

TOWN OF BEL AIR, MARYLAND

**Financial Statements Together with
Report of Independent Public Accountants**

For the Year Ended June 30, 2024

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TOWN OF BEL AIR, MARYLAND

**Financial Statements Together with
Report of Independent Public Accountants**

JUNE 30, 2024

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

The Commissioners of the
Town of Bel Air, Maryland

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund and special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Town 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 Town'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 Town'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 controls. 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 controls 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 Town'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 Town'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 controls-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in net OPEB liability and related ratios, schedule of contributions – OPEB, schedule of changes in pension fund net pension liability and related ratios, schedule of civilian employees pension plan employer contributions, and schedule of sworn officers pension plan employer contributions, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the

Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Town's basic financial statements. The schedule of cash and cash equivalents - general fund and the schedules of revenues and expenditures - budget and actual, as listed in the accompanying table of contents (collectively, the supplemental information, and compared to budget) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Owings Mills, Maryland
April 30, 2025



TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

As management of the Town of Bel Air, Maryland ("the Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year that ended June 30, 2024. We encourage readers to use this information in conjunction with the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

Government-wide:

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows as of June 30, 2024, by \$25,703,072 (net position). Approximately 12.6% of this amount is attributable to the business-type activities. Of the total net position, \$4,373,367 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors. Unrestricted net position is positive in both the business-type activities \$274,196 and the governmental activities \$4,099,171. Of the remaining total net position, \$2,603,324 is restricted for specific purposes (restricted net position), and \$18,726,381 is invested in capital assets, net of related debt.
- The Town's overall financial position increased by \$429,135 during the fiscal year. Net position for governmental and business-type activities increased \$871,950 and decreased \$442,814, respectively.
- The Town has recorded a net pension liability of \$2,501,731 compared to a net pension liability in the previous year of \$3,300,593 in the Statement of Net Position.

Fund Level:

- As of June 30, 2024, the Town's governmental funds reported a combined ending fund balance of \$11,304,489, an increase of \$219,745 in comparison with the prior year. Of this total amount, \$11,153,184 or 98.7% is available to meet the Town's current and future needs as mandated by the appropriate level of authority within the Town and are properly designated as committed, assigned, and unassigned.
- As of June 30, 2024, the assigned and unassigned fund balance for the General Fund (primary operating fund) was \$3,769,563 or 20.5% of total General Fund expenditures.
- In fiscal year 2024, the Town transferred the following within the General Fund: \$388,897 to the Capital Reserve, \$40,062 to the Stormwater Management Reserve, \$0 to the Leave Payout Reserve, and \$100,549 to the Stabilization Reserve.
- As of June 30, 2024, the Town's business-type operating activities reported net position of \$3,246,790, a decrease of \$442,814, in comparison with the prior year. Of the total amount, \$274,196 is unrestricted.
- The Town recognized \$1,466,694 and \$246,126 of the American Rescue Plan Act monies which was spent in the General Fund and Sewer Fund, respectively.

TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

Long-Term Debt:

The Town's long-term debt decreased \$1,102,745 or 7.4% during the current fiscal year. The decrease was the net result of making \$533,173 in scheduled payments, a \$253,810 increase in compensated absences/OPEB liability, a \$798,862 decrease in net pension liability, and a \$24,520 decrease in corresponding bond premium. The Town did not incur any additional debt during the fiscal year.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements mentioned above distinguish functions of the Town 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 Town include general government, public safety, public works, recreation and culture, miscellaneous, and debt service. The business-type activities of the Town include Parking and Sewer operations. The government-wide financial statements include only the Town of Bel Air because the Town has no component unit relationships with any other entity. The government-wide financial statements can be found by referring to the table of contents which begins on page 1 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 Town, 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 Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

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 evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By so doing, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and 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 Town maintains two individual governmental funds, the general fund and the special revenue fund. 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 both of the governmental funds.

