 2025, determined by the estimated useful life of the landfill.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 20 – JOINT VENTURE (CONTINUED)

Similar to the post closure costs, each of the participating Counties is contingently liable for the debt related to the new facility, Midshore II. Midshore II was funded with project revenue bonds with a remaining outstanding balance of \$15.1 million. As of June 30, 2025, \$5.4 million is attributable to Queen Anne's County in the event of a default.

Each County is required to place its municipal waste in the landfill. The facility is also available to commercial waste disposal firms at the same price per ton as charged to the County governments.

MES has satisfied its financial assurance requirements based upon the local government financial ratio tests of the project participants as of June 30, 2025. MES expects to satisfy these requirements as of June 30, 2025 using the same criteria.

Due to inflation and changes in technology, laws, and regulations, estimated closure and post closure care costs may change in the future. Financial Statements of the Landfill can be obtained from MES located at 259 Najoles Road, Millersville, MD 21108.

NOTE 21 – POLLUTION REMEDIATION OBLIGATIONS

During fiscal year 2009, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

During a prior fiscal year, 2003, the County agreed to a voluntary Methyl Tertiary Butyl Ether (MTBE) testing program for underground fuel tanks located at the County's Department of Public Works' fuel depot. This testing program was and still is approved by the Maryland Department of Environment (MDE).

Costs covered remediation work and consulting fees; the latter for testing, studies, and monitoring. Remediation efforts included demolition and removal of the existing fuel depot at the Public Works Centreville Shop; remediation of the soils via excavation; offsite controlled disposal and backfill; installation of monitoring wells; in situ chemical oxidation and dual phase extraction; attorney's fees and miscellaneous environmental consulting services.

In May 2010, MDE requested the County devise a Corrective Action Plan (CAP) to address contamination concerns at the fuel depot site. In August 2010, MDE approved the County's CAP work which included the installation of additional monitoring wells and one year of monitoring, sampling, testing and furnishing of those reports to MDE.

In December of 2014, a leak was discovered at the 10,000 gallon fuel oil UST for the office building. MDE required the removal of the tank and mitigation of the contaminated soils and ground water. The tank has been replaced with a compliant above ground 1,500 gallon fuel oil storage tank. This work was completed, including compliant disposal of all soils by May 2015. MDE subsequently directed the County to install two additional monitoring wells and to abandon the former injection wells on-site.

During fiscal year 2023, the County has maintained the required self-testing of all monitoring wells. As per a letter received by MDE-OCP, dated March 27, 2023, regarding Case #2004-0264-QA, the County was directed to "Conduct one or more quarterly sampling event". This task was contracted out to Chesapeake GeoSciences, Inc. and was performed on July 26, 2023. This report was then sent to MDE-OCP in the month of September 2023. Along with this report, to accompany the reports data, the County's self-testing monthly data was also compiled and sent to MDE-OCP on September 12, 2023, which was inclusive of the months January 2022 through August 2023. During fiscal year 2025, the County has maintained the required self-testing of all monitoring wells.

Also, through the course of FY25, there has been no contact from MDE-OCP with regards to the monitoring wells. As per an email from MDE-OCP dated September 22nd, 2023 (FY24), it was stated "*We look forward to reviewing that report and the provided gauging data. Once we complete our review, we will reach out.*" As of this point, there still has been no response from MDE-OCP.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 21 – POLLUTION REMEDIATION OBLIGATIONS (CONTINUED)

The County has been and will continue to follow the schedule and monitor the wells as it has been doing for the past years. Also, the County will continue to generate a monthly report showing the data found during the monitoring processes. As applied, the following schedule is as follows: monitoring wells MW-2A, MW-11, and MW-9 are tested every week. All monitoring wells are tested once a month.

The estimated costs over the next year are not material, and thus no liability has been recorded at this time. None of these outlays met the requirements for capitalization noted in GASB Statement 49 and they were not capitalized.

NOTE 22 – RESTATEMENT – CORRECTION OF ERRORS

COMPONENT UNITS

HOUSING AUTHORITY

During 2025, corrections of errors resulting in an increase in beginning net position of \$743,866 were required to properly state the financial statements. Descriptions of the adjustments are below:

1. Accounts receivable was restated for a duplicate payment in the prior fiscal year. Accounts receivable was understated as of June 30, 2024.
2. Land (\$25,550) and a building (\$727,634) that was disposed of in a prior year and relating accumulated depreciation (\$218,290) was removed. Capital assets were overstated as of June 30, 2024.
3. Funding received from the County in the prior year that was provided as an operating grant was adjusted from accounts payable – other government. Accounts payable was overstated as of June 30, 2024.
4. Long-term debt with the County and external parties were reconciled. Long-term debt was overstated as of June 30, 2024.
5. Unearned revenue for funding that was spent/earned in a prior fiscal year was adjusted. Unearned revenue was overstated as of June 30, 2024.

	Beginning Balance As Previously Reported	1	2	3	4	5	Beginning Balance As Restated
Accounts Receivable	\$ 145,309	\$ 35,838	\$ -	\$ -	\$ -	\$ -	\$ 181,147
Capital Assets, Net	14,465,079	-	(534,894)	-	-	-	13,930,185
Accounts Payable - Other Government	(897,241)	-	-	897,241	-	-	-
Long-term Debt	(1,564,011)	-	-	-	242,568	-	(1,321,443)
Unearned Revenue	(134,471)	-	-	-	-	103,113	(31,358)
Net Position	12,767,285	35,838	(534,894)	897,241	242,568	103,113	13,511,151

REQUIRED SUPPLEMENTARY INFORMATION

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes				
Local Property Tax	\$ 85,100,000	\$ 85,100,000	\$ 87,494,793	\$ 2,394,793
Local Income Tax	83,000,000	92,545,000	92,720,625	175,625
Admission and Amusement Taxes	252,000	252,000	272,787	20,787
Recordation Taxes	6,500,000	7,600,000	9,385,619	1,785,619
Hotel Taxes	1,100,000	1,100,000	1,213,347	113,347
County Transfer Taxes	2,300,000	2,300,000	3,414,046	1,114,046
Franchise Fee	375,000	375,000	332,058	(42,942)
Licenses and Permits	880,875	880,875	1,004,502	123,627
Intergovernmental	2,561,760	3,222,733	3,383,937	161,204
Charges for Current Services	3,469,987	3,466,987	4,671,784	1,204,797
Fines and Forfeitures	73,500	73,500	50,961	(22,539)
Investment Income	2,500,000	3,729,665	6,500,117	2,770,452
Donations	-	-	650	650
Miscellaneous	875,089	875,089	1,226,238	351,149
Total Revenues	188,988,211	201,520,849	211,671,464	10,150,615
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative	756,352	790,723	783,143	7,580
Judicial				
Circuit Court	1,112,180	1,105,326	999,094	106,232
Orphan's Court	106,228	106,228	102,788	3,440
State's Attorney	1,854,508	2,013,161	2,011,636	1,525
County Administrator	297,013	310,035	302,969	7,066
Board of Elections	1,351,736	1,351,736	1,250,849	100,887
Finance Office	1,768,414	1,881,852	1,876,238	5,614
Human Resources	941,114	996,230	995,176	1,054
Planning and Zoning	2,927,149	3,019,196	2,811,148	208,048
Information Technology	4,140,413	4,232,506	3,898,728	333,778
QAC-TV	521,733	559,137	558,039	1,098
Legal Services	525,000	1,403,356	1,225,267	178,089
Total General Government	16,301,840	17,769,486	16,815,075	954,411
PUBLIC SAFETY				
Sheriff's Office	13,408,567	14,348,329	14,335,836	12,493
Volunteer Fire and Rescue Services	5,380,010	5,406,707	5,382,751	23,956
Detention Center	7,262,081	7,488,005	7,019,003	469,002
Emergency Services	15,508,638	16,090,968	15,945,488	145,480
Total Public Safety	41,559,296	43,334,009	42,683,078	650,931
PUBLIC WORKS				
Administration	615,457	685,543	684,051	1,492
Solid Waste Disposal	1,980,885	2,025,544	1,710,867	314,677
Engineering Division	1,326,495	1,379,108	1,246,277	132,831
General Services	3,486,540	3,540,986	3,368,100	172,886
Animal Services	1,625,920	1,672,494	1,563,866	108,628
Property Management	410,463	420,880	409,073	11,807
Total Public Works	9,445,760	9,724,555	8,982,234	742,321

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025
(Continued)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<u>PARKS & RECREATION</u>				
Parks	\$ 5,263,708	\$ 5,498,620	\$ 5,497,534	\$ 1,086
Recreation	1,263,535	1,300,877	1,090,073	210,804
Total Parks & Recreation	6,527,243	6,799,497	6,587,607	211,890
<u>HEALTH AND SOCIAL SERVICES</u>				
Health Department	2,971,627	2,976,909	2,258,985	717,924
Social Services	196,614	208,593	207,892	701
Total Health and Social Services	3,168,241	3,185,502	2,466,877	718,625
<u>EDUCATION AND LIBRARY</u>				
Board of Education	75,085,219	75,085,219	75,085,219	-
Chesapeake College	2,196,654	2,196,654	2,196,654	-
Queen Anne's County Free Library	2,782,887	2,782,887	2,782,887	-
Total Education and Library	80,064,760	80,064,760	80,064,760	-
<u>CONSERVATION OF NATURAL RESOURCES</u>				
Cooperative Extension Service	432,615	437,591	437,228	363
Soil Conservation Service	345,686	360,764	341,971	18,793
4-H Park	129,800	130,800	129,934	866
Total Conservation of Natural Resources	908,101	929,155	909,133	20,022
<u>ECONOMIC AND COMMUNITY DEVELOPMENT</u>				
Economic Development	1,144,378	1,176,446	1,097,236	79,210
Community Affairs	146,267	150,698	146,929	3,769
Housing Authority	500,000	820,000	818,009	1,991
Total Economic and Community Development	1,790,645	2,147,144	2,062,174	84,970
<u>INTERGOVERNMENTAL</u>				
Aid to Municipalities	361,220	361,220	361,220	-
SDAT Costs from State	335,000	335,000	304,720	30,280
Total Intergovernmental	696,220	696,220	665,940	30,280
<u>MISCELLANEOUS</u>				
Aid to Other Agencies	1,080,613	1,218,772	1,157,822	60,950
Insurance & Benefits	3,135,000	3,957,000	3,941,162	15,838
Transfer to OPEB Fund	1,458,154	1,458,154	1,458,154	-
Contingencies	365,763	311,262	47,696	263,566
Salary Lapse	(2,261,109)	(2,261,109)	-	(2,261,109)
Leases and Subscription-Based IT Arrangements	-	208,958	208,958	-
Miscellaneous Non-Departmental	3,333,775	1,058,377	1,045,831	12,546
Total Miscellaneous	7,112,196	5,951,414	7,859,623	(1,908,209)

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
DEBT SERVICE				
School Debt Service - Principal	\$ 4,155,103	\$ 4,155,331	\$ 4,155,331	\$ -
School Debt Service - Interest	1,451,773	1,451,773	1,451,675	98
County Debt Service - Principal	4,688,691	4,688,463	4,486,500	201,963
County Debt Service - Interest	2,458,027	2,458,027	2,386,756	71,271
Total Debt Service	12,753,594	12,753,594	12,480,262	273,332
Total Expenditures	180,327,896	183,355,336	181,576,763	1,778,573
Excess of Revenues Over Expenditures	8,660,315	18,165,513	30,094,701	11,929,188
OTHER FINANCING SOURCES (USES)				
Proceeds of Capital Asset Disposals	18,000	52,335	52,860	525
Insurance Proceeds	-	185,464	226,231	40,767
Subscription-Based IT Arrangements	-	208,958	208,958	-
Transfers In From:				
Impact Fees - School	2,167,290	2,167,290	2,167,290	-
Total Transfers In	2,167,290	2,167,290	2,167,290	-
Transfers Out To:				
General Capital Projects Fund	-	7,117,445	7,117,445	-
Roads Capital Projects Fund	1,714,061	5,214,061	5,214,061	-
Roads Operating Fund	4,810,520	5,020,379	4,076,825	943,554
Department of Aging	2,760,549	2,862,717	2,858,465	4,252
Department of Housing and Community Services	648,696	693,659	681,984	11,675
Community Partnerships	549,733	695,960	695,960	-
Agricultural Transfer Tax	-	659,644	659,644	-
Grants Fund	48,084	98,084	32,000	66,084
Impact Fees - Fire Companies/Contingencies	90,000	90,000	39,891	50,109
Sanitary Sewer Enterprise Fund	-	68,912	68,911	1
Airport Enterprise Fund	59,361	59,361	25,796	33,565
Golf Course Enterprise Fund	164,601	164,601	4,567	160,034
Total Transfers Out	10,845,605	22,744,823	21,475,549	1,269,274
Total Other Financing (Uses)	(8,660,315)	(20,130,776)	(18,820,210)	(1,227,982)
Net Increase (Decrease) in Fund Balance	\$ -	\$ (1,965,263)	\$ 11,274,491	\$ 13,239,754

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes				
Local Property Tax	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-
State Shared Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	2,089,973	2,155,442	1,815,735	(339,707)
Charges for Current Services	37,033	37,033	32,054	(4,979)
Fines and Forfeitures	-	-	-	-
Investment Income	-	-	-	-
Donations	-	-	-	-
Miscellaneous	78,465	167,616	155,499	(12,117)
Total Revenues	2,205,471	2,360,091	2,003,288	(356,803)
EXPENDITURES				
Current				
General Government	95,551	173,415	109,891	63,524
Public Safety	707,359	567,246	565,103	2,143
Public Works	-	-	-	-
Parks & Recreation	56,342	31,342	28,666	2,676
Health and Social Services	237,705	237,705	251,711	(14,006)
Education and Library	-	-	-	-
Conservation of Natural Resources	-	80,000	19,273	60,727
Economic/Community Development	1,036,500	1,193,895	942,186	251,709
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Capital Outlay	120,098	174,572	118,458	56,114
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	2,253,555	2,458,175	2,035,288	422,887
Excess of Revenues Over (Under) Expenditures	(48,084)	(98,084)	(32,000)	66,084
OTHER FINANCING SOURCES (USES)				
Proceeds of Capital Asset Disposals	-	-	-	-
Insurance Proceeds	-	-	-	-
Transfers In	48,084	98,084	32,000	(66,084)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	48,084	98,084	32,000	(66,084)
Net Increase (Decrease) in Fund Balance	\$ -	\$ -	\$ -	\$ -



QUEEN ANNE'S COUNTY, MARYLAND
MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

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

Measurement Date	Employer's Proportion (Percentage) of the Collective NPL A	Employer's Proportion Share of the Collective NPL B	Employer's Covered Payroll C	Proportionate Share as a Percentage of Covered Payroll (B / C)	Plan's Total Fiduciary Net Position D	Plan's Total Pension Liability E	Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (D / E)
June 30, 2015	0.1189567%	\$ 24,721,248	\$ 21,231,535	116%	\$ 45,789,840,000	\$ 66,571,552,000	69%
June 30, 2016	0.1271511%	30,000,070	23,160,758	130%	45,365,927,000	68,959,954,000	66%
June 30, 2017	0.1232988%	26,661,766	24,681,589	108%	48,987,184,000	70,610,885,000	69%
June 30, 2018	0.1383948%	29,037,440	26,088,826	111%	51,827,233,000	72,808,833,000	71%
June 30, 2019	0.1429452%	29,483,317	26,185,838	113%	53,943,420,000	74,569,030,000	72%
June 30, 2020	0.1514518%	34,230,163	27,669,757	124%	54,586,037,000	77,187,397,000	71%
June 30, 2021	0.1745337%	26,184,085	26,110,792	100%	67,604,500,000	82,606,805,000	82%
June 30, 2022	0.1762298%	35,261,002	27,222,595	130%	64,310,991,000	84,319,523,000	76%
June 30, 2023	0.1960852%	45,159,037	33,312,053	136%	64,892,973,000	87,923,284,000	74%
June 30, 2024	0.2257721%	59,388,091	36,434,467	163%	67,909,708,000	94,214,144,000	72%

SCHEDULE OF CONTRIBUTIONS (as of fiscal year end)

Fiscal Year	Contractually Required Contribution A	Actual Contribution B	Contribution Deficiency (Excess) (A - B)	Employer's Covered Payroll C	Actual Contribution as a Percentage of Covered Payroll (B / C)
2016	\$ 2,477,009	\$ 2,477,009	\$ -	\$ 23,160,758	11%
2017	2,509,551	2,509,551	-	24,681,589	10%
2018	2,759,698	2,759,698	-	26,088,826	11%
2019	2,935,378	2,935,378	-	26,185,838	11%
2020	3,247,222	3,247,222	-	27,669,757	12%
2021	3,478,809	3,478,809	-	26,110,792	13%
2022	3,617,905	3,617,905	-	27,222,595	13%
2023	4,782,356	4,782,356	-	33,312,053	14%
2024	5,911,428	5,911,428	-	36,434,467	16%
2025	7,748,048	7,748,048	-	42,765,236	18%

Both schedules are presented to illustrate the requirements to show information for 10 years.

QUEEN ANNE'S COUNTY, MARYLAND
MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

Changes in Benefit Terms

There were no changes of benefit terms during the year.

Changes in Assumptions

Discount rate remained 6.80%.

Method and Assumptions used in Calculations of Actuarially Determined Contributions

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25-year closed amortization period ending June 30, 2040; 15 years remaining.
Asset Valuation Model	Five-year smoothed market (max. 120% and min 80% of the market value)
Inflation	In the 2024 actuarial valuation, 2.5% general, 3% wage. In the 2023 actuarial valuation, 2.25% general, 2.75% wage.
Salary Increases	In the 2024 actuarial valuation, 3% to 22.5%. In the 2023 actuarial valuation, 2.75% to 11.25%.
Investment Rate of Return	In the 2024 actuarial valuation 6.80%. In the 2023 actuarial valuation 6.80%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2024 valuation pursuant to the 2024 experience study for the period July 1, 2018 to June 30, 2023.
Mortality	Various versions of the Pub- 2010 Mortality Tables with projected generational mortality improvements based on the MP-2021 fully generational mortality improvements scale for males and females.

