



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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025**

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Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025**

Prepared By:

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

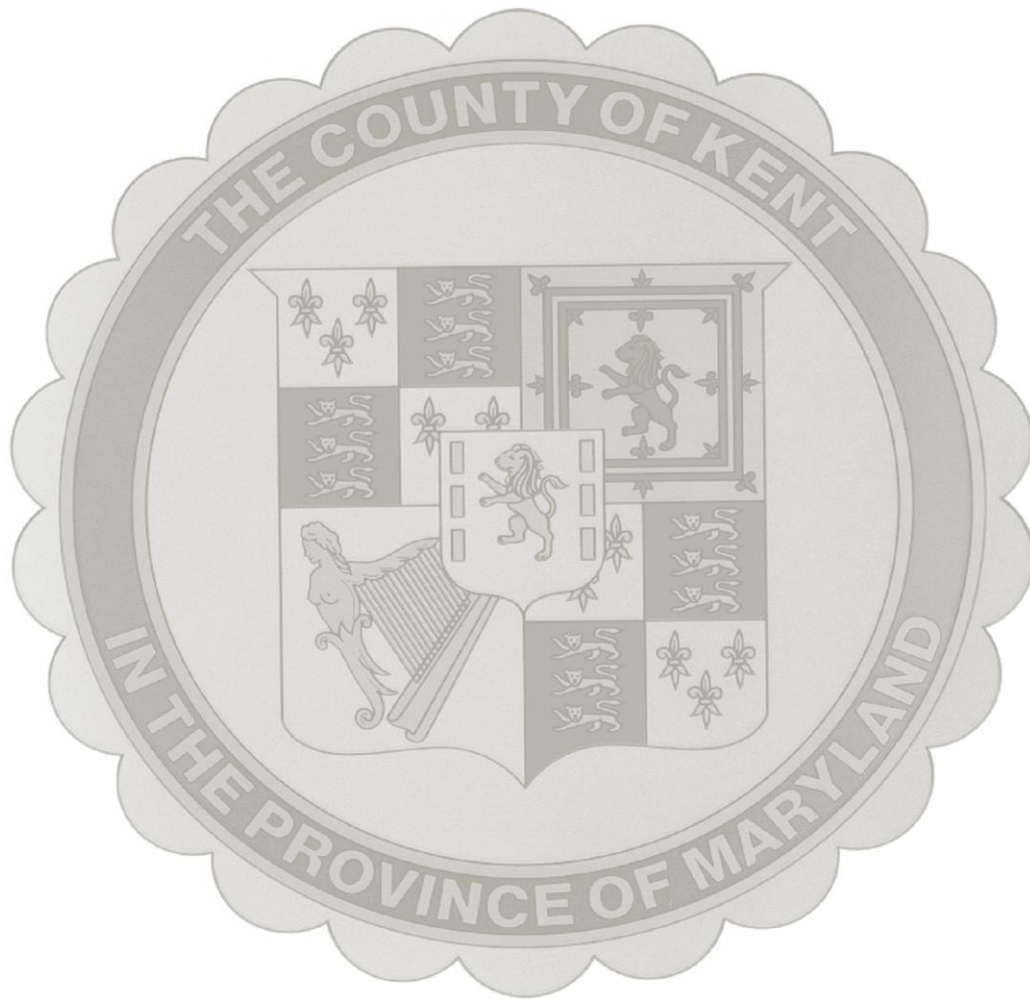
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For the Fiscal Year Ended June 30, 2025**

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Introductory Section





October 30, 2025

To the Honorable Board of County Commissioners and
The Citizens of Kent County, Maryland

Formal Transmittal of the Annual Comprehensive Financial Report (ACFR)

The audited Annual Comprehensive Financial Report (ACFR) of Kent County, Maryland (the County), prepared by the Office of Finance for the fiscal year ended June 30, 2025, is hereby submitted in compliance with State law which requires that all general-purpose governments issue a complete set of financial statements prepared according to accounting principles generally accepted in the United States of America (GAAP) and be audited by an independent, licensed, certified public accountant in accordance with auditing standards generally accepted in the United States of America (GAAS). For the fiscal year ended June 30, 2025, the County contracted with SB & Company, LLC of Owings Mills, Maryland to audit the financial statements. The Report of Independent Public Accountants is included on pages 12-14. The annual report was prepared by the Kent County Office of Finance in cooperation with the finance departments of the County's discretely presented component units.

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

Kent County's financial statements have been audited by SB & Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures of the financial statements, assessing the accounting principles used and significant estimates made by managements, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Kent County's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP in all material respects. The independent auditor's report is presented as the first element of the Financial Section of this report.

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

Profile of the Government

Kent County was formed in 1642 as the Isle and County of Kent by the Governor and Council. It is named for the County of Kent in England. The County is located on the Eastern Shore of Maryland. It is bordered to the north by Cecil County, to the east by the State of Delaware, to the south by Queen Anne’s County, and to the west by the Chesapeake Bay. There is no direct access to the Western Shore of Maryland. The County occupies 414 square miles and serves a population of approximately 19,550 citizens. The County Commissioners of Kent County are empowered to levy a property tax on real properties located within its boundaries, as well as an income tax on citizens residing within the County.

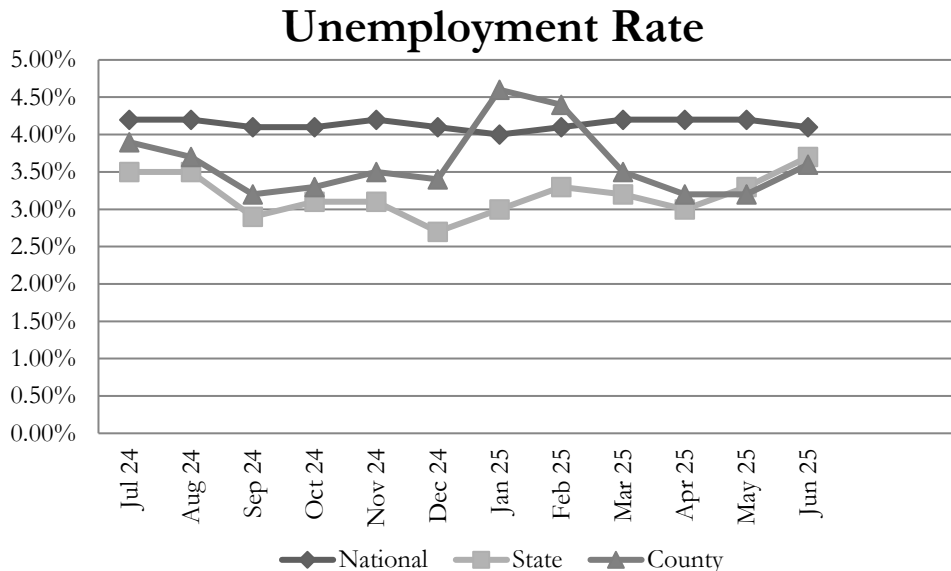
The County operates as a Maryland Code Home Rule County, which enables the Board of County Commissioners to exercise broad local legislative authority. Under code home rule, both legislative and executive functions of the County are vested in the three-member Board of County Commissioners. All three members of the board are elected at large and serve a four-year term.

The County provides or funds (in whole or part) a full range of services including public safety (sheriff’s office, volunteer fire and rescue services, emergency services, detention center, and animal control); construction and maintenance of county roads; environmental operations; planning, housing and zoning; tourism and economic development; culture and recreation, education, libraries, and general administrative services. In addition, the County operates a water and wastewater utility, and a recreation facility.

The approved annual budget is prepared by fund, function (e.g. public safety), and department (e.g. emergency services). Department heads may make transfers between line items in their department; transfers must be ratified by the Board of County Commissioners. Budget to actual comparisons are provided in this report for individual governmental funds for which an appropriated annual budget has been adopted. The budget comparisons for the general fund are presented on pages 69 through 71 as part of the Required Supplementary Information subsection of this report.

Local Economy

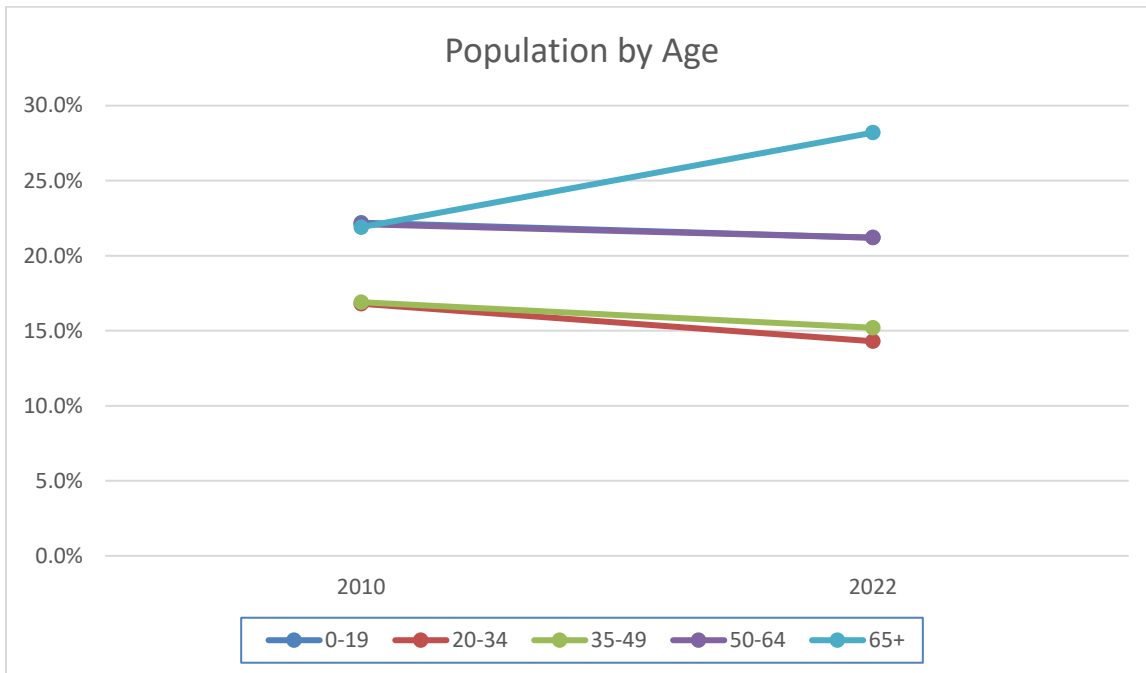
The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which Kent County operates. The chart below shows the unemployment rate in Kent County compared to the state-wide and national unemployment rates.



This chart illustrates the unemployment that has been experienced on the National, State and Local levels. Kent County’s unemployment rate peaked at 4.6% in January and was higher than the National (4.2%) and higher than the State (3.7%) peak figures. Kent County ended the fiscal year with unemployment at virtually the same rate as the State. Fiscal year 2025 County unemployment levels were higher than the previous year. If these higher levels continue, they could negatively impact future County income tax revenue streams.

Property values throughout the county rose by 6.0% entering fiscal year 2026. This continued rise in the housing market will result in increased property tax revenue. Projected changes in significant revenue sources are detailed in the Management’s Discussion and Analysis on page 23.

The County’s population has increased by 1.3% from 19,303 in fiscal year 2024 to 19,557 in fiscal year 2025. The mix of the population by age, however, is shifting. As the following chart illustrates, the only segment of the population that is increasing, are residents over the age of 65. As this change in demographic continues, the County will be challenged to shift its services to meet the needs of its aging citizenry.



Median household incomes within the County are significantly lower than the state as a whole. According to census data, the County median income (2019-2023) was \$74,402, compared to the state median income of \$98,678. Kent County’s population below poverty level has historically exceeded the State level, however in 2025 it was equivalent to the State level at 9.5%.

Long-Term Financial Planning and Major Initiatives

The County continues to try to increase its revenue base. In fiscal year 2026, the County increased its income tax rate from 3.20% to 3.30%, the maximum rate allowed by the State. In fiscal year 2024, the County increased its property tax rate from \$1.012 to \$1.022. In fiscal year 2025, Kent County’s property tax rate was the 7th highest in the State.

In additional efforts to expand the future property tax and income tax bases, the county commissioners have implemented several initiatives to encourage business creation and expansion. In fiscal year 2017, the county created Enterprise Zones which offer a 10-year property tax and 3-year income tax credit to businesses who locate or expand in the designated enterprise zones. In fiscal year 2018, the county created Commerce Zones which offer a 10-year property tax credit to businesses who locate or expand in the designated commerce zones. In fiscal year 2024, the county created Arts and Entertainment Districts which offer a 10-year property tax credit to businesses who locate or expand in the designated arts and entertainment districts. To date, twenty one businesses have invested approximately \$32,700,000 in business creation or expansion in the county’s enterprise, commerce, and arts and entertainment zones. As the property tax and income tax credits reduce over time, the county’s future revenue streams will be increased.

Annually, the county reviews its five-year capital plan and identifies the county’s priorities. During the fiscal year 2026 budget process, four major projects have been identified: 1) the replacement or major renovation of our middle school, 2)

the renovation of our historical courthouse, 3) the expansion of our 911 and sheriff's offices and 4) participation in the construction of the mid-shore regional detention center. These projects have an estimated price tag of approximately \$82 million dollars.

In addition to our usual long-term planning, we acknowledge the impact of the Blueprint for Maryland's Future legislation. This legislation will require the County to increase its funding to education by 61% (\$12.4 million) between fiscal year 2025 and fiscal year 2034. We continue to partner with our fellow Maryland counties and State legislators to explore options to implement these educational objectives.

Relevant Financial Policies

The county has a comprehensive set of financial policies. As we move forward to address our capital needs, two of these policies will be particularly relevant.

Debt Management – in accordance with Section 3-9.1 of Chapter 3 of the Code of Public Local Laws of Kent County, Maryland, the County's annual debt financing cannot exceed twenty million dollars in any single fiscal year. Given the magnitude of the priorities identified in the current five year capital plan, this policy will be integral in the planning process.

Fund Balance – the County strives to maintain an unassigned fund balance of at least 7.5% of general fund expenditures.

Acknowledgements

The preparation of this document would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Office. We wish to thank all County departments for their assistance in providing the data necessary to prepare this report and special thanks to Bernadette Bowman and Chris Cerino for providing the photographs. Credit is also due to the Board of County Commissioners for their unfailing support and for maintaining the highest standards of professionalism in the management of the County's finances.

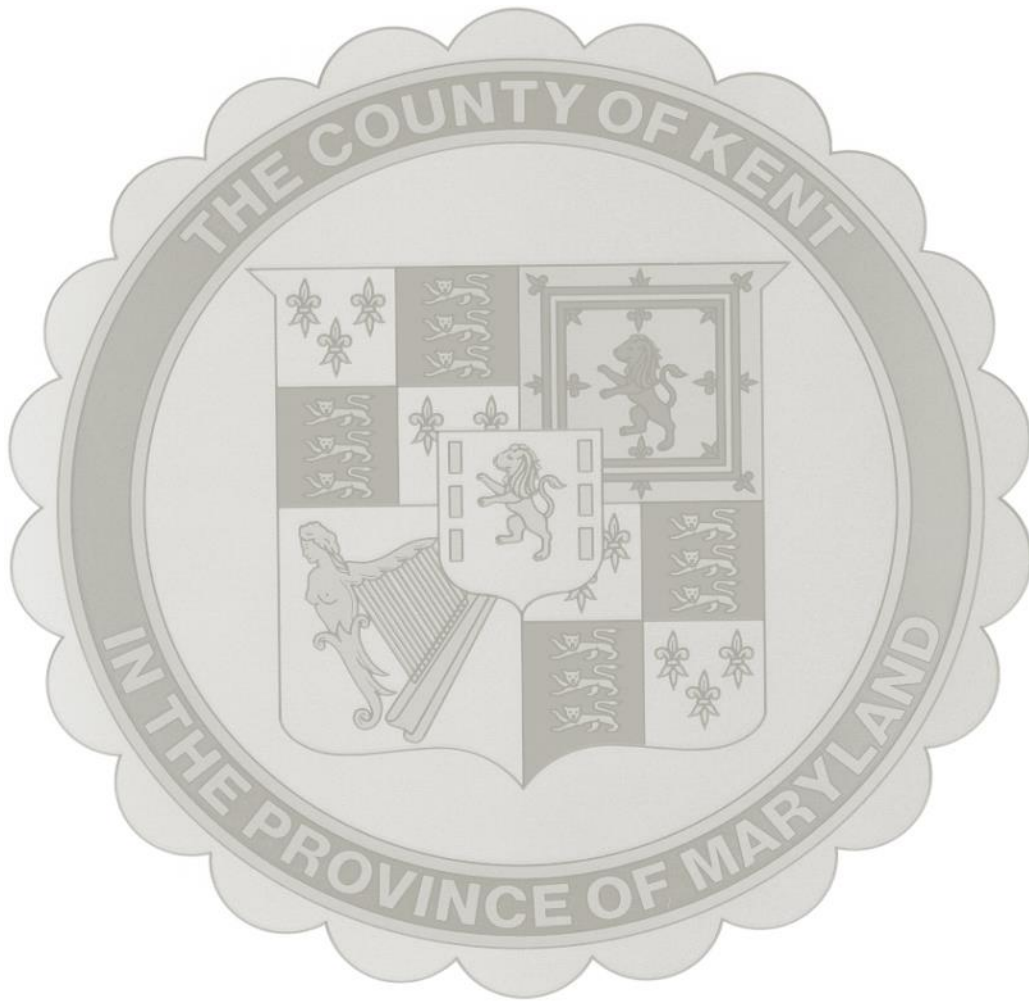
Respectfully submitted,



Patricia M. Merritt, C.P.A.
Chief Finance Officer



Shelley Heller
County Administrator



The County Commissioners of Kent County Maryland
Certain Elected and Other Officials
June 30, 2025

Certain Elected Officials – Board of County Commissioners



John F. Price
Member



Ronald H. Fithian,
President



Albert H. Nickerson,
Member

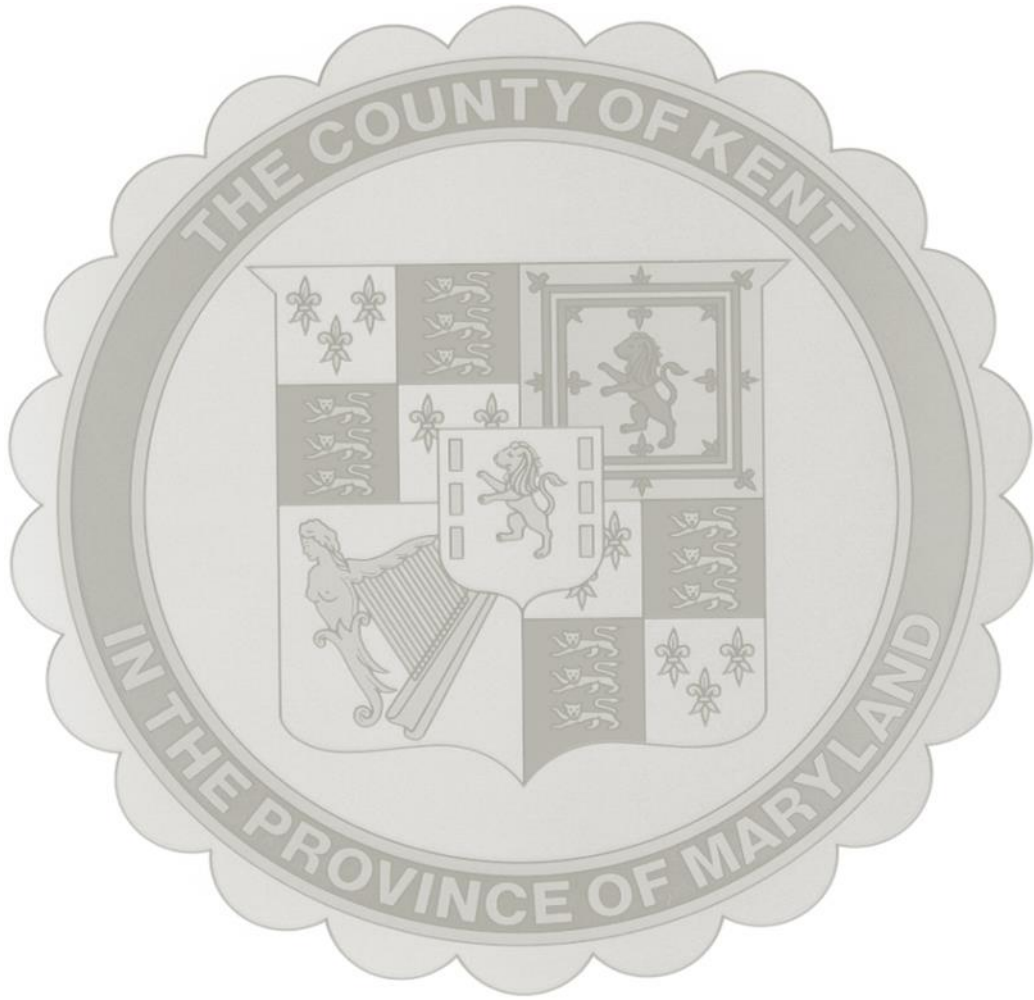
Certain Department Heads

County Administrator
Chief Finance Officer
Director of Economic & Tourism Development
Director of Emergency Services
Director of Human Resources
Director of Information Technology
Director of Kent Family Center
Director of Local Management Board
Director of Parks and Recreation
Director of Planning, Housing and Zoning
Director of Public Works
Director of Operations

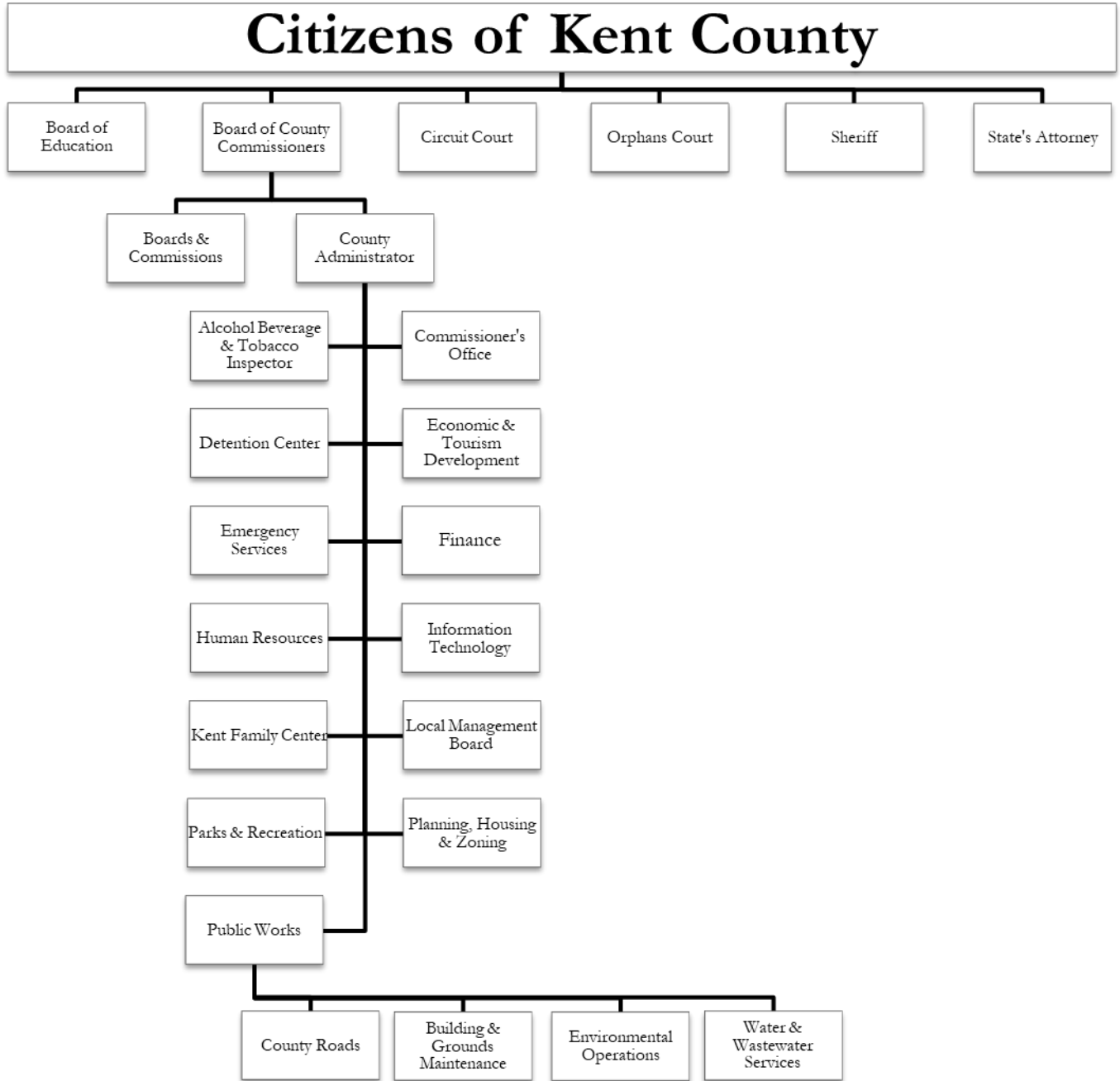
Shelley L. Heller
Patricia M. Merritt
Jamie L. Williams
Pete Landon
Michael Sutton
C. Scott Boone
Lisa Mazingo
Rosemary Ramsey Granillo
Jillyn Coleman
William A. Mackey
Daniel Mattson
Roland Shepard

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

Bond Counsel
McKennon, Shelton and Henn LLP
Baltimore, Maryland

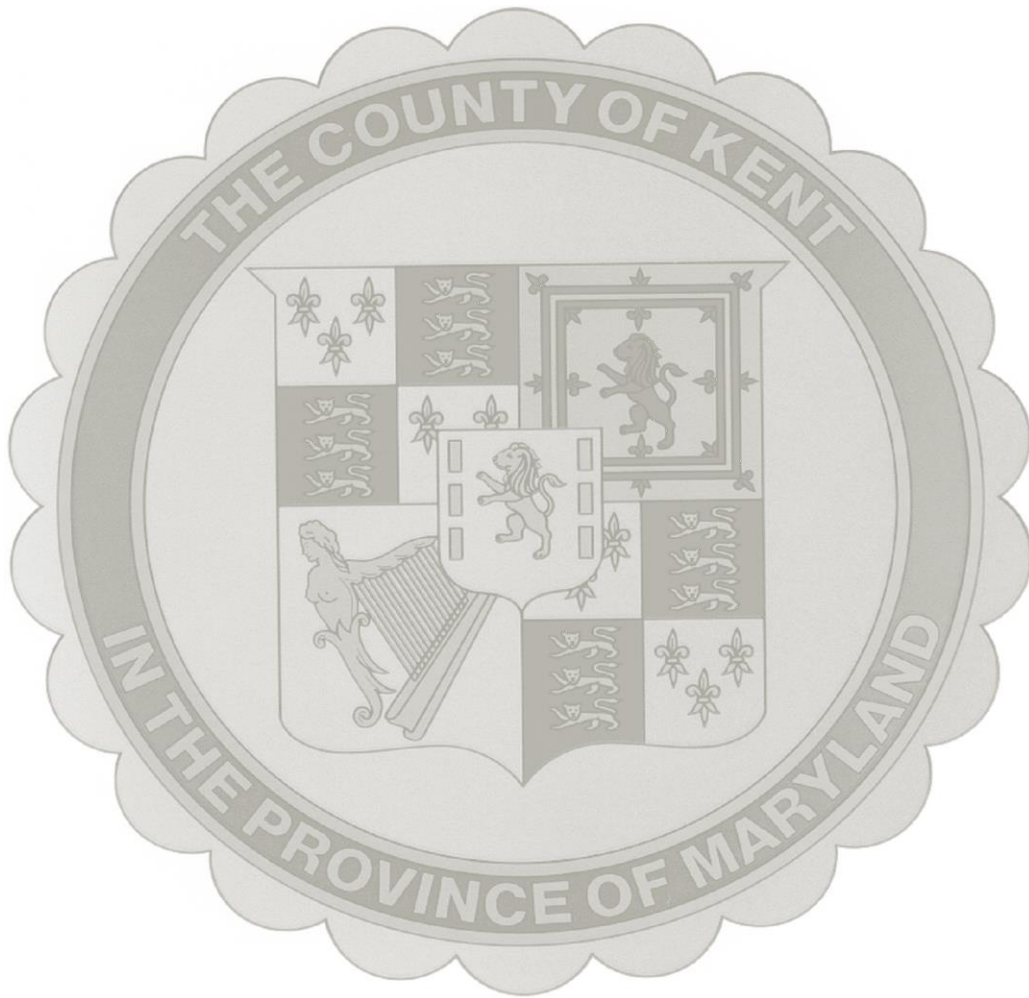


The County Commissioners of Kent County Maryland
 Kent County, Maryland Government Organizational Chart
 June 30, 2025





Financial Section



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The County Commissioners of Kent County, Maryland
Chestertown, Maryland

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County Commissioners of Kent County, Maryland (the County), as of and for the year ended June 30, 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, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 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 Board of Education of Kent County, Maryland (the Board). Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a

going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of investment returns, and schedule of changes in the County's net OPEB liability and related ratios for other post-employment benefits, schedules of the County's proportionate share of the net pension liability and County contributions, and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental



Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The accompanying combining and individual fund statements are the responsibility of management and were derived from and relate 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 accompanying combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory and statistical sections but does not include the 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.