The Town adopts an annual appropriated budget for both of its individual governmental funds. A budgetary comparison statement has been provided for the major fund, General, and the one non-major fund, Special Revenue, to demonstrate compliance with this budget. The basic governmental fund financial statements can be found by referring to the table of contents which begins on page 1 of this report.

Proprietary funds. The Town maintains one proprietary-type fund: an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the governmental-wide financial statements. The Town uses enterprise funds to account for its Parking and Sewer activities. The basic proprietary fund financial statements can be found by referring to the table of contents which begins on page 1 of this report.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found by referring to the table of contents which begins on page 1 of this report.

Notes to financial statements. The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are part of the basic financial statements and can be found by referring to the table of contents which begins on page 1 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplemental information*. This information can be found by referring to the table of contents which begins on page 1 of this report.

TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

Government-wide Financial Analysis

The Town's financial statements are prepared in conformity with the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis (MD&A) - for State and Local Governments*. MD&A includes prior fiscal year results for the purpose of providing comparative information.

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial condition and position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25,703,072 as of June 30, 2024. The Town of Bel Air's net position is divided into three categories – net investment in capital assets, restricted net position, and unrestricted net position.

The largest portion of the Town's net position is in investment in capital assets (e.g., land, improvements, buildings, machinery, equipment, vehicles, infrastructure, and sewer system), less any related debt used to acquire those assets and accumulated depreciation. As of June 30, 2024, capital assets were valued at \$18,726,381, net of related debt and accumulated depreciation or 72.9% of total net position. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The balance of unrestricted net position as of June 30, 2024, was \$4,373,367 or 17% of total net position and may be used to meet the government's ongoing obligations to citizens and creditors. The balance of restricted net position as of June 30, 2024, was \$2,603,324 or 10.1% of total net position and are resources that are subject to external restrictions on how they may be used.

For the fiscal year ended June 30, 2024, the Town reported separate positive balances in all three categories in both the governmental activities as well as the business-type activities.

TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

The following tables reflect the condensed statement of net position and the schedule of changes in net position for governmental and business-type activities:

NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$17,497,963	\$19,846,555	\$1,580,441	\$1,999,442	\$19,078,404	\$21,845,997
Capital assets	23,384,501	22,900,569	3,080,159	3,269,092	26,464,660	26,169,661
Total assets	40,882,464	42,747,124	4,660,600	5,268,534	45,543,064	48,015,658
Deferred outflows of resources-Pensions/OPEB	719,062	1,800,209	-	-	719,062	1,800,209
Liabilities						
Other liabilities	5,013,857	7,593,804	1,017,611	1,000,404	6,031,468	8,594,208
Long-term liabilities	13,481,270	14,401,688	396,199	578,526	13,877,469	14,980,214
Total liabilities	18,495,127	21,995,492	1,413,810	1,578,930	19,908,937	23,574,422
Deferred inflows of resources-pensions/OPEB	650,117	967,509	-	-	650,117	967,509
Net Position						
Net investment in capital assets	15,917,079	15,161,002	2,809,302	2,796,789	18,726,381	17,957,791
Restricted	2,440,032	729,672	163,292	148,292	2,603,324	877,964
Unrestricted	4,099,171	5,693,658	274,196	744,523	4,373,367	6,438,181
Total net position	\$22,456,282	\$21,584,332	\$3,246,790	\$3,689,604	\$25,703,072	\$25,273,936