QUEEN ANNE'S COUNTY, MARYLAND
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY

	2017	2018	2019	2020
Total OPEB liability ("TOL")				
Service cost	\$ 1,097,813	\$ 1,130,747	\$ 1,164,669	\$ 1,331,424
Interest	2,764,491	2,985,530	3,136,157	3,344,770
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	735,549	-
Changes of assumptions	-	265,899	915,266	426,582
Benefit payments	(1,291,027)	(1,498,005)	(1,568,468)	(1,561,872)
Net change in TOL	2,571,277	2,884,171	4,383,173	3,540,904
TOL - beginning of year	48,695,013	51,266,290	54,150,461	58,533,634
TOL - end of year	\$ 51,266,290	\$ 54,150,461	\$ 58,533,634	\$ 62,074,538

Plan fiduciary net position ("PFNP")

Contributions - employer	\$ 2,223,474	\$ 2,731,447	\$ 3,037,243	\$ 3,378,771
Contributions - member	-	-	-	-
Net investment income	75,175	207,932	342,827	129,710
Benefits payments	(1,291,027)	(1,498,005)	(1,568,468)	(1,561,872)
Administrative expense	-	(2,452)	(39,142)	(3,553)
Other	-	-	-	-
Net change in PFNP	1,007,622	1,438,922	1,772,460	1,943,056
Total PFNP - beginning of year	2,804,433	3,812,055	5,250,977	7,023,437
Total PFNP - end of year	\$ 3,812,055	\$ 5,250,977	\$ 7,023,437	\$ 8,966,493

Net OPEB liability ("NOL") - beginning of year	\$ 45,890,580	\$ 47,454,235	\$ 48,899,484	\$ 51,510,197
Net OPEB liability ("NOL") - end of year	\$ 47,454,235	\$ 48,899,484	\$ 51,510,197	\$ 53,108,045

PFNP as a % of TOL	7.4%	9.7%	12.0%	14.4%
Covered employee payroll	\$ 21,604,888	\$ 22,282,543	\$ 23,843,440	\$ 25,806,124
NOL as a % of covered employee payroll	219.6%	219.5%	216.0%	205.8%

SCHEDULE OF ACTUAL EMPLOYER CONTRIBUTION AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL

FISCAL YEAR	2017	2018	2019	2020
Actuarially Determined Employer Contribution	\$ 3,853,839	\$ 3,969,454	\$ 4,377,119	\$ 4,508,433
Actual Employer Contribution	2,223,474	2,731,447	3,037,243	3,378,771
Contribution Deficiency / (Excess)	1,630,365	1,238,007	1,339,876	1,129,662
Covered Employee Payroll	21,604,888	22,282,543	23,843,440	25,806,124
Contribution as a Percent of Payroll	10.3%	12.3%	12.7%	13.1%

The employer contributions above represent amounts paid in OPEB to retirees, as well as contributions to the OPEB trust.

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

QUEEN ANNE'S COUNTY, MARYLAND
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

(CONTINUED)

	2021	2022	2023	2024	2025
\$	1,371,367	\$ 1,226,384	\$ 1,263,176	\$ 983,763	\$ 1,013,276
	3,519,372	3,220,060	3,386,945	2,962,304	3,083,058
	-	-	394,544	-	-
	(8,720,849)	-	(8,541,920)	-	(3,750,411)
	(1,619,833)	(686,055)	(1,645,226)	-	(360,211)
	(1,670,095)	(1,731,265)	(1,706,367)	(1,846,441)	(2,013,758)
	(7,120,038)	2,029,124	(6,848,848)	2,099,626	(2,028,046)
	62,074,538	54,954,500	56,983,624	50,134,776	52,234,402
\$	54,954,500	\$ 56,983,624	\$ 50,134,776	\$ 52,234,402	\$ 50,206,356
\$	3,612,555	\$ 4,195,201	\$ 4,098,432	\$ 4,453,230	\$ 3,471,912
	-	-	-	-	-
	2,261,978	(1,964,463)	1,430,230	1,923,140	2,344,561
	(1,670,095)	(1,731,265)	(1,706,367)	(1,846,441)	(2,013,758)
	(2,236)	(5,253)	(7,722)	(8,025)	(14,927)
	-	-	(7,935)	-	-
	4,202,202	494,220	3,806,638	4,521,904	3,787,788
	8,966,493	13,168,695	13,662,915	17,469,553	21,991,457
\$	13,168,695	\$ 13,662,915	\$ 17,469,553	\$ 21,991,457	\$ 25,779,245
\$	53,108,045	\$ 41,785,805	\$ 43,320,709	\$ 32,665,223	\$ 30,242,945
\$	41,785,805	\$ 43,320,709	\$ 32,665,223	\$ 30,242,945	\$ 24,427,111
	24.0%	24.0%	34.8%	42.1%	51.3%
\$	26,326,472	\$ 29,071,019	\$ 32,307,222	\$ 36,215,104	\$ 41,579,596
	158.7%	149.0%	101.1%	83.5%	58.7%

	2021	2022	2023	2024	2025
\$	4,419,451	\$ 4,552,035	\$ 3,864,103	\$ 3,980,026	\$ 3,578,879
	3,612,555	4,195,201	4,098,432	4,453,230	3,471,912
	806,896	356,834	(234,329)	(473,204)	106,967
	26,326,472	29,071,019	32,307,222	36,215,104	41,579,596
	13.7%	14.4%	12.7%	12.3%	8.4%

QUEEN ANNE'S COUNTY, MARYLAND
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

Actuarial Information - OPEB

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Return: 6.00%, net of investment expense and including inflation.

Healthcare Trend: 6.00% initially for all plans, grading down to 4.25% for PPO, EPO and BCA plans ultimate.

Mortality rates are based on the PUB2010G Headcount tables with Scale SSA applied on a generational basis. PUB2010G Headcount Disabled tables are used for those on disability, if applicable.

Changes in actuarial assumptions

The discount rate was changed due to an updated fund availability analysis.

Actuarial methods for determining employer contributions

The same economic and demographic assumptions are used for both funding and financial reporting purposes under GASB 74/75.

The Entry Age method is used for accounting/GASB purposes, therefore all of the actuarial figures within this Report are based on it. Actuarially Determined Contributions are also based on the Entry Age method, with a closed level percentage of payroll amortization of the unfunded liability (13 years remaining as of the valuation date).

QUEEN ANNE'S COUNTY, MARYLAND
LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

SCHEDULE OF CHANGES IN THE NET LOSAP LIABILITY (as of measurement date)

AS OF MEASUREMENT DATE	2017	2018	2019	2020	2021	2022	2023	2024
Total LOSAP liability ("TLL")								
Service cost	\$ 206,276	\$ 164,371	\$ 215,978	\$ 285,808	\$ 350,104	\$ 268,262	\$ 430,072	\$ 400,444
Interest cost	196,904	249,496	180,529	158,757	174,594	409,940	282,361	468,442
Changes of benefit terms	-	-	-	-	-	-	3,404,969	-
Differences between expected and actual experience	-	137,821	(78,468)	65,911	65,498	819,208	(526,887)	418,351
Changes of assumptions	578,039	(491,888)	1,280,343	1,275,769	315,113	(3,702,745)	460,832	(885,740)
Benefits payments and admin expenses	(190,420)	(220,060)	(220,084)	(231,815)	(240,012)	(304,558)	(628,972)	(483,520)
Net change in TLL	790,799	(160,260)	1,378,298	1,554,430	665,297	(2,509,893)	3,422,375	(82,023)
TLL - beginning of year	6,039,197	6,829,996	6,669,736	8,048,034	9,602,464	10,267,761	7,757,868	11,180,243
TLL - end of year	\$ 6,829,996	\$ 6,669,736	\$ 8,048,034	\$ 9,602,464	\$ 10,267,761	\$ 7,757,868	\$ 11,180,243	\$ 11,098,220
Plan fiduciary net position ("PFNP")								
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	-	-	-	-	-	-	-	-
Benefits payments	-	-	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-	-	-
Net change in PFNP	-	-	-	-	-	-	-	-
Total PFNP - beginning of year	-	-	-	-	-	-	-	-
Total PFNP - end of year	\$ -	\$ -	\$ -	\$ -				
Net LOSAP liability ("NLL")	\$ 6,829,996	\$ 6,669,736	\$ 8,048,034	\$ 9,602,464	\$ 10,267,761	\$ 7,757,868	\$ 11,180,243	\$ 11,098,220
PFNP as a % of TLL	0%	0%	0%	0%	0%	0%	0%	0%
Covered employee payroll - *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NLL as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
* - the NLL is based on volunteer hours and as such has no payroll associated.								
Expected average remaining service years of all participants	6	10	5	5	5	5	6	5

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

QUEEN ANNE'S COUNTY, MARYLAND
LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION - LOSAP

The LOSAP has no assets accumulated in a trust that meet the criteria in GASB 73, paragraph 4.

Benefit changes - fiscal year

2018	None
2019	None
2020	None
2021	None
2022	None
2023	None
2024	Monthly benefit increased from \$6 to \$10, vesting requirement increased from 5-years to 10-years, terminated-vested members <= 10 years of service paid PVAB via lump sum
2025	None

Changes of assumptions - fiscal year

2018	None, other than discount rate
2019	None, other than discount rate
2020	None, other than discount rate
2021	None, other than discount rate
2022	None, other than discount rate
2023	None, other than discount rate
2024	None, other than discount rate
2025	None, other than discount rate

Discount rate - measurement date

December 31, 2017	3.31%
December 31, 2018	3.71%
December 31, 2019	2.75%
December 31, 2020	2.00%
December 31, 2021	1.84%
December 31, 2022	4.05%
December 31, 2023	3.79%
December 31, 2024	4.28%

OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Statements and Schedules

The Combining and Individual Fund Statements and Schedules provide detailed information concerning the financial position, results of operations, and budgetary comparisons for the non-major funds, capital projects, and fiduciary funds.

Non-Major Governmental Funds

Non-Major Governmental Funds are used to account for the proceeds of specific revenue sources (other than capital projects and debt service funds) that are legally restricted to expenditures for specific purposes.

NON-MAJOR GOVERNMENTAL FUNDS

Non-major governmental funds are special revenue funds, unless otherwise noted:

Department of Aging – This fund accounts for activities funded primarily by grants to provide services for the elderly and is included in the social services function.

Housing and Community Services – This fund accounts for activities funded mostly by grants and revolving loan funds that support housing rehabilitation and home-ownership and is included in the economic and community development function.

Revolving Loan Fund – This fund accounts for activities funded by community donations and grants to promote and provide economic development loans to local businesses and is included in the economic and community development function.

Economic Development Incentive Fund – This fund accounts for activities funded with a portion of recordation taxes that support economic development in the County by attracting and investing in new and existing businesses and is included in the economic and community development function.

Roads Operation Fund – This fund accounts financial resources received from the State, plus a substantial amount from the County, for the maintenance of County road infrastructure.

Community Partnerships for Children – This fund accounts for activities funded by grants allocated to the County that provide services for children and families and is included in the social services function.

Critical Areas – This fund accounts for activities funded by payments in lieu of performance bonds that support efforts to mitigate and preserve critical areas along the shoreline of tidal waters within the County and is included in the conservation of natural resources function.

Law Library – This fund accounts for activities funded by court fees, fines, and contributions from local attorneys to update legal reference materials housed in the courthouse and is included in the general government function.

Sheriff's Drug Task Force – This fund accounts for activities funded by drug-related forfeitures that support drug interdiction efforts by a multi-faceted task force and is included in the public safety function.

Inmate Welfare Fund – This fund accounts for activities funded by profits earned from Detention Center inmate-related services that promote the welfare of the inmates and is included in the public safety function.

Agricultural Transfer Tax – This fund accounts for activities funded primarily by the Agricultural Transfer Tax to purchase agricultural easements that preclude development and is included in the conservation of natural resources function.

Rural Legacy – This fund accounts for activities funded primarily by Maryland's Rural Legacy Program to purchase easements that preclude development and is included in the conservation of natural resources function.

Dredging Special Assessments – This fund accounts for activities funded by special assessment funds collected to repay loans for specific dredging and erosion projects that benefited Price's Creek, Grove Creek, and Narrows Pointe and is included in the conservation of natural resources function.

Kent Narrows – This fund accounts for activities funded by tax revenues to improve the Kent Narrows area and is included in the economic and community development function.

Community Reinvestment and Repair Fund – This fund, created under the 2023 Cannabis Reform Act, directs a portion of adult-use cannabis tax revenue to local jurisdictions to support community-based programs that benefit low-income communities and those disproportionately impacted by past cannabis law enforcement.

Capital Projects – School Impact Fees – This fund accounts for financial resources generated by new residential construction and used for the construction of public school facilities or payment of school debt relating to such construction.

Capital Projects – Fire Company Impact Fees – This fund accounts for activities funded by impact fees specifically earmarked to enhance local volunteer fire company preparedness resulting from new construction and is included in the public safety function.

Capital Projects – Parks and Recreation Impact Fees – This fund accounts for activities funded by impact fees specifically earmarked to enhance parks and recreation and is included in the parks and recreation function.

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2025

	DEPARTMENT OF AGING	HOUSING AND COMMUNITY SERVICES	REVOLVING LOAN FUND	ECONOMIC DEVELOPMENT INCENTIVE	ROADS OPERATING	COMMUNITY PARTNERSHIPS FOR CHILDREN
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 5,164,923	\$ 15,000	\$ 1,109,684	\$ 215,240	\$ 253,602
Prepaid Items	-	-	-	-	-	-
Receivables						
Taxes Receivable (Net)	-	-	-	-	-	-
Accounts Receivable (Net)	-	519	-	-	61,042	-
Loans Receivable (Net)	-	6,647,194	75,000	-	-	-
Special Assessments (Net)	-	-	-	-	-	-
Due from Other Governments	353,946	233,955	-	-	619,544	267,782
Inventory	-	-	-	-	1,223,652	-
Total Assets	\$ 353,946	\$ 12,046,591	\$ 90,000	\$ 1,109,684	\$ 2,119,478	\$ 521,384
LIABILITIES						
Accrued Liabilities	\$ 165,630	\$ 28,696	\$ -	\$ -	\$ 288,560	\$ 131,960
Due to Other Funds	59,184	-	-	-	-	-
Due to Component Units	-	-	-	-	-	-
Due to Other Governmental Agencies	-	3,136	-	-	-	328,359
Unearned Revenue	-	140,382	-	-	503,543	-
Total Liabilities	224,814	172,214	-	-	792,103	460,319
DEFERRED INFLOWS OF RESOURCES						
Unavailable Benefit Assessments	-	-	-	-	-	-
Unavailable Fees	-	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-	-
Total Liabilities and Deferred Inflows	224,814	172,214	-	-	792,103	460,319
FUND BALANCES						
Nonspendable	-	-	-	-	1,223,652	-
Restricted	955	2,892,815	-	-	-	-
Committed	-	8,981,562	90,000	1,109,684	-	-
Assigned	128,177	-	-	-	103,723	61,065
Unassigned	-	-	-	-	-	-
Total Fund Balances	129,132	11,874,377	90,000	1,109,684	1,327,375	61,065
Total Liabilities, Deferred Inflows and Fund Balances	\$ 353,946	\$ 12,046,591	\$ 90,000	\$ 1,109,684	\$ 2,119,478	\$ 521,384

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2025
(CONTINUED)

CRITICAL AREAS	LAW LIBRARY	SHERIFF'S DRUG TASK FORCE	INMATE WELFARE	AGRICULTURAL TRANSFER	RURAL LEGACY	DREDGING SPECIAL ASSESSMENTS
\$ 397,582	\$ 614,034	\$ 188,196	\$ 160,286	\$ 1,644,544	\$ 480,221	\$ 15,040
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,087	-	1,224	-	65	1
-	-	-	-	-	-	511,885
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 397,582</u>	<u>\$ 619,121</u>	<u>\$ 188,196</u>	<u>\$ 161,510</u>	<u>\$ 1,644,544</u>	<u>\$ 480,286</u>	<u>\$ 526,926</u>
\$ -	\$ 443	\$ 55,467	\$ 1,215	\$ 36,477	\$ 6,800	\$ 1,006,624
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	443	55,467	1,215	36,477	6,800	1,006,624
-	-	-	-	-	-	511,885
-	-	-	-	-	-	-
-	-	-	-	-	-	511,885
-	443	55,467	1,215	36,477	6,800	1,518,509
-	-	-	-	-	-	-
397,582	-	132,729	160,295	1,608,067	473,486	15,041
-	-	-	-	-	-	-
-	618,678	-	-	-	-	-
-	-	-	-	-	-	(1,006,624)
<u>397,582</u>	<u>618,678</u>	<u>132,729</u>	<u>160,295</u>	<u>1,608,067</u>	<u>473,486</u>	<u>(991,583)</u>
<u>\$ 397,582</u>	<u>\$ 619,121</u>	<u>\$ 188,196</u>	<u>\$ 161,510</u>	<u>\$ 1,644,544</u>	<u>\$ 480,286</u>	<u>\$ 526,926</u>

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2025
(CONTINUED)

	COMMUNITY REINVESTMENT AND REPAIR COMMISSION		CAPITAL PROJECTS			TOTAL NON-MAJOR GOVERNMENTAL
	KENT NARROWS	AND REPAIR COMMISSION	SCHOOL IMPACT FEES	FIRE COMPANY IMPACT FEES	PARKS AND RECREATION IMPACT FEES	
ASSETS						
Cash and Cash Equivalents	\$ 204,537	\$ 726,277	\$ 13,034,930	\$ 341,375	\$ 1,135,594	\$ 25,701,065
Prepaid Items	-	-	-	-	-	-
Receivables						
Taxes Receivable (Net)	-	-	-	-	-	-
Accounts Receivable (Net)	-	-	-	-	-	67,938
Loans Receivable (Net)	-	-	31,825	3,658	3,525	6,761,202
Special Assessments (Net)	-	-	-	-	-	511,885
Due from Other Governments	-	25,267	-	-	-	1,500,494
Inventory	-	-	-	-	-	1,223,652
Total Assets	\$ 204,537	\$ 751,544	\$ 13,066,755	\$ 345,033	\$ 1,139,119	\$ 35,766,236
LIABILITIES						
Accrued Liabilities	\$ -	\$ 24,985	\$ -	\$ -	\$ -	\$ 1,746,857
Due to Other Funds	-	-	-	-	-	59,184
Due to Component Units	-	-	-	-	-	-
Due to Other Governmental Agencies	-	-	-	-	-	331,495
Unearned Revenue	-	-	-	-	-	643,925
Total Liabilities	-	24,985	-	-	-	2,781,461
DEFERRED INFLOWS OF RESOURCES						
Unavailable Benefit Assessments	-	-	-	-	-	511,885
Unavailable Fees	-	-	31,825	3,658	3,525	39,008
Total Deferred Inflows	-	-	31,825	3,658	3,525	550,893
Total Liabilities and Deferred Inflows	-	24,985	31,825	3,658	3,525	3,332,354
FUND BALANCES						
Nonspendable	-	-	-	-	-	1,223,652
Restricted	204,537	726,559	-	-	-	6,612,066
Committed	-	-	13,034,930	341,375	1,135,594	24,693,145
Assigned	-	-	-	-	-	911,643
Unassigned	-	-	-	-	-	(1,006,624)
Total Fund Balances	204,537	726,559	13,034,930	341,375	1,135,594	32,433,882
Total Liabilities, Deferred Inflows and Fund Balances	\$ 204,537	\$ 751,544	\$ 13,066,755	\$ 345,033	\$ 1,139,119	\$ 35,766,236



QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	DEPARTMENT OF AGING	HOUSING AND COMMUNITY SERVICES	REVOLVING LOAN FUND	ECONOMIC DEVELOPMENT INCENTIVE	ROADS OPERATING	COMMUNITY PARTNERSHIPS FOR CHILDREN
REVENUES						
Taxes						
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	293,301	-	-	-	-
State Shared Taxes	-	-	-	-	1,796,990	-
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	1,327,393	399,563	-	-	-	721,770
Charges for Current Services	49,624	-	-	-	412,401	-
Fines and Forfeitures	-	-	-	-	-	-
Investment Income	10,802	52,262	-	-	-	2
Donations	34,010	-	-	-	-	1,000
Miscellaneous	600	-	-	93,976	3,919	6,710
Total Revenues	1,422,429	745,126	-	93,976	2,213,310	729,482
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	6,200,506	-
Parks & Recreation	-	-	-	-	-	-
Health & Social Services	4,260,474	-	-	-	-	1,430,801
Conservation of Natural Resources	-	-	-	-	-	-
Economic/Community Development	-	1,086,968	-	159,333	-	-
Capital Outlay	20,715	-	-	-	99,028	-
Debt Service						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	4,281,189	1,086,968	-	159,333	6,299,534	1,430,801
Excess of Revenues Over (Under) Expenditures	(2,858,760)	(341,842)	-	(65,357)	(4,086,224)	(701,319)
OTHER FINANCING SOURCES (USES)						
Proceeds of Capital Asset Disposals	43	-	-	-	23,860	-
Insurance Proceeds	252	5,421	-	-	5,201	-
Transfers In	2,858,465	681,984	-	-	4,076,825	695,960
Transfers Out	-	-	-	-	(19,662)	-
Other Financing Sources (Uses)	2,858,760	687,405	-	-	4,086,224	695,960
Net Increase (Decrease) in Fund Balances	-	345,563	-	(65,357)	-	(5,359)
Fund Balances, July 1	129,132	11,528,814	90,000	1,175,041	1,327,375	66,424
Fund Balances, June 30	\$ 129,132	\$ 11,874,377	\$ 90,000	\$ 1,109,684	\$ 1,327,375	\$ 61,065