Owings Mills, Maryland
October 30, 2025

A handwritten signature in cursive script that reads "SB & Company, LLC".

Management's Discussion and Analysis

Introduction

As management of Kent County, Maryland (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2-5 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of fiscal year 2025 by \$80,948,453 (*net position*). The unrestricted portion of this net position was \$4,949,833.
- The County's total net position increased by \$8,751,081.
- As of the close of fiscal year 2025, the County's governmental funds reported combined ending fund balances of \$29,517,874; an increase of \$6,705,279 in comparison with the prior year. Approximately 34% of this amount, \$9,919,664 is available for spending at the County's discretion (*unassigned fund balance*).
- At the end of fiscal year 2025, the unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$27,563,633, or approximately 46% of total general fund expenditures.
- The County's government-wide long-term debt decreased by \$566,315 during fiscal year 2025, as detailed on page 22.

Overview of the Financial Statements

This discussion and analysis provided here is intended to serve as an introduction to the County's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, health and social services, culture and recreation, community development, education, and others. The business-type activities of the County include water and wastewater services and bayside landing. The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school

district and a legally separate library for which the County is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 26-27 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The County maintains twenty two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, grant fund and the capital projects fund, which are considered to be major funds. Data from the other twenty governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28-31 of this report.

Proprietary Funds

The County maintains two enterprise funds, which are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its water and wastewater services and bayside landing operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater services and bayside landing operations.

The basic proprietary fund financial statements can be found on pages 32-34 of this report.

Fiduciary Funds

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

The County uses fiduciary funds to account for resources held in trust for property owners involved in tax sale transactions, other post-employment benefits, and resources held by the County in a custodial capacity for individuals, private organizations and other governments. The County has three custodial funds: state and town tax collections, Millington public drainage

association, and inmate accounts.

The fiduciary fund financial statements can be found on pages 35-36 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 37-67 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* and other supplementary information. The general fund statement of revenues, expenditures, and changes in fund balance – budget and actual, schedule of investment returns for the retiree health benefit plan, schedule of changes in the county’s total OPEB liability and related ratios, schedule of the county’s proportionate share of the total pension liability, and schedule of county contributions, combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances for nonmajor governmental funds and for the local management board fund, and statement of agency fund assets and liabilities are presented in this section.

Required supplementary information and other supplementary information can be found on pages 68-90 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government’s financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$80,948,453, at the close of the most recent fiscal year.

Kent County, Maryland’s Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 43,446,008	\$ 37,485,325	\$ 1,525,412	\$ 1,155,809	\$ 44,971,420	\$ 38,641,134
Capital assets, net	51,483,859	50,227,977	36,821,526	36,528,182	88,305,385	86,756,159
Total assets	94,929,867	87,713,302	38,346,938	37,683,991	133,276,805	125,397,293
Deferred outflow of resources	8,909,112	8,538,648	-	-	8,909,112	8,538,648
Long-term liabilities outstanding	34,107,878	39,392,524	10,200,714	10,698,829	44,308,592	50,091,353
Other liabilities	3,026,289	3,986,394	705,026	413,072	3,731,315	4,399,466
Total liabilities	37,134,167	43,378,918	10,905,740	11,111,901	48,039,907	54,490,819
Deferred inflow of resources	13,197,557	7,247,750	-	-	13,197,557	7,247,750
Net position:						
Net investment in capital assets	47,110,817	45,854,935	26,724,709	25,918,309	73,835,526	71,773,244
Restricted	2,163,093	2,095,999	-	-	2,163,093	2,095,999
Unrestricted	4,233,345	(2,325,652)	716,489	653,781	4,949,834	(1,671,871)
Total net position	\$ 53,507,255	\$ 45,625,282		\$ 26,572,090	\$ 80,948,453	\$ 72,197,372

By far the largest portion of the County’s net position reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, machinery and equipment), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County’s net position, \$2,163,093 or 4%, represents resources that are subject to external restrictions on how they may be used. The majority of restricted net assets include funds for inventory, prepaid items, community reinvestment & repair, national opioid settlements, inmate welfare and reforestation and open space activities.

Unrestricted net position reflects a balance of \$4,949,834. GASB 68, GASB 75 and debt issued for capital projects that are not associated with an asset on the County's financials are included in this figure.

The County's overall net position increased by \$8,751,081. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

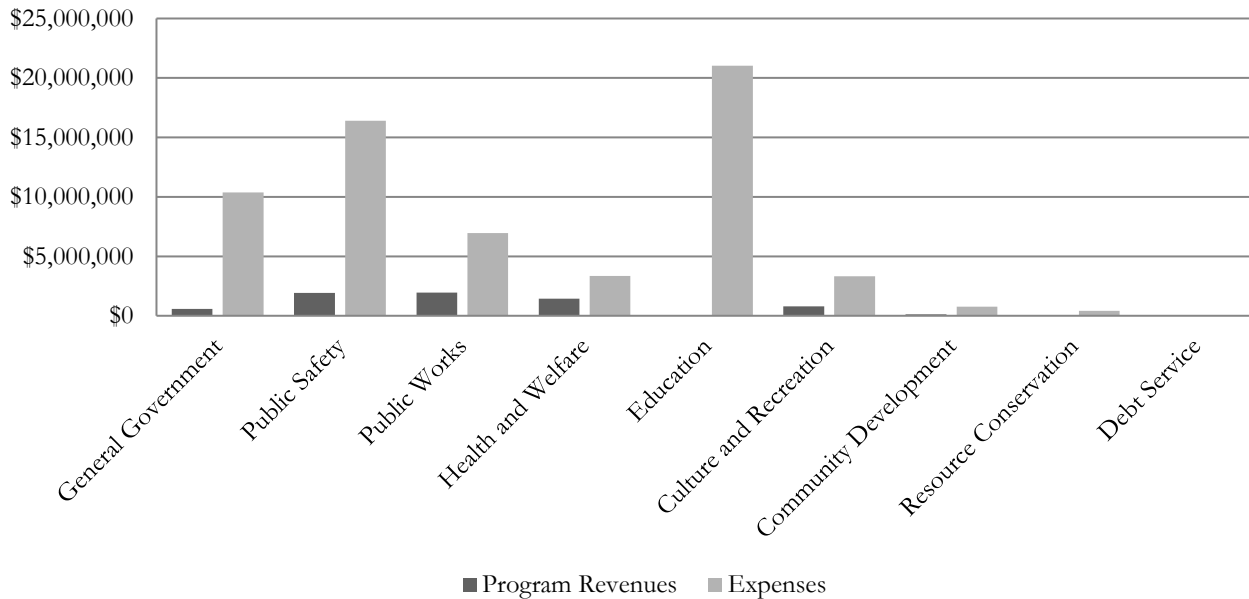
Governmental Activities

During the current fiscal year, the net position for governmental activities increased \$7,881,973 from the prior fiscal year. This was primarily due to higher revenues and lower expenditures than anticipated. Income tax revenue was \$2,200,000 higher than original estimates and personnel costs (\$1,140,000), operating expenditures (\$699,000), capital expenditures (\$685,000) and transfers to other funds (\$527,000) were all lower than anticipated.

Kent County, Maryland Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 816,921	\$ 772,303	\$ 2,927,198	\$ 2,863,787	\$ 3,744,119	\$ 3,636,090
Operating grants and contributions	4,675,598	5,052,777	-	-	4,675,598	5,052,777
Capital grants and contributions	1,331,171	2,860,378	813,085	2,150	2,144,256	2,862,528
General revenues:						
Property taxes	36,092,540	34,655,188	-	-	36,092,540	34,655,188
Income taxes	23,559,346	19,969,890	-	-	23,559,346	19,969,890
Other taxes	3,454,832	3,171,993	-	-	3,454,832	3,171,993
Other revenues	2,516,127	1,907,527	160,471	76,308	2,676,598	1,983,835
Total revenues	<u>72,446,535</u>	<u>68,390,056</u>	<u>3,900,754</u>	<u>2,942,245</u>	<u>76,347,289</u>	<u>71,332,301</u>
Expenses:						
General government	10,379,535	10,593,534	-	-	10,379,535	10,593,534
Public safety	16,391,140	15,555,500	-	-	16,391,140	15,555,500
Public works	6,962,718	6,710,766	-	-	6,962,718	6,710,766
Health and social services	3,360,707	3,361,834	-	-	3,360,707	3,361,834
Education	21,024,577	20,196,169	-	-	21,024,577	20,196,169
Culture, library and recreation	3,311,650	2,865,459	-	-	3,311,650	2,865,459
Community development	775,815	825,312	-	-	775,815	825,312
Resource conservation development	410,503	376,794	-	-	410,503	376,794
Debt service	16,158	45,700	-	-	16,158	45,700
Water and wastewater services	-	-	4,941,376	4,720,324	4,941,376	4,720,324
Bayside landing	-	-	22,029	30,970	22,029	30,970
Total expenses	<u>62,632,803</u>	<u>60,531,068</u>	<u>4,963,405</u>	<u>4,751,294</u>	<u>67,596,208</u>	<u>65,282,362</u>
Increase/(decrease) in net position before transfers	9,813,732	7,858,988	(1,062,651)	(1,809,049)	8,751,081	6,049,939
Transfers	(1,931,759)	(1,209,366)	1,931,759	1,209,366	-	-
Increase/(decrease) in net position	<u>7,881,973</u>	<u>6,649,622</u>	<u>869,108</u>	<u>(599,683)</u>	<u>8,751,081</u>	<u>6,049,939</u>
Net position beginning	<u>45,625,282</u>	<u>38,975,660</u>	<u>26,572,090</u>	<u>27,171,773</u>	<u>72,197,372</u>	<u>66,147,433</u>
Net position ending	<u>\$ 53,507,255</u>	<u>\$ 45,625,282</u>	<u>\$ 27,441,198</u>	<u>\$ 26,572,090</u>	<u>\$ 80,948,453</u>	<u>\$ 72,197,372</u>

Expenses and Program Revenues – Governmental Activities



Business-type Activities

For the County’s business-type activities, net position increased by \$869,108 or 3% from the prior fiscal year. Bayside Landing neared completion of a multi-year \$2 million dollar project that was funded primarily by the Department of Natural Resources and the general fund, resulting in an increase to net position.

Financial Analysis of the Government Funds

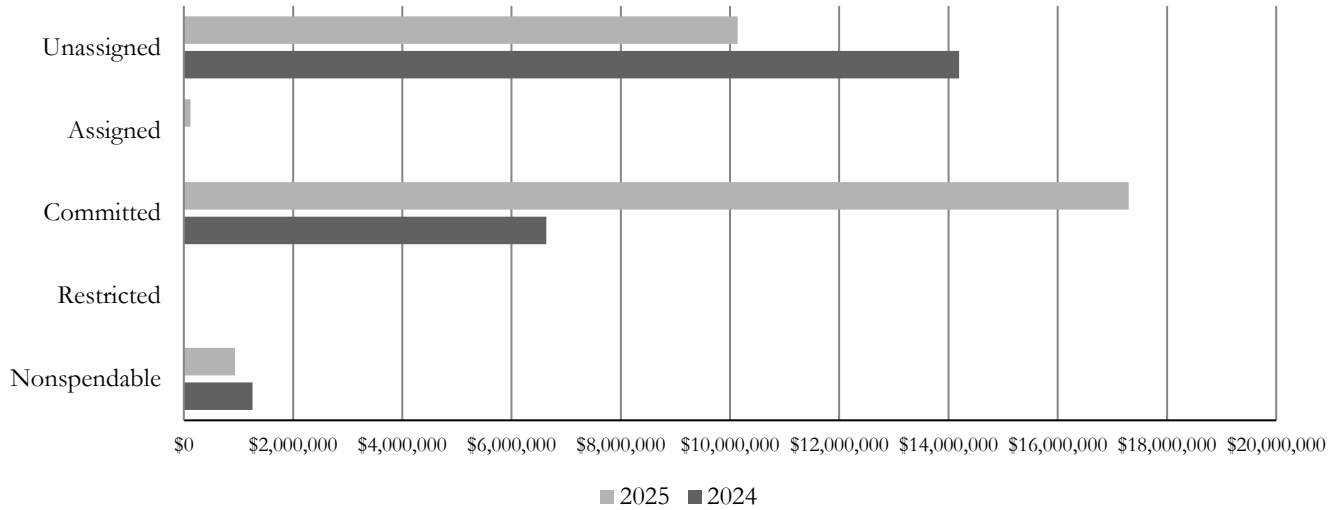
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County’s *governmental funds* is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Board of County Commissioners.

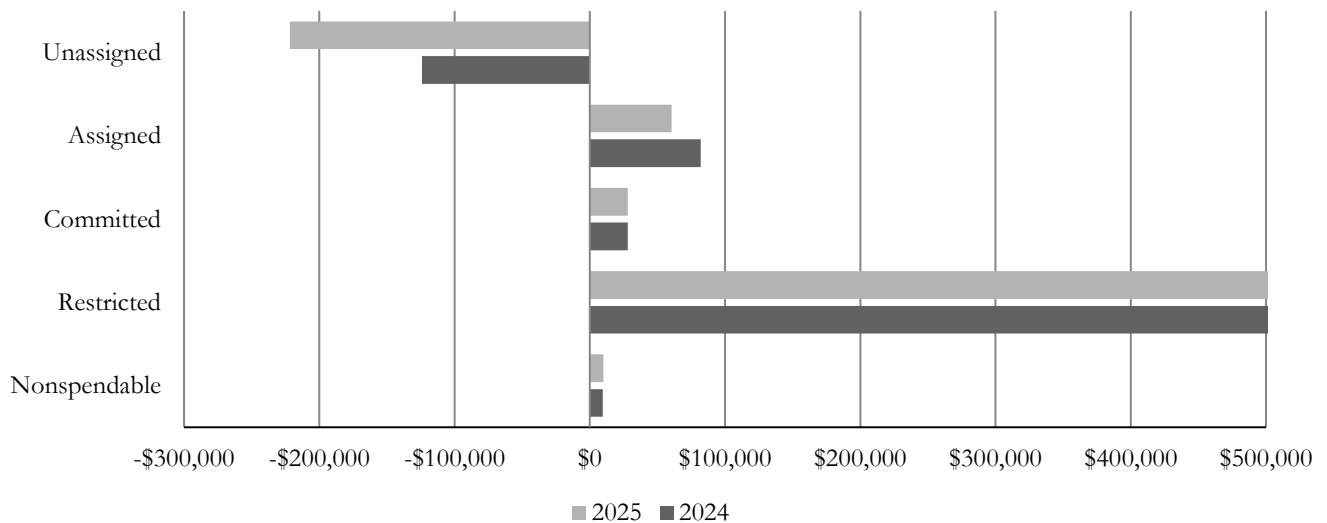
As of the end of the current fiscal year, the County’s *governmental funds* reported combined fund balances of \$29,517,874, an increase of \$6,705,279 in comparison with the prior year. Approximately 34% of this amount (\$9,919,664) constitutes *unassigned fund balance*, which is available for spending at the County’s discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$943,955), 2) restricted for particular purposes (\$1,143,471), 3) committed for particular purposes (\$17,330,245) or 4) assigned for particular purposes (\$180,539).

General Fund - Components of Fund Balance June 30, 2025 and 2024



The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,141,379, while the total fund balance was \$28,497,570. As a measure of the general fund’s liquidity, it may be useful to compare both the unassigned fund balance and total general fund balance to total general fund expenditures. Unassigned fund balance represents approximately 17% of total expenditures, while total fund balance represents approximately 48% of that same amount.

Other Governmental Funds - Components of Fund Balance June 30, 2025 and 2024



The fund balance of the County’s general fund increased by \$6,412,155. This was primarily due to higher revenues and lower expenditures than anticipated. Income tax revenue was \$2,200,000 higher than original estimates and personnel costs (\$1,140,000), operating (\$699,000), capital expenditures (\$685,000) and transfers to other funds (\$527,000) were all lower than anticipated.

The County's capital projects fund, had a negative fund balance of \$208,852 reflecting a due from the general fund liability related to the Nicholson water treatment plant upgrade.

Proprietary Funds

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

The net position of the County's major enterprise fund (water and wastewater services) at the end of the year was \$24,263,210. The total decrease in net position was (\$745,333). The business-type revenues do not fully cover all of the associated expenses. The General Fund subsidizes these funds with the exception of depreciation/amortization. As a result, net position decreases.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget

The original general fund expenditure and transfer out budget of \$67,582,418 was reduced by \$1,526,731 to a final general fund expenditure and transfer out budget of \$66,055,687. The major amendments to the budget were:

- Transfers to other funds were decreased by \$3,096,063 reflecting the decision to delay governmental capital projects and water wastewater enterprise fund capital projects into future years.
- Health Department funding was increased by \$486,090 incorporating the new lease for their facility.
- Funding to municipalities increased by \$394,595 providing assistance to the Town of Rock Hall for their water infrastructure project.
- Building maintenance was increased by \$315,998 for various projects at the court house and government center as well as a new lease for a County office.
- Debt Service was increased by \$295,985 incorporating new vehicle and building leases

Final Budget Compared to Actual Results.

Actual expenditures for the year were \$3,002,984 less than estimated. The most significant differences occurred in the following areas:

- Personnel costs were \$1,142,135 under budget. This was the result of longer than normal position vacancies and employee turnover.
- Operating expenditures were \$698,829 less than budget. Most of the savings occurred in highways, law enforcement, information technology, environmental operations, detention center and building maintenance activities.
- Capital expenditures were underspent by \$684,181. This was primarily due to the delay of several highways trucks and improvements to the Kennedyville development.
- Transfer to Other Funds was favorable by \$526,592. The transfer to the water wastewater fund accounted for the majority of this variance. They experience a higher amount of allocation fee revenue and a savings in personnel costs.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$88,305,385 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings,

machinery, equipment, vehicles, park facilities, roads, highways, bridges, and water treatment and distribution plants. The total increase in capital assets for the current fiscal year was 1.8%.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 22,677,487	\$ 22,677,487	\$ 1,731,536	\$ 1,731,536	\$ 24,409,023	\$ 24,409,023
Construction in progress	1,502,722	870,781	1,689,270	63,100	3,191,992	933,881
Buildings	8,087,842	8,384,116	1,280,026	1,316,910	9,367,868	9,701,026
Right-to-use leased buildings	659,766	13,947	-	-	659,766	13,947
Machinery, equipment and vehicles	4,217,056	3,959,296	373,203	499,390	4,590,259	4,458,686
Right-to-use leased equipment	1,430,769	1,325,766	304,062	392,725	1,734,831	1,718,491
Improvements	2,074,570	1,854,938	144,171	162,106	2,218,741	2,017,044
Infrastructure	10,688,451	11,022,765	31,299,258	32,362,415	41,987,709	43,385,180
Subscriptions	145,196	118,881	-	-	145,196	118,881
Total	\$ 51,483,859	\$ 50,227,977	\$ 36,821,526	\$ 36,528,182	\$ 88,305,385	\$ 86,756,159

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

- \$2,288,837 – Construction in progress (replacement of Bayside Landing slips and piers and construction of new Emergency Management facility)
- \$1,170,373 – Leased buildings
- \$ 712,013 – Leased vehicles
- \$ 289,512 – Roll off truck

Additional information on Kent County’s capital assets can be found on pages 49-51 of this report.

Long-term Debt

At the end of the current fiscal year, the County had total debt outstanding of \$13,206,218. The remainder of the County’s long-term obligations are leases and subscription based information technology arrangements.

Kent County, Maryland’s Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 3,307,518	\$ 4,110,561	\$ 9,898,700	\$ 10,312,166	\$ 13,206,218	\$ 14,422,727
Leases payable	2,004,598	1,242,084	198,117	297,707	2,202,715	1,539,791
Subscriptions payable	27,667	40,397	-	-	27,667	40,397
Total	\$ 5,339,783	\$ 5,393,042	\$ 10,096,817	\$ 10,609,873	\$ 15,436,600	\$ 16,002,915

During the current fiscal year, the County’s total debt decreased by \$566,315. The County’s significant debt activities included:

- \$803,043 of governmental activities debt was retired.
- \$772,329 of governmental activities leases were retired.
- \$ 12,730 of governmental activities subscriptions were retired.
- \$413,466 of business-type activities debt was retired.
- \$117,107 of business-type activities leases were retired.
- The County entered into \$1,534,843 of new right-to-use leases for vehicles and buildings.

The County’s debt policy limits the issuance of debt to under \$20,000,000 in any single year. This year the County issued no new debt.

Additional information on Kent County’s long-term debt can be found on pages 60-65 of this report.

Economic Factors and Next Year's Budgets and Rates

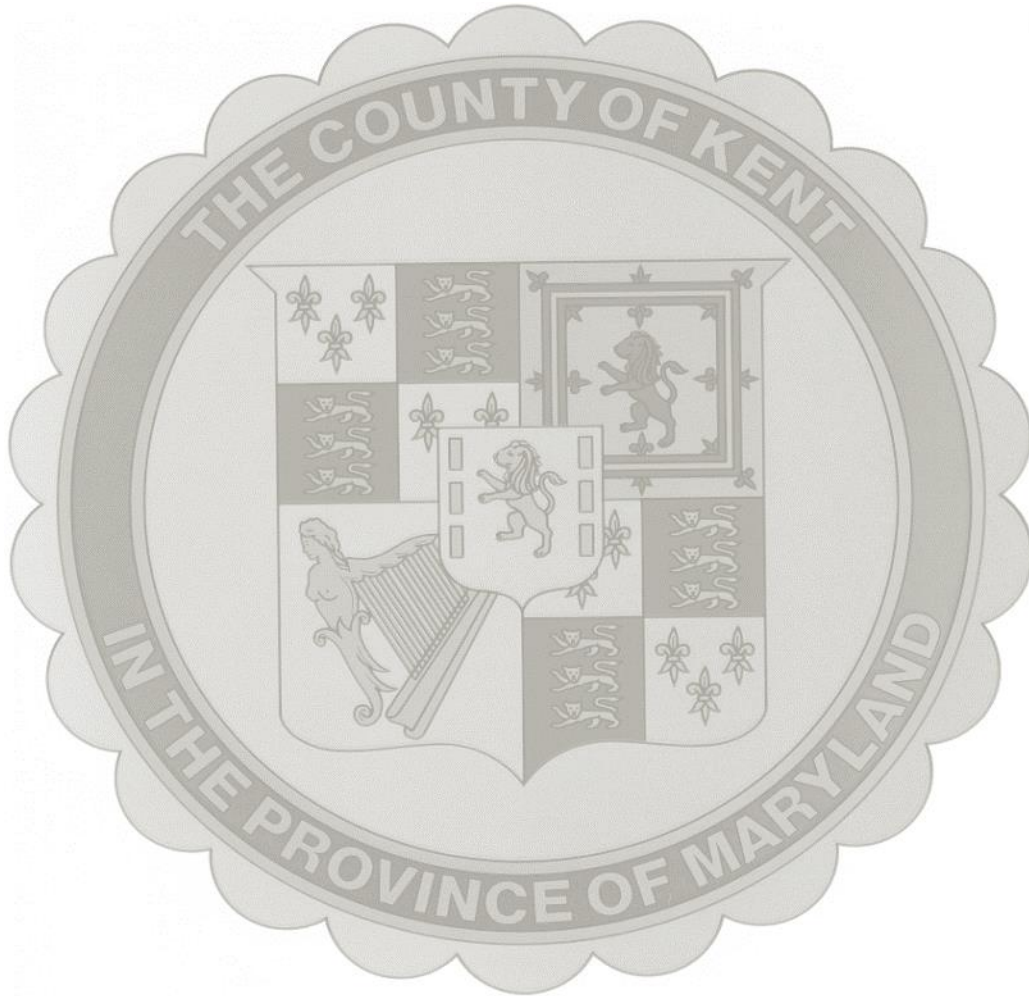
The following economic factors currently affect the County and were considered in developing the 2026 fiscal year budget:

- Based on the State Department of Assessments and Taxation's forecasts, the County's fiscal year 2026 budget is projecting a 5.6% increase in the assessed value of property in Kent County over the fiscal year 2025 budget. While our property tax rate for fiscal year 2026 remains at \$1.022 per \$100 of assessed property value, the increase in assessed value will generate \$2,250,000 of additional revenue.
- The County has increased its income tax rate from 3.2% to 3.3% effective January 1, 2026. This rate change will generate an additional \$675,000 annually. These additional funds have been earmarked for the construction of a new middle school.
- Due to rising property values, recordation and property transfer tax revenue saw increases in fiscal year 2025 and we have forecasted an additional \$404,000.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Office of Finance
400 High Street
Chestertown, Maryland 21620



Basic Financial Statements

Government-wide financial statements combine all of Kent County's governmental and business-type activities, as well as its discretely presented component units.

Fund financial statements show the financial position and the operating results by fund.