TOWN OF BEL AIR, MARYLAND

**MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024**

CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 1,670,118	\$ 1,521,250	\$ 3,467,315	\$ 3,219,131	\$ 5,137,433	\$ 4,740,381
Operating grants/ contributions	2,111,540	5,100,479	-	-	2,111,540	5,100,479
Capital grants/ contributions	268,075	186,100	261,600	73,138	529,675	259,238
General revenues:						
Property taxes	9,439,977	9,208,319	-	-	9,439,977	9,208,319
Shared taxes	3,685,099	3,853,328	-	-	3,685,099	3,853,328
Miscellaneous	1,233,562	972,581	-	-	1,233,562	972,581
Unrestricted investment earnings	605,375	347,860	2,055	667	607,430	348,527
Transfers	-	9,330	-	(9,330)	-	-
Total revenues	19,013,746	21,199,247	3,730,970	3,283,606	22,744,716	24,482,853
Expenses						
General government	5,746,413	4,607,245	-	-	5,746,413	4,607,245
Public safety	7,054,004	6,317,562	-	-	7,054,004	6,317,562
Public works	4,488,423	4,186,309	-	-	4,488,423	4,186,309
Recreation and culture	254,551	276,416	-	-	254,551	276,416
Miscellaneous	312,788	252,337	-	-	312,788	252,337
Interest on long-term debt	285,617	274,999	-	-	285,617	274,999
Sewer	-	-	3,579,747	2,942,818	3,579,747	2,942,818
Parking facilities	-	-	594,037	542,049	594,037	542,049
Total expenditures	18,141,796	15,914,868	4,173,784	3,484,867	22,315,580	19,399,735
Change in net position	871,950	5,284,379	(442,814)	(201,261)	429,136	5,083,118
Net position, beginning	21,584,332	16,299,953	3,689,604	3,890,865	25,273,936	20,190,818
Net position, ending	\$ 22,456,282	\$ 21,584,332	\$ 3,246,790	\$ 3,689,604	\$ 25,703,072	\$ 25,273,936

Governmental activities

Governmental net position increased by \$871,950 mainly due to the receiving additional revenues and spending less. Property taxes, shared taxes, and charges for services represent 49.6%, 19.4%, and 8.8% of the Town’s revenue stream, respectively. The remaining 22.2% of governmental revenue consists of grants, contributions, investment earnings, and other miscellaneous revenues.

The entity wide statements show that the Town’s total revenue from governmental activities in fiscal year 2024 was \$19,013,746 which is \$2,185,501 or 10.3% more than the previous year. The decrease was mainly due to not recognizing as much American Rescue Plan monies in fiscal year 2024 compared to the fiscal year 2023.

Investment earnings increased entity wide. The State of Maryland investment pool, in which the average maturity is less than 45 days and all investments are guaranteed fully by the Federal Government, average interest rate during the fiscal year was 5.45%, with the last month of the fiscal year being 5.36% compared to 5.06% from last fiscal year, as a result of the Federal Reserve increasing and holding steady the federal funds rate.

TOWN OF BEL AIR, MARYLAND

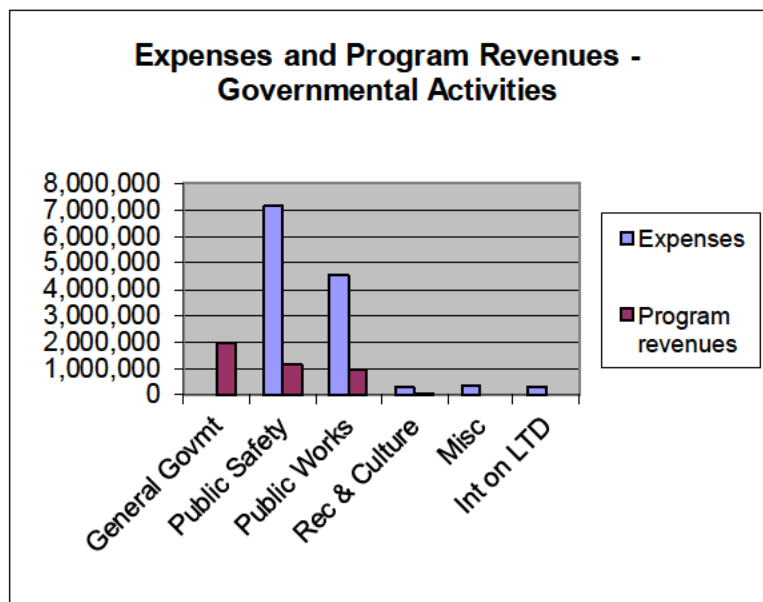
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

In fiscal year 2024, the Town utilized the CDARS program as well as investing in certificates of deposit and money market accounts at Maryland banks more in order to take advantage of higher investment rates.