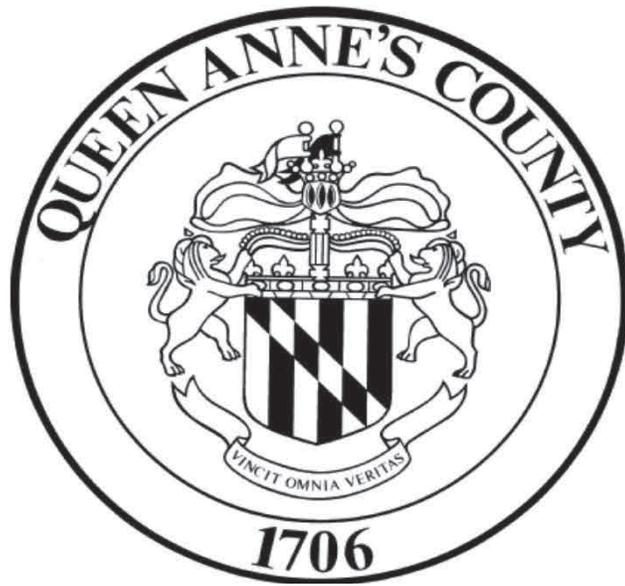
QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

CRITICAL AREAS	LAW LIBRARY	SHERIFF'S DRUG TASK FORCE	INMATE WELFARE	AGRICULTURAL TRANSFER	RURAL LEGACY	DREDGING SPECIAL ASSESSMENTS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	68,967	-	-
-	-	-	-	-	1,162,925	-
13,955	13,521	-	67,994	-	-	47,669
-	33,650	3,301	-	-	-	-
-	27,745	9,832	7,874	-	29,217	389
-	-	-	-	-	-	-
-	-	-	11,931	-	-	-
13,955	74,916	13,133	87,799	68,967	1,192,142	48,058
-	16,651	-	-	-	-	1,006,624
-	-	47,832	91,844	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,092,938	1,145,251	-
-	-	-	-	-	-	-
-	-	-	-	-	-	47,816
-	-	-	-	-	-	-
-	16,651	47,832	91,844	1,092,938	1,145,251	1,054,440
13,955	58,265	(34,699)	(4,045)	(1,023,971)	46,891	(1,006,382)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	659,644	-	-
-	-	-	-	-	-	-
-	-	-	-	659,644	-	-
13,955	58,265	(34,699)	(4,045)	(364,327)	46,891	(1,006,382)
383,627	560,413	167,428	164,340	1,972,394	426,595	14,799
\$ 397,582	\$ 618,678	\$ 132,729	\$ 160,295	\$ 1,608,067	\$ 473,486	\$ (991,583)

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

	KENT NARROWS	COMMUNITY REINVESTMENT AND REPAIR COMMISSION	CAPITAL PROJECTS			TOTAL NON-MAJOR GOVERNMENTAL
			SCHOOL IMPACT FEES	FIRE COMPANY IMPACT FEES	PARKS AND RECREATION IMPACT FEES	
REVENUES						
Taxes						
Local Property Tax	\$ 61,894	\$ -	\$ -	\$ -	\$ -	\$ 61,894
Recordation Taxes	-	-	-	-	-	293,301
State Shared Taxes	-	-	-	-	-	1,865,957
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	809,061	-	-	-	4,420,712
Charges for Current Services	-	-	2,075,142	281,292	228,518	3,190,116
Fines and Forfeitures	-	-	-	-	-	36,951
Investment Income	12,217	-	627,774	20,193	47,226	845,533
Donations	-	-	-	-	-	35,010
Miscellaneous	-	-	-	-	-	117,136
Total Revenues	74,111	809,061	2,702,916	301,485	275,744	10,866,610
EXPENDITURES						
Current						
General Government	-	-	-	-	-	1,023,275
Public Safety	-	-	-	404,877	-	544,553
Public Works	-	-	-	-	-	6,200,506
Parks & Recreation	-	-	-	-	-	-
Health & Social Services	-	-	-	-	-	5,691,275
Conservation of Natural Resources	-	82,502	-	-	-	2,320,691
Economic/Community Development	127,000	-	-	-	-	1,373,301
Capital Outlay	-	-	-	-	-	119,743
Debt Service						
Principal	-	-	-	-	-	47,816
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	127,000	82,502	-	404,877	-	17,321,160
Excess of Revenues Over (Under) Expenditures	(52,889)	726,559	2,702,916	(103,392)	275,744	(6,454,550)
OTHER FINANCING SOURCES (USES)						
Proceeds of Capital Asset Disposals	-	-	-	-	-	23,903
Insurance Proceeds	-	-	-	-	-	10,874
Transfers In	-	-	-	39,891	-	9,012,769
Transfers Out	-	-	(2,167,290)	-	-	(2,186,952)
Other Financing Sources (Uses)	-	-	(2,167,290)	39,891	-	6,860,594
Net Increase (Decrease) in Fund Balances	(52,889)	726,559	535,626	(63,501)	275,744	406,044
Fund Balances, July 1	257,426	-	12,499,304	404,876	859,850	32,027,838
Fund Balances, June 30	\$ 204,537	\$ 726,559	\$ 13,034,930	\$ 341,375	\$ 1,135,594	\$ 32,433,882



QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	DEPARTMENT OF AGING				HOUSING AND COMMUNITY SERVICES			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	200,000	200,000	293,301	93,301
State Shared Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	1,197,259	1,287,227	1,327,393	40,166	234,867	667,929	399,563	(268,366)
Charges for Current Services	68,000	68,000	49,624	(18,376)	400,000	400,000	-	(400,000)
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	-	-	10,802	10,802	-	-	52,262	52,262
Donations	35,000	35,000	34,010	(990)	-	-	-	-
Miscellaneous	33,600	33,600	600	(33,000)	-	-	-	-
Total Revenues	1,333,859	1,423,827	1,422,429	(1,398)	834,867	1,267,929	745,126	(522,803)
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	4,069,408	4,269,544	4,260,474	9,070	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic/Community Development	-	-	-	-	1,483,563	2,161,588	1,086,968	1,074,620
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	25,000	17,000	20,715	(3,715)	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	4,094,408	4,286,544	4,281,189	5,355	1,483,563	2,161,588	1,086,968	1,074,620
Excess of Revenues Over (Under) Expenditures	(2,760,549)	(2,862,717)	(2,858,760)	3,957	(648,696)	(893,659)	(341,842)	551,817
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	43	43	-	-	-	-
Insurance Proceeds	-	-	252	252	-	-	5,421	5,421
Transfers In	2,760,549	2,862,717	2,858,465	(4,252)	648,696	693,659	681,984	(11,675)
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	2,760,549	2,862,717	2,858,760	(3,957)	648,696	693,659	687,405	(6,254)
Net Increase (Decrease) in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,000)	\$ 345,563	\$ 545,563

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

	ECONOMIC DEVELOPMENT INCENTIVE				ROADS OPERATING			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	1,828,971	1,828,971	1,796,990	(31,981)
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Current Services	-	-	-	-	95,000	95,000	412,401	317,401
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Miscellaneous	27,100	37,100	93,976	56,876	-	-	3,919	3,919
Total Revenues	27,100	37,100	93,976	56,876	1,923,971	1,923,971	2,213,310	289,339
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	6,594,491	6,804,350	6,200,506	603,844
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic/Community Development	150,000	160,000	159,333	667	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	140,000	140,000	99,028	40,972
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	150,000	160,000	159,333	667	6,734,491	6,944,350	6,299,534	644,816
Excess of Revenues Over (Under) Expenditures	(122,900)	(122,900)	(65,357)	57,543	(4,810,520)	(5,020,379)	(4,086,224)	934,155
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	23,860	23,860
Insurance Proceeds	-	-	-	-	-	-	5,201	5,201
Transfers In	-	-	-	-	4,810,520	5,020,379	4,076,825	(943,554)
Transfers Out	-	-	-	-	-	-	(19,662)	(19,662)
Total Other Financing Sources (Uses)	-	-	-	-	4,810,520	5,020,379	4,086,224	(934,155)
Net Increase (Decrease) in Fund Balances	\$ (122,900)	\$ (122,900)	\$ (65,357)	\$ 57,543	\$ -	\$ -	\$ -	\$ -

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

	COMMUNITY PARTNERSHIPS FOR CHILDREN				LAW LIBRARY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	-	-	-	-
Licenses and Permits								
Intergovernmental	708,427	800,927	721,770	(79,157)	-	-	-	-
Charges for Current Services	-	-	-	-	10,000	10,000	13,521	3,521
Fines and Forfeitures	-	-	-	-	15,500	15,500	33,650	18,150
Investment Income	-	-	2	2	-	-	27,745	27,745
Donations	-	-	1,000	1,000	-	-	-	-
Miscellaneous	12,500	12,500	6,710	(5,790)	-	-	-	-
Total Revenues	720,927	813,427	729,482	(83,945)	25,500	25,500	74,916	49,416
EXPENDITURES								
Current								
General Government	-	-	-	-	25,500	25,500	16,651	8,849
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	1,270,660	1,509,387	1,430,801	78,586	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic/Community Development	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	1,270,660	1,509,387	1,430,801	78,586	25,500	25,500	16,651	8,849
Excess of Revenues Over (Under) Expenditures	(549,733)	(695,960)	(701,319)	(5,359)	-	-	58,265	58,265
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	549,733	695,960	695,960	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	549,733	695,960	695,960	-	-	-	-	-
Net Increase (Decrease) in Fund Balances	\$ -	\$ -	\$ (5,359)	\$ (5,359)	\$ -	\$ -	\$ 58,265	\$ 58,265

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(Continued)

	INMATE WELFARE				ARGICULTURAL TRANSFER			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	125,000	125,000	68,967	(56,033)
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	10,890	10,890	-	(10,890)	-	-	-	-
Charges for Current Services	95,000	95,000	67,994	(27,006)	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	-	-	7,874	7,874	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Miscellaneous	16,310	16,310	11,931	(4,379)	-	-	-	-
Total Revenues	122,200	122,200	87,799	(34,401)	125,000	125,000	68,967	(56,033)
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	118,150	118,150	91,844	26,306	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	5,068,102	5,727,746	1,092,938	4,634,808
Economic/Community Development	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	15,000	15,000	-	15,000	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	133,150	133,150	91,844	41,306	5,068,102	5,727,746	1,092,938	4,634,808
Excess of Revenues Over (Under) Expenditures	(10,950)	(10,950)	(4,045)	6,905	(4,943,102)	(5,602,746)	(1,023,971)	4,578,775
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	659,644	659,644	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	659,644	659,644	-
Net Increase (Decrease) in Fund Balances	\$ (10,950)	\$ (10,950)	\$ (4,045)	\$ 6,905	\$ (4,943,102)	\$ (4,943,102)	\$ (364,327)	\$ 4,578,775

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

	RURAL LEGACY				DREDGING SPECIAL ASSESSMENTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	2,437,399	2,437,399	1,162,925	(1,274,474)	-	-	-	-
Charges for Current Services	-	-	-	-	47,816	47,816	47,669	(147)
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	-	-	29,217	29,217	-	-	389	389
Donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	1,050,000	-	(1,050,000)
Total Revenues	2,437,399	2,437,399	1,192,142	(1,245,257)	47,816	1,097,816	48,058	(1,049,758)
EXPENDITURES								
Current								
General Government	-	-	-	-	-	1,050,000	1,006,624	43,376
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	2,437,399	2,437,399	1,145,251	1,292,148	-	-	-	-
Economic/Community Development	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	47,816	47,816	47,816	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	2,437,399	2,437,399	1,145,251	1,292,148	47,816	1,097,816	1,054,440	43,376
Excess of Revenues Over (Under) Expenditures	-	-	46,891	46,891	-	-	(1,006,382)	(1,006,382)
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Net Increase (Decrease) in Fund Balances	\$ -	\$ -	\$ 46,891	\$ 46,891	\$ -	\$ -	\$ (1,006,382)	\$ (1,006,382)

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

	KENT NARROWS FUND				COMMUNITY REINVESTMENT AND REPAIR COMMISSION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ 61,000	\$ 61,000	\$ 61,894	\$ 894	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	90,000	809,061	719,061
Charges for Current Services	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	-	8,233	12,217	3,984	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	61,000	69,233	74,111	4,878	-	90,000	809,061	719,061
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	90,000	82,502	7,498
Economic/Community Development	61,000	127,000	127,000	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	61,000	127,000	127,000	-	-	90,000	82,502	7,498
Excess of Revenues Over (Under) Expenditures	-	(57,767)	(52,889)	4,878	-	-	726,559	726,559
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Net Increase (Decrease) in Fund Balances	\$ -	\$ (57,767)	\$ (52,889)	\$ 4,878	\$ -	\$ -	\$ 726,559	\$ 726,559

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

	CAPITAL PROJECTS - SCHOOL IMPACT FEES				CAPITAL PROJECTS - FIRE COMPANY IMPACT FEES			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Current Services	2,097,290	2,097,290	2,075,142	(22,148)	306,500	209,656	281,292	71,636
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	70,000	70,000	627,774	557,774	9,800	9,800	20,193	10,393
Donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	2,167,290	2,167,290	2,702,916	535,626	316,300	219,456	301,485	82,029
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	406,300	406,300	404,877	1,423
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic/Community Development	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	406,300	406,300	404,877	1,423
Excess of Revenues Over (Under) Expenditures	2,167,290	2,167,290	2,702,916	535,626	(90,000)	(186,844)	(103,392)	83,452
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	90,000	90,000	39,891	(50,109)
Transfers Out	(2,167,290)	(2,167,290)	(2,167,290)	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,167,290)	(2,167,290)	(2,167,290)	-	90,000	90,000	39,891	(50,109)
Net Increase (Decrease) in Fund Balances	\$ -	\$ -	\$ 535,626	\$ 535,626	\$ -	\$ (96,844)	\$ (63,501)	\$ 33,343

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

	CAPITAL PROJECTS - PARKS & RECREATION		IMPACT FEES	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Local Property Tax	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-
State Shared Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Current Services	299,600	299,600	228,518	(71,082)
Fines and Forfeitures	-	-	-	-
Investment Income	400	400	47,226	46,826
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	300,000	300,000	275,744	(24,256)
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Parks & Recreation	-	-	-	-
Health and Social Services	-	-	-	-
Education and Library	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Economic/Community Development	-	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	300,000	300,000	275,744	(24,256)
OTHER FINANCING SOURCES (USES)				
Proceeds of Capital Asset Disposals	-	-	-	-
Insurance Proceeds	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(300,000)	(300,000)	-	300,000
Total Other Financing Sources (Uses)	(300,000)	(300,000)	-	300,000
Net Increase (Decrease) in Fund Balances	\$ -	\$ -	\$ 275,744	\$ 275,744

NON-MAJOR ENTERPRISE FUNDS

Non-Major Enterprise funds account for activities which are commercial in nature and are primarily or partially intended to be self-supporting. Each fund sets its rates and service charges at a level sufficient to: (1) meet all of its operating expenses; (2) provide for depreciation from wear and obsolescence of capital assets; and (3) to the extent that funds are not borrowed, finance the cost of expansion of physical facilities.

NON-MAJOR ENTERPRISE FUNDS

Non-major enterprise funds include the following funds:

Blue Heron Golf Course – This fund accounts for operation and maintenance of an 18-hole public golf course that is owned and operated by the County.

Public Landings and Marinas – This fund accounts for operation, maintenance, and major repairs of public landings, bulkheads, and public marinas. For a fee, the general public has access to these landings to launch small craft into the many waterways that surround the County and can also access the marinas for temporary mooring.

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
June 30, 2025

	GOLF COURSE	PUBLIC LANDINGS AND MARINAS	TOTAL NON-MAJOR ENTERPRISE
ASSETS			
Current Assets			
Equity in Pooled Cash	\$ 641	\$ 800,287	\$ 800,928
Prepaid Items	2,520	-	2,520
Accounts Receivable (Net)	-	59,079	59,079
Due from Other Governments	-	246,225	246,225
Inventories	9,251	-	9,251
Total Current Assets	12,412	1,105,591	1,118,003
Capital Assets			
Less Accumulated Depreciation	(887,491)	(2,057,511)	(2,945,002)
Total Capital Assets, Net of Depreciation	3,050,247	5,535,532	8,585,779
Total Assets	3,062,659	6,641,123	9,703,782
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	-	3,911	3,911
Pension Benefits	65,304	132,910	198,214
Deferred Charge on Refunding	-	294	294
Total Deferred Outflows of Resources	65,304	137,115	202,419
LIABILITIES			
Current Liabilities			
Accounts Payable	49,368	269,144	318,512
Accrued Interest Payable	1,217	6,662	7,879
Due to Other Funds	221,889	-	221,889
Unearned Revenue	9,422	-	9,422
Current Portion of Compensated Absences	11,331	34,421	45,752
Current Portion of Lease Payable	28,590	-	28,590
Current Portion of Bonds/Notes Payable	5,256	78,864	84,120
Total Current Liabilities	327,073	389,091	716,164
Noncurrent Liabilities			
Compensated Absences	7,554	22,947	30,501
OPEB	-	205,628	205,628
Net Pension Liability	88,018	180,966	268,984
Lease Payable	54,202	-	54,202
Bonds/Notes Payable	69,907	468,894	538,801
Total Noncurrent Liabilities	219,681	878,435	1,098,116
Total Liabilities	546,754	1,267,526	1,814,280
DEFERRED INFLOWS OF RESOURCES			
OPEB	-	64,214	64,214
Pension Benefits	13,026	25,534	38,560
Bond Refundings	-	1,115	1,115
Total Deferred Inflows of Resources	13,026	90,863	103,889
NET POSITION			
Net Investment in Capital Assets	2,892,292	4,986,953	7,879,245
Unrestricted Amounts (Deficit)	(324,109)	432,896	108,787
Total Net Position	\$ 2,568,183	\$ 5,419,849	\$ 7,988,032

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	GOLF COURSE	PUBLIC LANDINGS AND MARINAS	TOTAL NON-MAJOR ENTERPRISE
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 655,355	\$ 451,542	\$ 1,106,897
Intergovernmental	-	246,225	246,225
Material Sales	70,351	-	70,351
Miscellaneous Revenues	1,033	27,749	28,782
Total Operating Revenues	726,739	725,516	1,452,255
<u>OPERATING EXPENSES</u>			
Recreation	679,825	723,767	1,403,592
OPEB	-	(14,494)	(14,494)
Pension Liability Adjustment	(11,427)	(22,296)	(33,723)
Depreciation and amortization	71,641	160,045	231,686
Total Operating Expenses	740,039	847,022	1,587,061
Operating Income (Loss)	(13,300)	(121,506)	(134,806)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Expense	(4,016)	(11,100)	(15,116)
Total Non-Operating (Expenses)	(4,016)	(11,100)	(15,116)
Transfers In (Out)	4,567	-	4,567
Change in Net Position	(12,749)	(132,606)	(145,355)
Total Net Position - Beginning of Year	2,580,932	5,552,455	8,133,387
Total Net Position - End of Year	\$ 2,568,183	\$ 5,419,849	\$ 7,988,032

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	GOLF COURSE	PUBLIC LANDINGS AND MARINAS	TOTAL NON-MAJOR ENTERPRISE
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers and users	\$ 725,706	\$ 483,453	\$ 1,209,159
Receipts from other operating revenues	654	42,748	43,402
Payments to suppliers	(459,323)	(190,108)	(649,431)
Payments to employees and on behalf of employees	(230,525)	(286,258)	(516,783)
Net Cash Provided by Operating Activities	36,512	49,835	86,347
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Transfers from (to) other funds	4,567	-	4,567
(Payments) Receipts of interfund loans	35,960	-	35,960
Net Cash Provided by Noncapital Financing Activities	40,527	-	40,527
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal paid on lease and bond payables	(32,958)	(75,840)	(108,798)
Interest paid on capital debt	(4,157)	(12,171)	(16,328)
Acquisition and Construction of Capital Assets	(39,283)	(21,263)	(60,546)
Net Cash Used by Capital and Related Financing Activities	(76,398)	(109,274)	(185,672)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Investment income	-	-	-
Net Cash Provided (Used) by Investing Activities	-	-	-
Net increase (decrease) in cash and cash equivalents	641	(59,439)	(58,798)
Balances - Beginning of year	-	859,726	859,726
Balances - End of year	\$ 641	\$ 800,287	\$ 800,928
<u>Reconciliation of operating loss to net cash provided by operating activities</u>			
Operating loss	\$ (13,300)	\$ (121,506)	\$ (134,806)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Amortization and Depreciation	71,641	160,045	231,686
Changes in assets and liabilities:			
Accounts receivable, net	-	31,911	31,911
Operating grants receivable	-	(231,226)	(231,226)
Inventories and Prepaid Expenses	(1,147)	-	(1,147)
Vendor accounts payable	(7,939)	238,697	230,758
Unearned revenue collected in advance	(379)	-	(379)
Compensated absences	(937)	8,704	7,767
OPEB	-	(14,494)	(14,494)
Net Pension Liability	(11,427)	(22,296)	(33,723)
Net Cash Provided by Operating Activities	\$ 36,512	\$ 49,835	\$ 86,347



FIDUCIARY FUNDS

Fiduciary funds account for assets held for others, in a trustee or agency capacity, which cannot be used to support other government programs.