The County Commissioners of Kent County, Maryland
Statement of Net Position
June 30, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Board of Education	Public Library
ASSETS					
Cash and cash equivalents	\$ 21,550,215	\$ 150	\$ 21,550,365	\$ 3,220,602	\$ 329,430
Equity in pooled cash	3,716,499	-	3,716,499	-	-
Property taxes receivable	2,278,057	-	2,278,057	-	-
Intergovernmental receivable	13,979,565	862,362	14,841,927	2,974,369	-
Other receivables	479,988	1,071,164	1,551,152	738,708	49,326
Internal balances	497,729	(497,729)	-	-	-
Inventories	533,601	62,650	596,251	46,475	-
Prepays	410,354	26,815	437,169	-	5,864
Capital assets, not being depreciated:					
Land	22,677,487	1,731,536	24,409,023	122,025	-
Construction in progress	1,502,722	1,689,270	3,191,992	56,780	-
Capital assets, net of accumulated depreciation/amortization					
Buildings	8,087,842	1,280,026	9,367,868	22,095,555	-
Right-to-use leased buildings	659,766	-	659,766	-	135,271
Machinery, equipment and vehicles	4,217,056	373,203	4,590,259	961,211	71,648
Right-to-use leased equipment	1,430,769	304,062	1,734,831	250,776	-
Infrastructure	10,688,451	31,299,258	41,987,709	-	-
Subscription assets	145,196	-	145,196	-	-
Improvements	2,074,570	144,171	2,218,741	641,795	3,653
Library collection	-	-	-	-	150,511
Total Assets	<u>94,929,867</u>	<u>38,346,938</u>	<u>133,276,805</u>	<u>31,108,296</u>	<u>745,703</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	7,561,910	-	7,561,910	859,541	-
Deferred outflows related to other post employment benefits	1,347,202	-	1,347,202	4,638,515	-
Total deferred outflows of resources	<u>8,909,112</u>	<u>-</u>	<u>8,909,112</u>	<u>5,498,056</u>	<u>-</u>
LIABILITIES					
Accounts payable and other accrued liabilities	1,963,027	497,176	2,460,203	3,269,677	63,461
Accrued interest payable	24,415	33,576	57,991	-	-
Intergovernmental payable	345,552	157,115	502,667	-	319
Unearned revenues	693,295	17,159	710,454	900,421	48,767
Noncurrent liabilities:					
Due within one year	1,811,079	447,801	2,258,880	319,357	19,790
Due in more than one year	32,296,799	9,752,913	42,049,712	19,189,901	142,795
Total Liabilities	<u>37,134,167</u>	<u>10,905,740</u>	<u>48,039,907</u>	<u>23,679,356</u>	<u>275,132</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	-	-	-	433,407	-
Deferred inflows related to leases	312,315	-	312,315	-	-
Deferred inflows related to other post employment benefits	12,885,242	-	12,885,242	13,393,272	-
Total deferred inflows of resources	<u>13,197,557</u>	<u>-</u>	<u>13,197,557</u>	<u>13,826,679</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	47,110,817	26,724,709	73,835,526	23,408,301	214,637
Restricted for:					
Narcotics task force	48,517	-	48,517	-	-
Agricultural land preservation	81,404	-	81,404	-	-
Weed control	22,989	-	22,989	-	-
Opioid restitution	310,751	-	310,751	-	-
Inmate welfare	144,570	-	144,570	-	-
Community reinvestment & repair	466,667	-	466,667	-	-
Reforestation & open space	137,810	-	137,810	-	-
Inventory	533,601	-	533,601	-	-
Prepaid	400,336	-	400,336	-	-
Other Purposes	16,448	-	16,448	191,562	5,864
Unrestricted	4,233,345	716,489	4,949,834	(24,499,546)	250,070
Total Net Position	<u>\$ 53,507,255</u>	<u>\$ 27,441,198</u>	<u>\$ 80,948,453</u>	<u>\$ (899,683)</u>	<u>\$ 470,571</u>

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

The County Commissioners of Kent County, Maryland
Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Board of Education	Public Library
Functions/Programs:									
Primary Government:									
Governmental activities:									
General government	\$ 10,379,535	\$ 101,511	\$ 461,355	\$ 17,415	\$ (9,799,254)	\$ -	\$ (9,799,254)	\$ -	\$ -
Public safety	16,391,140	91,719	1,831,595	-	(14,467,826)	-	(14,467,826)	-	-
Public works	6,962,718	369,154	820,590	762,908	(5,010,066)	-	(5,010,066)	-	-
Health and social services	3,360,707	11,714	1,436,766	-	(1,912,227)	-	(1,912,227)	-	-
Education	21,024,577	-	-	-	(21,024,577)	-	(21,024,577)	-	-
Culture and recreation	2,517,690	233,994	2,975	550,848	(1,729,873)	-	(1,729,873)	-	-
Libraries	793,960	-	-	-	(793,960)	-	(793,960)	-	-
Resource conservation	410,503	-	-	-	(410,503)	-	(410,503)	-	-
Community development	775,815	8,829	122,317	-	(644,669)	-	(644,669)	-	-
Debt service - interest	16,158	-	-	-	(16,158)	-	(16,158)	-	-
Total governmental activities	<u>62,632,803</u>	<u>816,921</u>	<u>4,675,598</u>	<u>1,331,171</u>	<u>(55,809,113)</u>	<u>-</u>	<u>(55,809,113)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Water and wastewater services	4,941,376	2,927,198	-	-	-	(2,014,178)	(2,014,178)	-	-
Bayside landing	22,029	-	-	813,085	-	791,056	791,056	-	-
Total business-type activities	<u>4,963,405</u>	<u>2,927,198</u>	<u>-</u>	<u>813,085</u>	<u>-</u>	<u>(1,223,122)</u>	<u>(1,223,122)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$67,596,208</u>	<u>\$ 3,744,119</u>	<u>\$ 4,675,598</u>	<u>\$ 2,144,256</u>	<u>(55,809,113)</u>	<u>(1,223,122)</u>	<u>(57,032,235)</u>	<u>-</u>	<u>-</u>
Component Units:									
Kent County Board of Education	\$46,242,085	\$ 253,582	\$11,192,040	\$ 306,000				(34,490,463)	-
Kent County Public Library	1,231,950	-	-	-				-	(1,231,950)
Total component units	<u>\$47,474,035</u>	<u>\$ 253,582</u>	<u>\$11,192,040</u>	<u>\$ 306,000</u>				<u>(34,490,463)</u>	<u>(1,231,950)</u>
General revenues:									
Property taxes					36,092,540	-	36,092,540	-	-
Income taxes					23,559,346	-	23,559,346	-	-
Other taxes					3,454,832	-	3,454,832	-	-
Other revenues					2,516,127	160,471	2,676,598	349,007	102,664
Grants and contributions not restricted to specific programs					-	-	-	32,185,066	1,140,812
Transfers					(1,931,759)	1,931,759	-	-	-
Total general revenues and transfers					<u>63,691,086</u>	<u>2,092,230</u>	<u>65,783,316</u>	<u>32,534,073</u>	<u>1,243,476</u>
Change in net position					7,881,973	869,108	8,751,081	(1,956,390)	11,526
Net position - beginning					<u>45,625,282</u>	<u>26,572,090</u>	<u>72,197,372</u>	<u>1,056,707</u>	<u>459,045</u>
Net position - ending					<u>\$ 53,507,255</u>	<u>\$27,441,198</u>	<u>\$ 80,948,453</u>	<u>\$ (899,683)</u>	<u>\$ 470,571</u>

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

The County Commissioners of Kent County, Maryland
Balance Sheet – Governmental Funds
June 30, 2025

	<u>General</u>	<u>Grants</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 21,550,215	\$ -	\$ -	\$ -	\$ 21,550,215
Equity in pooled cash	1,622,210	489,052	-	1,605,237	3,716,499
Property taxes receivable	2,278,057	-	-	-	2,278,057
Intergovernmental receivable	12,493,055	835,732	-	650,778	13,979,565
Other receivables	476,645	-	-	3,343	479,988
Due from other funds	1,859,519	-	-	-	1,859,519
Inventories	533,601	-	-	-	533,601
Prepaid items	400,336	-	-	10,018	410,354
Total assets	<u>\$ 41,213,638</u>	<u>\$ 1,324,784</u>	<u>\$ -</u>	<u>\$ 2,269,376</u>	<u>\$ 44,807,798</u>
LIABILITIES					
Accounts payable	\$ 846,919	\$ 124,072	\$ 107,930	\$ 40,298	\$ 1,119,219
Accrued liabilities	701,540	8,040	-	134,228	843,808
Intergovernmental payable	175,111	134	4,945	165,362	345,552
Due to other funds	6,677	766,785	95,977	492,351	1,361,790
Unearned revenue	59,561	425,753	-	207,981	693,295
Total liabilities	<u>1,789,808</u>	<u>1,324,784</u>	<u>208,852</u>	<u>1,040,220</u>	<u>4,363,664</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes	10,613,945	-	-	-	10,613,945
Lease related	312,315	-	-	-	312,315
Total deferred inflows of resources	<u>10,926,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,926,260</u>
FUND BALANCES					
Nonspendable:					
Inventory	533,601	-	-	-	533,601
Prepaid expenditures	400,336	-	-	10,018	410,354
Restricted:					
General government	-	-	-	2,320	2,320
Public safety	-	-	-	483,261	483,261
Resource conservation	-	-	-	191,223	191,223
Health and social services	-	-	-	466,667	466,667
Committed:					
Resource conservation	-	-	-	27,991	27,991
Subsequent year's budget appropriation of fund balance	17,302,254	-	-	-	17,302,254
Assigned:					
General government	120,000	-	-	-	120,000
Parks, recreation, and culture	-	-	-	1,266	1,266
Public safety	-	-	-	29,111	29,111
Social services	-	-	-	7,173	7,173
Public works	-	-	-	22,989	22,989
Unassigned	<u>10,141,379</u>	<u>-</u>	<u>(208,852)</u>	<u>(12,863)</u>	<u>9,919,664</u>
Total fund balances	<u>28,497,570</u>	<u>-</u>	<u>(208,852)</u>	<u>1,229,156</u>	<u>29,517,874</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,213,638</u>	<u>\$ 1,324,784</u>	<u>\$ -</u>	<u>\$ 2,269,376</u>	<u>\$ 44,807,798</u>

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

The County Commissioners of Kent County, Maryland
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

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

Total fund balance - governmental funds (page 28)	\$ 29,517,874	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Nondepreciable capital assets:		
Land and land improvements	\$ 22,677,487	
Construction in progress	1,502,722	
Depreciable capital assets:		
Buildings	15,441,978	
Right to use leased buildings	1,170,373	
Improvements	4,189,234	
Machinery and equipment	17,768,764	
Right-to-use leased equipment	6,614,683	
Subscription assets	574,590	
Infrastructure	<u>18,496,696</u>	
Total capital assets:	88,436,527	
Less accumulated depreciation/amortization	<u>(36,952,668)</u>	51,483,859
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds payable	\$ (3,307,518)	
Leases payable	(2,004,598)	
Subscriptions payable	(27,667)	
Landfill liability	(1,785,049)	
Compensated absences	(1,407,743)	
Net other post-employment benefits liability	(6,005,101)	
Net pension liability	(19,570,202)	
Accrued interest payable	<u>(24,415)</u>	(34,132,293)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Taxes	<u>\$ 10,613,945</u>	10,613,945
Deferred outflow of financial resources represents consumption of net position that applies to a future period and therefore are not reported in the funds:		
Pension:		
Change in proportion & differences between employer contributions & share of contributions	\$ 1,312,693	
Change in assumptions in net pension liability	1,880,226	
Net difference between projected and actual earnings on plan investments	663	
Difference between actual and expected experience	2,171,641	
Contributions subsequent to the measurement date	2,196,687	
OPEB:		
Change in assumptions in net OPEB liability	1,047,913	
Difference between actual and expected experience	<u>299,289</u>	8,909,112
Deferred inflow of financial resources represents an acquisition of net position that applies to a future period and therefore are not reported in the funds:		
OPEB:		
Change in assumptions in net OPEB liability	\$ (4,028,725)	
Net difference between projected and actual earnings on plan investments	(6,487)	
Difference between actual and expected experience	<u>(8,850,030)</u>	<u>(12,885,242)</u>
Net position of governmental activities		<u>\$ 53,507,255</u>

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

The County Commissioners of Kent County, Maryland
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2025

	General	Grants	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 36,232,882	\$ -	\$ -	\$ -	\$ 36,232,882
Income	23,103,283	-	-	-	23,103,283
Other	3,423,596	-	-	31,236	3,454,832
Licenses and permits	372,837	-	-	-	372,837
Intergovernmental	1,681,885	2,693,139	11,255	1,620,490	6,006,769
Charges for services	767,280	-	-	49,641	816,921
Fines and forfeitures	10,458	-	-	41,931	52,389
Miscellaneous	1,877,588	21,991	-	133,878	2,033,457
Total revenues	<u>67,469,809</u>	<u>2,715,130</u>	<u>11,255</u>	<u>1,877,176</u>	<u>72,073,370</u>
EXPENDITURES					
Current:					
General government	8,803,936	526,906	-	29,230	9,360,072
Public safety	14,900,764	1,126,438	-	44,633	16,071,835
Public works	6,159,679	718,752	-	49,334	6,927,765
Health and social services	2,499,311	77,205	-	1,323,694	3,900,210
Education	21,024,577	-	-	-	21,024,577
Parks, recreation and culture	1,979,212	175,005	-	424,678	2,578,895
Libraries	793,960	-	-	-	793,960
Resource conservation and development	410,503	-	-	-	410,503
Community development	634,814	93,883	-	23,055	751,752
Intergovernmental	575,513	-	-	-	575,513
Miscellaneous	167,806	-	-	-	167,806
Debt service:					
Principal	1,533,526	-	-	54,576	1,588,102
Interest	217,987	-	-	6,758	224,745
Capital outlay:					
General government	-	-	511,851	-	511,851
Public safety	-	-	141,899	-	141,899
Public works	-	-	21,340	-	21,340
Total expenditures	<u>59,701,588</u>	<u>2,718,189</u>	<u>675,090</u>	<u>1,955,958</u>	<u>65,050,825</u>
Excess (deficiency) of revenues over expenditures	<u>7,768,221</u>	<u>(3,059)</u>	<u>(663,835)</u>	<u>(78,782)</u>	<u>7,022,545</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	90,568	3,627	656,564	232,573	983,332
Transfers out	(2,824,523)	(568)	(90,000)	-	(2,915,091)
Leases	1,299,789	-	-	235,054	1,534,843
Sale of general capital assets	78,100	-	-	1,550	79,650
Total other financing sources (uses)	<u>(1,356,066)</u>	<u>3,059</u>	<u>566,564</u>	<u>469,177</u>	<u>(317,266)</u>
Net change in fund balances	6,412,155	-	(97,271)	390,395	6,705,279
Fund balances - beginning	<u>22,085,415</u>	<u>-</u>	<u>(111,581)</u>	<u>838,761</u>	<u>22,812,595</u>
Fund balances - ending	<u>\$ 28,497,570</u>	<u>\$ -</u>	<u>\$ (208,852)</u>	<u>\$ 1,229,156</u>	<u>\$ 29,517,874</u>

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

The County Commissioners of Kent County, Maryland
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds (page 30) \$ 6,705,279

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:

Capital outlay	\$ 3,872,091	
Depreciation/amortization expense	<u>(2,603,866)</u>	1,268,225

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the government funds, the proceeds from the sale increase financial resources.

Cost of capital assets sold	\$ (12,343)	(12,343)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Taxes	\$ 313,021	313,021
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The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Leases issued	\$ (1,534,843)	
Principal repayments:		
Leases	772,329	
Subscriptions	12,730	
General obligations bond payable	<u>803,043</u>	53,259

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Accrued landfill liability	\$ 201,994	
Accrued interest payable	6,593	
Net other post-employment benefits liability	8,339,474	
Net pension liability	(3,217,283)	
Accrued compensated absences	<u>(92,798)</u>	5,237,980

Deferred outflow of financial resources represents consumption of net position that applies to a future period and therefore are not reported in the funds:

Pension:		
Net difference between projected and actual earnings on plan investments	\$ (1,202,538)	
Change in proportion & differences between employer contributions & share of contributions	(409,286)	
Change in assumptions in net pension liability	855,345	
Contributions subsequent to the measurement date	(98,315)	
Difference between actual and expected experience	2,171,641	
OPEB:		
Change in assumptions in net OPEB liability	(646,986)	
Difference between actual and expected experience	<u>(299,397)</u>	370,464

Deferred inflow of financial resources represents an acquisition of net position that applies to a future period and therefore are not reported in the funds:

Pension:		
Difference between actual and expected experience	\$ 77,703	
OPEB:		
Change in assumptions in net OPEB liability	(219,054)	
Difference between actual and expected experience	(5,907,663)	
Net difference between projected and actual earnings on plan investments	<u>(4,898)</u>	(6,053,912)

Change in net position of governmental activities \$ 7,881,973

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

The County Commissioners of Kent County, Maryland
Statement of Net Position - Proprietary Funds
June 30, 2025

	Business-type Activities		
	Water and Wastewater Services	Non-Major Bayside Landing	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 150	\$ -	\$ 150
Equity in pooled cash	-	-	-
Accounts receivable	1,060,864	10,300	1,071,164
Intergovernmental receivable	17,728	844,634	862,362
Due from other funds	6,677	-	6,677
Inventories	62,650	-	62,650
Prepaid items	26,815	-	26,815
Total current assets	<u>1,174,884</u>	<u>854,934</u>	<u>2,029,818</u>
Noncurrent Assets:			
Capital Assets:			
Land	531,536	1,200,000	1,731,536
Buildings	1,637,650	206,539	1,844,189
Improvements	358,693	39,190	397,883
Infrastructure	53,172,609	109,500	53,282,109
Construction in progress	-	1,689,270	1,689,270
Machinery, equipment, and vehicles	3,155,884	10,887	3,166,771
Right-to-use equipment and vehicles	667,304	-	667,304
Less accumulated depreciation	<u>(25,786,883)</u>	<u>(170,653)</u>	<u>(25,957,536)</u>
Total noncurrent assets	<u>33,736,793</u>	<u>3,084,733</u>	<u>36,821,526</u>
Total assets	<u>34,911,677</u>	<u>3,939,667</u>	<u>38,851,344</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	74,881	345,692	420,573
Accrued liabilities	58,990	1,621	60,611
Compensated absences	7,325	-	7,325
Bonds and lease payable	440,476	-	440,476
Customer deposits payable	15,992	-	15,992
Accrued interest payable	33,576	-	33,576
Intergovernmental payable	157,115	-	157,115
Unearned revenues	-	17,159	17,159
Due to other funds	107,199	397,207	504,406
Total current liabilities	<u>895,554</u>	<u>761,679</u>	<u>1,657,233</u>
Noncurrent Liabilities:			
Compensated absences	96,572	-	96,572
Bonds and lease payable	9,656,341	-	9,656,341
Total noncurrent liabilities	<u>9,752,913</u>	<u>-</u>	<u>9,752,913</u>
Total liabilities	<u>10,648,467</u>	<u>761,679</u>	<u>11,410,146</u>
NET POSITION			
Net investment in capital assets	23,639,976	3,084,733	26,724,709
Unrestricted	623,234	93,255	716,489
Total net position	<u>\$ 24,263,210</u>	<u>\$ 3,177,988</u>	<u>\$ 27,441,198</u>

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

The County Commissioners of Kent County, Maryland
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities		
	Water and Wastewater Services	Non-Major Bayside Landing	Total Enterprise Funds
Operating revenues:			
Charges for services:			
Water	\$ 763,119	\$ -	\$ 763,119
Sewer	1,858,517	-	1,858,517
Septic	187,557	-	187,557
Municipal Plant operations	118,005	-	118,005
Miscellaneous	61,724	10,300	72,024
Total operating revenues	<u>2,988,922</u>	<u>10,300</u>	<u>2,999,222</u>
Operating expenses:			
Water	526,609	-	526,609
Sewer	1,985,073	-	1,985,073
Septic	111,241	-	111,241
Municipal plant operations	99,274	-	99,274
Parks and recreation	-	11,065	11,065
Public landings	-	4,643	4,643
Administration	620,709	-	620,709
Depreciation	1,344,022	6,321	1,350,343
Total operating expenses	<u>4,686,928</u>	<u>22,029</u>	<u>4,708,957</u>
Operating income (loss)	<u>(1,698,006)</u>	<u>(11,729)</u>	<u>(1,709,735)</u>
Nonoperating revenues (expenses):			
Allocation fees	86,360	-	86,360
Sale of Recyclables	2,087	-	2,087
Interest expense	(254,448)	-	(254,448)
Total nonoperating revenues (expenses)	<u>(166,001)</u>	<u>-</u>	<u>(166,001)</u>
Income (loss) before transfers	<u>(1,864,007)</u>	<u>(11,729)</u>	<u>(1,875,736)</u>
Capital contributions	-	813,085	813,085
Transfers in	<u>1,118,674</u>	<u>813,085</u>	<u>1,931,759</u>
Change in net position	(745,333)	1,614,441	869,108
Net position - beginning	<u>25,008,543</u>	<u>1,563,547</u>	<u>26,572,090</u>
Net position - ending	<u>\$ 24,263,210</u>	<u>\$ 3,177,988</u>	<u>\$ 27,441,198</u>

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

The County Commissioners of Kent County, Maryland
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities		
	Water and Wastewater Services	Non-Major Bayside Landing	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 2,981,301	\$ (813,084)	\$ 2,168,217
Payments to suppliers	(2,468,466)	337,519	(2,130,947)
Payments to employees	(931,079)	(9,665)	(940,744)
Net cash provided (used) by operating activities	<u>(418,244)</u>	<u>(485,230)</u>	<u>(903,474)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(2,122)	414,366	412,244
Transfers from other funds	1,118,674	813,085	1,931,759
Net cash provided (used) by noncapital financing activities	<u>1,116,552</u>	<u>1,227,451</u>	<u>2,344,003</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital grants/contributions	-	813,085	813,085
Purchases of capital assets	(17,517)	(1,626,170)	(1,643,687)
Allocation fees	86,360	-	86,360
Proceeds from sale of assets	2,087	-	2,087
Principal paid on capital debt	(513,056)	-	(513,056)
Interest paid on capital debt	(256,182)	-	(256,182)
Net cash used by capital and related financing activities	<u>(698,308)</u>	<u>(813,085)</u>	<u>(1,511,393)</u>
Net increase (decrease) in cash and cash equivalents	-	(70,864)	(70,864)
Balances - beginning of year	<u>150</u>	<u>70,864</u>	<u>71,014</u>
Balances - end of year	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 150</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (1,698,006)	\$ (11,729)	\$ (1,709,735)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	1,344,022	6,321	1,350,343
Changes in assets and liabilities:			
Accounts receivable	(37,134)	(10,300)	(47,434)
Intergovernmental receivable	30,923	(813,084)	(782,161)
Prepaid expenses	(4,263)	-	(4,263)
Inventory	(1,162)	-	(1,162)
Due from general fund	(532)	-	(532)
Accounts payable and accrued expenses	(54,473)	344,279	289,806
Intergovernmental payable	(11,682)	(717)	(12,399)
Customer deposits and overpayments	(878)	-	(878)
Compensated absences payable	14,941	-	14,941
Net cash provided by operating activities	<u>\$ (418,244)</u>	<u>\$ (485,230)</u>	<u>\$ (903,474)</u>

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

The County Commissioners of Kent County, Maryland
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2025

	Tax Sale Private Purpose Trust Fund	Other Post-Employment Benefit Trust Fund	Custodial Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 15,303
Equity in pooled cash	731,719	-	99,594
Receivables:			
Taxes for other governments	-	-	519,078
Tax sale collections for individuals	21,775	-	-
Total receivables	21,775	-	519,078
Investments at fair value:			
Pooled investments	-	423,706	-
Total investments	-	423,706	-
Total assets	753,494	423,706	633,975
LIABILITIES			
Accounts payable and other liabilities	619,579	-	15,303
Due to other governments	-	-	618,672
Total liabilities	619,579	-	633,975
NET POSITION			
Restricted for:			
Post employment benefits other than pensions	-	423,706	-
Individuals, organizations and other governments	133,915	-	-
Total net position	\$ 133,915	\$ 423,706	\$ -

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

The County Commissioners of Kent County, Maryland
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2025

	Tax Sale Private Purpose Trust Fund	Other Post-Employment Benefit Trust Fund	Custodial Funds
ADDITIONS			
Contributions:			
Employer	\$ -	\$ 100,000	\$ -
Total contributions	<u>-</u>	<u>100,000</u>	<u>-</u>
Investment Earnings			
Net increase/(decrease) in fair value of investments	-	25,120	-
Interest, dividends, and other	-	6,544	-
Total investment earnings	<u>-</u>	<u>31,664</u>	<u>-</u>
Less investment costs	-	146	-
Net investment earnings	<u>-</u>	<u>31,518</u>	<u>-</u>
Property tax collections for other governments	-	-	12,851,331
Funds collected for inmates	-	-	100,423
Tax sale collections for individuals	1,475,000	-	-
Total additions	<u>1,475,000</u>	<u>131,518</u>	<u>12,951,754</u>
DEDUCTIONS			
Property tax payments to other governments	-	-	12,851,331
Tax sale payments to individuals	1,441,633	-	-
Funds distributed to inmates	-	-	100,423
Administrative expenses	-	1,617	-
Total deductions	<u>1,441,633</u>	<u>1,617</u>	<u>12,951,754</u>
Net increase/(decrease) in fiduciary net position	33,367	129,901	-
Net position - beginning	<u>100,548</u>	<u>293,805</u>	<u>-</u>
Net position - ending	<u>\$ 133,915</u>	<u>\$ 423,706</u>	<u>\$ -</u>

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

Notes to Basic Financial Statements

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The County Commissioners of Kent County, Maryland
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

I. Summary of Significant Accounting Policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

Kent County, Maryland (the County) was founded in 1642, the second civil division in the province of Maryland. The County is governed by three commissioners who are elected at large to serve four-year terms. This board assumes responsibilities conferred upon them by the Maryland General Assembly and provides the following services: public safety, public works, health and social services, sanitation, recreation and culture, education, economic development, community development and general administrative services. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

Discretely presented component units. The Board of Education of Kent County, which operates all public schools (grades Pre-K through 12) within the County, is a component unit of Kent County, Maryland by virtue of the Board's fiscal dependency on the County through the County's responsibility for levying taxes, issuing debt, and its approval of the Board's budget. The County Board of Education's governing board is elected by the citizens of Kent County. The component unit has no taxing authority of its own.

The Kent County Public Library is a component unit of Kent County, Maryland by virtue of the library's fiscal dependency on the County. The County levies taxes and appoints members to the Library Board of Trustees from nominations submitted by the remaining members of that board. The Library Board of Trustees governs the library.

Separately issued financial statements of the individual component units can be obtained from their respective administrative offices listed below:

**Board of Education of
Kent County, Maryland**
5608 Boundary Avenue
Rock Hall, Maryland 21661

Kent County Public Library
408 High Street
Chestertown, MD 21620

Joint Venture. The Midshore Regional Landfill is a joint venture with Talbot, Caroline, and Queen Anne's counties. Disclosure of the County's participation in this joint venture is presented in Note III. Q.

Separately issued financial statements can be obtained from the joint ventures' administrative office listed below:

Maryland Environmental Service
259 Najoles Road
Millersville, MD 21108

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while

business-type activities incorporate data from the County's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's water and wastewater functions and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The *general fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *capital projects fund* accounts for the acquisition and construction of the County's major capital facilities, other than those financed by proprietary funds.