As of June 30, 2024, the Town held \$3,113,000 in various certificates of deposit with rates ranging from 4.5% to 5.5% and maturities no longer than 21 months.

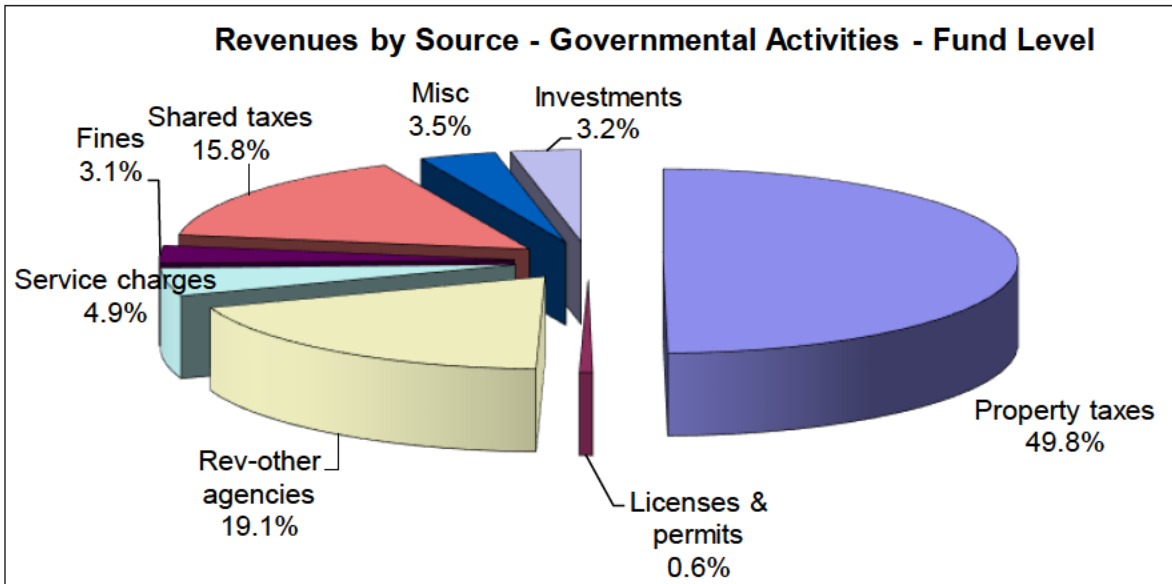
Governmental expenses were \$18,141,797 in fiscal year 2024, which equates to an increase of \$2,226,929 or 14%. Public safety and general government are the two largest functional areas comprising 70.6% of all governmental expenses in fiscal year 2024. Public safety represents 38.9% of governmental expenses, while general government represents 31.7%. An increase is shown in each of these main departments as well as the remainder of the expense categories.



TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024



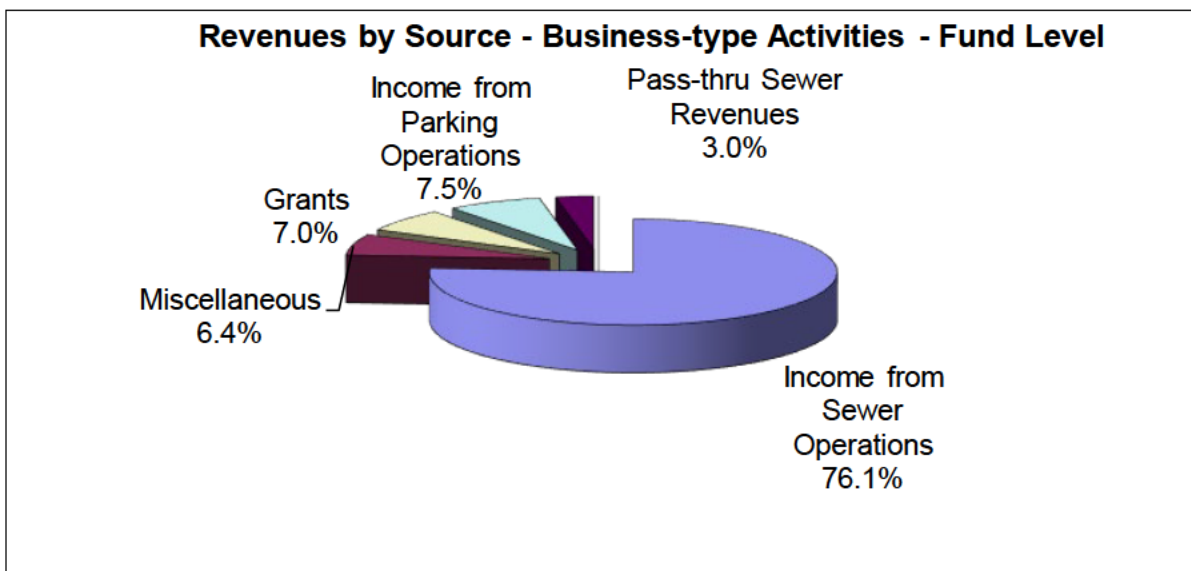
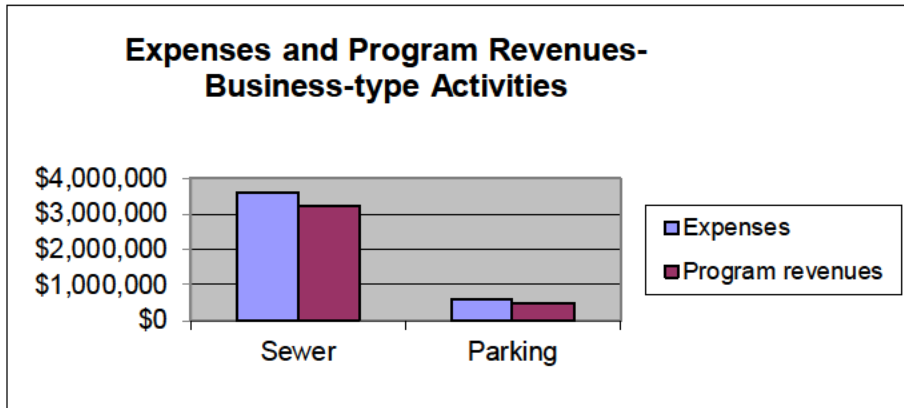
TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

Business-type activities

The Town operates two business-type enterprise funds, Parking and Sewer. Business-type net position decreased by \$442,814, overall with the Parking Fund and Sewer Fund both decreasing \$112,600 and \$330,214, respectively. The decrease in the Parking Fund was mainly due to receiving less revenues from all three sources. The decrease in the Sewer Fund was mainly due to paying Harford County more to treat the sewage due to a larger than anticipated bulk rate.



TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

Financial Analysis of the Town's Funds

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

Governmental funds. The focus of the Town's *governmental funds* is to provide information on current inflows, outflows, and balances of available, *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *committed, assigned, and unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2024, the Town's governmental funds (general fund and special revenue fund) reported a combined ending fund balance of \$11,304,489, an increase of \$219,745 in comparison with the prior year. Approximately 98.7% of this total amount or \$11,153,184 constitutes *committed, assigned, and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable and restricted* to indicate that it is not available for new spending because it has already been dedicated for prepaids. The *nonspendable and restricted fund balance*, at 1.3% of total fund balance, does not significantly affect the availability of fund resources for future use.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was \$3,769,563, while total fund balance was \$10,924,918. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 20.53% of total General Fund expenditures, while total fund balance represents 59.5% of that same amount.

The Town's General Fund total fund balance increased by \$229,840 during the current fiscal year. This was a net result of receiving more revenues than anticipated in state share income taxes by.