Custodial Funds account for assets held by the County on behalf of individuals, private organizations, or other governments and/or funds. Additional combining schedules for the County's Custodial Funds are included in this section.

CUSTODIAL FUNDS

Custodial funds are as follows:

Tax Ditch – This fund accounts for special taxing district revenues that are used to maintain drainage ditches located in parts of the County.

Zoning Deposits – This fund accounts for performance deposits required under various sections of the Zoning Ordinance.

State and Town Tax Collections – This fund accounts for collections received by the County on behalf of the State of Maryland and incorporated towns located within the County. These taxes are collected by the County along with County taxes and are then remitted to the proper jurisdiction.

Motor Vehicle Administration Deposits – This fund accounts for funds collected by the County for State vehicle registration fees.

Escheat – Abandoned Property – This fund accounts for stale-dated County payroll and disbursements checks that are voided by the County and remitted to the State after three years as abandoned property. In accordance with State statutes, these funds are available to be claimed by the original payee or they revert to the State.

Inmate Welfare – This fund accounts for earnings or other funds deposited into an account established for the inmates. Inmates can use these funds to make purchases at the commissary. Any remaining funds belonging to an inmate is paid to them upon release.

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	TAX DITCH FUND	ZONING DEPOSITS	STATE & TOWN TAX COLLECTIONS	MOTOR VEHICLE ADMIN DEPOSITS	ESCHEAT - ABANDONED PROPERTY	INMATE WELFARE	TOTAL CUSTODIAL FUNDS
ASSETS							
Cash and Cash Equivalents	\$ 183,862	\$ 988,862	\$ 244,875	\$ -	\$ 62,732	\$ 29,188	\$ 1,509,519
Total Assets	\$ 183,862	\$ 988,862	\$ 244,875	\$ -	\$ 62,732	\$ 29,188	\$ 1,509,519
LIABILITIES							
Accounts Payable and Other Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,259	\$ 1,259
Due to Other Governments	-	-	244,875	-	62,732	-	307,607
Total Liabilities	\$ -	\$ -	\$ 244,875	\$ -	\$ 62,732	\$ 1,259	\$ 308,866
NET POSITION							
Restricted for:							
Individuals, Organizations, and other Governments	\$ 183,862	\$ 988,862	\$ -	\$ -	\$ -	\$ 27,929	\$ 1,200,653

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	TAX DITCH FUND	ZONING DEPOSITS	STATE & TOWN TAX COLLECTIONS	MOTOR VEHICLE ADMIN DEPOSITS	ESCHEAT - ABANDONED PROPERTY	INMATE WELFARE	TOTAL CUSTODIAL FUNDS
ADDITIONS							
Tax Ditch	\$ 35,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,918
Zoning Deposits	-	206,531	-	-	-	-	206,531
Tax Collections for Other Governments	-	-	17,895,321	-	-	-	17,895,321
Motor Vehicle Administration	-	-	-	233,820	-	-	233,820
Escheat - Abandoned Property	-	-	-	-	62,732	-	62,732
Inmate Welfare	-	-	-	-	-	99,806	99,806
Total Additions	35,918	206,531	17,895,321	233,820	62,732	99,806	18,534,128
DEDUCTIONS							
Distribution of Tax Ditch Funds	37,800	-	-	-	-	-	37,800
Refund of Zoning Deposits	-	81,079	-	-	-	-	81,079
Payments of Tax to Other Governments	-	-	17,895,321	-	-	-	17,895,321
Payments to Motor Vehicle Administration	-	-	-	233,820	-	-	233,820
Payments of Escheat to Others	-	-	-	-	62,732	-	62,732
Distribution of Inmate Welfare Funds	-	-	-	-	-	108,298	108,298
Total Deductions	37,800	81,079	17,895,321	233,820	62,732	108,298	18,419,050
Net increase (decrease) in Fiduciary Net Position	(1,882)	125,452	-	-	-	(8,492)	115,078
Net Position-Beginning of Year	185,744	863,410	-	-	-	36,421	1,085,575
Net Position-End of Year	\$ 183,862	\$ 988,862	\$ -	\$ -	\$ -	\$ 27,929	\$ 1,200,653

Community Partnerships for Children

Community Partnerships for Children is reported as a Non-Major Special Revenue Fund in the County's financial statements. In lieu of preparing separate audited financial statements for the Partnership, additional schedules have been added to the County's financial statements to meet requirements of the Partnership's grantor agencies.

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
COMBINING BALANCE SHEETS
BY GRANTOR
JUNE 30, 2025 (with Summarized Totals as of June 30, 2024)

	Admin	Fed/State GOCCP GOC	Total Community Partnerships	Returned Reinvestment Fund	2025 Total	2024 Summarized Total
ASSETS						
Cash and cash equivalents	\$ 117,905	\$ 125,207	\$ 243,112	\$ 10,490	\$ 253,602	\$ 195,076
Accounts receivable	-	-	-	-	-	19,155
Due from State governmental agencies	-	267,782	267,782	-	267,782	363,017
Total Assets	\$ 117,905	\$ 392,989	\$ 510,894	\$ 10,490	\$ 521,384	\$ 577,248
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued expenditures	23,629	\$ 108,331	\$ 131,960	\$ -	\$ 131,960	\$ 127,422
Due to Component Units	-	-	-	-	-	70,038
Due to State governmental agencies	45,527	282,832	328,359	-	328,359	313,364
Total Liabilities	69,156	391,163	460,319	-	460,319	510,824
FUND BALANCES						
Assigned	48,749	1,826	50,575	10,490	61,065	66,424
Total Fund Balances	48,749	1,826	50,575	10,490	61,065	66,424
Total Liabilities and Fund Balances	\$ 117,905	\$ 392,989	\$ 510,894	\$ 10,490	\$ 521,384	\$ 577,248

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BY COMMUNITY PARTNERSHIP AGREEMENTS (CPA) and NON-COMMUNITY PARTNERSHIP AGREEMENTS (NON-CPA)
FOR THE YEAR ENDED JUNE 30, 2025 (with Summarized Totals for Year Ended June 30, 2024)

	Federal/State GOCCP/GOC								
	Administrative	Community Support	Achievement Mentoring	Local Care Team	Transportation Voucher	Healthy Fam/Home Visiting	Family Navigators	MD After School Opportunity	Community Mentoring
REVENUES									
CPA									
Intergovernmental									
GOC	\$ 52,091	\$ 11,485	\$ 53,942	\$ 46,398	\$ 45,469	\$ 75,618	\$ 42,804	\$ -	\$ 86,244
Subtotal CPA	52,091	11,485	53,942	46,398	45,469	75,618	42,804	-	86,244
Non-CPA									
Intergovernmental									
Federal GOCCP Youth Strategies	-	-	-	-	-	-	-	-	-
GOC - non-CPA	-	-	-	-	-	-	-	-	-
State GOCCP - non-CPA	-	-	-	-	-	-	-	-	-
Other State Grant Funding	-	-	-	-	-	218,762	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Donations	1,000	-	-	-	-	-	-	-	-
Miscellaneous	(1,846)	-	-	-	-	-	-	-	-
Subtotal Non-CPA	(846)	-	-	-	-	218,762	-	-	-
Total Revenues	51,245	11,485	53,942	46,398	45,469	294,380	42,804	-	86,244
EXPENDITURES									
CPA									
Program Contracted Services	-	-	-	-	-	-	-	-	-
Other Expenditures									
Salaries	45,737	-	-	33,548	14,258	-	-	-	-
Fringe Benefit Costs	3,794	-	-	12,850	1,211	-	-	-	-
Auditing	-	-	817	-	-	-	-	-	3,000
Consultants	-	5,615	-	-	-	-	-	-	-
Equipment Rental	747	-	-	-	-	-	-	-	-
Other Contracted Services	-	-	-	-	-	-	39,188	-	13,034
Postage	-	-	-	-	-	-	202	-	-
Office Supplies	-	-	-	-	-	273	-	-	299
Program Supplies	-	-	1,858	-	30,000	1,415	534	-	4,085
Food	-	-	-	-	-	-	-	-	5,839
Printing and Publishing	-	-	-	-	-	18	-	-	230
Data Processing Supplies	-	-	-	-	-	9,679	-	-	-
Repairs and Equipment	-	-	-	-	-	-	1,056	-	-
Business Travel	-	-	2,415	-	-	-	911	-	1,782
Subscriptions and Dues	1,813	-	-	-	-	-	-	-	-
Meetings & Conferences	-	-	-	-	-	-	-	-	171
Training	-	-	-	-	-	100	184	-	-
Advertising	-	-	-	-	-	-	169	-	-
Communications	-	-	75	-	-	581	560	-	960
Rent	-	-	-	-	-	-	-	-	-
Equipment under \$1000/\$500	-	-	-	-	-	-	-	-	-
Other Charges	-	5,870	48,777	-	-	63,552	-	-	56,844
Subtotal CPA Expenditures	52,091	11,485	53,942	46,398	45,469	75,618	42,804	-	86,244
Non-CPA									
Program Contracted Services	-	-	-	-	-	-	-	-	-
Other Expenditures									
Salaries	211,887	-	-	461	8,415	-	-	-	-
Fringe Benefit Costs	94,133	-	-	5,329	10,908	-	-	-	-
Consultants	6,000	-	-	-	-	-	-	-	-
Equipment Rental	2,581	-	-	-	-	-	-	-	-
Other Contracted Services	-	-	-	-	-	218,762	-	-	-
Postage	121	-	-	-	-	-	-	-	-
Office Supplies	1,672	-	-	-	-	-	-	-	-
Program Supplies	10,746	-	-	-	20	-	-	-	-
Food	2,047	-	-	-	-	-	-	-	-
Data Processing Supplies	-	-	-	-	-	-	-	-	-
Business Travel	-	-	-	-	-	-	-	-	-
Subscriptions and Dues	5,000	-	-	-	-	-	-	-	-
Meetings & Conferences	2,661	-	-	-	-	-	-	-	-
Training	705	-	-	-	-	-	-	-	-
Board's Expenditures	4,494	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Marketing/Promotions	-	-	-	-	-	-	-	-	-
Communications	1,278	-	-	-	-	-	-	-	-
Equipment under \$1,000/\$500	-	-	-	-	-	-	-	-	-
Other Charges	11,138	-	-	-	-	-	-	250,000	-
Subtotal Non-CPA Expenditures	354,463	-	-	5,790	19,343	218,762	-	250,000	-
Total Expenditures	406,554	11,485	53,942	52,188	64,812	294,380	42,804	250,000	86,244
Excess of Revenues Over (Under) Expenditures	(355,309)	-	-	(5,790)	(19,343)	-	-	(250,000)	-
OTHER FINANCING SOURCES									
Transfers In for:									
Program Contracted Services	349,948	-	-	5,790	19,343	-	-	250,000	-
Other Financing Sources	349,948	-	-	5,790	19,343	-	-	250,000	-
Net Increase in Fund Balances	\$ (5,361)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances, July 1									
Fund Balances, June 30									

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BY COMMUNITY PARTNERSHIP AGREEMENTS (CPA) and NON-COMMUNITY PARTNERSHIP AGREEMENTS (NON-CPA)
FOR THE YEAR ENDED JUNE 30, 2025 (with Summarized Totals for Year Ended June 30, 2024)

(CONTINUED)

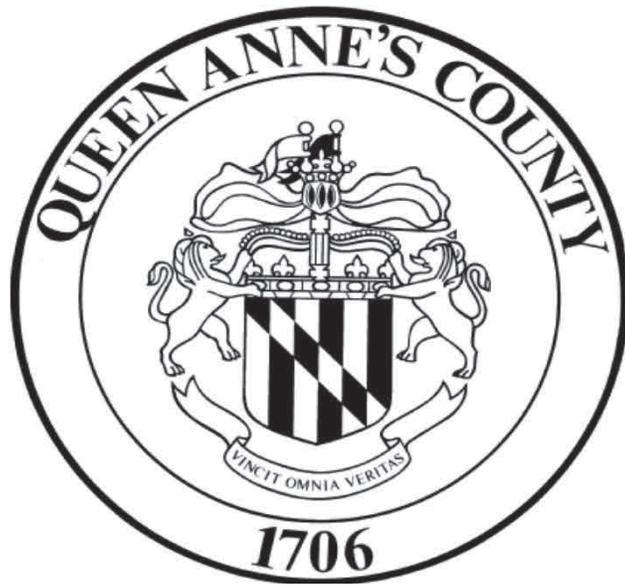
Character Counts	Federal/State GOCCP/GOC		All Programs Subtotal	State GOC		State GOCCP Non-CPA Subtotal	Federal GOCCP Youth Strategies
	ENOUGH	GOCCP/GOC Operating Fund Total		CPA Subtotal	Non-CPA Subtotal		
\$ -	\$ -	\$ 361,960	\$ 414,051	\$ 414,051	\$ -	\$ -	\$ -
-	-	361,960	414,051	414,051	-	-	-
-	-	-	-	-	-	-	-
-	88,957	88,957	88,957	-	88,957	-	-
-	-	218,762	218,762	-	-	-	-
-	-	-	1,000	-	-	-	-
8,556	-	8,556	6,710	-	-	-	-
8,556	88,957	316,275	315,429	-	88,957	-	-
8,556	88,957	678,235	729,480	414,051	88,957	-	-
-	-	-	-	-	-	-	-
-	-	47,806	93,543	93,543	-	-	-
-	-	14,061	17,855	17,855	-	-	-
-	-	3,817	3,817	3,817	-	-	-
-	-	5,615	5,615	5,615	-	-	-
-	-	-	747	747	-	-	-
-	-	52,222	52,222	52,222	-	-	-
-	-	202	202	202	-	-	-
-	-	572	572	572	-	-	-
-	-	37,892	37,892	37,892	-	-	-
-	-	5,839	5,839	5,839	-	-	-
-	-	248	248	248	-	-	-
-	-	9,679	9,679	9,679	-	-	-
-	-	1,056	1,056	1,056	-	-	-
-	-	5,108	5,108	5,108	-	-	-
-	-	-	1,813	1,813	-	-	-
-	-	171	171	171	-	-	-
-	-	284	284	284	-	-	-
-	-	169	169	169	-	-	-
-	-	2,176	2,176	2,176	-	-	-
-	-	-	-	-	-	-	-
-	-	175,043	175,043	175,043	-	-	-
-	-	361,960	414,051	414,051	-	-	-
-	-	-	-	-	-	-	-
54,388	-	63,264	275,151	-	-	-	-
10,526	-	26,763	120,896	-	-	-	-
-	8,500	8,500	14,500	-	8,500	-	-
-	-	-	2,581	-	-	-	-
-	30,000	248,762	248,762	-	30,000	-	-
-	-	-	121	-	-	-	-
548	-	548	2,220	-	-	-	-
18	-	38	10,784	-	-	-	-
-	-	-	2,047	-	-	-	-
-	15,000	15,000	15,000	-	15,000	-	-
-	-	-	-	-	-	-	-
397	-	397	5,397	-	-	-	-
8,556	15,457	24,013	26,674	-	15,457	-	-
-	-	-	705	-	-	-	-
-	-	-	4,494	-	-	-	-
-	-	-	-	-	-	-	-
5,002	-	5,002	5,002	-	-	-	-
-	-	-	1,278	-	-	-	-
-	-	-	-	-	-	-	-
-	20,000	270,000	281,138	-	20,000	-	-
79,435	88,957	662,287	1,016,750	-	88,957	-	-
79,435	88,957	1,024,247	1,430,801	414,051	88,957	-	-
(70,879)	-	(346,012)	(701,321)	-	-	-	-
70,879	-	346,012	695,960	-	-	-	-
70,879	-	346,012	695,960	-	-	-	-
\$ -	\$ -	\$ -	(5,361)	-	-	-	-
			55,936	605,781	(1,679,233)	3,491	(25,474)
			\$ 50,575	\$ 605,781	\$ (1,679,233)	\$ 3,491	\$ (25,474)

CONTINUED

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BY COMMUNITY PARTNERSHIP AGREEMENTS (CPA) and NON-COMMUNITY PARTNERSHIP AGREEMENTS (NON-CPA)
FOR THE YEAR ENDED JUNE 30, 2025 (with Summarized Totals for Year Ended June 30, 2024)

(CONTINUED)