The *grant fund* accounts for all of the County's activities that are funded by grant revenue.

The government reports the following major enterprise funds:

The *water and wastewater services fund* accounts for the activities related to operating the sewage treatment plants, sewage pumping stations, and the water distribution systems throughout the County.

Additionally, the County reports the following fund types:

The *tax sale private-purpose trust fund* accounts for monies received from tax sale transactions on behalf of property owners.

The *other post-employment benefit trust fund* accounts for the Kent County portion of the Maryland Association of Counties pooled OPEB Investment Trust Fund.

The *agency fund* accounts for inmate accounts at the detention center, special assessment charges collected on behalf of the Millington Drainage Association, and property taxes collected on behalf of other governments.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and enterprise funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as

transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, other local taxes, state shared taxes, licenses, fines and forfeitures, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

The proprietary and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

F. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, enterprise funds, and capital projects fund. The capital projects fund is appropriated on a project-length basis. Special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which

performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the County are reported at fair value (generally based on quoted market prices) except for the position in the Maryland Local Government Investment Pool.

The Maryland Local Government Investment Pool (MLGIP) was created by the state legislature through Section 22G of Article 4 of the Annotated Code of Maryland and is under the supervision of the state treasurer. Investments in the Maryland Local Government Investment Pool are reported at the net asset value per share.

The Maryland Association of Counties Pooled OPEB Trust (MACO Trust) is administered by Davenport & Company LLC, and is a wholly-owned instrumentality of its members. Investments in the MACO Trust are recorded at fair value.

3. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and repair items. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. This year no tax-exempt bond anticipation notes (BANS) were issued, consequently, no interest was capitalized.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure

of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	50
Right-to-use leased buildings	3
Improvements	20
Infrastructure	50
Machinery, equipment and vehicles	5-20
Right-to-use leased equipment	5-15
Subscriptions	2-5

5. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County reports a deferred outflow of resources for the change in assumptions in total pension liability, board pension contributions subsequent to the measurement date, change in proportion and differences between employer contributions and share of contributions, difference between the actual and expected experience related to the pension plan, the net difference between projected and actual earnings on pension plan investments, change in assumptions in total OPEB liability, and the difference between the actual and expected experience related to the OPEB plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County reports a deferred inflow of resources for the change in assumptions in total OPEB liability, net difference between projected and actual earnings on plan investments, and the net difference between actual and expected experience related to the OPEB plan. The County also reports the item, *unavailable revenue*, reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from income taxes and property taxes. The amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Net position flow assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

7. Fund balance flow assumptions

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

8. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County reports the following fund balances in governmental activities:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. The County reported the following nonspendable fund balances:

Fund	Fund Balance	Nonspendable Category
General Fund	\$ 533,601	Inventory
	400,336	Prepaid Expenditures
Special Revenue Fund		
Kent Family Center	8,106	Prepaid Expenditures
HotDesks	1,100	Prepaid Expenditures
Kent County Drug Task Force	600	Prepaid Expenditures
Local Management Board	212	Prepaid Expenditures

Restricted – Amounts that can only be spent for specific purposes because of enabling legislation, constitutional provisions or externally imposed conditions by grantors, creditors or contributors. The County reported the following restricted fund balances:

Fund	Fund Balance	Restricted by
Special Revenue Fund		
Community Reinvestment & Repair	\$ 466,667	Cannabis Reform Act of 2023
National Opioid Settlements	310,751	National Opioid Settlements
Inmate Welfare	144,570	Correctional Services Article 10-502
Reforestation & Open Space	109,819	Natural Resources Article 5-1610
Agricultural Land Preservation	81,404	Tax Property Article 13-306 and contributors
Kent County Drug Task Force	17,784	Kent County Drug Task Force Forfeiture Agreement
Sheriff's Forfeiture	10,156	Federal Equitable Sharing Agreement
Law Library	1,729	Courts and Judicial Proceedings Article 13-501
Regional Family Services	591	Courts and Judicial Proceedings Article 7-202

Committed – Amounts that can be used only for specific purposes are determined by formal action (adoption or amendment) by the Board of County Commissioners who are the highest level of decision making authority. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The County reported the following committed fund balances:

Fund	Fund Balance	Committed by
General Fund	\$ 17,302,254	Kent County Budget Document
Special Revenue Fund		
Reforestation & Open Space	27,991	Kent County Land Use Ordinance

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Board of County Commissioners may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either

remove or revise a commitment. The County reported the following assigned fund balances:

Fund	Fund Balance	Assigned by
General Fund	\$ 120,000	Kent County Budget Document
Special Revenue Fund		
Weed Control	\$ 22,989	Kent County Budget Document
Sheriff Forfeitures	20,577	Kent County Budget Document
Special Events Overtime	8,227	Kent County Budget Document
Kent Family Center	7,173	Kent County Budget Document
Post Prom	884	Kent County Budget Document
Platform Tennis	382	Kent County Budget Document
Shop with a Cop	307	Kent County Budget Document

Unassigned – Amounts that are not included in other fund balance classifications. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

Property taxes attach as an enforceable lien on real property and are levied as of July 1st. Payments are due by September 30th for all non-principal residences. Beginning October 1st, interest is charged each month on taxes that remain unpaid. For principal residences and small businesses with property tax liabilities of less than \$100,000, a two part installment plan is offered. The first installment is due by September 30th. Beginning October 1st, interest is charged on the amount of the first installment only. The second installment is due by December 31st. Beginning January 1st, interest is charged on all outstanding balances. A final billing (mailed on January 1) reflects any adjustments (i.e., new construction) to the current year's actual levy. Beginning April 1st, interest is charged each month on taxes that remain unpaid. Property taxes are levied at rates enacted by the Board of County Commissioners in the annual budget on the assessed value as determined by the Maryland Department of Assessments and Taxation. The tax rate for the fiscal year ended June 30, 2025 was \$1.022 per \$100 of full assessed value.

3. Compensated absences

Primary Government

Vacation/ Compensatory Leave Time. The County's policy permits employees to accumulate earned but unused vacation and compensatory leave time benefits, which are eligible for payment upon separation from County service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. As of June 30, 2025, a total of \$1,407,743 in unused vacation and compensatory leave time has been recorded as compensated absences payable on the Statement of Net Position.

Sick Leave. Accumulated sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists.

Component Units

Board of Education

Sick Leave. Employees earn sick leave at varying rates per year depending on 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 de minimis amount may be paid based on negotiated agreements, and a portion may be used as additional credited service under the retirement plan.

Vacation. Twelve-month employees earn annual leave at varying rates dependent upon position and length of service. Annual leave generally must be taken by June 30 each year. Administrative and support staff may carry a limited number of days to the next fiscal year to be used prior to the start date for new teachers. The Board has recorded \$65,550 on the balance sheet and statement of net position to account for this current liability. Additional annual leave that is allowed to be carried forward may be converted to sick leave based on negotiated agreements.

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 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. Key factors influencing the assessment of the "more likely than not" criteria include the government's established leave policies and historical data regarding employee usage and forfeiture of leave. Expenditures in the Statement of Revenues and Expenditures for such items are the amounts accrued during the year that normally would be liquidated with expendable available financial resources.

Public Library

Vacation. The Library's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental fund only if the liability has matured as a result of employee resignation or retirements.

The liability for compensated absences as of June 30, 2025 was \$16,139.

Sick Leave. Accumulated sick leave lapses when employees leave the employ of the Library and, upon separation from service, no monetary obligation exists.

4. *Proprietary funds operating and nonoperating revenues and expenses*

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater services and bayside landing funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

I. Implementation of new accounting principles

The GASB has issued Statement No. 101, *Compensated Absences*, and Statement No. 102, *Certain Risk Disclosures*, which took effect during FY 2025. The County implemented this Statement which did not have a material effect on the County's financial statements.

The GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, and Statement No. 104,

Disclosure of Certain Capital Assets, which will require adoption in the future, if applicable. The County will be analyzing the effects of these pronouncements and plans to adopt them, as applicable, by their effective dates.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Reconciling items include the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and, therefore, are not reported in the funds.

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

Details of these reconciling transactions can be found on page 29.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. Reconciling items include the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.

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

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and, therefore, are not reported in the funds.

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

Detail of these reconciling transactions can be found on page 31.

III. Detailed notes on all activities and funds

A. Cash deposits and investments

Primary Government

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County maintains the following accounts:

Financial Institution	Bank Balance June 30, 2025
Shore United Bank (insured cash sweep)	\$ 40,156
Pinnacle Bank (insured cash sweep)	10,122,775
Chesapeake Bank and Trust (main operating account)	5,446,896
PNC Bank (payroll processing)	17,701
Chesapeake Bank and Trust (transitional insurance program)	252

As of June 30, 2025, the carrying amount of the County’s deposits at the above institutions was \$14,704,748. The deposits at Chesapeake Bank and Trust are collateralized with securities held by the pledging or financial institution’s trust department or agent in the County’s name and the deposits at Shore United Bank, Pinnacle Bank, and PNC Bank are insured by the Federal Deposit Insurance Corporation. At the end of each day, the deposits at Chesapeake Bank and Trust are invested in an overnight sweep account.

Interest rate risk. The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to six months or less.

Credit risk. As of June 30, 2025, the County was not exposed to credit risk.

Concentration of credit risk. The County’s investment policy limits investment in any one financial institution and establishes the following limits: primary government dealers – 60%, commercial banks/certificates of deposit – 40%, money market treasury funds – 40%, local government investment pools – 70%.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2025, the County was not exposed to any custodial credit risk.

Investments. The County has adopted an investment policy that is designed to provide maximum safety and liquidity of funds while providing a reasonable rate of return. Permissible investments include U.S. Treasury Obligations, U.S. Government Agency and U.S. Government-Sponsored Enterprises, repurchase agreements, collateralized certificates of deposit, the Maryland Local Government Investment Pool, and mutual funds dealing in government securities. The County’s policy and State law require that the underlying collateral for repurchase agreements and certificates of deposit must have a market value of at least 102% of the investment’s cost plus accrued interest.

The County’s OPEB plan assets are invested in the Maryland Association of Counties Pooled OPEB Trust (MACO Trust). The assets of the MACO Trust are managed by the Board of Trustees and consist of U.S. Treasury obligations, U.S. government agencies, corporate and foreign bonds, municipal obligations, taxable fixed income securities, mutual funds, global funds, and international equity securities. The County’s investment in the MACO Trust was \$423,706 as of June 30, 2025.

The County had \$11,359,652 invested in the Maryland Local Government Investment Pool as of June 30, 2025.

Component Units

Board of Education

As of June 30, 2025, the reported amount of the Board's deposits was \$3,220,602, and the bank balance was \$3,510,506. As required by law, each depository is to pledge securities at least equal to the amount on deposit at all times in addition to insurance provided by the Federal Deposit Insurance Corporation (FDIC). These collateralization requirements are established to reduce custodial risk which is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. As of June 30, 2025, the bank deposits were fully insured or collateralized.

Public Library

The Library maintains three bank accounts, two at PNC Bank and one at Peoples Bank. As of June 30, 2025, the carrying amount of the Library's deposits was \$328,930, the bank balance in the PNC checking account was \$104,831, the bank balance in the PNC money market account was \$31,247 and the bank balance in the savings account at Peoples Bank was \$219,225, all of which was insured by the Federal Deposit Insurance Corporation.

B. Receivables

Below is the detail of receivables for the governmental and business-type activities:

Receivables	General Fund	Grants Fund	Capital		Nonmajor		Total		Total
			Projects Fund	Funds	Governmental	Business-type	Funds	Funds	
Property Taxes	\$ 2,278,057	\$ -	\$ -	\$ -	\$ -	\$ 2,278,057	\$ -	\$ 2,278,057	
Other Accounts:									
Insurance refund	\$ 302,000	\$ -	\$ -	\$ -	\$ 302,000	\$ -	\$ -	\$ 302,000	
Water, sewer, bay fees	-	-	-	-	-	838,179	-	838,179	
Tax sale	-	-	-	-	-	185,238	-	185,238	
Septic haulers	-	-	-	-	-	37,402	-	37,402	
Loan receivable	100,000	-	-	-	100,000	-	-	100,000	
Other	74,645	-	-	3,343	77,988	10,345	-	88,333	
	<u>\$ 476,645</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,343</u>	<u>\$ 479,988</u>	<u>\$ 1,071,164</u>	<u>\$ 1,551,152</u>		
Intergovernmental:									
Income taxes	\$ 10,748,834	\$ -	\$ -	\$ -	\$ 10,748,834	\$ -	\$ -	\$ 10,748,834	
Recordation tax	420,175	-	-	-	420,175	-	-	420,175	
Maryland Family Network	-	-	-	116,977	116,977	-	-	116,977	
Property transfer tax	110,365	-	-	-	110,365	-	-	110,365	
State Highway Administration	325,282	-	-	-	325,282	-	-	325,282	
Health Department	288,476	-	-	-	288,476	-	-	288,476	
District Court	331,345	-	-	-	331,345	-	-	331,345	
Department of Education	-	-	-	95,783	95,783	-	-	95,783	
Town of Galena	-	-	-	-	-	11,391	-	11,391	
Department of Commerce	-	234,081	-	-	234,081	-	-	234,081	
Department of Housing & Community	-	-	-	24,447	24,447	-	-	24,447	
Department of Natural Resources	-	131,937	-	392,619	524,556	844,634	-	1,369,190	
Department of Emergency Management	-	143,349	-	-	143,349	-	-	143,349	
Administrative Office of the Courts	-	53,396	-	-	53,396	-	-	53,396	
Governor's Office of Crime Control	-	170,025	-	-	170,025	-	-	170,025	
Enterprise Zone Credit	111,656	-	-	-	111,656	-	-	111,656	
Other	156,922	102,944	-	20,952	280,818	6,337	-	287,155	
	<u>\$ 12,493,055</u>	<u>\$ 835,732</u>	<u>\$ -</u>	<u>\$ 650,778</u>	<u>\$ 13,979,565</u>	<u>\$ 862,362</u>	<u>\$ 14,841,927</u>		

The County does not have any allowance for doubtful accounts related to the above receivables. The County expects to receive all of the receivables listed above within one year except for the following:

The State has estimated that they are holding \$10,748,833 of the County's income tax revenue based on the 2024 tax returns. It will take several years for the State to remit these monies to the County, however, the State estimates their liability to the County and the County reports this receivable in accordance with GAAP.

C. Capital assets

Primary Government

Capital assets activity for the year ended June 30, 2025, was as follows:

	Balance				Balance
	July 1, 2024	Increases	Transfers	Decreases	June 30, 2025
<u>Governmental activities</u>					
Capital assets, not being depreciated:					
Land	\$ 22,677,487	\$ -	\$ -	\$ -	\$ 22,677,487
Construction in progress	870,781	662,667	-	30,726	1,502,722
Total capital assets, not being depreciated	23,548,268	662,667	-	30,726	24,180,209
Capital assets, being depreciated:					
Buildings	15,441,978	-	-	-	15,441,978
Right-to-use leased buildings	139,464	1,170,373	-	139,464	1,170,373
Improvements	3,781,264	407,970	-	-	4,189,234
Machinery, equipment and vehicles	17,200,734	848,798	-	280,768	17,768,764
Right-to-use leased equipment	5,920,187	694,496	-	-	6,614,683
Infrastructure	18,496,696	-	-	-	18,496,696
Subscription assets	456,077	118,513	-	-	574,590
Total capital assets, being depreciated	61,436,400	3,240,150	-	420,232	64,256,318
Less accumulated depreciation for:					
Buildings	7,057,862	296,274	-	-	7,354,136
Right-to-use leased buildings	125,517	524,552	-	139,462	510,607
Improvements	1,926,326	188,338	-	-	2,114,664
Machinery, equipment and vehicles	13,241,438	578,697	-	268,427	13,551,708
Right-to-use leased equipment	4,594,421	589,493	-	-	5,183,914
Infrastructure	7,473,931	334,314	-	-	7,808,245
Subscription assets	337,196	92,198	-	-	429,394
Total accumulated depreciation	34,756,691	2,603,866	-	407,889	36,952,668
Total capital assets being depreciated, net	26,679,709	636,284	-	12,343	27,303,650
Total governmental activities capital assets	\$ 50,227,977	\$ 1,298,951	\$ -	\$ 43,069	\$ 51,483,859
<u>Business-type activities</u>					
Capital assets, not being depreciated:					
Land	\$ 1,731,536	\$ -	\$ -	\$ -	\$ 1,731,536
Construction in progress	63,100	1,626,170	-	-	1,689,270
Total capital assets, not being depreciated	1,794,636	1,626,170	-	-	3,420,806
Capital assets, being depreciated:					
Buildings	1,844,189	-	-	-	1,844,189
Improvements	397,883	-	-	-	397,883
Infrastructure	53,282,109	-	-	-	53,282,109
Machinery, equipment and vehicles	3,166,771	-	-	-	3,166,771
Right-to-use leased equipment	649,787	17,517	-	-	667,304
Total capital assets, being depreciated	59,340,739	17,517	-	-	59,358,256
Less accumulated depreciation for:					
Buildings	527,279	36,884	-	-	564,163
Improvements	235,777	17,935	-	-	253,712
Infrastructure	20,919,694	1,063,157	-	-	21,982,851
Machinery, equipment and vehicles	2,667,381	126,187	-	-	2,793,568
Right-to-use leased equipment	257,062	106,180	-	-	363,242
Total accumulated depreciation	24,607,193	1,350,343	-	-	25,957,536
Total capital assets being depreciated, net	34,733,546	(1,332,826)	-	-	33,400,720
Total business-type activities capital assets	\$ 36,528,182	\$ 293,344	\$ -	\$ -	\$ 36,821,526

Depreciation/amortization expense for the year ended June 30, 2025, was charged to the functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 647,435
Public safety	524,617
Public works	612,886
Parks, recreation and culture	382,716
Social Services	433,426
Community development	2,786
Total depreciation/amortization expense - governmental activities	<u>\$ 2,603,866</u>

Business-type activities:

Water and wastewater services	\$ 1,344,022
Bayside landing	6,321
Total depreciation/amortization expense - business-type activities	<u>\$ 1,350,343</u>

Component Units

Board of Education

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Increases	Decreases	Transfers	Balance June 30, 2025
Government activities					
Capital assets, not being depreciated:					
Land	\$ 122,025	\$ -	\$ -	\$ -	\$ 122,025
Construction in progress	132,704	-	-	(75,924)	56,780
Total capital assets, not being depreciated	<u>254,729</u>	-	-	(75,924)	<u>178,805</u>
Capital assets, being depreciated:					
Land improvements	945,958	306,000	-	-	1,251,958
Buildings, furniture, fixtures and equipment	70,776,351	359,428	2,451,811	-	68,683,968
Vehicles	1,893,841	53,934	24,500	75,924	1,999,199
Total capital assets, being depreciated	<u>73,616,150</u>	<u>719,362</u>	<u>2,476,311</u>	<u>75,924</u>	<u>71,935,125</u>
Less accumulated depreciation for:					
Land improvements	551,391	58,772	-	-	610,163
Buildings, furniture, fixtures and equipment	47,021,152	2,011,746	2,444,485	-	46,588,413
Vehicles	875,182	187,306	24,500	-	1,037,988
Total accumulated depreciation	<u>48,447,725</u>	<u>2,257,824</u>	<u>2,468,985</u>	<u>-</u>	<u>48,236,564</u>
Total capital assets, being depreciated, net	<u>25,168,425</u>	<u>(1,538,462)</u>	<u>7,326</u>	<u>75,924</u>	<u>23,698,561</u>
Intangible right-to-use assets:					
Leased equipment	879,202	167,853	350,148	-	696,907
Less accumulated amortization	658,153	138,126	350,148	-	446,131
Total intangible right-to-use assets, net	<u>221,049</u>	<u>29,727</u>	<u>-</u>	<u>-</u>	<u>250,776</u>
Governmental activities capital assets, net	<u>\$25,644,203</u>	<u>\$ (1,508,735)</u>	<u>\$ 7,326</u>	<u>\$ -</u>	<u>\$24,128,142</u>

Public Library

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance				Balance
	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
Capital assets, not being depreciated					
Construction in progress	\$ 13,800	\$ -	\$ (13,800)	\$ -	\$ -
Capital assets, being depreciated					
Computers and equipment	106,389	13,800	-	13,800	133,989
Furniture and fixtures	98,634	5,289	-	-	103,923
Library improvements	33,614	-	-	-	33,614
Right-to-use leased buildings	216,433	-	-	-	216,433
Total capital assets, being depreciated	455,070	19,089	-	13,800	487,959
Less accumulated depreciation	244,501	32,886	-	-	277,387
Capital assets, net	\$ 224,369	\$ (13,797)	\$ (13,800)	\$ 13,800	\$ 210,572

Library collections and related accumulated amortization activity for the year ended June 30, 2025, was as follows:

	Balance				Balance
	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
Capital assets	\$ 619,032	\$ 35,598	\$ (68,707)	\$ -	\$ 585,923
Less accumulated depreciation	453,846	50,273	(68,707)	-	435,412
Capital assets, net	\$ 165,186	\$ (14,675)	\$ -	\$ -	\$ 150,511

D. Accrued liabilities

Accrued liabilities reported by governmental funds at June 30, 2025, were as follows:

	General Fund	Grant Funds	Nonmajor Governmental Funds	Total Governmental Funds
Salary and employee benefits	\$ 635,172	\$ 8,040	\$ 29,089	\$ 672,301
Forfeitures	-	-	105,139	105,139
Maryland state retirement	38,556	-	-	38,556
Other	27,812	-	-	27,812
Total accrued liabilities	\$ 701,540	\$ 8,040	\$ 134,228	\$ 843,808

E. Pension liability

Primary Government

The County participates in the Maryland State Retirement and Pension System (MSRPS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Maryland. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. For the year ended June 30, 2025, the County recognized aggregated pension expense of \$2,649,718 for the pension system.

Benefits under the Maryland State Retirement and Pension System are established under Title 21, and the Law Enforcement Officers' Pension System under Title 26, of the Annotated Code of Maryland – State Personnel and Pensions.

The Maryland State Retirement and Pension System issues a comprehensive annual financial report that includes disclosures regarding actuarial value of assets, total actuarial accrued liability, unfunded actuarial accrued liability, if any, and funded liability ratio. This report can be obtained from the agency's office as follows:

Maryland State Retirement and Pension Systems

120 East Baltimore Street
Baltimore, Maryland 21201

Pensions

For purposes of measuring the total pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the MSRPS and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Descriptions

The MSRPS covers three classes of employees.

Employees hired after June 30, 2002, plus eligible employees with service as of July 1, 2002. Members may retire with full benefits after completing 30 years of eligible service regardless of age or at age 62 or older. On retirement from service, a member shall receive an annual service retirement allowance based on the member's average final compensation and years of creditable service. A member may retire with reduced benefits after attaining age 55 and completing 15 years of eligible service. A member terminating employment before attaining retirement age, becomes eligible for a vested retirement allowance at age 62.

Employees hired after June 30, 2011. Members may retire with full benefits when their years of eligible service and age equal 90 or at age 65 or older with 10 years of eligible service. On retirement from service, a member shall receive an annual service retirement allowance based on the member's average final compensation and years of creditable service. A member may retire with reduced benefits after attaining age 60 and completing 15 years of eligible service. A member terminating employment before attaining retirement age, but after completing 10 years of eligible service, becomes eligible for a vested retirement allowance at age 65.

Law enforcement employees hired after June 30, 2002, plus eligible employees with service as of July 1, 2002. Members may retire after 25 years of service or at age 50 with at least 5 years of service. A member who joined prior to July 1, 2012 is eligible for vesting after 5 years of service; however, the contribution must be left in the Retirement System in order to qualify for benefits at age 50. A member who joined after July 1, 2012 is eligible for vesting after 10 years of service; however, the contribution must be left in the Retirement System in order to qualify for benefits at age 65.

Correctional Officers' employed as of July 1, 2022. Members may retire with full benefits at age 55 with at least 10 years of service credit or 20 years of service credit regardless of age. A member may retire with reduced benefits before attaining age 55 and completing 15 years of eligible service. A member who joined prior to July 1, 2011, is vested in CORS after 5 years of service. A member who joined on or after July 1, 2011, is vested in CORS after 10 years of service.

Funding Policy

Obligations to contribute to the plan were established under Title 21 and Title 26 of the Annotated Code of Maryland – State Personnel and Pensions. Members contributed 7% of their gross regular employee compensation during fiscal year 2025.

Required contributions under the plans, which are not funded by employee contributions, are funded entirely by the County. Contributions by the County to MSRPS take place during the fiscal year and are based upon salaries for the preceding fiscal year. The County contribution for the year ending June 30, 2025 is based on salaries for the year ending June 30, 2024. The contribution requirements of plan members of the reporting entity are established and may be amended by the Maryland State Pension System Board of Trustees. The contributions for the fiscal years ending June 30th were equal to the actuarially determined amounts as follows:

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
MSRPS Contributions	\$ 2,196,687	\$ 2,295,002	\$ 1,939,232

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

As of June 30, 2025, the County reported a liability of \$19,570,202 for its proportionate share of the total pension liability. The total pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the total pension liability was determined by an actuarial valuation as of that date. The County's proportion of the total pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participants members actuarially determined. As of June 30, 2025, the County's proportion was 0.0877%.

For the year ended June 30, 2025, the County recognized pension expenses of \$2,649,718. As of June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 1,880,226	\$ -
Changes in proportion & differences between employer contributions & share of contributions	1,312,693	-
County contribution subsequent to the measurement date	2,196,687	-
Net difference between projected vs actual investment earnings	663	-
Difference between actual and expected experience	2,171,641	-
Total	<u>\$ 7,561,910</u>	<u>\$ -</u>

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

Year Ended June 30,	
2026	\$ 1,309,089
2027	832,033
2028	1,733,453
2029	936,070
2030	554,578

Actuarial Assumptions - The key actuarial assumptions used to perform the June 30, 2025, pension liability calculation are as follows:

Inflation	2.5% general, 3.0% wage
Salary increases	3.0% to 22.5%, including inflation
Investment rate of return	6.80%
Retirement Age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2024 valuation pursuant to the 2024 experience study of the period July 1, 2018 to June 30, 2023.
Mortality	Various versions of the Public Sector 2010 Mortality Tables for males and females with projected generational mortality improvements based on the MP-2021 fully generational mortality improvements scale for males and females.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34%	6.0%
Private Equity	16%	8.5%
Rate Sensitive	20%	2.4%
Credit Opportunity	9%	5.4%
Real Assets	15%	5.5%
Absolute Return	6%	4.4%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Total pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the total pension liability calculated using the discount rate of 6.80%, as well as what the County's proportionate share of the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.80%) or 1 percentage point higher (7.80%) than the current rate:

	1% Decrease <u>(5.80%)</u>	Discount Rate <u>(6.80%)</u>	1% Increase <u>(7.80%)</u>
County's proportionate share of the net pension liability	\$ 28,442,254	\$ 19,570,202	\$ 12,174,723

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued System's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This can be found at www.sra.state.md.us.