The Special Revenue Fund has a total fund balance of \$379,571 which decreased \$10,095.

Proprietary funds. The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the Parking Fund and the Sewer Fund was \$1,887,498 and \$1,359,292, respectively, and decreased \$112,600 in the Parking Fund and \$330,214 in the Sewer Fund.

Fiduciary funds. The Town maintains two pension funds: 1) Sworn Officers' Pension Trust and 2) Civilian Pension Trust. The Sworn Officers' Pension Trust is a single employer defined benefit pension plan administered by the Town with responsibility for the administration and operation of the Plan vested with a five-member Board of Trustees. The Civilian Pension Trust includes the Civilian Employees Pension Trust and funds remaining in the MissionSquare Retirement. The Civilian Employees Pension Trust is a single employer defined benefit pension plan administered by the Town with responsibility for the administration and operation of the Plan vested with an eleven-member Board of Trustees. Both defined benefit pension plans provide pension and death and disability benefits to full-time plan members and beneficiaries.

TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

The net position of the Sworn Officers' Pension Trust and the Civilian Pension Trust increased \$1,376,896 or 14.5%, and \$1,324,826 or 13.4%. The increases in both trusts were due to a net increase in the fair value of investments.

On December 7, 2015, the Board of Town Commissioners approved Resolution No. 1061-15 which authorized the Town becoming a member of the Maryland Association of Counties Pooled OPEB Trust Fund. The Trust was established on January 27, 2015 to facilitate the investments of Other Postemployment Benefits (OPEB) by the members to provide post-retirement benefits to their respective retirees. The net position of the OPEB Trust increased \$98,396 or 16.4% due to mainly to an increase in the fair value of investments.

General Fund Budgetary Highlights

The Town amended the budget in June 2024. The general fund budget decreased \$152,164.

At the end of the year, revenues and other financing sources were more than budgetary estimates by \$262,333 and expenditures were \$224,259 less than anticipated. The following revenues were the main drivers for the excess revenues: Taxes on ordinary business corporations \$35,843, State shared income taxes \$141,300, ARPA \$99,276, tax rebate \$30,000, red light camera fines \$29,118, and interest \$39,915. The following expenditure departments were the main drivers for the lower expenditures: Planning \$40,528, various other general government departments \$63,504, Public Works \$103,051, and miscellaneous \$27,916.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets net of accumulated depreciation for its governmental and business-type activities as of June 30, 2024 was \$26,464,660. This investment in capital assets includes land, buildings, improvements, machinery, equipment, furniture, fixtures, vehicles, infrastructure, and sewer system. The total increase in capital assets for the current fiscal year was 1.1%, comprised of a 2.1% increase in governmental activities and a 5.8% decrease in business-type activities.

The following table displays the Town's capital assets. Additional information can be found in Note 6 in the notes to the financial statements of this report.

TOWN OF BEL AIR, MARYLAND

**MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024**

CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and improvements	\$ 4,641,308	\$ 4,641,308	\$ 777,518	\$ 777,518	\$ 5,418,826	\$ 5,418,826
Buildings and improvements	18,828,675	7,338,165	3,314,437	3,306,772	22,143,112	10,644,937
Infrastructure	1,944,780	1,905,435	-	-	1,944,780	1,905,435
Machinery and equipment	1,283,723	1,256,927	650,819	641,066	1,934,542	1,897,993
Furniture and fixtures	2,199,194	1,933,815	-	-	2,199,194	1,933,815
Vehicles	4,202,168	4,077,786	519,866	519,866	4,722,034	4,597,652
Construction in progress	-	10,841,799	-	-	-	10,841,799
Parking improvements	-	-	456,647	456,647	456,647	456,647
Sewer system	-	-	2,033,518	2,033,518	2,033,518	2,033,518
Accumulated depreciation	<u>(9,715,347)</u>	<u>(9,094,666)</u>	<u>(4,672,646)</u>	<u>(4,466,295)</u>	<u>(14,387,993)</u>	<u>(13,560,961)</u>
Total	\$ 23,384,501	\$ 22,900,569	\$ 3,080,159	\$ 3,269,092	\$ 26,464,660	\$ 26,169,661