	Other Non-CPA State Grants	Other	Total Community Partnerships Operating Funds	Returned Reinvestment Fund	2025 Total	2024 Summarized Total
REVENUES						
CPA						
Intergovernmental						
GOC	\$ -	\$ -	\$ 414,051	\$ -	\$ 414,051	\$ 406,117
Subtotal CPA	-	-	414,051	-	414,051	406,117
Non-CPA						
Intergovernmental						
Federal GOCCP Youth Strategies	-	-	-	-	-	-
GOC - non-CPA	-	-	88,957	-	88,957	-
State GOCCP - non-CPA	-	-	-	-	-	25,000
Other State Grant Funding	218,762	-	218,762	-	218,762	296,372
Investment Income	-	-	-	2	2	206
Donations	-	1,000	1,000	-	1,000	-
Miscellaneous	-	6,710	6,710	-	6,710	15,919
Subtotal Non-CPA	218,762	7,710	315,429	2	315,431	337,497
Total Revenues	218,762	7,710	729,480	2	729,482	743,614
EXPENDITURES						
CPA						
Program Contracted Services	-	-	-	-	-	-
Other Expenditures						
Salaries	-	-	93,543	-	93,543	89,349
Fringe Benefit Costs	-	-	17,855	-	17,855	10,384
Auditing	-	-	3,817	-	3,817	3,817
Consultants	-	-	5,615	-	5,615	5,615
Equipment Rental	-	-	747	-	747	747
Other Contracted Services	-	-	52,222	-	52,222	47,774
Postage	-	-	202	-	202	105
Office Supplies	-	-	572	-	572	1,204
Program Supplies	-	-	37,892	-	37,892	36,854
Food	-	-	5,839	-	5,839	5,024
Printing and Publishing	-	-	248	-	248	183
Data Processing Supplies	-	-	9,679	-	9,679	10,791
Repairs and Equipment	-	-	1,056	-	1,056	1,894
Business Travel	-	-	5,108	-	5,108	5,567
Subscriptions and Dues	-	-	1,813	-	1,813	1,754
Meetings & Conferences	-	-	171	-	171	1,873
Training	-	-	284	-	284	1,534
Advertising	-	-	169	-	169	340
Communications	-	-	2,176	-	2,176	1,947
Rent	-	-	-	-	-	2,000
Equipment under \$1000/\$500	-	-	-	-	-	2,114
Other Charges	-	-	175,043	-	175,043	175,246
Subtotal CPA Expenditures	-	-	414,051	-	414,051	406,116
Non-CPA						
Program Contracted Services	-	-	-	-	-	25,000
Other Expenditures						
Salaries	-	275,151	275,151	-	275,151	185,674
Fringe Benefit Costs	-	120,896	120,896	-	120,896	81,594
Consultants	-	6,000	14,500	-	14,500	12,735
Equipment Rental	-	2,581	2,581	-	2,581	2,555
Other Contracted Services	-	218,762	248,762	-	248,762	296,372
Postage	-	121	121	-	121	172
Office Supplies	-	2,220	2,220	-	2,220	2,798
Program Supplies	-	10,784	10,784	-	10,784	16,457
Food	-	2,047	2,047	-	2,047	3,119
Data Processing Supplies	-	-	15,000	-	15,000	-
Business Travel	-	-	-	-	-	50
Subscriptions and Dues	-	5,397	5,397	-	5,397	372
Meetings & Conferences	-	11,217	26,674	-	26,674	10,232
Training	-	705	705	-	705	1,171
Board's Expenditures	-	4,494	4,494	-	4,494	6,784
Advertising	-	-	-	-	-	245
Marketing/Promotions	-	5,002	5,002	-	5,002	4,380
Communications	-	1,278	1,278	-	1,278	2,098
Equipment under \$1,000/\$500	-	-	-	-	-	400
Other Charges	-	261,138	281,138	-	281,138	176,395
Subtotal Non-CPA Expenditures	-	927,793	1,016,750	-	1,016,750	828,603
Total Expenditures	-	927,793	1,430,801	-	1,430,801	1,234,719
Excess of Revenues Over (Under) Expenditures	218,762	(920,083)	(701,321)	2	(701,319)	(491,105)
OTHER FINANCING SOURCES						
Transfers In for:						
Program Contracted Services	-	695,960	695,960	-	695,960	491,311
Other Financing Sources	-	695,960	695,960	-	695,960	491,311
Net Increase in Fund Balances	218,762	(224,123)	(5,361)	2	(5,359)	206
Fund Balances, July 1	296,372	854,998	55,936	10,488	66,424	66,218
Fund Balances, June 30	\$ 515,134	\$ 630,875	\$ 50,575	\$ 10,490	\$ 61,065	\$ 66,424



QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

	COMMUNITY PARTNERSHIPS FOR CHILDREN				RETURNED REINVESTMENT FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental								
GOC - CPA and Non-CPA	\$ 412,055	\$ 504,555	\$ 503,008	\$ (1,547)	\$ -	\$ -	\$ -	\$ -
Other	296,372	296,372	218,762	(77,610)	-	-	-	-
Investment Income	-	-	-	-	-	-	2	2
Donations	-	-	1,000	1,000	-	-	-	-
Miscellaneous	12,500	12,500	6,710	(5,790)	-	-	-	-
Total Revenues	720,927	813,427	729,480	(83,947)	-	-	2	2
EXPENDITURES								
Program Contracted Services	-	-	-	-	-	-	-	-
Other Expenditures								
Salaries	257,981	353,045	368,694	(15,649)	-	-	-	-
Fringe Benefit Costs	80,893	124,700	138,751	(14,051)	-	-	-	-
Auditing	3,817	3,817	3,817	-	-	-	-	-
Consultants	18,693	27,193	20,115	7,078	-	-	-	-
Equipment Rental	3,252	3,252	3,328	(76)	-	-	-	-
Other Contracted Services	343,636	371,255	300,984	70,271	-	-	-	-
Postage	610	610	323	287	-	-	-	-
Office Supplies	5,895	5,695	2,792	2,903	-	-	-	-
Program Supplies	51,978	51,978	48,676	3,302	-	-	-	-
Food	8,700	8,700	7,886	814	-	-	-	-
Printing and Publishing	250	250	248	2	-	-	-	-
Data Processing Supplies	10,676	25,676	24,679	997	-	-	-	-
Repairs and Equipment	2,380	2,380	1,056	1,324	-	-	-	-
Business Travel	4,832	4,165	5,108	(943)	-	-	-	-
Subscriptions and Dues	5,385	5,385	7,210	(1,825)	-	-	-	-
Meetings & Conferences	3,200	30,431	26,845	3,586	-	-	-	-
Training	6,234	5,334	989	4,345	-	-	-	-
Board's Expenditures	7,038	7,038	4,494	2,544	-	-	-	-
Advertising	760	760	169	591	-	-	-	-
Marketing/Promotions	4,500	4,500	5,002	(502)	-	-	-	-
Communications	3,834	4,794	3,454	1,340	-	-	-	-
Rent	2,000	-	-	-	-	-	-	-
Equipment	1,937	-	-	-	-	-	-	-
Other Charges	442,179	468,429	456,181	12,248	-	-	-	-
Total Expenditures	1,270,660	1,509,387	1,430,801	78,586	-	-	-	-
Excess of Revenues Over (Under) Expenditures	(549,733)	(695,960)	(701,321)	(5,361)	-	-	2	2
OTHER FINANCING SOURCES								
Transfers In for:								
Program Contracted Services	549,733	695,960	695,960	-	-	-	-	-
Other Financing Sources	549,733	695,960	695,960	-	-	-	-	-
Net Increase in Fund Balances	\$ -	\$ -	(5,361)	\$ (5,361)	\$ -	\$ -	2	\$ 2
Fund Balances, July 1			55,936				10,488	
Fund Balances, June 30			<u>50,575</u>				<u>10,490</u>	

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

(CONTINUED)

TOTAL			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 412,055	\$ 504,555	\$ 503,008	\$ (1,547)
296,372	296,372	218,762	(77,610)
-	-	2	2
-	-	1,000	1,000
12,500	12,500	6,710	(5,790)
<u>720,927</u>	<u>813,427</u>	<u>729,482</u>	<u>(83,945)</u>
-	-	-	-
257,981	353,045	368,694	(15,649)
80,893	124,700	138,751	(14,051)
3,817	3,817	3,817	-
18,693	27,193	20,115	7,078
3,252	3,252	3,328	(76)
343,636	371,255	300,984	70,271
610	610	323	287
5,895	5,695	2,792	2,903
51,978	51,978	48,676	3,302
8,700	8,700	7,886	814
250	250	248	2
10,676	25,676	24,679	997
2,380	2,380	1,056	1,324
4,832	4,165	5,108	(943)
5,385	5,385	7,210	(1,825)
3,200	30,431	26,845	3,586
6,234	5,334	989	4,345
7,038	7,038	4,494	2,544
760	760	169	591
4,500	4,500	5,002	(502)
3,834	4,794	3,454	1,340
2,000	-	-	-
1,937	-	-	-
442,179	468,429	456,181	12,248
<u>1,270,660</u>	<u>1,509,387</u>	<u>1,430,801</u>	<u>78,586</u>
(549,733)	(695,960)	(701,319)	(5,359)
<u>549,733</u>	<u>695,960</u>	<u>695,960</u>	<u>-</u>
<u>549,733</u>	<u>695,960</u>	<u>695,960</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(5,359)</u>	<u>\$ (5,359)</u>
		<u>66,424</u>	
		<u>\$ 61,065</u>	

STATISTICAL SECTION

STATISTICAL SECTION

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

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

REVENUE CAPACITY – Information to help the reader assess the County's most significant local revenue sources – the property tax and income tax.

DEBT CAPACITY – Information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – Indicators to help the reader understand the environment within which the County's financial activities take place.

OPERATING INFORMATION – Service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

QUEEN ANNE'S COUNTY, MARYLAND
FINANCIAL TRENDS
NET POSITION BY COMPONENT - GOVERNMENT-WIDE
(GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST TEN FISCAL YEARS
Table 1

	2016	2017	2018	2019	2020
Governmental Activities:					
Net Investment in Capital Assets	\$ 123,466,319	\$ 120,249,244	\$ 114,794,226	\$ 115,143,089	\$ 114,252,313
Restricted	21,063,295	13,094,534	13,275,244	18,962,289	19,844,181
Unrestricted (deficit) (1)	(78,567,505)	(67,189,342)	(58,025,753)	(61,637,321)	(48,809,467)
Total Governmental Activities Net Position	<u>65,962,109</u>	<u>(1) 66,154,436</u>	<u>(2) 70,043,717</u>	<u>72,468,057</u>	<u>85,287,027</u>
Business-type Activities:					
Net Investment in Capital Assets	80,909,015	86,163,078	84,386,291	85,916,730	86,939,502
Restricted	1,699,914	1,700,836	1,060,134	2,234,440	2,037,318
Unrestricted	10,240,161	4,116,300	7,458,996	10,087,649	16,587,060
Total Business-type Activities Net Position	<u>92,849,090</u>	<u>(1) 91,980,214</u>	<u>(2) 92,905,421</u>	<u>98,238,819</u>	<u>105,563,880</u>
Primary Government:					
Net Investment in Capital Assets	204,375,334	206,412,322	199,180,517	201,059,819	201,191,815
Restricted	22,763,209	14,795,370	14,335,378	21,196,729	21,881,499
Unrestricted (deficit) (1)	(68,327,344)	(63,073,042)	(50,566,757)	(51,549,672)	(32,222,407)
Total Primary Government Net Position	<u>\$ 158,811,199</u>	<u>(1) \$ 158,134,650</u>	<u>(2) \$ 162,949,138</u>	<u>\$ 170,706,876</u>	<u>\$ 190,850,907</u>

NOTES:

- * Government-wide net position information is reported on the accrual basis of accounting.
- * Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted; and unrestricted. Net position is considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.
- * Source: Statement of Net Position

(1) In the government-wide financial statements, the County has reported negative unrestricted amounts for some years. This is due to the fact that the County issues general obligation bonded debt for purposes of capital construction on behalf of the Queen Anne's County Board of Education. Absent the effect of this relationship, the County would have reported the following:

Government-wide unrestricted (deficit) net position would have been:					
Unrestricted (deficit) net position reported above	\$ (68,327,344)	\$ (63,073,042)	\$ (50,566,757)	\$ (51,549,672)	\$ (32,222,407)
Debt issued for capital on behalf of others	63,271,304	59,207,136	58,625,356	58,007,072	55,846,036
County (deficit) net position absent the effect of this relationship	<u>\$ (5,056,040)</u>	<u>\$ (3,865,906)</u>	<u>\$ 8,058,599</u>	<u>\$ 6,457,400</u>	<u>\$ 23,623,629</u>

- (1) FY2017 Net Position of Governmental and Business-Type Activities was restated in fiscal year 2018.
- (2) FY2018 Net Position of Governmental and Business-Type Activities was restated in fiscal year 2019.
- (3) FY2022 Net Position of Business-Type Activities was restated in fiscal year 2023.

QUEEN ANNE'S COUNTY, MARYLAND
 FINANCIAL TRENDS
 NET POSITION BY COMPONENT - GOVERNMENT-WIDE
 (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
 LAST TEN FISCAL YEARS
 Table 1

(CONTINUED)

	2021	2022	2023	2024	2025
\$	116,220,059	\$ 118,666,142	\$ 122,128,900	\$ 126,092,854	\$ 128,115,922
	20,883,128	24,012,709	26,495,555	27,933,020	30,497,180
	(20,071,163)	11,879,310	36,459,068	48,797,358	52,222,504
	<u>117,032,024</u>	<u>154,558,161</u>	<u>185,083,523</u>	<u>202,823,232</u>	<u>210,835,606</u>
	88,635,207	93,562,741	99,118,189	111,940,928	106,302,837
	6,322,353	5,310,698	5,350,538	4,147,493	3,653,858
	19,018,596	28,956,179	30,307,701	30,325,458	33,286,663
	<u>113,976,156</u> (3)	<u>127,829,618</u>	<u>134,776,428</u>	<u>146,413,879</u>	<u>143,243,358</u>
	204,855,266	212,228,883	221,247,089	238,033,782	234,418,759
	27,205,481	29,323,407	31,846,093	32,080,513	34,151,038
	(1,052,567)	40,835,489	66,766,769	79,122,816	85,509,167
\$	<u>231,008,180</u> (3)	<u>282,387,779</u>	<u>319,859,951</u>	<u>349,237,111</u>	<u>354,078,964</u>
\$	(1,052,567)	\$ 40,835,489	\$ 66,766,769	\$ 79,122,816	\$ 85,509,167
	56,855,185	53,155,458	48,229,215	43,910,684	39,390,472
\$	<u>55,802,618</u>	<u>93,990,947</u>	<u>114,995,984</u>	<u>123,033,500</u>	<u>124,899,639</u>

QUEEN ANNE'S COUNTY, MARYLAND
 FINANCIAL TRENDS
 CHANGES IN NET POSITION - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
 LAST TEN FISCAL YEARS

Table 2-a

	2016	2017	2018	2019	2020
Expenses					
Governmental Activities:					
General Government	\$ 13,936,312	\$ 13,177,254	\$ 17,511,975	\$ 16,493,064	\$ 17,299,695
Public Safety	27,525,712	27,997,262	28,373,219	35,668,385	31,445,313
Public Works	19,522,534	20,753,117	18,101,635	19,118,090	15,045,105
Parks & Recreation (3)	-	-	-	-	7,780,241
Health & Social Services	7,333,528	7,424,371	7,149,348	7,669,431	7,116,694
Education & Library	62,374,873	60,922,185	64,082,500	64,438,616	68,764,861
Conservation of Natural Resources	1,799,234	616,237	2,567,600	2,696,971	1,423,080
Economic/Community Development	3,391,547	1,860,222	2,477,129	1,808,000	2,281,480
Interest and Fiscal Charges	4,345,527	4,150,101	4,294,929	4,712,864	4,391,332
Total Governmental Activities Expenses	140,229,267	136,900,749	144,558,335	152,605,421	155,547,801
Business-type Activities:					
Water and Sewer	10,615,466	11,818,087	12,880,483	11,232,955	11,602,537
Airport	966,896	1,053,899	1,100,136	1,434,031	968,205
Golf Course	505,085	540,504	509,150	584,718	541,335
Public Landings and Marinas	529,943	572,360	559,597	1,342,308	683,738
Total Business-type Activities Expenses	12,617,390	13,984,850	15,049,366	14,594,012	13,795,815
Total Primary Government Expenses	152,846,657	150,885,599	159,607,701	167,199,433	169,343,616
Program Revenues					
Governmental Activities:					
General Government					
Charges for Services	1,565,170	1,552,164	1,669,311	1,769,520	1,509,985
Operating Grants and Contributions	582,571	563,016	660,790	716,683	428,812
Capital Grants and Contributions	(30,000)	-	1,080,084	480,500	520,277
Total Revenue	2,117,741	2,115,180	3,410,185	2,966,703	2,459,074
Public Safety					
Charges for Services	1,354,350	1,350,626	1,505,267	1,415,187	1,379,621
Operating Grants and Contributions	1,088,597	1,037,879	1,294,733	1,161,505	1,697,018
Capital Grants and Contributions	175,653	5,406	166,001	176,970	112,845
Total Revenue	2,618,600	2,393,911	2,966,001	2,753,662	3,189,484
Public Works					
Charges for Services	1,337,358	1,472,664	1,779,206	1,784,040	817,088
Operating Grants and Contributions	1,029,019	980,075	822,659	1,155,251	1,233,626
Capital Grants and Contributions	108,880	161,084	282,028	1,353,948	45,640
Total Revenue	2,475,257	2,613,823	2,883,893	4,293,239	2,096,354
Parks & Recreation (3)					
Charges for Services	-	-	-	-	822,605
Operating Grants and Contributions	-	-	-	-	37,060
Capital Grants and Contributions	-	-	-	-	2,237,549
Total Revenue	-	-	-	-	3,097,214
Health & Social Services					
Charges for Services	76,404	73,066	71,131	91,183	72,840
Operating Grants and Contributions	1,834,000	1,893,648	2,018,289	2,120,065	2,273,959
Capital Grants and Contributions	140,400	58,500	58,500	175,960	362,900
Total Revenue	2,050,804	2,025,214	2,147,920	2,387,208	2,709,699
Education & Library					
Charges for Services	1,230,994	1,319,433	1,272,301	1,318,609	1,593,200
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	43,059	105,575
Total Revenue	1,230,994	1,319,433	1,272,301	1,361,668	1,698,775
Conservation of Natural Resources					
Charges for Services	70,708	60,826	110,655	126,940	136,458
Operating Grants and Contributions	68,152	186,333	131,321	94,814	117,820
Capital Grants and Contributions	573,003	-	1,439,284	2,118,200	831,901
Total Revenue	711,863	247,159	1,681,260	2,339,954	1,086,179
Economic/Community Development					
Charges for Services	311,000	620,000	316,500	-	205,000
Operating Grants and Contributions	156,804	231,360	810,319	205,300	757,258
Capital Grants and Contributions	-	-	-	-	-
Total Revenue	467,804	851,360	1,126,819	205,300	962,258
Interest and Fiscal Charges					
Charges for Services	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Revenue	-	-	-	-	-
Total Governmental Activities Program Revenues	11,673,063	11,566,080	15,488,379	16,307,734	17,299,037

QUEEN ANNE'S COUNTY, MARYLAND
 FINANCIAL TRENDS
 CHANGES IN NET POSITION - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
 LAST TEN FISCAL YEARS
 Table 2-a

(CONTINUED)