F. Other post-employment benefit (OPEB) liability

Primary Government

Post-employment Benefits Other than Pensions (OPEB) - For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Kent County Other Post-Employment Benefit Plan and additions to/deductions from the County's Other Post-Employment Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by Kent County's Other Post-Employment Benefit Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating

interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Plan Description – The County’s Other Post-Employment Benefit Plan (OPEB) is an agent multiple-employer defined benefit healthcare plan whose assets are held by the Maryland Association of Counties Pooled OPEB Trust. On June 9, 2009, the County Commissioners authorized the establishment of a trust to fund costs of health insurance and any other post-employment benefits provided to eligible retirees of the County. The participants of the trust include: Allegany, Queen Anne’s, Kent and Talbot Counties, City of Annapolis, College of Southern Maryland, Town of Bel Air, Town of Hurlock, Talbot and Queen Anne’s County Boards of Education, St. Mary’s County Metropolitan Commission, Harford Community College, Harford and Queen Anne’s County Public Libraries, La Vale Sanitary Commission and Tri County Council.

Benefits Provided - An employee retiring from Kent County Government on or after July 2, 2002, who has accumulated thirty (30) years of service or a law enforcement or corrections employee who has accumulated twenty-five (25) years of service, will be eligible to receive the same health benefits as provided to current full-time or permanent part-time employees, whichever is applicable. In so doing, the County will pay the same percentage of premium for an employee retiring as a full-time employee as it pays to current full-time employees and will pay the same percentage for an employee retiring as a permanent part-time employee as it pays to current permanent part-time employees. In fiscal year 2025 the County paid 90% of health benefits for retiree’s with individual coverage and 85% of health benefits for retiree’s with individual and spouse coverage.

Employees Covered by Benefit Terms – At June 30, 2025, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefit payment	33
Inactive employees entitled to but not yet receiving benefits	0
Active employees	174
	<u>207</u>

Contributions – The County contribution includes the pay-as-you-go premiums for current retirees and the trust contribution for future retirees. Both of these figures are determined annually as part of the budget process. In fiscal year 2025 the County contributed \$460,264 (\$360,264 for pay-as-you-go premiums and \$100,000 to the trust). Plan members receiving benefits contributed \$19,740.

Total OPEB liability

The County’s total OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability as of June 30, 2025, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial assumptions used in the latest actuarial valuation were:

Inflation rate	2.50%
Salary increases	State of Maryland General and LEOPS Retirement and Pension salary scale assumptions
Discount rate	3.97%
Healthcare cost trend rate	2022 version of the SOA Long-Run Medical Cost Trend Model using baseline assumptions. The initial rate is 7.5% and the ultimate rate is 3.94%.
Mortality	<u>Active Employees</u> Regular – SOA Pub 2010 General Employees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021. LEOPS – SOA Pub 2010 Safety Employees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.

Healthy Retirees

Regular - SOA Pub 2010 General Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.
 LEOPS - SOA Pub 2010 Safety Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.

Disabled Retirees

Regular - SOA Pub 2010 General Disabled Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.

LEOPS - SOA Pub 2010 Safety Disabled Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.

An experience study has not been completed for the County Commissioners of Kent County. The demographic assumptions are based on those used by the Maryland State Retirement and Pension System for its actuarial valuation. The long term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-range expected rate of return by weighing the expected future real rates by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	65%	n/a
Fixed Income	35%	n/a
Cash and Equivalents	0%	n/a
Total	100%	

Discount Rate - The discount rate used to measure the total OPEB liability was 4.81% as of June 30, 2025. The projection of cash flows used to determine the discount rate assume that the County will contribute to the trust at the same level as in recent years. Based on that assumption, the liabilities for the plan will be determined using the June 30, 2025 bond rate of 4.81% as a discount rate. The discount rate changed from the prior measurement period. The discount rate was 3.97% for the June 30, 2024 measurement date.

Changes in the Total OPEB liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of 06/30/24	\$ 14,638,380	\$ 293,805	\$ 14,344,575
Changes for the year:			
Service cost	573,659	-	573,659
Interest	596,640	-	596,640
Experience losses/(gains)	(7,733,123)	-	(7,733,123)
Changes in assumptions	(1,306,225)	-	(1,306,225)
Contributions - employer	-	440,524	(440,524)
Net investment income	-	31,518	(31,518)
Administrative expenses	-	(1,617)	1,617
Benefit payments	(340,524)	(340,524)	-
Net changes	(8,209,573)	129,901	(8,339,474)
Balance as of 06/30/25	\$ 6,428,807	\$ 423,706	\$ 6,005,101

Funded status

6.59%

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1

percentage point lower (3.81 percent) or 1 percentage point higher (5.81 percent) than the current discount rate:

	1% Decrease (3.81%)	Discount Rate (4.81%)	1% Increase (5.81%)
Net OPEB liability (Asset)	\$ 6,848,645	\$ 6,005,101	\$ 5,286,440

Sensitivity of the total OPEB liability to changes in the health care cost trend rates - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rates that are 1 percentage point lower (2.92 percent) or 1 percentage point higher (4.92 percent) than the current health care cost trend rates:

	1% Decrease (2.92%)	Health Care Cost Trend Rates (3.92%)	1% Increase (4.92%)
Net OPEB liability (Asset)	\$ 5,114,488	\$ 6,005,101	\$ 7,110,405

OPEB Fiduciary Net Position - Detailed information about the OPEB's fiduciary net position is available in the separately issued Maryland Association of Counties Pooled OPEB Trust Financial Statement.

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

For the year ended June 30, 2025 the County recognized OPEB expense of (\$820,952). At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 1,047,913	\$ 4,028,725
Net difference between projected and actual investment earnings	-	6,487
Difference between actual and expected experience	299,289	8,850,030
Total	<u>\$ 1,347,202</u>	<u>\$ 12,885,242</u>

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

Year Ended June 30:	
2026	\$ (1,952,329)
2027	(2,502,741)
2028	(2,231,825)
2029	(1,418,872)
2030	(1,172,433)
Thereafter	(2,259,840)

Component Units

Board of Education

Plan Description - The Board of Education of Kent County, Maryland administers a single-employer defined benefit healthcare plan, The Kent County Public Schools Retiree Health Plan ("the Plan"), that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees, their spouses and other dependents. The Plan does not issue a publicly available report.

Annual OPEB Cost and Total OPEB liability – The Board’s net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of April 1, 2023. The methods, assumptions and participant data used are detailed in the fiscal year 2023 GASB 74 valuation report dated September 18, 2023. The discount rate was 3.86% as of June 30, 2023 and 3.97% as of June 30, 2024.

Actuarial assumptions – Projections of benefits for financial reporting are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and Plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and Plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of significant valuation methods and assumptions are as follows:

Valuation date	April 1, 2023
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	3.00%
Inflation rate	2.50%
Rate of growth in real income	1.40%
Medical trend	Based on Society of Actuaries Getzen Long-Term Healthcare Cost Trend Model. The current valuation uses the 2022 version of the model released in October 2021. The initial rate assumed is 7.50% and decreases to 4.64% in 2050 ultimately leveling off at 3.94% in 2075.
Mortality	Pre-retirees - calculated using the Pub-2010 Teacher Employees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale. Healthy post-retirees - calculated using the Pub-2010 Teacher Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale. Disabled individuals - calculated using the Pub-2010 Teacher Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale.

Rate of Return – Best estimates of real rates of return for each major asset class included in the target asset allocations as of June 30, 2025, are summarized in the following table:

	Target Allocation	Long Term Expected Rate of Return
Equity	53.45%	4.99%
Fixed Income	37.13%	2.60%
Alternative	5.26%	5.00%
Commodities	n/a	2.45%
Cash	4.16%	0.98%
Total	100.00%	

Discount rate – The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 20-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year’s valuation is 3.97% as of June 30, 2024. The rate has been adjusted from 3.86% as of June 30, 2023.

Changes in the Total OPEB liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance as of June 30, 2023	\$ 17,734,655	\$ 1,357,963	\$ 16,376,692
Changes for the Year:			
Service Cost	591,092	-	591,092
Interest	672,880	-	672,880
Experience Losses/Gains	(40,563)	-	(40,563)
ER Trust Contribution	-	564,489	(564,489)
Net Investment Income	-	99,719	(99,719)
Changes in Assumptions	(294,574)	-	(294,574)
Benefit Payments	(564,489)	(564,489)	-
Administrative Expense	-	(7,337)	7,337
Net Changes	<u>364,346</u>	<u>92,382</u>	<u>271,964</u>
Balance as of June 30, 2024	<u>\$ 18,099,001</u>	<u>\$ 1,450,345</u>	<u>\$ 16,648,656</u>

For the year ended June 30, 2025, the Board recognized OPEB expense of \$235,096 on the government-wide statements.

The detailed plan information is included in the Board's current year audited financial statements.

G. Deferred compensation plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants. The County has no liability for losses under the plan.

Investments are managed by the plan's administrator under several different investment options, or combinations thereof. The choice of the investment option(s) is made by the participants. The County has no management control over the assets of the plan. Accordingly, the assets of the plan are not included in these financial statements per GASB Statement No. 32.

H. Risk management

The government is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County's risk financing techniques include participation in a public entity pool and the purchase of commercial insurance. For property, general, excess and environmental liability coverage, the County is a member of the Maryland Local Government Insurance Trust (LGIT). This trust is a public entity risk pool, which is owned and directed by the local governments that subscribe to its coverages and operates under the terms of a Trust Agreement.

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

The County pays LGIT an annual premium. Claims are processed and recoveries and administrative costs are paid by LGIT. Similar to a commercial insurance carrier, recoveries are subject to deductibles and to annual aggregate/per occurrence dollar limits. No insurance settlement has exceeded the coverage for the past three years.

The County is fully insured for workers' compensation through Chesapeake Employers Insurance Company. Employees are bonded through LGIT to limit the loss to the County in the event of employees committing acts of embezzlement or theft.

Complete financial statements can be obtained from their administrative offices:

Local Government Insurance Trust
7225 Parkway Drive
Hanover, MD 21076

I. Leases

Primary Government

1. Lease receivable

During fiscal year 2024, the County entered into an agreement with the State of Maryland, to lease space in the Kent County Courthouse. The lease is for five years and the and the County will receive monthly payments of \$9,495. The County recognized \$104,105 in lease revenue and \$14,098 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the County's receivable for the lease payments was \$331,345. Also, the County has deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflow resources was \$312,315.

2. Lease payable

The County has entered into various lease agreements as lessee, primarily for office space, vehicles and office equipment. Most leases have initial terms of up to 5 years, and do not contain renewal options. Certain real estate leases require additional payments for common area maintenance, real estate taxes, and insurance, which are expensed as incurred as variable lease payments. For office space leases that include variable payments, those include payments for the County's proportionate share of the building's property taxes, insurance, and common area maintenance. The County's lease arrangements do not contain any material residual value guarantees. If the interest rate implicit in the County's leases is not readily determinable, the County utilized its incremental borrowing rate to discount the lease payments. These agreements qualify as leases for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

At June 30, 2025, the statement of net position includes the following amounts relating to leases:

	Governmental Activities	Business-type Activities	Total
Right-to-use leased assets:			
Buildings	\$ 1,170,373	\$ -	\$ 1,170,373
Equipment	6,614,683	667,304	7,281,987
Total right-to-use leased assets	7,785,056	667,304	8,452,360
Less accumulated amortization for:			
Right-to-use leased assets			
Buildings	510,607	-	510,607
Equipment	5,183,914	363,242	5,547,156
Total accumulated amortization	5,694,521	363,242	6,057,763
Total right-to-use leased assets, net:			
Buildings	659,766	-	659,766
Equipment	1,430,769	304,062	1,734,831
Total	\$ 2,090,535	\$ 304,062	\$ 2,394,597
Lease payable:			
Current	\$ 672,384	\$ 64,677	\$ 737,061
Non-current	1,332,214	133,440	1,465,654
Total	\$ 2,004,598	\$ 198,117	\$ 2,202,715

The future principal and interest lease payments as of June 30, 2025, were as follows:

Fiscal Year	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 672,384	\$ 93,636	\$ 766,020	\$ 64,677	\$ 11,760	\$ 76,437
2027	585,381	67,267	652,648	66,732	7,962	74,694
2028	408,241	35,679	443,920	57,373	2,747	60,120
2029	230,120	15,191	245,311	9,335	273	9,608
2030	107,563	3,135	110,698	-	-	-
2031-2035	909	6	915	-	-	-
	\$ 2,004,598	\$ 214,914	\$ 2,219,512	\$ 198,117	\$ 22,742	\$ 220,859

J. Subscription-based information technology arrangements

Primary Government

The County has entered into four subscription-based information technology arrangements, primarily related to facilitating County operations and fiscal transparency. The subscription-based information technology arrangements have a term of 3 - 5 years, and do not contain renewal options. If the interest rate implicit in the County's subscription-based information technology arrangements is not readily determinable, the County utilized its incremental borrowing rate to discount the subscription-based information technology arrangements payments.

These agreements qualify as subscription-based information technology arrangements for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

At June 30, 2025, the statement of net position includes the following amounts relating to subscription-based information technology arrangements:

	Governmental Activities	Business-type Activities	Total
Subscription assets	\$ 574,590	\$ -	\$ 574,590
Less accumulated amortization for:			
Subscription assets	429,394	-	429,394
Total subscription assets, net	<u>\$ 145,196</u>	<u>\$ -</u>	<u>\$ 145,196</u>
Subscriptions payable:			
Current	\$ 13,454	\$ -	\$ 13,454
Non-current	14,213	-	14,213
Total	<u>\$ 27,667</u>	<u>\$ -</u>	<u>\$ 27,667</u>

The future principal and interest subscription-based information technology arrangement payments as of June 30, 2025, were as follows:

Fiscal Year	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 13,454	\$ 1,561	\$ 15,015	\$ -	\$ -	\$ -
2027	14,213	802	15,015	-	-	-
	<u>\$ 27,667</u>	<u>\$ 2,363</u>	<u>\$ 30,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

K. Short-term debt

Primary Government

The County maintains a line of credit of \$3,500,000 from a local financial institution with an interest rate of 60% of the prime rate. The outstanding balance at June 30, 2025, was \$0.

Component Units

Public Library

During 2025, the Library continued their \$25,000 line of credit agreement with PNC Bank for operating needs. The agreement no longer has an expiration date. There has been no activity on the credit line during the year and the balance remains at \$0.

L. Long-term liabilities

General Obligation Bonds, Notes, Other Post-Employment Benefits, Compensated Absences, Landfill Liability

The County issues general obligation bonds and notes payable to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 40 years. General obligation bonds and notes payable outstanding at June 30, 2025, are as follows:

Governmental Activities:

Description	Issue Date	Original Borrowing	Interest Rate	Maturity Date	Outstanding 6/30/2025
Notes from direct borrowings and direct placements					
<u>United States Department of Agriculture</u>					
FY11 Nicholson Ground Water Recovery Treatment	12/16/10	\$ 154,000	2.250%	12/16/50	\$ 113,233
<u>Shore United Bank</u>					
FY20 Refinance - FY09 Community Center	06/25/20	4,700,000	2.990%	04/01/29	2,088,889
FY20 Public Schools - Capital Projects	06/25/20	1,700,000	2.990%	04/01/30	850,000
<u>Zoll Medical Corporation</u>					
FY24 Defibrillators	07/18/23	231,275	0.000%	08/01/28	188,320
<u>SunTrust Bank</u>					
FY11 Refinance - FY98 Public Works Complex	05/02/11	784,100	3.820%	05/02/26	67,076
					<u>\$ 3,307,518</u>

Business-type Activities:

Description	Issue Date	Original Borrowing	Interest Rate	Maturity Date	Outstanding 6/30/2025
Notes from direct borrowings and direct placements					
<u>Maryland Department of the Environment - Water Quality</u>					
Allen's Lane Sewer Extension	07/26/07	1,152,308	1.000%	02/01/25	\$ -
Worton Wastewater Treatment Plant Upgrade	07/30/09	2,700,000	1.000%	02/01/30	760,444
<u>United States Department of Agriculture</u>					
Worton Water Treatment Plant	01/28/10	338,000	2.375%	01/28/50	244,781
Chesterville Sewer Extension	12/16/10	476,000	2.250%	12/16/50	349,901
Worton Wastewater Treatment Plant	07/15/10	5,367,082	4.000%	07/15/50	4,270,127
Worton Wastewater Treatment Plant	12/16/10	2,253,000	3.750%	12/16/50	1,782,510
Edesville Wastewater Treatment Plant	11/18/10	60,000	2.250%	11/18/50	44,101
Worton Wastewater Treatment Plant	07/01/11	601,000	2.500%	07/01/51	457,172
Quaker Neck Sewer Extension	12/16/11	780,000	2.250%	12/16/51	589,874
Delta Heights Extension	12/22/16	476,000	1.375%	12/22/56	395,393
Galena Wastewater Treatment Plant & Collection System	12/22/16	1,163,000	1.375%	12/22/56	1,004,397
					<u>\$ 9,898,700</u>

The debt services requirements for the County's bonds, loans and notes are as follows:

<u>Governmental Activities</u>				<u>Business-Type Activities</u>			
<u>Notes from direct borrowings and direct placements</u>				<u>Notes from direct borrowings and direct placements</u>			
Fiscal Year Ending June 30,	Principal	Interest	Build America Bonds Interest	Principal	Interest	Build America Bonds Interest	
2026	\$ 805,585	\$ 92,955	\$ (882)	\$ 375,799	\$ 308,901	\$ (85,576)	
2027	738,585	69,620	(856)	384,609	300,091	(83,492)	
2028	738,656	48,851	(831)	392,954	291,746	(81,547)	
2029	755,240	28,069	(801)	403,036	281,664	(79,082)	
2030	173,645	7,290	(773)	412,704	271,996	(76,742)	
2031 - 2035	19,496	9,764	(3,417)	1,419,686	1,182,794	(345,503)	
2036 - 2040	21,808	7,452	(2,608)	1,671,100	931,380	(271,781)	
2041 - 2045	24,403	4,857	(1,700)	1,972,629	629,851	(182,078)	
2046 - 2050	27,302	1,958	(685)	2,329,578	269,559	(73,484)	
2051 - 2055	2,798	33	(13)	456,321	18,719	(820)	
2056 - 2057	-	-	-	80,284	960	-	
	<u>\$ 3,307,518</u>	<u>\$ 270,849</u>	<u>\$ (12,566)</u>	<u>\$ 9,898,700</u>	<u>\$ 4,487,661</u>	<u>\$ (1,280,105)</u>	

A portion of the interest on loans through the Build America Bond program obtained from the United States Department of Agriculture Rural Development under the American Recovery and Reinvestment Act of 2009 (ARRA) is reimbursed to the County.

Legal Debt Margin

In accordance with Section 3-9.1 of Chapter 3 of the Code of Public Local Laws of Kent County, Maryland, the County's annual debt financing cannot exceed twenty million dollars in any single fiscal year. No new debt was issued during fiscal year 2025.

Changes in Long-Term Liabilities

Changes in the government's long-term liabilities for the year ended June 30, 2025, are as follows:

	Balance July 1, 2024	Additions	Transfers	Reductions	Balance June 30, 2025	Due Within One Year
Governmental Activities:						
Notes from direct borrowings and direct placements	\$ 4,110,561	\$ -	\$ -	\$ (803,043)	\$ 3,307,518	\$ 805,585
Leases	1,242,084	1,534,843	-	(772,329)	2,004,598	672,384
Subscriptions	40,397	-	-	(12,730)	27,667	13,454
Compensated absences	1,314,945	1,476,351	-	(1,383,553)	1,407,743	156,666
Landfill liability	1,987,043	-	-	(201,994)	1,785,049	162,990
Net other post-employment benefit liability	14,344,575	-	-	(8,339,474)	6,005,101	-
Net pension liability	16,352,919	3,217,283	-	-	19,570,202	-
Governmental activities long-term liabilities	<u>\$ 39,392,524</u>	<u>\$ 6,228,477</u>	<u>\$ -</u>	<u>\$ (11,513,123)</u>	<u>\$ 34,107,878</u>	<u>\$ 1,811,079</u>
Business-Type Activities:						
Notes from direct borrowings and direct placements	\$ 10,312,166	\$ -	\$ -	\$ (413,466)	\$ 9,898,700	\$ 375,799
Leases	297,707	17,517	-	(117,107)	198,117	64,677
Compensated absences	88,956	113,867	-	(98,926)	103,897	7,325
Business-type activities long-term liabilities	<u>\$ 10,698,829</u>	<u>\$ 131,384</u>	<u>\$ -</u>	<u>\$ (629,499)</u>	<u>\$ 10,200,714</u>	<u>\$ 447,801</u>

The County’s outstanding notes from direct borrowings and direct placements related to governmental activities of \$113,233 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

The County’s outstanding notes from direct borrowings and direct placements related to business-type activities of \$9,138,256 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

The County also has an unused line of credit in the amount of \$3,500,000.

Funding Sources for Other Non-Debt Related Liabilities

Compensated absences liabilities of governmental activities are liquidated by the governmental fund that incurred the personnel cost. The majority of these liabilities have historically been liquidated by the general fund.

Total pension liabilities, net other post-employment benefit liabilities, and landfill liabilities are all liquidated with general fund resources.

Component Units

Board of Education

A summary of long-term liability activity for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental Activities:					
Net other post-employment benefit liability	\$ 16,376,692	\$ 271,964	\$ -	\$ 16,648,656	\$ -
Financed purchases	635,354	-	(176,939)	458,415	182,136
Intangible right-to-use leases	232,781	167,853	(139,208)	261,426	137,221
Net pension liability	1,818,645	322,116	-	2,140,761	-
	<u>\$ 19,063,472</u>	<u>\$ 761,933</u>	<u>\$ (316,147)</u>	<u>\$ 19,509,258</u>	<u>\$ 319,357</u>

Public Library

A summary of long-term liability activity for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Lease payable	\$ 165,737	\$ -	\$ (19,291)	\$ 146,446	\$ 18,204
Compensated absences	9,399	35,027	(28,287)	16,139	1,586
Long-term liabilities	<u>\$ 175,136</u>	<u>\$ 35,027</u>	<u>\$ (47,578)</u>	<u>\$ 162,585</u>	<u>\$ 19,790</u>

M. Fund balance

Minimum fund balance policy. While the County does not have a formal fund balance policy, it strives to maintain an unassigned general fund balance of at least 7.5% of general fund expenditures to provide fiscal stability when economic downturns and other unexpected events occur. This year, the County’s ending unassigned fund balance is 17.0% of general fund expenditures.

Stabilization arrangement. The County maintains a revenue stabilization reserve (“rainy day fund”) in the general fund. Resources equivalent to 0.05% of total general fund revenues are reserved annually. Expenditure of the amounts in the revenue stabilization reserve may occur at the direction of the County Commissioners. Use of these funds are not expected to occur routinely and are intended to be a resource in times of revenue shortfalls. At June 30, 2025, the stabilization reserve is \$407,668.

N. Interfund receivables and payables

Interfund receivables and payables are usually used by the County to cover temporary cash deficits in individual funds until grant or similar resources are received. Occasionally, these receivables and payables are used in lieu of short-term external borrowing for capital projects. The composition of interfund balances as of June 30, 2025, is as follows:

	Due From All Funds	Due To All Funds
General fund	\$ 1,859,519	\$ 6,677
Grant fund	-	766,785
Capital projects fund	-	95,977
Non-major governmental funds	-	492,351
Enterprise fund - water and wastewater services	6,677	504,406
Total	<u>\$ 1,866,196</u>	<u>\$ 1,866,196</u>

O. Interfund transfers

Interfund transfers represent a transfer of resources from one fund to another without expectation of repayment. Usually, these transfers are undertaken to enable the receiving entity to provide services that the government has determined to be in the best interest of the County. The composition of interfund transfers for the year ended June 30, 2025, is as follows:

	Transfers In	Transfers Out
General fund	\$ 90,568	\$ (2,824,523)
Grant fund	3,627	(568)
Capital projects fund	656,564	(90,000)
Non-major governmental funds	232,573	-
Enterprise fund - water and wastewater services	1,931,759	-
Total	<u>\$ 2,915,091</u>	<u>\$ (2,915,091)</u>

Significant interfund transfers in 2025 included:

- \$1,931,759 transfer from the general fund to the enterprise funds for the following:
 - \$1,118,674 transfer to the water and wastewater services fund to subsidize the cost of operations.
 - \$ 813,085 transfer to the bayside landing fund to subsidize 50% of the cost to rebuild all slips and piers.
- \$656,564 transfer from the general fund to the capital projects fund to primarily fund the construction of the new emergency management facility.

P. Landfill closure and post-closure care costs

Between 1987 and 1992 the County operated Nicholson landfill. This 45.8 acre site was the County’s primary collection facility. In May 1992, the County stopped collecting trash at Nicholson landfill. A two foot cap of cover material, sediment ponds, water testing wells, and methane gas vents were completed in the fall of 1996 in accordance with federal and state regulations. The County is required to provide post-closure maintenance to the landfill for 30 years subsequent to its capping. The County has paid \$3,485,051 in post closure costs in the last twenty-eight years. Estimates for the costs have been revised to provide extended post-closure care for the next fifteen years at \$1,785,049. The total current cost of the landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations. This expenditure is budgeted and funded with general fund resources each year.

Q. Joint ventures

The County Commissioners, in conjunction with Talbot, Caroline, and Queen Anne’s Counties, created the Midshore Regional Landfill in 1991. Each of the counties in turn, will host a landfill site that will be owned and operated by Maryland Environmental Service to serve the four county area for a twenty-year period. The first landfill site was located in Talbot County and stopped accepting waste as of December 2010. The second landfill site was opened January 2011,

in Caroline County. Each county is required to set aside sufficient land to construct a landfill within their borders. The agreement expires when the last of the four landfills is closed.

Each county is required to place its municipal waste in the landfill. The facility is also available to commercial waste disposal firms at the same price per ton as charged to the county governments. Kent County paid \$125,023 in tipping fees to the facility during fiscal year 2025.

The participating counties are contingently liable for closure costs of the landfills. The County's potential share of the liability is \$3,495,826. Maryland Environmental Service is currently putting into place a plan to fund all closure costs from the revenues of the facilities. The project has sufficient revenues and reserves at this time to lead the County to believe that no expenditure of its funds will be required. Audited financial statements for the project can be obtained from:

Maryland Environmental Service
259 Najoles Road
Millersville, MD 21108.

R. Agreements

The County Water and Wastewater Department has also entered into agreements with the towns of Chestertown, Millington, Rock Hall, and Galena, Maryland whereby the towns provide water to West Millington and Edesville sub-districts, and accept wastewater from the Quaker Neck, West Millington, Piney Neck, Spring Cove/Green Lane, Edesville and Georgetown sub-districts, respectively. The County Department maintains and operates the water lines and sewer collection systems.

S. Contingencies

Primary Government

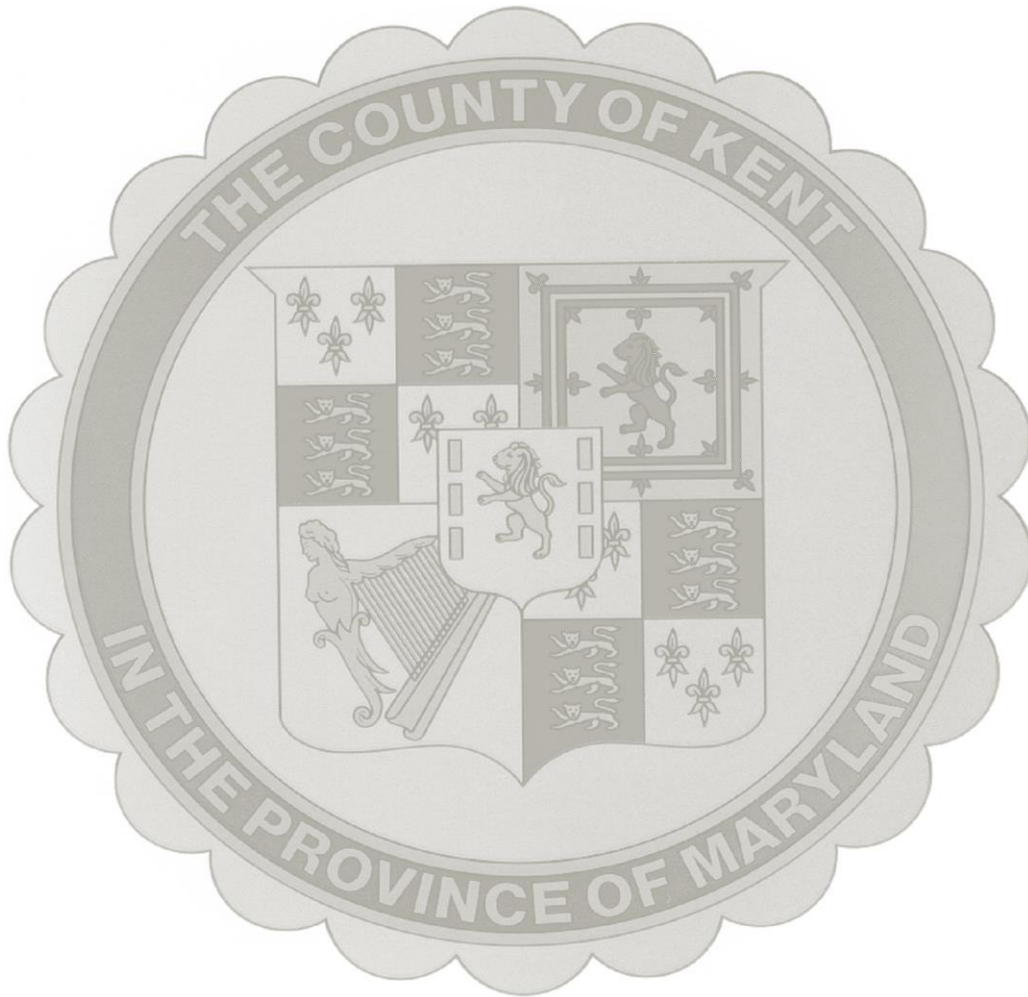
The County and its component units are recipients of various federal and state grant and/or loan programs, which are governed by various rules and regulations of grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. If the County has not complied with the rules and regulations governing the programs, refunds of money received may be required and the collectability of any related receivable may be impaired.

The County has received Community Development Block Grant Program funds for the purpose of rehabilitating homes of low/moderate income households. Upon the completion of the housing improvements, the homeowners enter into a deferred loan agreement with the County whereby the homeowners agree to repay the County for the value of the improvements their homes received if they sell their homes within a specified period of time. As of June 30, 2025, the value of all the deferred loan agreements was \$26,573.

T. Deficits

At June 30, 2025, the following funds had a deficit in unassigned fund balance: Capital Projects (\$208,852), Kent Family Center (\$10,951), HotDesks (\$1,100), Drug Task Force (\$600), Local Management Board (\$212). These deficits are expected to be eliminated through normal operations.

Required Supplementary Information



The County Commissioners of Kent County, Maryland
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 35,885,276	\$ 35,885,276	\$ 36,232,882	\$ 347,606
Income	17,260,000	20,900,000	23,103,283	2,203,283
Other	2,904,899	2,904,899	3,423,596	518,697
Licenses and permits	373,742	373,742	372,837	(905)
Intergovernmental	1,673,381	1,673,381	1,681,885	8,504
Charges for services	604,190	605,278	767,280	162,002
Fines and forfeitures	5,490	5,490	10,458	4,968
Miscellaneous	1,059,278	1,460,252	1,877,588	417,336
Total Revenues	59,766,256	63,808,318	67,469,809	3,661,491
EXPENDITURES				
General government				
County commissioners office	875,211	767,053	711,599	55,454
State's attorney's office	980,335	984,487	972,764	11,723
Circuit court	388,266	399,682	326,662	73,020
Orphan's court	66,988	66,988	51,740	15,248
Election office	817,357	817,357	594,762	222,595
Finance office	1,039,045	1,039,045	1,022,352	16,693
Legal counsel	83,950	98,950	67,045	31,905
Human resources	620,301	647,801	646,597	1,204
Planning and zoning	1,109,006	1,240,805	1,135,897	104,908
Information technology	1,318,259	1,346,481	1,344,194	2,287
Building maintenance	1,553,206	1,869,204	1,691,681	177,523
General services	300,930	238,693	238,643	50
Total general government	9,152,854	9,516,546	8,803,936	712,610
Public safety				
Sheriff's office	4,837,398	4,852,823	4,582,512	270,311
Volunteer fire company	1,266,277	1,322,346	1,322,346	-
Corrections	4,166,584	4,184,724	4,013,512	171,212
Alcoholic beverage inspection	89,679	90,367	74,988	15,379
Building inspector	43,367	41,077	37,790	3,287
Emergency management	3,104,787	3,107,851	2,952,438	155,413
Communications division	1,550,161	1,600,159	1,589,041	11,118
Humane society	328,762	328,762	328,137	625
Total public safety	15,387,015	15,528,109	14,900,764	627,345
Public works				
Administration	651,021	650,314	602,624	47,690
Highways and streets	4,853,858	5,011,032	4,052,225	958,807
Environmental operations	1,679,468	1,665,164	1,504,830	160,334
Total public works	7,184,347	7,326,510	6,159,679	1,166,831

(Continued)

The County Commissioners of Kent County, Maryland
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Health				
Health department	1,355,316	1,841,406	1,781,406	60,000
Mosquito control	47,500	47,500	40,795	6,705
	<hr/>	<hr/>	<hr/>	<hr/>
Total health	1,402,816	1,888,906	1,822,201	66,705
	<hr/>	<hr/>	<hr/>	<hr/>
Social services				
Department of social services	21,416	21,416	21,266	150
Upper shore aging	371,786	421,786	421,786	-
Delmarva community service	91,719	91,719	91,719	-
Commission on aging	3,600	3,600	2,972	628
Community mediation	10,000	10,000	10,000	-
Kent center	78,000	78,000	78,000	-
Maryland health & mental hygiene	20,132	20,132	20,132	-
Saint martin's ministries	11,235	11,235	11,235	-
Midshore regional council	5,000	5,000	5,000	-
Court appointed special advocates	15,000	15,000	15,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total social services	627,888	677,888	677,110	778
	<hr/>	<hr/>	<hr/>	<hr/>
Education				
Kent county public schools	20,382,670	20,382,670	20,382,670	-
Chesapeake college	639,407	639,407	639,407	-
Kent county learning center	2,500	2,500	2,500	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total education	21,024,577	21,024,577	21,024,577	-
	<hr/>	<hr/>	<hr/>	<hr/>
Parks, recreation and culture				
Recreation	1,458,725	1,463,278	1,344,986	118,292
Parks	680,022	734,337	613,336	121,001
Culture	20,890	20,890	20,890	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total parks, recreation and culture	2,159,637	2,218,505	1,979,212	239,293
	<hr/>	<hr/>	<hr/>	<hr/>
Library	793,960	793,960	793,960	-
	<hr/>	<hr/>	<hr/>	<hr/>
Resource conservation and development				
Extension office	159,900	180,253	176,599	3,654
Soil conservation service	224,211	224,211	224,211	-
Forestry board	1,693	1,693	1,693	-
Waterman's association	8,000	8,000	8,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total resource conservation and development	393,804	414,157	410,503	3,654
	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

The County Commissioners of Kent County, Maryland
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Community development				
Economic and Tourism Development	585,430	584,773	583,014	1,759
Stories of The Chesapeake	3,000	3,000	3,000	-
Small Businesses Development Center	6,300	6,300	6,300	-
Upper Shore Regional Council	42,000	42,500	42,500	-
Total community development	<u>636,730</u>	<u>636,573</u>	<u>634,814</u>	<u>1,759</u>
Debt service				
Debt service principal	760,088	803,044	803,043	1
Debt service interest	115,286	115,335	115,324	11
Subscription arrangements principal	-	12,730	12,730	-
Subscription arrangements interest	-	2,285	2,285	-
Lease principal	546,071	758,329	717,753	40,576
Lease interest	92,669	118,376	100,378	17,998
Total debt service	<u>1,514,114</u>	<u>1,810,099</u>	<u>1,751,513</u>	<u>58,586</u>
Intergovernmental				
Municipalities	83,576	478,171	465,341	12,830
Maryland department of assessment & taxation	112,000	112,000	110,172	1,828
Total intergovernmental	<u>195,576</u>	<u>590,171</u>	<u>575,513</u>	<u>14,658</u>
Miscellaneous				
Insurance & non departmental benefits	261,922	277,333	167,806	109,527
Contingencies	400,000	1,238	-	1,238
Total miscellaneous	<u>661,922</u>	<u>278,571</u>	<u>167,806</u>	<u>110,765</u>
Total expenditures	<u>61,135,240</u>	<u>62,704,572</u>	<u>59,701,588</u>	<u>3,002,984</u>
Excess (deficiency) of revenues over expenditures	<u>(1,368,984)</u>	<u>1,103,746</u>	<u>7,768,221</u>	<u>6,664,475</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	90,568	90,568
Transfers out	(6,447,178)	(3,351,115)	(2,824,523)	526,592
Leases	935,557	1,719,175	1,299,789	(419,386)
Sale of general capital assets	246,000	289,576	78,100	(211,476)
Total Other Financing Sources (Uses)	<u>(5,265,621)</u>	<u>(1,342,364)</u>	<u>(1,356,066)</u>	<u>(13,702)</u>
Net change in fund balances*	(6,634,605)	(238,618)	6,412,155	6,650,773
Fund balance - beginning			22,085,415	
Fund balance - ending			<u>\$ 28,497,570</u>	

*The net change in fund balances was included in the budget as an appropriation (i.e. spenddown) of fund balance.

The County Commissioners of Kent County, Maryland
Schedule of Investment Returns for the Retiree Health Benefit Plan
For the Year Ended June 30, 2025

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return net of investment expense	5.60%	6.50%	5.70%	-4.69%	10.81%	1.16%	1.43%	0.17%	0.19%	0.15%

The County Commissioners of Kent County, Maryland
Schedule of Changes in the County's Total OPEB liability and Related Ratios
For the Year Ended June 30, 2025

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	\$ 573,659	\$ 592,709	\$ 577,510	\$ 969,276	\$ 1,075,976	\$ 880,662	\$ 582,369	\$ 567,667	\$ 717,357
Interest cost	596,640	538,769	526,991	363,509	520,595	565,767	469,677	439,652	380,019
Changes in benefit terms	-	-	584,943	-	-	-	-	-	-
Differences between expected and actual experience	(7,733,123)	(24,472)	(1,196,558)	(94,795)	(4,661,630)	(39,186)	2,394,312	878	(26,927)
Changes in assumptions	(1,306,225)	(273,127)	(518,039)	(5,587,558)	1,017,850	2,044,155	1,968,477	(101,182)	(1,933,327)
Benefit payments	(340,524)	(330,974)	(308,875)	(281,398)	(261,087)	(275,682)	(273,508)	(191,243)	(190,365)
Net change in total OPEB liability	(8,209,573)	502,905	(334,028)	(4,630,966)	(2,308,296)	3,175,716	5,141,327	715,772	(1,053,243)
Total OPEB liability - beginning of year	14,638,380	14,135,475	14,469,503	19,100,469	21,408,765	18,233,049	13,091,722	12,375,950	13,429,193
Total OPEB liability - ending of year	<u>\$ 6,428,807</u>	<u>\$ 14,638,380</u>	<u>\$ 14,135,475</u>	<u>\$ 14,469,503</u>	<u>\$ 19,100,469</u>	<u>\$ 21,408,765</u>	<u>\$ 18,233,049</u>	<u>\$ 13,091,722</u>	<u>\$ 12,375,950</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 440,524	\$ 430,974	\$ 308,875	\$ 281,398	\$ 261,087	\$ 275,682	\$ 273,508	\$ 191,243	\$ 190,365
Net investment income	31,518	21,487	15,927	(25,331)	19,962	1,853	2,262	315	297
Benefit payments	(340,524)	(330,974)	(308,875)	(281,398)	(261,087)	(275,682)	(273,508)	(191,243)	(190,365)
Administrative expenses	(1,617)	-	-	-	-	-	-	-	-
Net change in fiduciary net position	129,901	121,487	15,927	(25,331)	19,962	1,853	2,262	315	297
Fiduciary net position - beginning of year	293,805	172,318	156,391	181,722	161,760	159,907	157,645	157,330	157,033
Fiduciary net position - ending of year	<u>\$ 423,706</u>	<u>\$ 293,805</u>	<u>\$ 172,318</u>	<u>\$ 156,391</u>	<u>\$ 181,722</u>	<u>\$ 161,760</u>	<u>\$ 159,907</u>	<u>\$ 157,645</u>	<u>\$ 157,330</u>
Net OPEB liability	<u>\$ 6,005,101</u>	<u>\$ 14,344,575</u>	<u>\$ 13,963,157</u>	<u>\$ 14,313,112</u>	<u>\$ 18,918,747</u>	<u>\$ 21,247,005</u>	<u>\$ 18,073,142</u>	<u>\$ 12,934,077</u>	<u>\$ 12,218,620</u>
Fiduciary net position as a % of total OPEB liability	<u>6.59%</u>	<u>2.01%</u>	<u>1.22%</u>	<u>1.08%</u>	<u>0.95%</u>	<u>0.76%</u>	<u>0.88%</u>	<u>1.20%</u>	<u>1.27%</u>
Covered payroll	\$ 13,569,247	\$ 12,337,117	\$ 13,061,223	\$ 11,946,398	\$ 11,536,020	\$ 11,042,301	\$ 9,919,302	\$ 9,938,115	\$ 9,779,935
Net OPEB liability as a % of payroll	44%	116%	107%	120%	164%	192%	182%	130%	125%

Notes to Schedule:

Benefits changes: none
Changes in assumptions: none

<u>Discount rate:</u>	
6/30/2017	3.58%
6/30/2018	3.62%
6/30/2019	3.13%
6/30/2020	2.45%
6/30/2021	1.92%
6/30/2022	3.69%
6/30/2023	3.86%
6/30/2024	3.97%
6/30/2025	4.81%

The above schedule is intended to show information for ten years. Additional years' information will be displayed as they become available.

The County Commissioners of Kent County, Maryland
Schedule of the County's Proportionate Share of the Total pension Liability

Employee's Pension Plan

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportion of the net pension liability	0.0877%	0.0710%	0.0624%	6.3900%	0.0598%	0.0573%	0.0545%	0.0470%	0.0480%	0.0459%
County's proportionate share of the net pension liability	<u>\$19,570,202</u>	<u>\$16,352,926</u>	<u>\$12,476,773</u>	<u>\$ 9,590,041</u>	<u>\$13,504,652</u>	<u>\$11,816,245</u>	<u>\$11,437,160</u>	<u>\$10,227,322</u>	<u>\$11,324,075</u>	<u>\$ 9,528,916</u>
Total	<u>\$19,570,202</u>	<u>\$16,352,926</u>	<u>\$12,476,773</u>	<u>\$ 9,590,041</u>	<u>\$13,504,652</u>	<u>\$11,816,245</u>	<u>\$11,437,160</u>	<u>\$10,227,322</u>	<u>\$11,324,075</u>	<u>\$ 9,528,916</u>
County's covered payroll	\$16,272,065	\$13,943,331	\$10,613,707	\$11,246,653	\$10,624,941	\$10,278,413	\$ 9,948,962	\$ 8,894,900	\$ 7,544,607	\$ 8,149,823
County's proportionate share of the net pension liability as a percentage of its covered payroll	120.27%	117.28%	117.55%	85.27%	127.10%	114.96%	114.96%	114.98%	150.09%	116.92%
Plan fiduciary net position as a percentage of the total pension liability	72.08%	73.81%	76.27%	81.84%	70.72%	72.34%	71.18%	69.38%	65.79%	68.78%

Schedule of County Contributions

Employee's Pension Plan

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 2,196,687	\$ 2,295,002	\$ 1,939,232	\$ 1,444,701	\$ 1,454,313	\$ 1,276,776	\$ 1,179,212	\$ 1,094,581	\$ 969,388	\$ 948,188
Contributions in relation to the contractually required contribution	<u>(2,196,687)</u>	<u>(2,295,002)</u>	<u>(1,939,232)</u>	<u>(1,444,701)</u>	<u>(1,454,313)</u>	<u>(1,276,776)</u>	<u>(1,179,212)</u>	<u>(1,094,581)</u>	<u>(969,388)</u>	<u>(948,188)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$13,788,582	\$16,272,065	\$13,943,331	\$10,613,707	\$11,246,653	\$10,624,941	\$10,278,413	\$ 9,948,962	\$ 8,894,900	\$ 7,544,607
Contributions as a percentage of covered payroll	15.93%	14.10%	13.91%	13.61%	12.93%	12.02%	11.47%	11.00%	10.90%	12.57%



Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

The County Commissioners of Kent County, Maryland
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2025

	<u>Agricultural Preservation</u>	<u>Inmate Welfare</u>	<u>Reforestation & Open Space</u>	<u>Law Library</u>	<u>Regional Family Services</u>	<u>Weed Control</u>	<u>Kent Family Center</u>	<u>Local Management Board</u>	<u>Opioid Restitution</u>
ASSETS									
Equity in pooled cash	\$ 86,904	\$ 143,431	\$ 137,810	\$ 3,827	\$ 591	\$ 15,603	\$ -	\$ 78,292	\$ 310,751
Intergovernmental receivable	-	-	-	402	-	18,000	119,527	120,230	-
Receivables	-	1,943	-	-	-	-	-	-	-
Prepaid	-	-	-	-	-	-	8,106	212	-
Total assets	<u>\$ 86,904</u>	<u>\$ 145,374</u>	<u>\$ 137,810</u>	<u>\$ 4,229</u>	<u>\$ 591</u>	<u>\$ 33,603</u>	<u>\$ 127,633</u>	<u>\$ 198,734</u>	<u>\$ 310,751</u>
LIABILITIES									
Accounts payable	\$ -	\$ 804	\$ -	\$ -	\$ -	\$ 7,196	\$ 2,241	\$ 28,674	\$ -
Accrued liabilities	-	-	-	-	-	3,418	16,446	9,225	-
Intergovernmental payable	5,500	-	-	-	-	-	-	159,862	-
Due to other funds	-	-	-	-	-	-	99,545	-	-
Unearned revenue	-	-	-	2,500	-	-	5,073	973	-
Total liabilities	<u>5,500</u>	<u>804</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>10,614</u>	<u>123,305</u>	<u>198,734</u>	<u>-</u>
FUND BALANCES									
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,106	\$ 212	\$ -
Restricted	81,404	144,570	109,819	1,729	591	-	-	-	310,751
Committed	-	-	27,991	-	-	-	-	-	-
Assigned	-	-	-	-	-	22,989	7,173	-	-
Unassigned	-	-	-	-	-	-	(10,951)	(212)	-
Total fund balances	<u>81,404</u>	<u>144,570</u>	<u>137,810</u>	<u>1,729</u>	<u>591</u>	<u>22,989</u>	<u>4,328</u>	<u>-</u>	<u>310,751</u>
Total liabilities and fund balances	<u>\$ 86,904</u>	<u>\$ 145,374</u>	<u>\$ 137,810</u>	<u>\$ 4,229</u>	<u>\$ 591</u>	<u>\$ 33,603</u>	<u>\$ 127,633</u>	<u>\$ 198,734</u>	<u>\$ 310,751</u>

The County Commissioners of Kent County, Maryland
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2025

	Kent County				Special			Project	Community		Total
	Drug Task	Sheriff's	Shop With	Kennedyville	Events	Platform	Post	Open	Reinvestment	HotDesks	Nonmajor
	Force	Forfeitures	A Cop	Development	Overtime	Tennis	Prom	Space	& Repair		Governmental
											Funds
ASSETS											
Equity in pooled cash	\$ 79,884	\$ 73,642	\$ 307	\$ 199,435	\$ 6,827	\$ 382	\$ 884	\$ -	\$ 466,667	\$ -	\$ 1,605,237
Intergovernmental receivable	-	-	-	-	-	-	-	392,619	-	-	650,778
Receivables	-	-	-	-	1,400	-	-	-	-	-	3,343
Prepaid	600	-	-	-	-	-	-	-	-	1,100	10,018
Total assets	\$ 80,484	\$ 73,642	\$ 307	\$ 199,435	\$ 8,227	\$ 382	\$ 884	\$ 392,619	\$ 466,667	\$ 1,100	\$ 2,269,376
LIABILITIES											
Accounts payable	\$ 470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 913	\$ 40,298
Accrued liabilities	62,230	42,909	-	-	-	-	-	-	-	-	134,228
Intergovernmental payable	-	-	-	-	-	-	-	-	-	-	165,362
Due to other funds	-	-	-	-	-	-	-	392,619	-	187	492,351
Unearned revenue	-	-	-	199,435	-	-	-	-	-	-	207,981
Total liabilities	62,700	42,909	-	199,435	-	-	-	392,619	-	1,100	1,040,220
FUND BALANCES											
Nonspendable	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100	\$ 10,018
Restricted	17,784	10,156	-	-	-	-	-	-	466,667	-	1,143,471
Committed	-	-	-	-	-	-	-	-	-	-	27,991
Assigned	-	20,577	307	-	8,227	382	884	-	-	-	60,539
Unassigned	(600)	-	-	-	-	-	-	-	-	(1,100)	(12,863)
Total fund balances	17,784	30,733	307	-	8,227	382	884	-	466,667	-	1,229,156
Total liabilities and fund balances	\$ 80,484	\$ 73,642	\$ 307	\$ 199,435	\$ 8,227	\$ 382	\$ 884	\$ 392,619	\$ 466,667	\$ 1,100	\$ 2,269,376

The County Commissioners of Kent County, Maryland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	<u>Agricultural Preservation</u>	<u>Inmate Welfare</u>	<u>Reforestation & Open Space</u>	<u>Law Library</u>	<u>Regional Family Services</u>	<u>Weed Control</u>	<u>Kent Family Center</u>	<u>Local Management Board</u>	<u>Opioid Restitution</u>
REVENUES									
Taxes	\$ 31,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	9,102	-	-	368,697	612,309	-
Charges for services	-	-	-	-	-	35,662	489	-	-
Fines and forfeitures	-	-	29,845	-	-	-	-	-	-
Miscellaneous	-	29,175	-	-	-	-	-	7,820	96,883
Total revenues	<u>31,236</u>	<u>29,175</u>	<u>29,845</u>	<u>9,102</u>	<u>-</u>	<u>35,662</u>	<u>369,186</u>	<u>620,129</u>	<u>96,883</u>
EXPENDITURES									
Current									
General government	-	-	-	29,230	-	-	-	-	-
Public safety	-	31,650	-	-	-	-	-	-	-
Public works	-	-	-	-	-	49,334	-	-	-
Health & social services	-	-	-	-	-	-	639,508	684,186	-
Parks recreation & culture	-	-	-	-	-	-	-	-	-
Resource conservation & development	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Tourism & economic development	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Debt service:									
Lease principal	-	-	-	-	-	12,553	42,023	-	-
Lease interest	-	-	-	-	-	1,828	4,930	-	-
Total expenditures	<u>-</u>	<u>31,650</u>	<u>-</u>	<u>29,230</u>	<u>-</u>	<u>63,715</u>	<u>686,461</u>	<u>684,186</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,236</u>	<u>(2,475)</u>	<u>29,845</u>	<u>(20,128)</u>	<u>-</u>	<u>(28,053)</u>	<u>(317,275)</u>	<u>(64,057)</u>	<u>96,883</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	4,165	-	-	20,530	-	-	88,161	64,057	-
Transfers out	-	-	-	-	-	-	-	-	-
Sale of general capital assets	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	6,092	228,962	-	-
Total other financing sources (uses)	<u>4,165</u>	<u>-</u>	<u>-</u>	<u>20,530</u>	<u>-</u>	<u>6,092</u>	<u>317,123</u>	<u>64,057</u>	<u>-</u>
Net change in fund balances	35,401	(2,475)	29,845	402	-	(21,961)	(152)	-	96,883
Fund balances - beginning	46,003	147,045	107,965	1,327	591	44,950	4,480	-	213,868
Fund balances - ending	<u>\$ 81,404</u>	<u>\$ 144,570</u>	<u>\$ 137,810</u>	<u>\$ 1,729</u>	<u>\$ 591</u>	<u>\$ 22,989</u>	<u>\$ 4,328</u>	<u>\$ -</u>	<u>\$ 310,751</u>

The County Commissioners of Kent County, Maryland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Kent County Drug Task Force	Sheriff's Forfeitures	Shop With A Cop	Kennedyville Development	Special Events Overtime	Platform Tennis	Post Prom	Project Open Space	Community Reinvestment & Repair	HotDesks	Total Nonmajor Governmental Funds
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,236
Intergovernmental	-	-	-	-	-	-	-	383,243	247,139	-	1,620,490
Charges for services	-	-	-	-	4,660	-	-	-	-	8,830	49,641
Fines and forfeitures	12,086	-	-	-	-	-	-	-	-	-	41,931
Miscellaneous	-	-	-	-	-	-	-	-	-	-	133,878
Total revenues	<u>12,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,660</u>	<u>-</u>	<u>-</u>	<u>383,243</u>	<u>247,139</u>	<u>8,830</u>	<u>1,877,176</u>
EXPENDITURES											
Current											
General government	-	-	-	-	-	-	-	-	-	-	29,230
Public safety	8,853	-	-	-	4,130	-	-	-	-	-	44,633
Public works	-	-	-	-	-	-	-	-	-	-	49,334
Health & social services	-	-	-	-	-	-	-	-	-	-	1,323,694
Parks recreation & culture	-	-	-	-	-	-	-	424,678	-	-	424,678
Resource conservation & development	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-
Tourism & economic development	-	-	-	-	-	-	-	-	-	23,055	23,055
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Lease principal	-	-	-	-	-	-	-	-	-	-	54,576
Lease interest	-	-	-	-	-	-	-	-	-	-	6,758
Total expenditures	<u>8,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,130</u>	<u>-</u>	<u>-</u>	<u>424,678</u>	<u>-</u>	<u>23,055</u>	<u>1,955,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>530</u>	<u>-</u>	<u>-</u>	<u>(41,435)</u>	<u>247,139</u>	<u>(14,225)</u>	<u>(78,782)</u>
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	-	-	-	41,435	-	14,225	232,573
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Sale of general capital assets	1,550	-	-	-	-	-	-	-	-	-	1,550
Leases	-	-	-	-	-	-	-	-	-	-	235,054
Total other financing sources (uses)	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,435</u>	<u>-</u>	<u>14,225</u>	<u>469,177</u>
Net change in fund balances	4,783	-	-	-	530	-	-	-	247,139	-	390,395
Fund balances - beginning	13,001	30,733	307	-	7,697	382	884	-	219,528	-	838,761
Fund balances - ending	<u>\$ 17,784</u>	<u>\$ 30,733</u>	<u>\$ 307</u>	<u>\$ -</u>	<u>\$ 8,227</u>	<u>\$ 382</u>	<u>\$ 884</u>	<u>\$ -</u>	<u>\$ 466,667</u>	<u>\$ -</u>	<u>\$ 1,229,156</u>