	2021	2022	2023	2024	2025
\$	21,447,303	\$ 20,975,854	\$ 21,070,854	\$ 22,378,707	\$ 26,179,090
	33,376,832	32,937,936	42,482,230	49,458,541	54,655,168
	13,898,271	15,486,633	19,422,823	20,222,362	17,436,351
	6,051,585	6,445,776	6,338,014	7,458,494	7,032,764
	6,969,134	6,631,472	7,219,183	7,944,933	8,458,369
	68,632,733	68,957,650	69,770,287	83,355,583	101,119,281
	3,621,749	2,402,429	3,386,538	3,702,670	3,463,854
	5,262,207	3,012,720	2,798,777	2,826,682	4,107,120
	4,330,706	4,415,584	4,525,460	4,254,673	2,695,256
	<u>163,590,520</u>	<u>161,266,054</u>	<u>177,014,166</u>	<u>201,602,645</u>	<u>225,147,253</u>
	12,157,175	12,384,820	13,822,527	14,932,981	19,846,575
	940,188	1,017,606	1,058,318	966,183	1,459,540
	523,435	609,737	697,824	730,908	744,055
	1,104,170	548,928	684,685	666,295	858,122
	<u>14,724,968</u>	<u>14,561,091</u>	<u>16,263,354</u>	<u>17,296,367</u>	<u>22,908,292</u>
	<u>178,315,488</u>	<u>175,827,145</u>	<u>193,277,520</u>	<u>218,899,012</u>	<u>248,055,545</u>
	2,027,823	2,400,962	2,037,088	1,717,926	1,949,432
	2,686,609	2,920,183	249,863	1,742,174	1,586,121
	1,056,963	1,219,155	1,549,325	2,529,869	1,941,368
	<u>5,771,395</u>	<u>6,540,300</u>	<u>3,836,276</u>	<u>5,989,969</u>	<u>5,476,921</u>
	1,772,824	2,782,299	1,908,036	2,617,398	3,040,986
	3,603,339	2,300,947	3,601,321	2,628,668	2,340,500
	1,379,718	908,036	164,422	179,350	213,051
	<u>6,755,881</u>	<u>5,991,282</u>	<u>5,673,779</u>	<u>5,425,416</u>	<u>5,594,537</u>
	1,083,030	1,134,409	961,563	883,739	1,112,618
	1,494,842	8,500	9,070	6,270	8,826
	-	-	1,119,611	2,836,186	291,591
	<u>2,577,872</u>	<u>1,142,909</u>	<u>2,090,244</u>	<u>3,726,195</u>	<u>1,413,035</u>
	1,058,579	1,149,578	1,101,729	1,151,020	1,189,973
	216,861	32,494	25,681	14,453	150
	343,301	1,964,345	640,892	924,299	383,073
	<u>1,618,741</u>	<u>3,146,417</u>	<u>1,768,302</u>	<u>2,089,772</u>	<u>1,573,196</u>
	37,025	91,756	77,736	62,176	29,624
	2,381,707	2,595,327	3,060,269	2,591,053	3,126,948
	157,905	207,862	195,509	588,792	398,357
	<u>2,576,637</u>	<u>2,894,945</u>	<u>3,333,514</u>	<u>3,242,021</u>	<u>3,554,929</u>
	3,383,580	2,438,720	2,237,364	2,291,783	2,075,142
	-	-	-	-	-
	973,747	1,850,863	979,756	-	-
	<u>4,357,327</u>	<u>4,289,583</u>	<u>3,217,120</u>	<u>2,291,783</u>	<u>2,075,142</u>
	163,971	46,491	76,138	19,262	13,955
	111,443	-	-	-	19,273
	1,612,662	1,095,760	2,007,786	2,474,706	1,462,918
	<u>1,888,076</u>	<u>1,142,251</u>	<u>2,083,924</u>	<u>2,493,968</u>	<u>1,496,146</u>
	864,667	397,823	620,000	-	-
	3,978,848	1,523,758	1,286,414	1,066,447	1,309,156
	-	-	-	-	-
	<u>4,843,515</u>	<u>1,921,581</u>	<u>1,906,414</u>	<u>1,066,447</u>	<u>1,309,156</u>
	-	48,506	46,124	48,412	47,669
	-	-	-	-	-
	-	-	-	-	-
	-	48,506	46,124	48,412	47,669
	<u>30,389,444</u>	<u>27,117,774</u>	<u>23,955,697</u>	<u>26,373,983</u>	<u>22,540,731</u>

QUEEN ANNE'S COUNTY, MARYLAND
 FINANCIAL TRENDS
 CHANGES IN NET POSITION - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
 LAST TEN FISCAL YEARS

Table 2-a

(CONTINUED)

	2016	2017	2018	2019	2020
Business-type Activities:					
Water and Sewer					
Charges for Services	\$ 8,956,360	\$ 8,222,317	\$ 9,214,383	\$ 10,524,474	\$ 13,873,082
Operating Grants and Contributions	85,099	90,000	90,000	520,000	2,541,550
Capital Grants and Contributions	1,958,051	2,222,796	4,198,378	3,626,906	1,974,341
Total Revenue	10,999,510	10,535,113	13,502,761	14,671,380	18,388,973
Airport					
Charges for Services	45,916	33,256	25,857	24,710	24,130
Operating Grants and Contributions	52,837	245,738	60,858	725,109	95,052
Capital Grants and Contributions	-	-	-	-	-
Total Revenue	98,753	278,994	86,715	749,819	119,182
Golf Course					
Charges for Services	305,528	318,599	340,123	373,014	399,603
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Revenue	305,528	318,599	340,123	373,014	399,603
Public Landings and Marinas					
Charges for Services	423,427	443,176	451,524	454,071	538,760
Operating Grants and Contributions	36,781	33,542	104,829	888,592	10,447
Capital Grants and Contributions	-	-	-	-	-
Total Revenue	460,208	476,718	556,353	1,342,663	549,207
Total Business-type Activities Program Revenues	11,863,999	11,609,424	14,485,952	17,136,876	19,456,965
Total Primary Government Program Revenues	23,537,062	23,175,504	29,974,331	33,444,610	36,756,002
Net (Expense) Revenue (1)					
Governmental activities	(128,556,204)	(125,334,669)	(129,069,956)	(136,297,687)	(138,246,764)
Business-type activities	(753,391)	(2,375,426)	(563,414)	2,542,864	5,661,150
Total Primary Government Net Expense	\$ (129,309,595)	\$ (127,710,095)	\$ (129,633,370)	\$ (133,754,823)	\$ (132,585,614)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes (2)	\$ 121,011,135	\$ 123,299,031	\$ 131,444,679	\$ 137,285,550	\$ 148,876,477
Investment income	174,691	444,063	978,955	1,772,464	1,393,017
Gain/(Loss) on Sale of Capital Assets	161,106	53,936	87,734	25,823	44,343
Miscellaneous	949,046	2,065,465	630,895	979,201	900,976
Transfers In (Out)	(201,122)	(335,499)	(183,026)	(1,341,011)	(149,079)
Total Governmental Activities	122,094,856	125,526,996	132,959,237	138,722,027	151,065,734
Business-type Activities:					
Investment income	320,443	361,840	439,716	550,691	589,126
Gain (Loss) on Sale of Capital Assets	-	-	-	33,100	17,876
Miscellaneous	746,167	809,211	865,879	865,732	907,830
Transfers In (Out)	201,122	335,499	183,026	1,341,011	149,079
Total Business-type Activities	1,267,732	1,506,550	1,488,621	2,790,534	1,663,911
Total Primary Government	123,362,588	127,033,546	134,447,858	141,512,561	152,729,645
Change in Net Position					
Governmental activities	(6,461,348)	192,327	3,889,281	2,424,340	12,818,970
Business-type activities	514,341	(868,876)	925,207	5,333,398	7,325,061
Total Primary Government	\$ (5,947,007)	\$ (676,549)	\$ 4,814,488	\$ 7,757,738	\$ 20,144,031

NOTES:

* Government-wide net position information is reported on the accrual basis of accounting.

* Source: Statement of Activities.

- (1) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.
- (2) See Table 2-b for detail of General Tax Revenues.
- (3) For years FY16 through FY19, Parks & Recreation governmental activities are included in public works (parks) and social services (recreation).

QUEEN ANNE'S COUNTY, MARYLAND
 FINANCIAL TRENDS
 CHANGES IN NET POSITION - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
 LAST TEN FISCAL YEARS

Table 2-a

(CONTINUED)

2021	2022	2023	2024	2025
\$ 12,174,150	\$ 18,143,049	\$ 12,330,275	\$ 14,162,090	\$ 12,735,451
4,600,000	865,761	1,467,662	2,565,847	1,811,221
2,668,488	3,034,541	4,027,234	2,607,219	477,452
19,442,638	22,043,351	17,825,171	19,335,156	15,024,124
24,920	23,774	22,655	6,049	12,086
20,180	516,774	741,939	-	88,163
-	-	-	5,028,713	-
45,100	540,548	764,594	5,034,762	100,249
593,022	594,180	617,340	720,153	655,355
-	-	-	-	-
-	-	-	-	-
593,022	594,180	617,340	720,153	655,355
540,240	475,309	465,730	465,457	451,542
178,208	640,752	745,966	14,999	246,225
-	-	-	-	-
718,448	1,116,061	1,211,696	480,456	697,767
20,799,208	24,294,140	20,418,801	25,570,527	16,477,495
51,188,652	51,411,914	44,374,498	51,944,510	39,018,226
(133,201,076)	(134,148,280)	(153,058,469)	(175,228,662)	(202,606,522)
6,074,240	9,733,049	4,155,447	8,274,160	(6,430,797)
\$ (127,126,836)	\$ (124,415,231)	\$ (148,903,022)	\$ (166,954,502)	\$ (209,037,319)
\$ 163,687,534	\$ 171,755,675	\$ 176,022,971	\$ 182,200,656	\$ 201,209,510
239,908	462,588	6,448,944	9,192,673	7,932,266
95,687	(1,157,005)	-	-	-
1,073,180	1,801,868	1,628,246	2,059,293	1,596,056
(150,236)	(1,188,709)	(516,330)	(484,251)	(118,936)
164,946,073	171,674,417	183,583,831	192,968,371	210,618,896
424,983	414,822	1,047,564	1,732,675	1,817,477
573,500	5,265	2,561	(21,552)	-
1,189,317	2,511,617	1,224,908	1,167,917	1,323,863
150,236	1,188,709	516,330	484,251	118,936
2,338,036	4,120,413	2,791,363	3,363,291	3,260,276
167,284,109	175,794,830	186,375,194	196,331,662	213,879,172
31,744,997	37,526,137	30,525,362	17,739,709	8,012,374
8,412,276	13,853,462	6,946,810	11,637,451	(3,170,521)
\$ 40,157,273	\$ 51,379,599	\$ 37,472,172	\$ 29,377,160	\$ 4,841,853

QUEEN ANNE'S COUNTY, MARYLAND
 FINANCIAL TRENDS
 GENERAL TAX REVENUES - GOVERNMENTAL ACTIVITIES
 LAST TEN FISCAL YEARS
 Table 2-b

	2016	2017	2018	2019	2020
Local Property Taxes	\$ 65,185,546	\$ 66,487,004	\$ 67,736,404	\$ 70,670,569	\$ 71,874,566
Local Income Tax	47,928,725	48,624,679	55,211,695	57,728,293	67,698,447
Other Local Taxes	7,896,864	8,187,348	8,496,580	8,886,688	9,303,464
Total Taxes - Governmental Activities	<u>\$ 121,011,135</u>	<u>\$ 123,299,031</u>	<u>\$ 131,444,679</u>	<u>\$ 137,285,550</u>	<u>\$ 148,876,477</u>

	2021	2022	2023	2024	2025
Local Property Taxes	\$ 74,474,109	\$ 76,017,204	\$ 78,022,772	\$ 82,047,674	\$ 87,632,233
Local Income Tax	73,458,519	78,881,170	83,439,604	86,567,013	97,132,220
Other Local Taxes	15,754,906	15,164,554	13,208,003	12,025,782	14,579,100
Total Taxes - Governmental Activities	<u>\$ 163,687,534</u>	<u>\$ 170,062,928</u>	<u>\$ 174,670,379</u>	<u>\$ 180,640,469</u>	<u>\$ 199,343,553</u>

NOTES:

* Government-wide general tax revenue information is reported on the accrual basis of accounting.
 * Source: Statement of Activities.

QUEEN ANNE'S COUNTY, MARYLAND
 FINANCIAL TRENDS
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 Table 3

	2016	2017	2018	2019	2020
General Fund:					
Nonspendable	\$ 586,481	\$ 754,921	\$ 1,001,610	\$ 1,616,447	\$ 2,400,664
Restricted	9,002,389	10,626,394	10,999,800	14,361,899	14,711,547
Committed	3,000,000	4,000,000	5,027,897	6,000,000	6,998,256
Assigned	1,926,782	1,998,415	1,483,827	1,224,503	1,099,170
Unassigned	8,468,591	8,830,530	11,142,331	11,856,474	15,874,992
Total General Fund	<u>22,984,243</u>	<u>26,210,260</u>	<u>29,655,465</u>	<u>35,059,323</u>	<u>41,084,629</u>
All Other Governmental Funds:					
Nonspendable	6,146,072	7,552,462	7,583,553	-	-
Restricted	21,316,088	8,900,465	6,815,341	12,598,139	15,121,784
Committed	3,425,701	13,447,283	15,202,215	18,514,079	21,296,829
Assigned	18,029,073	16,045,167	19,618,643	23,573,581	23,721,935
Unassigned	(115,129)	(53,665)	(48,758)	(28,164)	(24,133)
Total All Other Governmental Funds	<u>48,801,805</u>	<u>45,891,712</u>	<u>49,170,994</u>	<u>54,657,635</u>	<u>60,116,415</u>
Total All Governmental Funds	<u>\$ 71,786,048</u>	<u>\$ 72,101,972</u>	<u>\$ 78,826,459</u>	<u>\$ 89,716,958</u>	<u>\$ 101,201,044</u>

	2021	2022	2023	2024	2025
General Fund:					
Nonspendable	\$ 5,751,694	\$ 92,744	\$ 242,876	\$ 148,234	\$ 1,036,210
Restricted	16,182,014	17,838,136	19,996,347	21,377,816	23,638,847
Committed	7,621,618	8,399,587	9,069,982	9,450,311	10,344,918
Assigned	1,525,829	1,500,000	-	-	-
Unassigned	19,340,107	32,142,920	39,494,554	46,537,817	53,768,694
Total General Fund	<u>50,421,262</u>	<u>59,973,387</u>	<u>68,803,759</u>	<u>77,514,178</u>	<u>88,788,669</u>
All Other Governmental Funds:					
Nonspendable	-	1,327,375	1,274,659	1,218,486	1,223,652
Restricted	17,919,423	22,270,920	17,607,427	12,551,494	9,724,855
Committed	25,457,920	27,010,544	28,987,607	31,668,367	31,912,217
Assigned	36,026,980	44,073,399	49,351,449	49,153,762	35,056,277
Unassigned	(19,649)	-	-	-	(1,006,624)
Total All Other Governmental Funds	<u>79,384,674</u>	<u>94,682,238</u>	<u>97,221,142</u>	<u>94,592,109</u>	<u>76,910,377</u>
Total All Governmental Funds	<u>\$ 129,805,936</u>	<u>\$ 154,655,625</u>	<u>\$ 166,024,901</u>	<u>\$ 172,106,287</u>	<u>\$ 165,699,046</u>

NOTES:

* Fund balance information for governmental funds is reported on the modified accrual basis of accounting.
 * Source: Balance Sheet, Governmental Funds.

QUEEN ANNE'S COUNTY, MARYLAND
FINANCIAL TRENDS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
Table 4

	2016	2017	2018	2019	2020
Revenues					
Taxes					
Local Property Taxes	\$ 64,946,443	\$ 66,501,901	\$ 67,944,730	\$ 70,615,293	\$ 71,682,389
Local Income Taxes	46,424,552	48,578,044	51,834,189	55,282,162	61,547,651
Other Local Taxes	7,896,865	8,187,348	8,496,580	8,886,688	9,303,464
State Shared Taxes	623,256	708,566	836,677	1,171,668	1,192,293
Licenses and Permits	1,078,144	1,123,072	1,167,444	1,224,381	1,083,317
Intergovernmental	4,696,561	3,987,308	7,539,052	8,284,699	9,506,419
Bond Interest Reimbursement - Build America Bond	364,799	350,254	334,858	319,362	-
Charges for Current Services	4,617,730	5,114,605	5,298,701	5,088,123	5,320,465
Fines and Forfeitures	250,110	211,102	258,226	192,975	133,015
Investment Income	174,691	444,063	978,955	1,772,464	1,393,017
Donations	45,773	60,217	57,635	31,084	143,375
Miscellaneous	949,045	2,065,465	630,895	979,201	900,976
Total Revenues	132,067,969	137,331,945	145,377,942	153,848,100	162,206,381
Expenditures					
Current					
General Government (1)	9,817,062	10,382,078	10,640,065	10,542,151	10,610,554
Public Safety	23,523,103	23,866,030	25,049,431	24,411,320	27,648,023
Public Works	15,080,454	15,506,684	15,235,104	16,163,026	12,749,864
Parks and Recreation	-	-	-	-	6,995,840
Health & Social Services	5,827,938	5,981,620	6,100,594	6,209,377	6,660,677
Education & Library	62,405,143	60,950,845	64,117,236	64,473,922	68,796,024
Conservation of Natural Resources	1,744,260	565,938	2,577,735	2,717,738	1,475,572
Economic/Community Development	3,188,928	1,710,899	2,433,171	1,638,265	2,107,676
Miscellaneous	4,766,722	4,185,652	5,348,568	5,729,955	5,308,680
Capital Outlay	11,050,384	14,591,632	12,311,551	9,323,882	4,963,004
Debt Service					
Principal	7,667,316	8,074,013	7,149,537	7,855,820	8,624,604
Debt Issuance Costs	218,799	196,150	229,894	211,447	316,027
Interest and Fiscal Charges	3,696,719	4,104,254	4,280,553	4,586,387	4,676,955
Total Expenditures	148,986,828	150,115,795	155,473,439	153,863,290	160,933,500
Excess (Deficiency) of Revenues over (under) Expenditures	(16,918,859)	(12,783,850)	(10,095,497)	(15,190)	1,272,881
Other Financing Sources (Uses)					
Issuance of Debt	15,484,639	12,775,926	16,000,000	11,000,000	9,000,000
Other Financing Use - Proceeds of Refunding Bonds	8,042,773	-	-	-	14,682,184
Bond Premiums	1,650,448	618,681	908,973	1,011,998	3,654,843
Payments to Bond Refunding Agent	-	-	-	-	-
Other Financing Use - Debt Service - Principal	(8,446,336)	-	-	-	(17,043,453)
Proceeds of Capital Asset Disposals	18,100	55,189	54,097	231,588	30,949
Insurance Proceeds	153,534	12,241	39,940	3,114	35,761
Leases	-	-	-	-	-
Subscription-Based IT Arrangements	-	-	-	-	-
Transfers In	9,941,051	6,331,482	8,220,201	12,588,897	9,690,474
Transfers Out	(10,243,787)	(6,693,745)	(8,403,227)	(13,929,908)	(9,839,553)
Total Other Financing Sources (Uses)	16,600,422	13,099,774	16,819,984	10,905,689	10,211,205
Net Increase (Decrease) in Fund Balances	\$ (318,437)	\$ 315,924	\$ 6,724,487	\$ 10,890,499	\$ 11,484,086
Debt service as a percentage of non-capital expenditures (2, 3)	8.16%	8.99%	8.00%	8.61%	8.53%

NOTES:

* Governmental fund information is reported on the modified accrual basis of accounting.

* Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

(1) For all fiscal years, "General Government" includes amounts previously classified as "Intergovernmental" and/or "Contingency."

(2) Only the principal and interest components of debt service expenditures are included in the calculation of the ratio of total debt service expenditures to noncapital expenditures.

(3) Noncapital expenditures represents Total Expenditures above, less the Net Increase in Capital Assets from the Reconciliation between the Government-Wide Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balance. Only the assets acquired (not included assets transferred or donated) from the reconciliation are used in the calculation.

QUEEN ANNE'S COUNTY, MARYLAND
 FINANCIAL TRENDS
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 Table 4

(CONTINUED)

	2021	2022	2023	2024	2025
\$	74,769,217	\$ 75,943,263	\$ 78,062,336	\$ 82,109,458	\$ 87,556,687
	67,985,531	71,002,615	79,467,361	86,007,950	92,720,625
	15,754,906	15,164,554	13,208,003	12,025,782	14,579,100
	1,286,374	1,692,747	1,352,592	1,560,187	1,865,957
	1,461,286	1,656,112	1,417,096	1,207,809	1,373,455
	18,705,791	16,927,224	14,889,923	17,381,754	13,025,677
	-	-	-	-	-
	8,789,033	8,258,386	7,454,195	7,451,475	8,018,027
	141,180	255,955	174,002	132,427	87,912
	239,908	462,588	6,448,944	9,192,673	7,932,266
	5,780	65,052	20,481	200,518	35,660
	1,073,180	1,801,868	1,628,246	2,059,293	1,596,056
	190,212,186	193,230,364	204,123,179	219,329,326	228,791,422
	13,487,519	13,368,832	15,890,722	16,878,490	21,211,090
	29,314,405	32,933,956	38,135,440	42,825,592	45,033,326
	12,223,767	14,291,677	19,545,607	19,794,447	17,878,750
	5,257,527	5,578,791	6,049,686	6,731,220	6,914,365
	6,731,938	6,389,428	7,909,483	8,266,984	9,108,852
	68,621,741	68,947,327	69,757,478	82,716,306	100,869,711
	3,672,847	2,411,769	3,457,656	3,730,444	3,503,173
	5,233,618	2,997,250	3,017,040	3,054,946	4,381,826
	6,834,217	6,981,356	8,921,419	7,232,373	7,859,623
	12,790,600	9,877,764	8,603,952	9,019,268	6,098,966
	7,343,425	7,775,190	8,696,773	8,536,204	8,689,647
	249,479	439,157	29,851	-	217,705
	4,492,461	4,415,584	4,525,460	4,254,673	3,838,431
	176,253,544	176,408,081	194,540,567	213,040,947	235,605,465
	13,958,642	16,822,283	9,582,612	6,288,379	(6,814,043)
	13,000,000	7,800,000	-	-	-
	10,835,995	-	-	-	-
	3,814,696	492,106	-	-	-
	-	-	-	-	-
	(12,970,537)	-	-	-	-
	41,099	63,850	61,520	89,074	79,675
	102,429	35,208	103,030	150,184	237,105
	-	-	638,500	-	-
	-	-	1,503,069	38,000	208,958
	20,469,607	23,952,703	27,982,455	26,534,774	23,543,565
	(20,647,039)	(24,316,461)	(28,501,910)	(27,019,025)	(23,662,501)
	14,646,250	8,027,406	1,786,664	(206,993)	406,802
\$	28,604,892	\$ 24,849,689	\$ 11,369,276	\$ 6,081,386	\$ (6,407,241)
	7.26%	7.38%	7.26%	6.33%	5.50%

QUEEN ANNE'S COUNTY, MARYLAND
 REVENUE CAPACITY
 ASSESSED VALUE OF TAXABLE AND EXEMPT PROPERTY
 LAST TEN FISCAL YEARS

Table 5

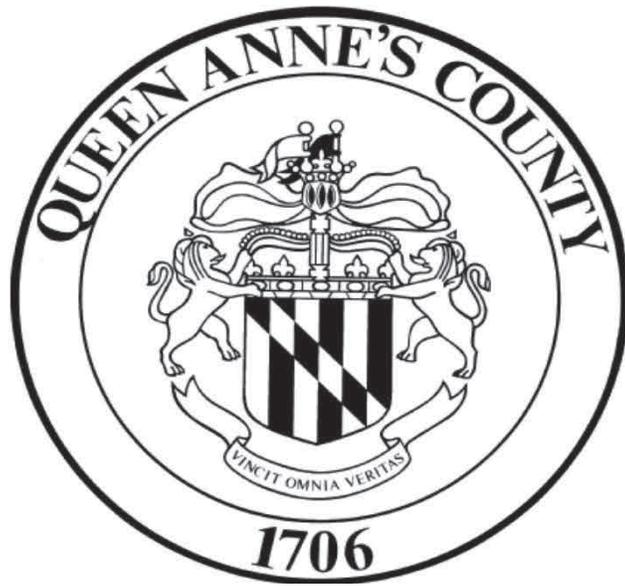
Fiscal Year	Real Property (2)			Total Direct Tax Rate (3)	Personal Property	Total	Exempt Property	Total
	Commercial Assessed Value	Residential (1) Assessed Value	Total Assessed Value		Public Utility Assessed Value (2) (4)	Taxable Assessed Value		Taxable and Exempt Property
2016	\$ 1,536,236,637	\$ 6,015,729,665	\$ 7,551,966,302	\$ 0.8471	\$ 74,544,230	\$ 7,626,510,532	\$ 713,843,531	\$ 8,340,354,063
2017	1,578,390,091	6,136,189,107	7,714,579,198	0.8471	77,685,020	7,792,264,218	771,576,578	8,563,840,796
2018	1,619,626,376	6,277,865,272	7,897,491,648	0.8471	76,903,490	7,974,395,138	784,345,727	8,758,740,865
2019	1,668,339,027	6,485,471,694	8,153,810,721	0.8471	110,703,740	8,264,514,461	810,049,666	9,074,564,127
2020	1,796,512,410	6,587,063,708	8,383,576,118	0.8471	103,282,520	8,486,858,638	839,013,301	9,325,871,939
2021	1,810,616,428	6,789,270,644	8,599,887,072	0.8471	115,005,450	8,714,892,522	860,398,332	9,575,290,854
2022	1,814,529,551	6,984,923,499	8,799,453,050	0.8471	122,167,420	8,921,620,470	879,391,068	9,801,011,538
2023	1,869,310,608	7,334,750,709	9,204,061,317	0.8300	131,489,970	9,335,551,287	887,420,959	10,222,972,246
2024	1,946,403,718	7,735,421,703	9,681,825,421	0.8300	159,917,460	9,841,742,881	920,628,412	10,762,371,293
2025	2,176,834,868	8,171,017,619	10,347,852,487	0.8300	145,288,650	10,493,141,137	1,076,439,805	11,569,580,942

NOTES:

* Tax exempt property is included for purposes of calculating total assessed value, which is used on Table 12-a.

- (1) Residential real property includes single-family homes, townhouses, condominiums, and apartment dwellings. The assessed value shown above has been reduced for the Homestead Credit assessment.
- (2) Real property and personal property assessments are done every three years and every year, respectively, by the State Department of Assessments and Taxation at 100% of estimated fair value.
- (3) See Table 6-a for real property direct tax rates. Tax Rates are applied per \$100 of assessed value.
- (4) The personal property tax rate for Queen Anne's County is zero.

Source: State of Maryland, Department of Assessments and Taxation.



**QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
REAL PROPERTY TAX RATES - COUNTY DIRECT RATE
LAST TEN FISCAL YEARS
Table 6-a**

Fiscal Year	County Direct Rate (1)
2016	\$ 0.8471
2017	0.8471
2018	0.8471
2019	0.8471
2020	0.8471
2021	0.8471
2022	0.8471
2023	0.8300
2024	0.8300
2025	0.8300

NOTES:

- * No discounts are allowed.
- * Taxes are levied as of July 1, are due by September 30, and become delinquent October 1.
- * Owner occupied properties may elect to pay on an annual basis. If no election is made, taxes are paid on a semi-annual basis with payment due by September 30 and December 31
- * Non-owner occupied properties must pay on an annual basis.
- * Interest at one percent per month is assessed on delinquent tax bills.
- * Revised tax bills based upon certifications from the State received after September 1 may be paid within thirty days without interest.
- * Delinquent taxes on real property are collected by sale.
- * Costs of tax sale, which vary, are added to the redemption.
- * Tax sale date: Third Tuesday in May.
- * The personal property tax rate for Queen Anne's County is zero.

(1) Tax Rates are applied per \$100 of assessed value.

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
REAL PROPERTY TAX RATES - COUNTY SPECIAL TAXING DISTRICTS
LAST TEN FISCAL YEARS
Table 6-b

Fiscal Year	Kent Narrows Commercial Management and Waterfront Improvement District
2016	\$ 0.0600
2017	0.0600
2018	0.0600
2019	0.0600
2020	0.0600
2021	0.0600
2022	0.0600
2023	0.0600
2024	0.0600
2025	0.0600

NOTES:

- * Tax rates are per \$100 of assessed value.
- * The personal property tax rate for Queen Anne's County is zero.

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
REAL PROPERTY TAX RATES - OVERLAPPING GOVERNMENTS - TOWNS
LAST TEN FISCAL YEARS
Table 6-c

Fiscal Year	Town of Centreville	Town of Barclay	Town of Church Hill	Town of Millington	Town of Queen Anne
2016	\$ 0.3800	\$ 0.2000	\$ 0.3400	\$ 0.2800	\$ 0.1800
2017	0.4100	0.2000	0.3400	0.2800	0.1800
2018	0.4050	0.2000	0.3400	0.2800	0.1800
2019	0.4050	0.2000	0.3400	0.2800	0.1800
2020	0.4050	0.2000	0.3400	0.2800	0.1800
2021	0.4050	0.2000	0.3400	0.2774	0.1800
2022	0.5350	0.2000	0.3400	0.2909	0.1800
2023	0.5350	0.2000	0.3400	0.2920	0.1800
2024	0.5350	0.2000	0.3400	0.3000	0.1800
2025	0.5350	0.2000	0.3400	0.3300	0.1800

NOTES:

- * Tax rates are per \$100 of assessed value.
- * The personal property tax rate for Queen Anne's County is zero.
- * Taxes collected by the County for other fiscal units, including overlapping governments, are remitted based on actual collections.

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
REAL PROPERTY TAX RATES - OVERLAPPING GOVERNMENTS - TOWNS
LAST TEN FISCAL YEARS
Table 6-c

(CONTINUED)

Town of Queenstown	Town of Sudlersville	Town of Templeville
\$ 0.1850	\$ 0.1670	\$ 0.3600
0.1810	0.1670	0.5788
0.1773	0.1670	0.3600
0.1726	0.1670	0.3600
0.1744	0.1670	0.3600
0.1867	0.1670	0.3600
0.2026	0.1670	0.3600
0.2217	0.1670	0.3600
0.2312	0.1670	0.3600
0.2312	0.1670	0.3600

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
TEN HIGHEST COMMERCIAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO
Table 7

For the Fiscal Year Ended June 30, 2025		
	Assessable Base	Ratio: Taxpayer Base to Total Assessable Base
KRM Development Corporation	\$ 61,933,400	0.59 %
Second Horizon Group Limited Ptnsp	34,002,233	0.32
Chesapeake Bay Beach Club LLC	24,141,966	0.23
KRM-Chesapeake LLC	24,060,100	0.23
Maryland General Land Co LLC	20,194,066	0.19
Schulz Development LLC	18,860,667	0.18
Beach Harbor Campers Co-Operative	16,574,167	0.16
Kent Towne Market LLC	15,332,667	0.15
Anne Arundel Real Estate Holding Co	13,865,900	0.13
KRM-Deerfield LLC	12,692,933	0.12
Total	<u>\$ 241,658,099</u>	<u>2.31 %</u>
Total Assessable Base	<u>\$ 10,493,141,137</u>	<u>100.00 %</u>

For the Fiscal Year Ended June 30, 2016		
	Assessable Base	Ratio: Taxpayer Base to Total Assessable Base
Second Horizon Group Limited Partnership	\$ 64,726,400	0.85 %
KRM Development Corporation	20,343,367	0.27
Great American Life Insurance Company	14,251,500	0.19
Maryland General Land Co LLC	13,016,200	0.17
Beach Harbor Campers Cooperative Inc	12,582,700	0.16
Aspen Institute for Humanistic Studies	10,691,700	0.14
Anne Arundel Real Estate Holding Co	10,392,267	0.14
Shore Health System Inc	9,975,900	0.13
Mears Point Association	9,967,200	0.13
Kent Narrows Properties LLC	9,576,800	0.13
Total	<u>\$ 175,524,034</u>	<u>2.29 %</u>
Total Assessable Base	<u>\$ 7,626,510,532</u>	<u>100.00 %</u>

Source: State of Maryland Department of Assessments and Taxation

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
Table 8

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2016	\$ 63,799,184	\$ 63,647,404	99.76%	\$ 151,780	\$ 63,799,184	100.00%
2017	65,217,648	65,107,115	99.83%	110,533	65,217,648	100.00%
2018	66,768,776	66,721,619	99.93%	47,157	66,768,776	100.00%
2019	68,887,556	68,778,389	99.84%	109,107	68,887,496	100.00%
2020	70,825,936	70,375,695	99.36%	446,527	70,822,222	99.99%
2021	72,635,124	72,627,467	99.99%	3,793	72,631,260	99.99%
2022	74,882,965	74,789,167	99.87%	89,788	74,878,955	99.99%
2023	77,663,358	77,608,873	99.93%	46,158	77,655,031	99.99%
2024	80,137,298	80,060,018	99.90%	65,256	80,125,274	99.98%
2025	85,431,029	85,348,655	99.90%	-	85,348,655	99.90%

NOTES:

* This table includes data for all property taxes billed applicable to all funds for Queen Anne's County, Maryland to include General, Special Revenue, and Enterprise Funds. Property taxes billed for the State of Maryland and various municipalities are excluded.

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 9

Governmental Activities						
Fiscal Year	General Obligation Bonds	Notes Payable	Leases	Subscription-Based Information Technology Arrangements	Total Governmental Activities	
2016	\$ 118,977,909	\$ 1,913,199	\$ -	\$ -	\$ 120,891,108	
2017	123,519,157	1,698,425	-	-	125,217,582	
2018	132,567,304	1,417,461	-	-	133,984,765	
2019	135,985,079	1,098,323	-	-	137,083,402	
2020	136,513,411	775,589	-	-	137,289,000	
2021	142,970,963	703,773	-	-	143,674,736	
2022	142,140,969	655,957	-	-	142,796,926	
2023	132,251,652	608,141	614,668	1,178,880	134,653,341	
2024	122,661,132	560,325	552,354	905,835	124,679,646	
2025	112,706,737	512,509	496,953	725,317	114,441,516	

Business-type Activities						
Fiscal Year	General Obligation Bonds	Notes Payable	Leases	Subscription-Based Information Technology Arrangements	Total Business-type Activities	Total Primary Government
2016	\$ 3,520,859	\$ 10,471,639	\$ -	\$ -	\$ 13,992,498	\$ 134,883,606
2017	3,217,479	16,296,744	-	-	19,514,223	144,731,805
2018	2,976,195	25,484,821	-	-	28,461,016	162,445,781
2019	2,725,011	29,419,756	-	-	32,144,767	169,228,169
2020	2,475,881	31,932,369	-	-	34,408,250	171,697,250
2021	2,337,041	34,432,935	-	-	36,769,976	180,444,712
2022	2,362,308	33,291,256	39,225	-	35,692,789	178,489,715
2023	2,206,362	35,322,576	144,381	-	37,673,319	172,326,660
2024	2,011,526	34,997,932	110,714	-	37,120,172	161,799,818
2025	1,810,571	40,287,367	82,792	-	42,180,730	156,622,246

Ratios		
Fiscal Year	Debt to Total Personal Income (1)	Outstanding Debt per Capita (1)
2016	7.24%	2,780
2017	7.64%	2,960
2018	8.39%	3,322
2019	8.22%	3,335
2020	7.29%	3,264
2021	7.73%	3,458
2022	6.96%	3,421
2023	6.33%	3,332
2024	5.85%	3,081
2025	5.42%	2,973

NOTES:

(1) See Table 14 for personal income and population data, which are used in calculating these ratios.

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 10

Fiscal Year	General Bonded Debt (1)	Percentage of Total Taxable Assessable Base (2)	Per Capita (3)
2016	\$ 122,498,768	1.61%	\$ 2,525
2017	126,736,636	1.63%	2,592
2018	135,543,499	1.70%	2,772
2019	138,710,090	1.68%	2,733
2020	138,989,292	1.64%	2,643
2021	145,308,004	1.67%	2,785
2022	144,503,277	1.62%	2,769
2023	134,458,014	1.44%	2,600
2024	124,672,658	1.27%	2,374
2025	114,517,308	1.09%	2,173

NOTES:

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

(1) General Bonded Debt is comprised of both governmental and business-type activities from Table 9.

(2) See Table 5 for taxable assessable base.

(3) See Table 14 for population data.

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2025
Table 11

Name of Jurisdiction	Gross Debt
Queen Anne's County:	
County Government	
Total Net Direct Debt (1)	<u>\$ 114,441,516</u>
Towns: (2)	
Centreville (100%)	9,616,500
Queenstown (100%)	4,654,834
Sudlersville (100%)	4,491,262
Millington (100%)	997,300
Total Net Overlapping Debt	<u>19,759,896</u>
Total Net Direct and Overlapping Debt	<u><u>\$ 134,201,412</u></u>

NOTES:

- (1) Net direct debt of the County includes Governmental Activities general obligation bonds, notes payable, leases, and subscription-based information technology arrangements. See Table 9.
Overlapping debt is the debt of other governmental entities located within the County that is payable in whole or in part by taxpayers of the County.
- (2) Entities are located wholly within Queen Anne's County. Debt information reported by municipalities.



QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
Table 12-a

	2016	2017	2018	2019	2020
<u>Computation of Legal Debt Margin - for Queen Anne's County</u>					
<u>Other than Debt related to the Sanitary District:</u>					
Authorized debt limit under Title 5 (Subtitle 4) (1)	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
Authorized bonded debt under specific public laws					
Enterprise Funds, excluding Sanitary District (4)	3,520,859	3,217,479	2,976,195	2,725,011	2,475,881
General Obligation Debt (4)	118,977,909	123,519,157	132,567,304	135,985,079	136,513,411
Subtotal	<u>122,498,768</u>	<u>126,736,636</u>	<u>135,543,499</u>	<u>138,710,090</u>	<u>138,989,292</u>
Total authorized debt under Title 5 and specific public laws	130,498,768	134,736,636	143,543,499	146,710,090	146,989,292
LESS Outstanding bonds, notes payable, and capital leases (5)	134,883,606	144,731,805	162,445,781	169,228,169	171,697,250
Less: Sanitary District debt (4)	10,471,639	16,296,744	25,484,821	29,419,756	31,932,369
Subtotal	<u>124,411,967</u>	<u>128,435,061</u>	<u>136,960,960</u>	<u>139,808,413</u>	<u>139,764,881</u>
Legal Debt Margin - Other than the Sanitary District	<u>\$ 6,086,801</u>	<u>\$ 6,301,575</u>	<u>\$ 6,582,539</u>	<u>\$ 6,901,677</u>	<u>\$ 7,224,411</u>
<u>Debt related to the Sanitary District Proprietary Fund:</u>					
Total taxable assessed value (3)	\$ 7,626,510,532	\$ 7,792,264,218	\$ 7,974,395,138	\$ 8,264,514,461	\$ 8,486,858,638
Plus exempt property (3)	<u>713,843,531</u>	<u>771,576,578</u>	<u>784,345,727</u>	<u>810,049,666</u>	<u>839,013,301</u>
Total assessed value	<u>\$ 8,340,354,063</u>	<u>\$ 8,563,840,796</u>	<u>\$ 8,758,740,865</u>	<u>\$ 9,074,564,127</u>	<u>\$ 9,325,871,939</u>
Debt Limit - 6% of total assessed value (2)	\$ 500,421,244	\$ 513,830,448	\$ 525,524,452	\$ 544,473,848	\$ 559,552,316
LESS Sanitary District	10,471,639	16,296,744	25,484,821	29,419,756	31,932,369
Less: Restricted Cash and Investments in the Debt Service Fund available for payment of principal	<u>1,120,775</u>	<u>947,445</u>	<u>1,060,045</u>	<u>1,259,440</u>	<u>2,031,867</u>
	<u>9,350,864</u>	<u>15,349,299</u>	<u>24,424,776</u>	<u>28,160,316</u>	<u>29,900,502</u>
Legal Debt Margin - Sanitary District	<u>\$ 491,070,380</u>	<u>\$ 498,481,149</u>	<u>\$ 501,099,676</u>	<u>\$ 516,313,532</u>	<u>\$ 529,651,814</u>

NOTES:

- (1) Title 5, Subtitle 4 (1), of the Code of Public Local Laws of Queen Anne's County authorizes the County to borrow up to \$8,000,000 for general operating and capital improvement expenditures. This authority is in addition to any bonded debt authorized under specific public local laws.
- (2) Title 24, Subtitle 1, Section 24-146(A) of the Code of Public Local Laws of Queen Anne's County authorizes the County to borrow an amount not to exceed 6% of the total value of property assessed. The proceeds of such borrowings must be used for sewer and water system construction payments.
- (3) See Table 5.
- (4) See Note 9, Section B.
- (5) See Note 9.

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
Table 12-a

(CONTINUED)

2021	2022	2023	2024	2025
\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
2,337,041	2,362,308	2,206,362	2,011,526	1,810,571
142,970,963	142,140,969	132,251,652	122,661,132	112,706,737
<u>145,308,004</u>	<u>144,503,277</u>	<u>134,458,014</u>	<u>124,672,658</u>	<u>114,517,308</u>
153,308,004	152,503,277	142,458,014	132,672,658	122,517,308
180,444,712	178,489,715	172,326,660	161,799,818	156,622,246
34,432,935	33,291,256	35,322,576	34,997,932	40,287,367
<u>146,011,777</u>	<u>145,198,459</u>	<u>137,004,084</u>	<u>126,801,886</u>	<u>116,334,879</u>
<u>\$ 7,296,227</u>	<u>\$ 7,304,818</u>	<u>\$ 5,453,930</u>	<u>\$ 5,870,772</u>	<u>\$ 6,182,429</u>
\$ 8,714,892,522	\$ 8,921,620,470	\$ 9,335,551,287	\$ 9,841,742,881	\$ 10,493,141,137
<u>860,398,332</u>	<u>879,391,068</u>	<u>887,420,959</u>	<u>920,628,412</u>	<u>1,076,439,805</u>
<u>\$ 9,575,290,854</u>	<u>\$ 9,801,011,538</u>	<u>\$ 10,222,972,246</u>	<u>\$ 10,762,371,293</u>	<u>\$ 11,569,580,942</u>
\$ 574,517,451	\$ 588,060,692	\$ 613,378,335	\$ 645,742,278	\$ 694,174,857
34,432,935	33,291,256	35,322,576	34,997,932	40,287,367
2,684,988	1,913,102	1,703,815	2,170,557	2,160,833
<u>31,747,947</u>	<u>31,378,154</u>	<u>33,618,761</u>	<u>32,827,375</u>	<u>38,126,534</u>
<u>\$ 542,769,504</u>	<u>\$ 556,682,538</u>	<u>\$ 579,759,574</u>	<u>\$ 612,914,903</u>	<u>\$ 656,048,323</u>

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
COMPUTATION OF LOCAL DEBT LIMIT
LAST TEN FISCAL YEARS
Table 12-b

	2016	2017	2018	2019	2020
Computation of Local Debt Limit, as Authorized under Article 95, Section 22F of the Annotated Code of Maryland and per criteria established by Queen Anne's County Resolution No. 13-04, as adopted May 2013.					
CALCULATION PER FIRST FINANCIAL CRITERIA:					
The sum of all outstanding and new general obligation and/or bonded debt is 2.5% or less of the total taxable assessed base.					
Total Taxable Assessed Base (1)	\$ 7,626,510,532	\$ 7,792,264,218	\$ 7,974,395,138	\$ 8,264,514,461	\$ 8,486,858,638
	2.5%	2.5%	2.5%	2.5%	2.5%
2.5% of Total Taxable Assessed Base	\$ 190,662,763	\$ 194,806,605	\$ 199,359,878	\$ 206,612,862	\$ 212,171,466
LESS Outstanding and New General Obligation Debt applicable to limit (2) (3)					
Enterprise Funds' Debt - Bonds	\$ 3,520,859	\$ 3,217,479	\$ 2,976,195	\$ 2,725,011	\$ 2,475,881
General Obligation Debt - Bonds and Notes	120,891,108	125,217,582	133,984,765	137,083,402	137,289,000
Total Outstanding and New General Obligation Debt	\$ 124,411,967	\$ 128,435,061	\$ 136,960,960	\$ 139,808,413	\$ 139,764,881
2.5% of Total Taxable Assessed Base in Excess of					
Total Outstanding and New General Obligation Debt	\$ 66,250,796	\$ 66,371,544	\$ 62,398,918	\$ 66,804,449	\$ 72,406,585
CALCULATION PER SECOND FINANCIAL CRITERIA:					
The sum of all outstanding and new general obligation and/or bonded debt is \$3,000 or less per capita.					
Total County Population (4)	48,517	48,904	48,904	50,750	52,597
\$3,000 Per Capita	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
	\$ 145,551,000	\$ 146,712,000	\$ 146,712,000	\$ 152,250,000	\$ 157,791,000
LESS Outstanding and New General Obligation Debt (1)	\$ 124,411,967	\$ 128,435,061	\$ 136,960,960	\$ 139,808,413	\$ 139,764,881
\$3,000 Per Capita in Excess of					
Total Outstanding and New General Obligation Debt	\$ 21,139,033	\$ 18,276,939	\$ 9,751,040	\$ 12,441,587	\$ 18,026,119

NOTES:

- (1) See Table 5 - Total Taxable Assessed Value.
- (2) See Note 9 A - Changes in Noncurrent Liabilities.
- (3) General Obligation Debt includes debt relating to the Sanitary District, because such debt is backed by the full faith and credit of the County, but excludes all capital leases, which are collateralized by the equipment purchased with such leases.
- (4) See Table 14 - Population.

In May, 2013, as described in Note 9 E, Queen Anne's County adopted Resolution No. 13-04, thereby continuing a local debt policy in compliance with Article 95, Section 22F of the Annotated Code of Maryland.

This policy requires that the County's Director of Budget and Finance to take the following steps:

- (a) prepare a six-year capital project plan each year;
- (b) propose an amount to be transferred from the General Fund operating balance to the General Capital Projects Fund to serve as pay-as-you-go funding in the latter Fund, in order to lessen the need for future County debt;
- (c) limit the County's non-bonded indebtedness to \$8.0 million for general operating expenses or capital improvements;
- (d) certify that the sum of outstanding general bonded debt and any new general obligation debt is 2.5% or less of the total taxable assessed base and is \$3,000 or less per capita; and

This policy also stipulates that although there is some flexibility as to the acceptable percentage of debt service to general fund expenditures, and no absolute limit has been established by the rating agencies or the Government Finance Officers Association, anything above 12% of total general fund expenditures would be a cause to carefully monitor debt service.

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
COMPUTATION OF LOCAL DEBT LIMIT
LAST TEN FISCAL YEARS
Table 12-b

(CONTINUED)

2021	2022	2023	2024	2025
\$ 8,714,892,522	\$ 8,921,620,470	\$ 9,335,551,287	\$ 9,841,742,881	\$ 10,493,141,137
2.5%	2.5%	2.5%	2.5%	2.5%
<u>\$ 217,872,313</u>	<u>\$ 223,040,512</u>	<u>\$ 233,388,782</u>	<u>\$ 246,043,572</u>	<u>\$ 262,328,528</u>
\$ 2,337,041	\$ 2,362,308	\$ 2,206,362	\$ 2,011,526	\$ 1,810,571
143,674,736	142,796,926	132,859,793	123,221,457	113,219,246
<u>\$ 146,011,777</u>	<u>\$ 145,159,234</u>	<u>\$ 135,066,155</u>	<u>\$ 125,232,983</u>	<u>\$ 115,029,817</u>
\$ 71,860,536	\$ 77,881,278	\$ 98,322,627	\$ 120,810,589	\$ 147,298,711
52,177	52,177	51,711	52,508	52,688
\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
<u>\$ 156,531,000</u>	<u>\$ 156,531,000</u>	<u>\$ 155,133,000</u>	<u>\$ 157,524,000</u>	<u>\$ 158,064,000</u>
<u>\$ 146,011,777</u>	<u>\$ 145,159,234</u>	<u>\$ 135,066,155</u>	<u>\$ 125,232,983</u>	<u>\$ 115,029,817</u>
<u>\$ 10,519,223</u>	<u>\$ 11,371,766</u>	<u>\$ 20,066,845</u>	<u>\$ 32,291,017</u>	<u>\$ 43,034,183</u>

QUEEN ANNE'S COUNTY, MARYLAND
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 PRINCIPAL EMPLOYERS
 CURRENT FISCAL YEAR AND NINE YEARS AGO

Table 13

For the Fiscal Year Ended June 30, 2025			
Employer	Employees	Rank	Percentage of Total County Employment
Queen Anne's County Board of Education	997	1	6.02%
Queen Anne's County Government	695	2	4.19%
Paul Reed Smith Guitars	468	3	2.82%
Chesapeake College	385	4	2.32%
REEB Millwork	303	5	1.83%
S.E.W. Friel	260	6	1.57%
Food Lion	203	7	1.22%
The Chesapeake Bay Beach Club	150	8	0.91%
Avail	145	9	0.87%
Harris Seafood Company	125	10	0.75%
Total	3,731		22.50%

For the Fiscal Year Ended June 30, 2016			
Employer	Employees	Rank	Percentage of Total County Employment
Queen Anne's County Board of Education	945	1	8.04%
Chesapeake College	756	2	6.43%
Queen Anne's County Government	466	3	3.97%
S.E.W. Friel	275	4	2.34%
Paul Reed Smith Guitars	236	5	2.01%
Reeb Millwork	180	6	1.53%
Cracker Barrel Old Country Store	170	7	1.45%
Power Electronics	162	8	1.38%
Federal Resources Supply	146	9	1.24%
Tidewater Direct	144	10	1.23%
Total	3,480		29.63%

Source: Queen Anne's County Economic Development Office; Table 15.

**QUEEN ANNE'S COUNTY, MARYLAND
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS
 Table 14**

Fiscal Year	Population (1)	Total Personal Income (2)	Per Capita Income (3)	Unemployment Rate (3)	Average Registered Number of Pupils (4)
2016	48,517	\$ 1,862,664,664	\$ 38,392	3.90%	7,738
2017	48,904	1,894,198,632	38,733	3.80%	7,799
2018	48,904	1,936,256,072	39,593	3.90%	7,768
2019	50,750	2,058,064,750	40,553	3.70%	7,767
2020	52,597	2,353,926,138	44,754	7.00%	7,705
2021	52,177	2,335,129,458	44,754	5.20%	7,351
2022	52,177	2,565,960,506	49,178	4.00%	7,418
2023	51,711	2,722,687,572	52,652	1.50%	7,539
2024	52,508	2,764,651,216	52,652	2.80%	7,492
2025	53,688	2,943,390,912	54,824	2.90%	7,492

NOTES:

- (1) Source: US Census Bureau
- (2) Personal income derived by multiplying population by per capita income.
- (3) Source: US Census Bureau
- (4) Source: Queen Anne's County Board of Education.

QUEEN ANNE'S COUNTY, MARYLAND
OPERATING INFORMATION
COUNTY GOVERNMENT EMPLOYEES - FULL-TIME EQUIVALENTS
LAST TEN FISCAL YEARS
Table 15

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Number of Exempt Employees	32	35	34	32	33	37	40	40	46	49
Number of Full Time Employees	431	439	450	479	484	496	462	533	627	644
Number of Part Time Employees (FTE)	<u>3</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total County Government Employees	<u>466</u>	<u>478</u>	<u>487</u>	<u>514</u>	<u>519</u>	<u>535</u>	<u>504</u>	<u>575</u>	<u>675</u>	<u>695</u>

NOTES:

Source: Queen Anne's County Office of Budget and Finance

QUEEN ANNE'S COUNTY, MARYLAND
 OPERATING INFORMATION
 COUNTY GOVERNMENT EMPLOYEES - FULL-TIME ONLY BY FUNCTION
 LAST TEN FISCAL YEARS
 Table 16

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
General Government	83	87	76	75	78	79	83	92	97	103
Public Safety:										
Police	59	61	62	69	71	70	65	72	93	95
Fire - Emergency Management Services	72	73	75	82	83	83	84	101	118	113
Detention Center	41	45	41	42	43	45	42	46	54	53
Animal Services	2	2	2	2	2	13	7	13	16	19
Public Works	61	59	75	80	77	75	68	77	93	103
Health	1	1	1	1	1	1	1	1	1	1
Social Services	42	41	39	39	39	41	41	40	45	44
Parks	42	44	43	46	52	51	43	53	60	66
Conservation of Natural Resources	4	4	4	4	4	4	3	3	4	4
Economic/Community Development	6	5	10	11	9	10	10	12	17	18
Total Governmental Activities	<u>413</u>	<u>422</u>	<u>428</u>	<u>451</u>	<u>459</u>	<u>472</u>	<u>447</u>	<u>510</u>	<u>598</u>	<u>619</u>
Business-Type Activities:										
Sanitary District	46	48	51	55	53	56	50	60	72	71
Bay Bridge Airport	1	1	2	2	2	2	2	2	2	2
Golf	1	1	1	1	1	1	1	1	1	1
Public Landings	2	2	2	2	2	2	2	2	2	2
Total Business-Type Activities	<u>50</u>	<u>52</u>	<u>56</u>	<u>60</u>	<u>58</u>	<u>61</u>	<u>55</u>	<u>65</u>	<u>77</u>	<u>76</u>
Total Full-Time County Employees	<u>463</u>	<u>474</u>	<u>484</u>	<u>511</u>	<u>517</u>	<u>533</u>	<u>502</u>	<u>575</u>	<u>675</u>	<u>695</u>

NOTES:

- Only full-time County employees are represented in this table.
- Employees of the County's component units have been excluded from this table.

Source: Queen Anne's County Office of Budget and Finance

QUEEN ANNE'S COUNTY, MARYLAND
 OPERATING INFORMATION
 OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 Table 17

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
General Government:										
Planning & Zoning:										
Number of commercial permits issued	50	47	55	30	49	91	63	83	48	54
Number of residential permits issued:										
Single Family Permits	84	124	145	155	173	275	136	271	284	259
Multi Family Permits	1	29	-	37	41	62	32	2	56	9
Renovations and Additions Permits	303	323	339	359	317	343	203	357	303	271
Total residential permits issued	<u>388</u>	<u>476</u>	<u>484</u>	<u>551</u>	<u>531</u>	<u>680</u>	<u>371</u>	<u>630</u>	<u>643</u>	<u>539</u>
Public Safety:										
Fire and Rescue:										
Number of volunteer members	500	400	500	450	542	558	550	703	757	626
Police:										
Uniformed Police Officers	64	64	68	69	71	71	73	77	84	84
Number of law violations:										
Physical arrests	903	914	1,097	930	854	1,080	812	859	1,240	1,178
Traffic violations	8,002	7,183	12,384	10,474	9,705	11,142	7,447	9,859	13,111	19,219
Detention Center:										
Detention Center Officers	39	38	42	41	41	42	41	43	43	46
Average yearly prison population	115	133	115	105	106	158	154	108	99	93
Public Works:										
Wastewater Treated - Daily (mgd)	2.0	2.0	2.2	2.2	2.1	2.3	2.7	2.6	2.6	2.6
Education:										
Number of Personnel										
Teachers	575	572	569	572	584	603	609	615	615	571
Administrators	40	38	37	37	37	36	38	43	49	53
Support	296	304	300	301	281	336	364	348	349	323
Other	34	34	34	32	7	7	7	5	83	50
Number of Students	7,738	7,799	7,768	7,767	7,705	7,351	7,418	7,539	7,492	7,492
Number of High School Graduates	532	550	552	521	590	561	535	534	568	571

NOTES:

Source: Various County departments.

QUEEN ANNE'S COUNTY, MARYLAND
 OPERATING INFORMATION
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS
 Table 18

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Public Safety:										
Fire and Rescue:										
Number of volunteer stations	9	9	9	9	9	9	9	9	9	9
Equipment:										
Engines	16	16	16	15	15	15	15	14	15	15
Tankers	8	8	8	7	9	9	9	9	9	9
Aerial Units	5	5	4	5	5	5	5	5	5	5
Rescue Units	6	6	5	5	7	7	7	7	7	8
Brush Units	7	7	7	7	8	8	8	8	8	8
Boats	6	6	3	4	4	4	4	4	4	3
Ambulance/Medic Units	12	13	13	11	13	12	13	11	11	11
Cars/Other	25	16	14	28	33	33	33	30	34	30
Police:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles										
Patrol	71	70	70	71	81	66	43	60	74	82
Other	10	9	14	14	12	29	67	30	33	24
Detention Center										
Capacity	148	148	148	148	148	148	148	148	148	148
Public Works:										
County Maintained Roads and Streets										
Paved (miles)	540	549	549	549	550	550	549	549	549	549
Unpaved (miles)	12	12	12	12	12	12	12	12	12	12
County Owned Water and Wastewater Facilities										
Water										
Miles of Mains	64	65	67	68	69	70	71	71	72	77
Water Treatment Plants	11	11	11	11	11	11	11	11	11	11
Booster Stations	2	2	2	2	2	2	2	2	2	2
Wastewater										
Miles of Mains	128	136	151	153	154	160	162	162	162	175
Wastewater Treatment Plants	1	1	1	1	1	1	1	1	1	1
Wastewater Collection, Lift, and Pumping Stations	31	32	32	32	32	32	32	32	33	33
Education:										
Number of Schools										
High Schools	2	2	2	2	2	2	2	2	2	2
Middle Schools	4	4	4	4	4	4	4	4	4	4
Elementary Schools	8	8	8	8	8	8	8	8	8	8
Parks and Recreation:										
Parks	32	32	32	32	32	32	32	32	32	32
Park Acreage	2,915	2,915	3,085	3,085	3,085	3,085	3,085	3,085	3,089	3,089
Public Landings	19	20	20	20	20	20	20	20	20	20
Library:										
Number of Libraries	3	3	3	3	3	3	3	3	3	3

NOTES:
 Source: Various County departments.