Custodial Funds

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

The County Commissioners of Kent County, Maryland
Combining Schedule of Fiduciary Net Position – Custodial Funds
June 30, 2025

	State and Town Tax Collections	Millington Public Drainage Tax	Inmate Accounts	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 15,303	\$ 15,303
Equity in pooled cash	87,770	11,824	-	99,594
Receivables:				
Taxes for other governments	519,063	15	-	519,078
Total receivables	<u>519,063</u>	<u>15</u>	<u>-</u>	<u>519,078</u>
Total assets	<u>606,833</u>	<u>11,839</u>	<u>15,303</u>	<u>633,975</u>
LIABILITIES				
Accounts payable and other liabilities	-	-	15,303	15,303
Due to other governments	<u>606,833</u>	<u>11,839</u>	<u>-</u>	<u>618,672</u>
Total liabilities	<u>606,833</u>	<u>11,839</u>	<u>15,303</u>	<u>633,975</u>
NET POSITION				
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The County Commissioners of Kent County, Maryland
Combining Schedule of Changes in Fiduciary Net Position – Custodial Funds
For the Year Ended June 30, 2025

	State and Town Tax Collections	Millington Public Drainage Tax	Inmate Accounts	Total
ADDITIONS				
Property tax collections for other governments	\$ 12,849,320	\$ 2,011	\$ -	\$ 12,851,331
Funds collected for inmates	-	-	100,423	100,423
Total additions	<u>12,849,320</u>	<u>2,011</u>	<u>100,423</u>	<u>12,951,754</u>
DEDUCTIONS				
Property tax payments to other governments	12,849,320	2,011	-	12,851,331
Funds distributed to inmates	-	-	100,423	100,423
Total deductions	<u>12,849,320</u>	<u>2,011</u>	<u>100,423</u>	<u>12,951,754</u>
Net increase/(decrease) in fiduciary net position	-	-	-	-
Net position - beginning	-	-	-	-
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Local Management Board

County Commissioners of Kent County, Maryland
Combining Balance Sheet – Local Management Board
June 30, 2025

	<u>Home Visiting</u>	<u>Total Non Community Partnership Agreement</u>	<u>Community Partnership Agreement</u>
ASSETS			
Cash and cash equivalents	\$ (82,976)	\$ (82,976)	\$ 115,796
Intergovernmental receivable	95,782	95,782	1
Receivables	-	-	-
Prepaid	-	-	-
Total assets	<u>\$ 12,806</u>	<u>\$ 12,806</u>	<u>\$ 115,797</u>
LIABILITIES			
Accounts payable	\$ 396	\$ 396	\$ 24,387
Accrued liabilities	-	-	9,225
Intergovernmental payable	12,410	12,410	82,185
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>12,806</u>	<u>12,806</u>	<u>115,797</u>
FUND BALANCES			
Nonspendable	-	-	-
Prepaid	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 12,806</u>	<u>\$ 12,806</u>	<u>\$ 115,797</u>

**The County Commissioners of Kent County, Maryland
Combining Balance Sheet – Local Management Board
June 30, 2025**

	<u>Incentive Reinvestment</u>	<u>County Funded Programs</u>	<u>Other Programs</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 31,589	\$ 3,091	\$ 10,792	\$ 78,292
Intergovernmental receivable	-	-	24,447	120,230
Receivables	-	-	-	-
Prepaid	-	-	212	212
Total assets	<u>\$ 31,589</u>	<u>\$ 3,091</u>	<u>\$ 35,451</u>	<u>\$ 198,734</u>
LIABILITIES				
Accounts payable	\$ -	\$ 3,091	\$ 800	\$ 28,674
Accrued liabilities	-	-	-	9,225
Intergovernmental payable	31,589	-	33,678	159,862
Due to other funds	-	-	-	-
Unearned revenue	-	-	973	973
Total liabilities	<u>31,589</u>	<u>3,091</u>	<u>35,451</u>	<u>198,734</u>
FUND BALANCES				
Nonspendable	-	-	212	212
Prepaid	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
	-	-	(212)	(212)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 31,589</u>	<u>\$ 3,091</u>	<u>\$ 35,451</u>	<u>\$ 198,734</u>

The County Commissioners of Kent County, Maryland
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Local Management Board
For the Year Ended June 30, 2025

	Home Visiting	Total Non Community Partnership Agreement	Community Partnership Agreement
REVENUES			
Community partnership agreement:			
Earned reinvestment	\$ -	\$ -	\$ -
Children's cabinet	-	-	545,407
Total community partnership agreement	-	-	545,407
Non-community partnership agreement			
Other intergovernmental revenue	63,378	63,378	-
Miscellaneous	-	-	-
Total revenues	63,378	63,378	545,407
EXPENDITURES			
Administration:			
Salaries	-	-	84,844
Fringe costs	-	-	44,321
Contract services	-	-	24,884
Communications	-	-	-
Printing/Copies	667	667	-
Dues, subscriptions and licenses	1,209	1,209	1,053
Conferences and conventions	500	500	450
Business travel	726	726	2,177
Supplies	2,353	2,353	1,231
Capital outlay	-	-	-
Total administration expenditures	5,455	5,455	158,960
Programs:			
Healthy families mid-shore	-	-	84,864
Local care team	-	-	113,967
KCMS After School Program	-	-	117,616
Home visiting	57,923	57,923	-
Youth Spaces	-	-	-
Student Behavior Health	-	-	70,000
Total program expenditures	57,923	57,923	386,447
Total expenditures	63,378	63,378	545,407
Excess (deficiency) of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	\$ -	\$ -	\$ -
Fund balances - beginning			
Fund balances - ending			

The County Commissioners of Kent County, Maryland
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Local Management Board
For the Year Ended June 30, 2025

	<u>Incentive Reinvestment</u>	<u>County Funded Programs</u>	<u>Other Programs</u>	<u>Total</u>
REVENUES				
Community partnership agreement:				
Earned reinvestment	\$ -	\$ -	\$ -	\$ -
Children's cabinet	-	-	-	545,407
Total community partnership agreement	-	-	-	545,407
Non-community partnership agreement				
Other intergovernmental revenue	-	-	3,524	66,902
Miscellaneous	-	-	7,820	7,820
Total revenues	-	-	11,344	620,129
EXPENDITURES				
Administration:				
Salaries	-	22,792	-	107,636
Fringe costs	-	10,798	-	55,119
Contract services	-	1,091	-	25,975
Communications	-	-	-	-
Printing/Copies	-	-	-	667
Dues, subscriptions and licenses	-	634	-	2,896
Conferences and conventions	-	-	-	950
Business travel	-	194	-	3,097
Supplies	-	1,548	11,344	16,476
Capital outlay	-	-	-	-
Total administration expenditures	-	37,057	11,344	212,816
Programs:				
Healthy families mid-shore	-	-	-	84,864
Local care team	-	-	-	113,967
KCMS After School Program	-	-	-	117,616
Home visiting	-	-	-	57,923
Youth Spaces	-	-	-	-
Student Behavior Health	-	27,000	-	97,000
Total program expenditures	-	27,000	-	471,370
Total expenditures	-	64,057	11,344	684,186
Excess (deficiency) of revenues over (under) expenditures	-	(64,057)	-	(64,057)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	64,057	-	64,057
Transfers out	-	-	-	-
Total other financing sources (uses)	-	64,057	-	64,057
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning				-
Fund balances - ending				\$ -



Statistical Section

The Statistical Section fully incorporates information mandated by the Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*. This section presents detailed information for the primary government in the following areas, which provide a context for understanding what the information in the Financial Section says about the County's overall financial health:

FINANCIAL TRENDS - Information to help the reader understand how the County's financial performance and well-being have changed over time.

REVENUE CAPACITY - Information to help the reader assess the County's most significant local revenue sources.

DEBT CAPACITY – Information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – Indicator to help the reader understand the environment within which the County's financial activities take place.

OPERATING INFORMATION – Service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Many of the tables cover more than two fiscal years and present data from outside the accounting records. Therefore, the Statistical Section is unaudited.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in										
Capital Assets	\$ 37,465,079	\$ 36,695,641	\$ 44,386,154	\$ 44,156,295	\$ 44,624,458	\$ 45,288,933	\$ 45,196,500	\$ 46,206,416	\$ 45,854,935	\$ 47,110,817
Restricted	1,100,385	1,324,904	1,202,595	1,406,443	1,367,763	1,125,338	1,626,771	1,201,392	2,095,999	2,163,093
Unrestricted (deficit)	(3,878,581)	(5,273,471)	(16,132,247)	(16,762,838)	(19,795,979)	(17,672,885)	(10,916,808)	(8,432,148)	(2,325,652)	4,233,345
	<u>34,686,883</u>	<u>32,747,074</u>	<u>29,456,502</u>	<u>28,799,900</u>	<u>26,196,242</u>	<u>28,741,386</u>	<u>35,906,463</u>	<u>38,975,660</u>	<u>45,625,282</u>	<u>53,507,255</u>
Business-Type Activities										
Net Investment in										
Capital Assets	28,687,052	26,773,981	26,598,855	27,992,958	27,730,118	27,322,054	26,642,450	26,603,256	25,918,309	26,724,709
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(167,473)	535,147	428,104	261,870	331,520	419,572	504,983	568,517	653,781	716,489
	<u>28,519,579</u>	<u>27,309,128</u>	<u>27,026,959</u>	<u>28,254,828</u>	<u>28,061,638</u>	<u>27,741,626</u>	<u>27,147,433</u>	<u>27,171,773</u>	<u>26,572,090</u>	<u>27,441,198</u>
Primary Government										
Net Investment in										
Capital Assets	66,152,131	63,469,622	70,985,009	72,149,253	72,354,576	72,610,987	71,838,950	72,809,672	71,773,244	73,835,526
Restricted	1,100,385	1,324,904	1,202,595	1,406,443	1,367,763	1,125,338	1,626,771	1,201,392	2,095,999	2,163,093
Unrestricted (deficit)	(4,046,054)	(4,738,324)	(15,704,143)	(16,500,968)	(19,464,459)	(17,253,313)	(10,411,825)	(7,863,631)	(1,671,871)	4,949,834
	<u>\$ 63,206,462</u>	<u>\$ 60,056,202</u>	<u>\$ 56,483,461</u>	<u>\$ 57,054,728</u>	<u>\$ 54,257,880</u>	<u>\$ 56,483,012</u>	<u>\$ 63,053,896</u>	<u>\$ 66,147,433</u>	<u>\$ 72,197,372</u>	<u>\$ 80,948,453</u>

*Accounting Standards require that net assets be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Primary government										
General government	\$ 6,996,288	\$ 13,156,835	\$ 6,778,790	\$ 7,552,799	\$ 8,113,135	\$ 9,804,235	\$ 8,701,888	\$ 11,368,394	\$ 10,593,534	\$ 10,379,535
Public safety	10,925,385	11,047,333	10,913,983	12,569,374	13,166,405	13,030,751	12,915,872	13,797,894	15,555,500	16,391,140
Public works	4,838,919	5,129,235	5,709,649	6,194,260	6,612,374	5,469,460	5,817,744	7,579,526	6,710,766	6,962,718
Health and social services	2,091,870	1,839,334	1,832,417	2,034,855	2,074,507	2,325,489	3,077,573	2,683,549	3,361,834	3,360,707
Education	18,454,631	17,624,105	17,990,064	18,122,921	20,444,445	21,204,266	19,282,485	19,105,024	20,196,169	21,024,577
Culture and recreation	1,871,969	2,057,603	2,007,342	2,116,306	1,928,160	1,790,800	2,527,411	6,064,051	2,109,307	2,517,690
Libraries	725,264	692,436	1,251,179	699,861	685,526	616,973	713,899	713,899	756,152	793,960
Resource conservation	393,922	353,331	474,044	349,513	365,026	333,348	404,303	371,554	376,794	410,503
Community development	807,887	625,041	824,273	913,277	1,290,572	1,499,666	633,242	842,908	825,312	775,815
Debt service	1,053,398	1,124,064	275,586	260,762	2,532,718	154,518	52,455	14,381	45,700	16,158
Total governmental activities expense	48,159,533	53,649,317	48,057,327	50,813,928	57,212,868	56,229,506	54,126,872	62,541,180	60,531,068	62,632,803
Business-type activities										
Water and wastewater services	3,668,292	4,952,221	4,232,540	4,254,327	4,022,805	4,873,028	4,149,890	4,533,672	4,720,324	4,941,376
Bayside landing	28,759	29,835	42,143	32,516	31,457	40,431	29,160	27,674	30,970	22,029
Total business-type activities expense	3,697,051	4,982,056	4,274,683	4,286,843	4,054,262	4,913,459	4,179,050	4,561,346	4,751,294	4,963,405
Total Primary Government Expenses	\$ 51,856,584	\$ 58,631,373	\$ 52,332,010	\$ 55,100,771	\$ 61,267,130	\$ 61,142,965	\$ 58,305,922	\$ 67,102,526	\$ 65,282,362	\$ 67,596,208
Program Revenues										
Primary government										
General government										
Charges for services	\$ 117,283	\$ 115,473	\$ 116,728	\$ 111,349	\$ 52,888	\$ 52,881	\$ 63,667	\$ 82,515	\$ 63,622	\$ 101,511
Operating grants and contributions	157,690	173,386	231,493	222,240	292,969	261,801	263,648	25,271	471,537	461,355
Capital grants and contributions	15,125	3,630,596	3,251,018	76,528	158,244	815,714	1,181,776	481,693	-	17,415
Total revenue	290,098	3,919,455	3,599,239	410,117	504,101	1,130,396	1,509,091	589,479	535,159	580,281
Public safety										
Charges for services	149,570	100,752	105,542	106,313	86,380	49,456	29,977	82,842	90,552	91,719
Operating grants and contributions	797,698	664,706	667,560	606,374	656,954	716,395	694,869	1,277,644	1,954,322	1,831,595
Capital grants and contributions	23,926	42,133	19,770	42,133	-	-	-	-	-	-
Total revenue	971,194	807,591	792,872	754,820	743,334	765,851	724,846	1,360,486	2,044,874	1,923,314
Public works										
Charges for services	108,899	161,647	179,553	249,409	311,705	328,827	480,974	390,202	348,880	369,154
Operating grants and contributions	325,310	303,315	401,674	550,982	514,967	580,447	615,269	633,788	721,703	820,590
Capital grants and contributions	94,654	94,892	271,459	158,828	321,336	575,646	512,954	4,194,317	2,640,914	762,908
Total revenue	528,863	559,854	852,686	959,219	1,148,008	1,484,920	1,609,197	5,218,307	3,711,497	1,952,652

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Health and social services										
Charges for services	12,458	12,582	50,453	104,259	28,950	12,217	12,590	12,773	12,325	11,714
Operating grants and contributions	1,170,115	925,792	904,507	935,961	1,484,493	3,454,276	1,797,039	1,224,447	1,430,204	1,436,766
Capital grants and contributions	1,200	-	-	-	-	-	-	-	-	-
Total revenue	1,183,773	938,374	954,960	1,040,220	1,513,443	3,466,493	1,809,629	1,237,220	1,442,529	1,448,480
Education										
Operating grants and contributions	-	-	-	-	-	-	-	-	250,000	-
Total revenue	-	-	-	-	-	-	-	-	250,000	-
Culture and recreation										
Charges for services	179,414	189,572	158,782	168,488	118,328	42,674	140,293	186,850	241,766	233,994
Operating grants and contributions	26,747	4,192	85,450	2,626	-	-	-	-	-	2,975
Capital grants and contributions	97,790	217,596	-	23,168	-	-	162,708	697,948	219,464	550,848
Total revenue	303,951	411,360	244,232	194,282	118,328	42,674	303,001	884,798	461,230	787,817
Resource and conservation										
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-	-	-	-	-
Community development										
Charges for services	-	-	-	-	-	-	-	9,437	15,158	8,829
Operating grants and contributions	72,791	87,868	268,875	276,161	297,986	259,660	91,042	261,491	225,011	122,317
Capital grants and contributions	51,960	-	-	-	-	-	-	-	-	-
Total revenue	124,751	87,868	268,875	276,161	297,986	259,660	91,042	270,928	240,169	131,146
Total primary government activities program revenues	3,402,630	6,724,502	6,712,864	3,634,819	4,325,200	7,149,994	6,046,806	9,561,218	8,685,458	6,823,690
Business-type activities program revenue										
Water and wastewater services										
Charges for services	2,081,552	2,052,616	2,069,819	2,145,668	2,358,073	2,616,788	2,621,816	2,709,510	2,816,507	2,927,198
Operating grants and contributions	2,760	-	129,720	-	-	-	-	-	-	-
Capital grants and contributions	-	810,475	834,259	2,066,285	425,249	201,640	-	498,266	-	-
Total revenue	2,084,312	2,863,091	3,033,798	4,211,953	2,783,322	2,818,428	2,621,816	3,207,776	2,816,507	2,927,198
Bayside landing										
Charges for services	42,641	42,781	40,200	41,156	46,093	50,650	51,888	48,070	47,280	-
Operating grants and contributions	-	-	1,653	1,215	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	3,100	26,300	2,150	813,085
Total revenue	42,641	42,781	41,853	42,371	46,093	50,650	54,988	74,370	49,430	813,085
Total business-type activities program revenues	2,126,953	2,905,872	3,075,651	4,254,324	2,829,415	2,869,078	2,676,804	3,282,146	2,865,937	3,740,283
Net (Expense) Revenue										
Governmental activities	(44,756,903)	(46,924,815)	(41,344,463)	(47,179,109)	(52,887,668)	(49,079,512)	(48,080,066)	(52,979,962)	(51,845,610)	(55,809,113)
Business-type activities	(1,570,098)	(2,076,184)	(1,199,032)	(32,519)	(1,224,847)	(2,044,381)	(1,502,246)	(1,279,200)	(1,885,357)	(1,223,122)
Total primary government net expense	<u>\$ (46,327,001)</u>	<u>\$ (49,000,999)</u>	<u>\$ (42,543,495)</u>	<u>\$ (47,211,628)</u>	<u>\$ (54,112,515)</u>	<u>\$ (51,123,893)</u>	<u>\$ (49,582,312)</u>	<u>\$ (54,259,162)</u>	<u>\$ (53,730,967)</u>	<u>\$ (57,032,235)</u>

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General revenues and other changes in net assets										
Government activities										
Property taxes	\$ 30,451,731	\$ 30,486,484	\$ 30,707,075	\$ 31,127,922	\$ 31,269,648	\$ 31,862,508	\$ 32,059,470	\$ 32,613,317	\$ 34,655,188	\$ 36,092,540
County income taxes	12,341,494	12,732,081	13,389,378	13,687,072	16,905,944	17,102,751	19,225,239	20,935,331	19,969,890	23,559,346
Other taxes	1,965,759	1,949,634	2,042,652	2,030,866	2,011,884	3,710,828	4,078,203	2,706,679	3,171,993	3,454,832
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Other revenues	673,819	641,837	733,270	842,544	1,084,395	634,634	571,187	988,839	1,907,527	2,516,127
Capital contributions - developers	-	-	-	-	-	-	-	-	-	-
Transfers	(868,147)	(825,030)	(880,064)	(1,165,897)	(987,861)	(1,686,065)	(688,956)	(1,195,007)	(1,209,366)	(1,931,759)
Total governmental activities	44,564,656	44,985,006	45,992,311	46,522,507	50,284,010	51,624,656	55,245,143	56,049,159	58,495,232	63,691,086
Business-type activities										
Investment income	-	-	-	-	-	-	-	-	-	-
Other revenues	25,780	40,703	36,799	94,491	43,796	38,304	219,097	108,533	76,308	160,471
Transfers	868,147	825,030	880,064	1,165,897	987,861	1,686,065	688,956	1,195,007	1,209,366	1,931,759
Total business-type activities	893,927	865,733	916,863	1,260,388	1,031,657	1,724,369	908,053	1,303,540	1,285,674	2,092,230
Total primary government	45,458,583	45,850,739	46,909,174	47,782,895	51,315,667	53,349,025	56,153,196	57,352,699	59,780,906	65,783,316
Change in net position										
Governmental activities	(192,247)	(1,939,809)	4,647,848	(656,602)	(2,603,658)	2,545,144	7,165,077	3,069,197	6,649,622	7,881,973
Business-type activities	(676,171)	(1,210,451)	(282,169)	1,227,869	(193,190)	(320,012)	(594,193)	24,340	(599,683)	869,108
Total primary government	\$ (868,418)	\$ (3,150,260)	\$ 4,365,679	\$ 571,267	\$ (2,796,848)	\$ 2,225,132	\$ 6,570,884	\$ 3,093,537	\$ 6,049,939	\$ 8,751,081

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 517,604	\$ 752,291	\$ 694,784	\$ 848,466	\$ 896,627	\$ 662,085	\$ 1,120,970	\$ 793,235	\$ 1,257,238	\$ 933,937
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	5,134,904	3,770,373	1,665,530	1,053,753	2,348,468	2,305,246	5,411,654	2,719,998	6,634,605	17,302,254
Assigned	-	-	-	-	-	-	-	-	-	120,000
Unassigned	4,967,599	5,296,459	3,716,656	4,617,326	5,632,467	8,907,882	9,253,569	12,651,192	14,193,572	10,141,379
Total General Fund	<u>10,620,107</u>	<u>9,819,123</u>	<u>6,076,970</u>	<u>6,519,545</u>	<u>8,877,562</u>	<u>11,875,213</u>	<u>15,786,193</u>	<u>16,164,425</u>	<u>22,085,415</u>	<u>28,497,570</u>
All Other Governmental Funds										
Nonspendable	-	-	189,466	51,571	-	8,513	8,344	11,877	9,656	10,018
Restricted	496,897	467,438	359,075	345,054	330,386	341,201	374,286	284,590	731,493	1,143,471
Committed	30,175	30,175	30,175	30,175	27,991	27,991	27,991	27,991	27,991	27,991
Assigned	55,709	75,000	118,561	182,748	112,759	90,730	99,591	98,422	82,123	60,539
Unassigned	-	-	(189,466)	(51,571)	(54,497)	(133,602)	(162,087)	(145,477)	(124,083)	(221,715)
Total All Other Governmental Funds	<u>582,781</u>	<u>572,613</u>	<u>507,811</u>	<u>557,977</u>	<u>416,639</u>	<u>334,833</u>	<u>348,125</u>	<u>277,403</u>	<u>727,180</u>	<u>1,020,304</u>
Total All Governmental Funds	<u>\$ 11,202,888</u>	<u>\$ 10,391,736</u>	<u>\$ 6,584,781</u>	<u>\$ 7,077,522</u>	<u>\$ 9,294,201</u>	<u>\$ 12,210,046</u>	<u>\$ 16,134,318</u>	<u>\$ 16,441,828</u>	<u>\$ 22,812,595</u>	<u>\$ 29,517,874</u>

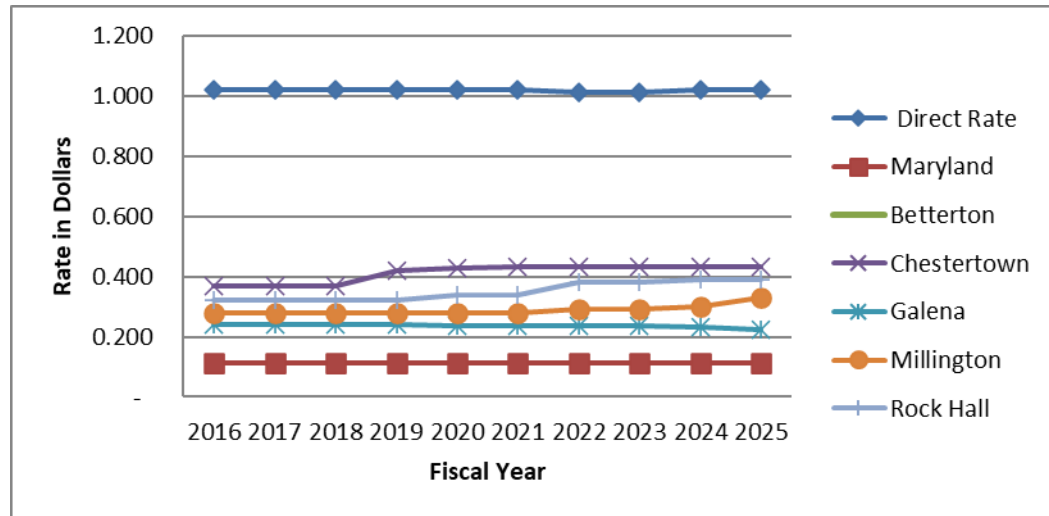
The County Commissioners of Kent County, Maryland
Financial Trends: Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes										
Property	\$ 29,951,731	\$ 29,986,484	\$ 30,207,075	\$ 30,627,922	\$ 31,769,648	\$ 32,281,508	\$ 32,073,034	\$ 32,585,559	\$ 34,199,006	\$ 36,232,882
Income	12,232,681	12,986,434	12,736,121	12,848,398	15,683,736	16,448,232	16,436,095	19,961,414	20,020,098	23,103,283
Other	1,965,759	1,949,634	2,042,652	2,030,866	2,011,884	3,710,828	4,078,203	2,706,679	3,171,993	3,454,832
State shared	228,948	224,873	-	-	-	-	-	-	-	-
Licenses and permits	325,727	339,840	311,801	355,703	317,696	410,223	339,901	381,117	340,075	372,837
Intergovernmental revenue	2,606,058	5,919,603	2,850,788	2,895,001	3,726,949	6,663,939	5,319,305	8,796,599	7,913,155	6,006,769
Service charges for current services	567,624	580,026	611,058	739,818	598,254	486,055	727,501	764,618	772,303	816,921
Fines and forfeitures	31,409	44,233	58,950	53,290	32,677	17,489	55,199	113,055	27,508	52,389
Miscellaneous revenue	329,514	294,924	363,337	453,862	776,685	218,728	166,419	789,108	1,571,222	2,033,457
Total revenues	48,239,451	52,326,051	49,181,782	50,004,860	54,917,529	60,237,002	59,195,657	66,098,149	68,015,360	72,073,370
Expenditures										
General government	6,110,099	9,787,805	6,131,512	6,573,699	6,961,795	8,094,775	8,674,446	11,796,246	10,786,483	10,103,391
Public safety	9,846,912	9,862,691	10,637,287	11,116,626	11,772,527	12,354,330	12,468,818	13,319,546	15,324,690	16,071,835
Public works	5,064,993	4,704,314	5,364,802	5,284,024	5,358,321	4,538,836	5,641,472	7,987,732	5,991,527	6,927,765
Health and social services	2,070,808	1,806,377	1,824,155	1,965,229	2,014,609	2,277,349	3,052,276	2,655,638	3,319,084	3,900,210
Education	17,982,973	17,613,193	17,710,564	17,734,289	18,555,959	19,020,661	19,049,753	19,039,365	20,194,889	21,024,577
Parks, recreation, and culture	1,493,879	1,516,010	1,709,938	1,609,550	1,495,002	1,324,236	1,763,324	2,462,071	1,963,072	2,578,895
Libraries	611,828	626,098	680,389	662,196	685,526	616,973	713,899	713,899	756,152	793,960
Resources conservation and development	393,922	353,331	474,044	349,513	365,026	333,348	404,303	371,554	376,794	410,503
Community development	798,178	603,126	803,413	851,069	1,232,319	1,484,601	628,755	852,798	819,513	751,752
Debt service										
Principal	1,216,255	1,263,843	1,313,297	1,402,689	6,253,896	1,928,866	1,440,526	1,374,389	1,433,676	1,588,102
Interest	523,290	475,723	426,289	380,869	415,903	250,089	251,055	188,689	214,009	224,745
Capital outlay	781,234	3,699,662	5,032,983	929,284	3,538,143	3,943,294	1,005,323	4,287,024	131,353	675,090
Total expenditures	46,894,371	52,312,173	52,108,673	48,859,037	58,649,026	56,167,358	55,093,950	65,048,951	61,311,242	65,050,825
Excess/(deficiency) of revenues over expenditures	1,345,080	13,878	(2,926,891)	1,145,823	(3,731,497)	4,069,644	4,101,707	1,049,198	6,704,118	7,022,545
Other financing sources (uses)										
Transfers in	783,003	3,550,919	4,881,572	938,696	1,374,537	2,956,217	997,976	4,450,473	276,311	983,332
Transfers out	(1,651,150)	(4,375,949)	(5,761,636)	(2,104,593)	(2,362,398)	(4,642,282)	(1,686,932)	(5,645,480)	(1,485,677)	(2,915,091)
Leases	-	-	-	512,815	536,037	487,968	471,821	309,140	576,513	1,534,843
Notes	-	-	-	-	-	-	-	-	231,275	-
Subscriptions	-	-	-	-	-	-	-	67,468	-	-
Sale of general capital assets	-	-	-	-	-	44,298	39,700	76,711	68,227	79,650
Proceeds from loans	-	-	-	-	6,400,000	-	-	-	-	-
	(868,147)	(825,030)	(880,064)	(653,082)	5,948,176	(1,153,799)	(177,435)	(741,688)	(333,351)	(317,266)
Net increase (decrease) in fund balance	\$ 476,933	\$ (811,152)	\$ (3,806,955)	\$ 492,741	\$ 2,216,679	\$ 2,915,845	\$ 3,924,272	\$ 307,510	\$ 6,370,767	\$ 6,705,279
Debt service as a percentage of noncapital expenditures	3.83%	3.35%	3.95%	3.74%	11.75%	4.06%	3.15%	2.49%	2.75%	2.96%

The County Commissioners of Kent County, Maryland
Revenue Capacity: Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	County Direct Rate	State of Maryland	Town of Betterton	Town of Chestertown	Town of Galena	Town of Millington	Town of Rock Hall
2016	1.022	0.112	0.3200	0.3700	0.2400	0.2800	0.320
2017	1.022	0.112	0.3200	0.3700	0.2403	0.2800	0.320
2018	1.022	0.112	0.3200	0.3700	0.2398	0.2800	0.320
2019	1.022	0.112	0.3181	0.4200	0.2404	0.2800	0.320
2020	1.022	0.112	0.3181	0.4300	0.2380	0.2800	0.340
2021	1.022	0.112	0.3181	0.4332	0.2350	0.2774	0.340
2022	1.012	0.112	0.3200	0.4332	0.2355	0.2909	0.380
2023	1.012	0.112	0.3181	0.4332	0.2355	0.2909	0.380
2024	1.022	0.112	0.3181	0.4332	0.2328	0.3000	0.390
2025	1.022	0.112	0.3181	0.4332	0.2220	0.3300	0.390

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

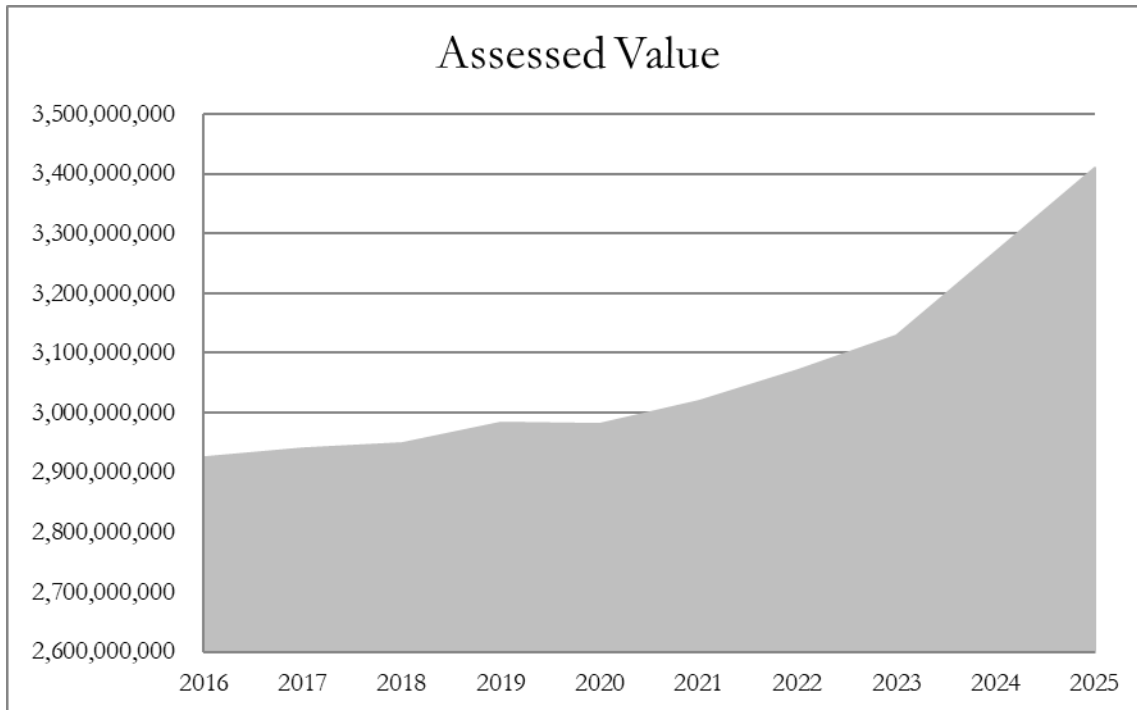


Source: State of Maryland and Towns of Betterton, Chestertown, Galena, Millington and Rock Hall.

The County Commissioners of Kent County, Maryland
Revenue Capacity: Assessed Value of Taxable and Exempt Property
Last Ten Fiscal Years

Fiscal Year	Real Property Assessed Value	Exempt-Homestead Credit	Total Assessed Value	Direct Tax Rate	Public Utility Operating Property	Taxable & Exempt Assessed Value
2016	2,906,711,725	60,881,252	2,845,830,473	1.022	18,888,010	2,925,599,735
2017	2,896,170,648	44,108,770	2,852,061,878	1.022	43,656,410	2,939,827,058
2018	2,904,904,108	32,440,332	2,872,463,776	1.022	43,452,270	2,948,356,378
2019	2,935,145,251	24,352,370	2,910,792,881	1.022	47,720,120	2,982,865,371
2020	2,930,267,110	19,412,279	2,910,854,831	1.022	50,016,020	2,980,283,130
2021	2,966,250,063	15,944,076	2,950,305,987	1.022	53,400,770	3,019,650,833
2022	3,011,546,343	13,485,107	2,998,061,236	1.012	59,704,140	3,071,250,483
2023	3,061,980,962	12,258,589	3,049,722,373	1.012	66,173,230	3,128,154,192
2024	3,184,102,756	17,717,315	3,166,385,441	1.022	85,160,920	3,269,263,676
2025	3,323,836,944	33,988,290	3,289,848,654	1.022	86,158,630	3,409,995,574

Source: Maryland State Department of Assessment and Taxation



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

For the Fiscal Year Ended June 30, 2025

Taxpayer	Tax Billed	% of Levy
Delmarva Power and Light	\$ 1,194,794	3.31%
Integrace Inc	437,838	1.21%
Talkie Communications, Inc	406,018	1.12%
Choptank Electric Co-op, Inc	266,610	0.74%
KRM Development Corporation	200,707	0.56%
ThinkBig Networks	184,568	0.51%
Verizon-MD	153,368	0.42%
KRM Dixon Office LLC	129,342	0.36%
Kent Crossing	123,588	0.34%
KRM Boss LLC	121,326	0.34%

For the Fiscal Year Ended June 30, 2016

Taxpayer	Tax Billed	% of Levy
Delmarva Power and Light	\$ 680,416	2.26%
PUMH of Maryland, Inc	385,147	1.28%
Choptank Electric Co-op, Inc	201,930	0.67%
Verizon-MD	200,340	0.67%
Kent Research and Mfg, Inc	194,207	0.64%
SGM Realty LLC	152,933	0.51%
Chester River Landing No II	143,903	0.48%
Kent Plaza Associates	127,484	0.42%
415 Morgnec Road LLC	116,531	0.39%
Kent Crossing	115,355	0.38%

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

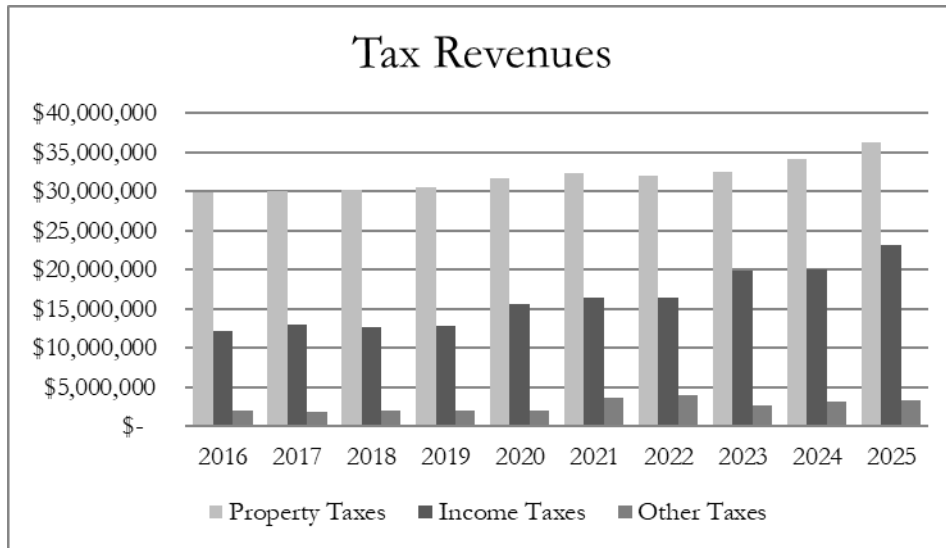
Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2016	\$ 30,125,879	\$ 28,783,368	95.54%	\$ 1,300,113	\$ 30,083,481	99.86%
2017	30,232,217	28,922,743	95.67%	1,276,818	30,199,561	99.89%
2018	30,429,820	29,090,693	95.60%	1,296,957	30,387,650	99.86%
2019	30,841,857	28,109,410	91.14%	2,686,072	30,795,482	99.85%
2020	31,186,350	28,996,828	92.98%	2,135,730	31,132,558	99.83%
2021	31,620,142	30,446,424	96.29%	1,099,574	31,545,998	99.77%
2022	31,936,046	30,802,594	96.45%	1,060,113	31,862,707	99.77%
2023	32,607,685	31,455,473	96.47%	1,072,509	32,527,982	99.76%
2024	34,628,360	33,027,944	95.38%	1,324,496	34,352,440	99.20%
2025	36,105,132	34,395,993	95.27%	n/a	34,395,993	95.27%

*n/a data not readily available or not available in a manner consistent with this display

The County Commissioners of Kent County, Maryland
Revenue Capacity: Local General Tax Revenues
Last Ten Fiscal Years

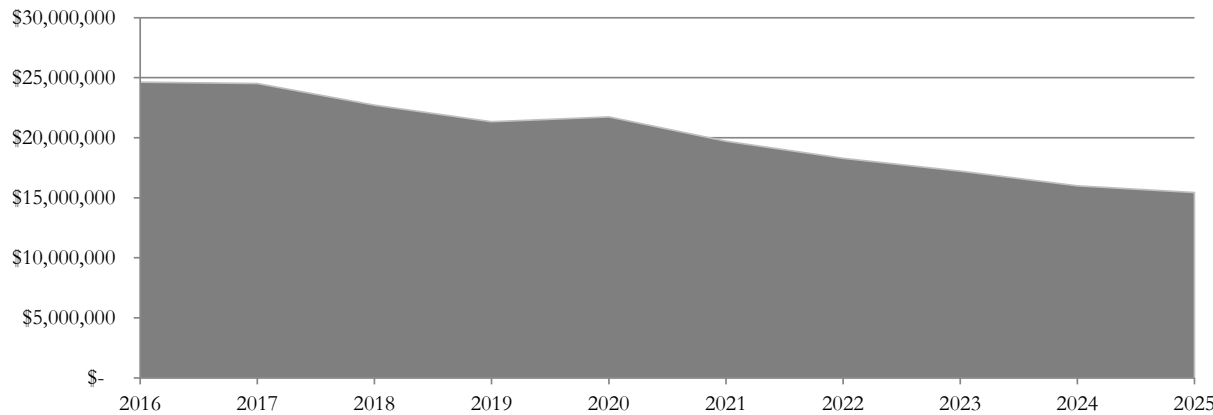
Local General Tax Revenues

	Property Taxes	Income Taxes	Other Taxes	Total Taxes
2016	\$ 29,951,731	\$ 12,232,681	\$ 1,965,759	\$ 44,150,171
2017	29,986,484	12,986,434	1,949,634	44,922,552
2018	30,207,075	12,736,121	2,042,652	44,985,848
2019	30,627,922	12,848,398	2,030,866	45,507,186
2020	31,769,648	15,683,736	2,011,884	49,465,268
2021	32,281,508	16,448,232	3,710,828	52,440,568
2022	32,073,034	16,436,095	4,058,772	52,567,901
2023	32,585,559	19,961,414	2,688,896	55,235,869
2024	34,199,006	20,020,098	3,168,619	57,387,723
2025	36,232,882	23,103,283	3,423,596	62,759,761



The County Commissioners of Kent County, Maryland
Debt Capacity: Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Government					Business Type Activities				Total Primary Government	Fiscal Year	Ratios	
	General Obligation Bonds	Notes Payable	Leases	Subscriptions	Total	General Obligation Bonds	Notes Payable	Leases	Total			Debt to Personal Income	Total Debt per Capita
2016	\$ 10,049,518	\$ -	\$ 1,772,290	\$ -	\$ 11,821,808	\$ 12,802,590	\$ -	\$ -	\$ 12,802,590	\$ 24,624,398	2016	2.42%	\$ 1,244.47
2017	9,060,997	-	1,496,967	-	10,557,964	13,962,009	-	-	13,962,009	24,519,973	2017	2.27%	1,242.78
2018	8,030,750	-	1,213,917	-	9,244,667	13,477,620	-	-	13,477,620	22,722,287	2018	1.97%	1,172.22
2019	6,956,999	-	1,413,486	-	8,370,485	12,974,661	-	-	12,974,661	21,345,146	2019	1.79%	1,101.23
2020	7,522,269	-	1,530,356	-	9,052,625	12,450,655	-	239,056	12,689,711	21,742,336	2020	1.77%	1,119.47
2021	6,145,209	-	1,466,518	-	7,611,727	11,916,949	-	191,776	12,108,725	19,720,452	2021	n/a	n/a
2022	5,392,206	-	1,353,496	-	6,745,702	11,391,733	-	157,123	11,548,856	18,294,558	2022	1.48%	949.38
2023	4,636,926	-	1,193,746	188,258	6,018,930	10,856,891	-	338,635	11,195,526	17,214,456	2023	1.32%	891.02
2024	4,110,561	-	1,242,084	40,397	5,393,042	10,312,166	-	297,707	10,609,873	16,002,915	2024	1.23%	828.31
2025	3,307,518	-	2,004,598	27,667	5,339,783	9,898,700	-	198,117	10,096,817	15,436,600	2025	1.04%	804.07



- (1) Total of General Obligation Bonds for general government and business-type activities
- (2) See Assessed Value of Taxable and Exempt property page 100
- (3) See Demographic Statistics on page 108

*n/a data not readily available or not available in a manner consistent with this display

The County Commissioners of Kent County, Maryland
Debt Capacity: Ratios of Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt (1)	Percentage of Total Taxable Assessable Base (2)	Per Capita(3)
2016	\$ 22,852,108	0.798%	\$ 1,154.91
2017	23,023,006	0.795%	1,166.90
2018	21,508,370	0.738%	1,109.59
2019	19,931,660	0.674%	1,028.31
2020	19,972,924	0.675%	1,028.37
2021	18,062,158	0.601%	n/a
2022	16,783,939	0.549%	870.99
2023	15,493,817	0.497%	801.96
2024	14,422,727	0.444%	746.52
2025	13,206,218	0.391%	687.90

*General Bonded Debt includes all general obligation debt, regardless of purpose or repayment source, and other bonded debt financed with general government resources. Other debt is excluded because it is not in the form of bonds.

(1) General bonded debt is comprised of both governmental and business-type activities from the previous table.

(2) See Assessed Value of Taxable and Exempt Property on page 100

(3) See Demographic Statistics for population data on page 108

The County Commissioners of Kent County, Maryland
Debt Capacity: Direct and Overlapping Governmental Activities Debt
June 30, 2025

Name of Jurisdiction	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Towns (2)			
Berterton	\$ 204,887	100%	\$ 204,887
Chestertown	748,546	100%	748,546
Galena	-	100%	-
Millington	-	95%	-
Rock Hall	149,318	100%	<u>149,318</u>
Subtotal overlapping debt			1,102,751
Kent County Government direct debt (1)			<u>5,339,783</u>
Total direct and overlapping debt			<u><u>\$ 6,442,534</u></u>

(1) Net direct debt of the County includes general obligation bonds, notes payable, subscriptions and capital leases. See Debt by Type on page 104.

(2) All entities are wholly located in Kent County with the exception of the Town of Millington which has 95% of the town located in the County.

(3) n/a data not readily available or not available in a manner consistent with this display

Source: Towns of Berterton, Chestertown, Galena, Millington and Rock Hall

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Authorized Annual Borrowing under 3-9.1 CPLL	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
New General Obligations Issued	-	1,639,000	-	-	6,400,000	-	-	-	231,275	-
Legal Debt Margin	\$ 20,000,000	\$ 18,361,000	\$ 20,000,000	\$ 20,000,000	\$ 13,600,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 19,768,725	\$ 20,000,000

The County Commissioners of Kent County, Maryland
Demographic and Economic Information: Demographic Statistics
Last Ten Fiscal Years

Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Income (1)	Unemployment Rate (3)
2015	19,787	1,019,350	30,081	5.30%
2016	19,730	1,078,070	30,080	4.90%
2017	19,384	1,152,685	32,217	4.50%
2018	19,383	1,191,987	34,910	4.30%
2019	19,422	1,226,328	n/a	4.00%
2020	n/a	n/a	n/a	6.60%
2021	19,270	1,234,631	37,699	5.50%
2022	19,320	1,303,579	39,658	3.60%
2023	19,302	1,346,895	44,283	2.40%
2024	19,198	1,486,810	45,817	3.50%

(1) Source: US Census Bureau

(2) Source: Bureau of Economic Analysis

(3) Source: Maryland Office of Workforce Information & Performance

n/a - Data not readily available or not available in a manner consistent with this display

**The County Commissioners of Kent County, Maryland
Demographic and Economic Information: Major Employers
Current and Nine Years Ago**

For the Calendar Year Ended December 31, 2024

Employer	Employees	Rank	Percentage of Total County Employment
Washington College	466	1	5.19%
Dixon Valve & Coupling Co.	420	2	4.68%
Kent County Board of Education	337	3	3.75%
Kent County Government	297	4	3.31%
David A. Bramble, Inc.	240	5	2.67%
Acts Retirement Life/Heron Point of Chestertown	190	6	2.12%
YMCA Camp Tockwogh	160	7	1.78%
Gillespie & Son	154	8	1.71%
LaMotte	150	9	1.67%
Chestertown Nursing and Rehab	138	10	1.54%

For the Calendar Year Ended December 31, 2016

Employer	Employees	Rank	Percentage of Total County Employment
Washington College	625	1	7.90%
University of MD Shore Regional Health	346	2	4.37%
Dixon Valve & Coupling Co.	334	3	4.22%
LaMotte Industries	316	4	3.99%
Kent County Board of Education	306	5	3.87%
David A. Bramble, Inc.	239	6	3.02%
Kent County Government	231	7	2.92%
Heron Point of Chestertown	210	8	2.65%
Angelica Nurseries	175	9	2.21%
YMCA Camp Tockwogh	140	10	1.77%

Source: Department of Economic Development

The County Commissioners of Kent County, Maryland
Operating Information: County Government Employees – Full Time Equivalents
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Part time positions (FTE)	26	28	28	26	27	26	26	14	26	29
Exempt	30	37	36	36	39	43	44	40	44	44
Full Time Employees	173	166	168	171	175	173	177	178	160	161
Total County Government Employees	229	231	232	233	241	242	247	232	230	234

Source: Department of Human Resources

The County Commissioners of Kent County, Maryland
Operating Information: County Government Employees – Full Time Only By Function
Last Ten Fiscal Years

GENERAL GOVERNMENT	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Commissioner's Office (1)	4	4	4	4	4	4	5	4	4	5
Planning, Housing & Zoning	9	9	9	9	9	9	10	9	10	10
Human Resources	3	3	3	3	3	3	3	4	4	4
Finance	7	7	7	7	7	8	8	8	8	8
Information Technology	6	6	6	6	6	6	6	6	6	6
Tourism & Economic Development	4	4	4	4	4	4	4	4	4	4
State's Attorney's Office (2)	6	6	7	7	7	7	7	9	10	8
Circuit Court (2)	3	3	3	3	5	5	5	5	5	5
Soil Conservation Service (2)	0	0	0	0	0	0	0	0	0	0
Family & Community Partnerships	3	3	3	3	3	4	4	3	4	4
PUBLIC SAFETY										
Sheriff's Office (2)	27	27	25	26	28	28	28	28	28	29
Detention Center	29	29	29	29	29	29	30	28	26	26
Office of Emergency Services	26	26	28	31	33	33	33	36	38	38
PUBLIC WORKS										
Administration	2	2	2	1	1	1	3	5	5	5
County Roads	29	29	29	29	29	29	29	29	25	25
Waste Management	8	8	8	8	8	8	8	7	7	7
Public Landings	1	1	1	1	1	1	1	1	1	1
Buildings & Grounds	13	13	15	15	15	15	15	9	9	9
LEISURE SERVICES										
Parks & Recreation	8	8	8	8	8	8	8	8	8	8
BUSINESS-TYPE ACTIVITIES										
Water & Wastewater Services	15	15	13	13	14	14	14	15	18	18
	203	203	204	207	214	216	221	218	220	220

(1) Includes Liquor Inspector
(2) County Funded State Positions

Source: Department of Human Resources
County employees do not include employees of discretely presented component units such as the Kent County Board of Education or the Kent County Library.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Facilities										
Police Stations in County	3	3	3	3	3	3	3	3	3	3
Fire & Rescue Stations	7	7	7	7	7	7	7	7	7	7
Parks/Recreation Facilities	11	11	11	11	11	11	11	11	11	11
Senior Centers										
Libraries	3	3	3	3	3	3	3	3	3	3
Public Schools										
Elementary Schools	5	3	3	3	3	3	3	3	3	3
Middle Schools	1	1	1	1	1	1	1	1	1	1
High Schools	1	1	1	1	1	1	1	1	1	1
Department of Public Works										
Miles of County Maintained Paved Roads	272.23	272.23	272.23	272.23	272.23	272.23	272.23	272.23	272.23	272.23
Water Treatment Plants	4	4	4	4	4	4	4	4	4	4
Water Towers	4	4	4	4	4	4	4	4	4	4
Wastewater Treatment Plants	3	3	3	3	3	3	3	3	3	3
Lagoons	1	1	1	1	1	1	1	1	1	1
Pump Stations	24	24	24	24	25	25	25	25	25	25
Shared Septic Systems	2	2	2	2	2	2	2	3	3	3
Meters/Meter Vaults	2	2	2	2	2	2	2	2	2	2
Kent County Sheriff Department										
Vehicles in Service	26	28	28	28	28	25	26	27	26	27

Source: County Departments, Component Units, and Outside Agencies

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
General Government										
Planning & Zoning (1)										
Number of Permits Issued for:										
Accessory Buildings/Garages/Carports	87	89	77	102	75	77	89	100	70	68
Agricultural Buildings	16	21	21	17	20	17	12	20	22	14
Boat Lift	3	-	-	-	-	-	-	-	-	10
Commercial Addition/Alteration	9	8	6	8	10	7	6	2	2	1
Deck/Porch	41	27	34	21	25	21	19	12	12	19
New Commercial Building	6	7	3	7	2	2	7	11	4	4
New Single Family Residence	18	23	26	24	29	32	39	39	-	35
Other	25	-	-	-	-	-	-	-	-	15
Pier	19	22	14	28	15	21	19	25	18	24
Residential Addition/Alteration/Attached Garage	63	84	103	91	97	90	74	104	67	89
Sediment Control	36	21	27	37	40	43	46	46	42	25
Sign	4	8	12	8	2	3	4	6	3	2
Solar Panels	69	51	-	-	-	-	-	-	25	19
Swimming Pool	16	12	11	18	13	18	18	21	12	18
Bulkhead/Retaining Wall	13	4	-	-	-	-	-	-	-	6
Demolition	68	77	69	75	63	69	58	65	73	56
Logging	15	9	23	17	9	17	8	10	21	27
Use Permit	11	24	11	14	8	11	14	14	9	15
Total Permits Issued	519	487	437	467	408	428	413	475	380	447
Public Safety										
Alcohol Beverage Control										
Number of Licenses Issued	69	72	63	61	61	61	70	66	59	69
Number of Violations	-	2	1	-	3	5	-	14	3	-
Sheriff's Office (1)										
Number of Physical Arrests	436	575	604	517	401	502	534	446	465	412
Traffic Violations	3,711	4,212	4,155	2,757	5,554	3,370	4,844	7,809	9,330	7,503
Public Works										
Total Water Treated Annually (millions of gallons)	49	53	48	43	50	46	46	46	47	48
Total Wastewater Treated Annually (millions of gallons)	57	49	55	65	58	53	52	42	67	47

(Continued)

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Education										
Number of Personnel										
Teachers	161	158	159	162	158	155	175	153	158	151
Administrators	23	21	17	21	22	24	25	24	23	23
Support	111	115	116	135	126	131	139	138	166.5	141
Other	13	12	20	18	19	22	17	22	24	22
Number of Students	2030	1895	1965	1914	1909	1809	1780	1763	1742	1701
Number of High School Graduates	126	133	140	119	133	142	127	133	142	123

(1) Denotes information that is tracked on a calendar year basis



**The County Commissioners of Kent County, Maryland
R. Clayton Mitchell Jr. Government Center
400 High Street
Chestertown, MD 21620**