Major capital asset events during the year ending June 30, 2024 included the following:

- The Police Department added four vehicles (\$189,781).
- The Planning Department added various improvements to Shamrock Park (\$194,007).
- The Town added technology hardware/software (\$24,293).
- The Public Works Department added four vehicles (\$364,850).
- The Public Works Department added a walking path in Shamrock Park and other infrastructure (\$39,345).
- The Town converted the existing construction in progress and included additions in fiscal year 2024 to buildings for the new/renovated Town Hall/Police Dept building (\$11,472,203).
- The Town sold the following major assets on Govdeals and all were removed from the Town’s capital assets: various public work’s equipment (\$330,961) and police vehicles (\$99,288).
- In the Parking Fund, three cameras were added in the parking garage (\$9,753).
- In the Sewer Fund, a storage shed was added for various sewer equipment (\$7,665).

Debt administration. The Town’s long-term debt as of June 30, 2024, was \$13,877,469. Of this amount, \$8,521,284 represents general obligation bonds in which the full faith and credit and unlimited taxing power of the Town are irrevocably pledged to the levy and collection of taxes in order to provide for the payment of principal and interest due on the bonds. The remaining debt consists of notes for major equipment and vehicles totaling \$420,179, \$2,434,275 in compensated absences and OPEB liabilities from GASB #75, and \$2,501,731 in a net pension liability.

TOWN OF BEL AIR, MARYLAND

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

The following table reflects the Town's long-term debt:

LONG-TERM DEBT

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
General obligations bonds	\$ 8,278,184	\$ 8,507,286	\$ 243,100	\$ 434,991	\$ 8,521,284	\$ 8,942,277
Equipment/vehicle notes	392,422	519,567	27,757	37,312	420,179	556,879
Net pension liability	2,501,731	3,300,593	-	-	2,501,731	3,300,593
Compensated absences / OPEB	2,308,933	2,074,242	125,342	106,223	2,434,275	2,180,465
Total	\$ 13,481,270	\$ 14,401,688	\$ 396,199	\$ 578,526	\$ 13,877,469	\$ 14,980,214

The Town's total long-term debt for governmental activities and business-type activities decreased \$920,418 and \$176,477, respectively. During the year, \$533,173 in debt was retired.

The amount of general obligation debt the Town may issue is limited by the Town's charter. The Town may issue bonds as long as the total bonded indebtedness of the Town does not exceed 6% of the assessed value of real and personal property. As of June 30, 2024, the debt limitation is \$7,918,813 which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 7 in the notes to the financial statements of this report.

TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

Economic Factors and Fiscal Year 2025's Budgets and Rates

- The State of Maryland Assessments and Taxation Department completed its triennial assessment in January, 2023 for Town residents effective beginning in fiscal year 2024, which assesses the Town every third year, along with a cap of 10% on residential properties. The tax rate on both real and personal property remains \$.54 per \$100 of assessed value and \$1.20 per \$100 of assessed value, respectively. During the fiscal year, the Town expects a 2.2% overall increase in revenues.
- Highway user revenues are projected to increase \$96,712 over the 2024 budgeted revenues.
- Police protection grant from the state is projected to decrease \$24,696.
- The Town anticipates utilizing \$1,367,418 of its American Rescue Plan Act (ARPA) monies in fiscal year 2025 on salaries.
- The Harford County tax rebate is projected to increase slightly \$5,479 based on the Harford County formula.
- Effective in fiscal year 2021, the Annotated Code of Maryland requires that Harford County contribute toward the cost of the three municipalities stormwater remediation obligations. The jurisdictions negotiated a formula for the distribution of County funds and memorialized it through a MOU. The expected funding is \$140,000.
- In anticipation that the fed fund interest rate will begin being cut, the Town's interest on investments is budgeted to decrease \$65,460.
- The Town intends to use the savings in salaries from the ARPA monies to fund a major construction project to Thomas and George Streets in the amount of \$890,000.
- The Town anticipates utilizing \$1,089,500 from the capital reserve to fund \$35,000 and \$275,000 of capital projects at the Armory and in various town buildings, respectively, \$280,000 for various planning department projects, and \$169,500 and \$330,000 for police and public works vehicle replacements, respectively.
- All Town employees received a merit increase and a 3.5% COLA.
- The departmental operating expenditures remained basically unchanged from the previous fiscal year.
- The Town budgeted \$647,000 for various building maintenance or capital projects.
- The Planning Department included \$1,272,000 for various capital projects for Rockfield Manor (\$17,000), Rockfield Park (\$10,000), Homestead Park (\$280,000), Plumtree Park (\$50,000), Wayfinding Graphics (\$25,000), and Thomas/George Street improvements (\$890,000).

TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

- The Technology Department budgeted approximately \$58,100 for one-time expenditures.
- The Town's worker's compensation modification rate decreased from a 1.62 premium to a 1.36 premium due to a decrease in claims and experience for the last three completed fiscal years.
- The Town budgeted \$60,466 to fully fund its Other Postemployment Benefits Other Than Pensions (OPEB) based on the last valuation completed as of June 30, 2021.
- The Town's health insurance premiums remained the same as fiscal year 2024.
- The Police Department began a body worn camera program in fiscal year 2020 and will fund the program over five years in the amount of \$38,351 yearly.
- The Police Department budgeted \$169,500 to purchase three replacement vehicles.
- The Police Department entered into a lease for a real-time remote surveillance camera trailer in the amount of \$35,000 each year.
- The Department of Public Works included \$140,000 to fund the costs associated with the Town's MS4 storm water management program which also matches the anticipated revenue from Harford County.
- The Public Works Department budgeted \$345,000 in street and curb ramp construction work to be completed at specific locations.
- The Public Works Department budgeted \$140,000 to purchase two replacement pick-up trucks and \$190,000 to purchase a replacement leaf vacuum truck.
- In the Special Revenue Fund, the Town has designated two previous fiscal year allocations of Community Development Block Grant, \$56,517, to help with funding the Armory window replacement project.
- In the Special Revenue Fund, the Town included a grant award in the amount of \$110,100 from Community Parks & Playground to fund improvements at Plumtree Park to include resurfacing the lot, improvements to the basketball court, repairing the fence, and addition of furniture.

All of these factors were considered in preparing the Town's budget for the 2024 fiscal year.

The Sewer Fund user rate increased \$.29 which was based on the December 2023 Consumer Price Index of 4.1%. The base charge increased by the Consumer Price Index of 4.1%. Funds will be used from ARPA to fund the Harford County charges to treat the sewage, and those savings will be used to fund collection system rehab and replacement projects of \$3,445,000.

In the Parking Fund, meter collections were projected to increase slightly, while parking fines were projected to decrease. The Town plans on contracting to paint the Pennsylvania Avenue side stairwell (\$17,000) in the parking garage. The total cost of this will be split 67.2% to Harford County and 32.8% to the Town.

TOWN OF BEL AIR, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

Requests for Information

This financial report is designed to provide a general overview of the Town of Bel Air's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Director of Finance, Town of Bel Air, 39 N. Hickory Avenue, Bel Air, Maryland 21014 or send an e-mail to lmody@belairmd.org.

FINANCIAL STATEMENTS

TOWN OF BEL AIR, MARYLAND

**Statement of Net Position
June 30, 2024**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,896,086	\$ 236,177	\$ 6,132,263
Restricted cash and cash equivalents	6,737,865	-	6,737,865
Investments	3,113,000	-	3,113,000
Accounts receivable	2,197,173	669,416	2,866,589
Loan receivable - revolving loan fund	36,337	-	36,337
Real and personal property taxes receivable	86,240	-	86,240
Accrued interest receivable	69,422	-	69,422
Internal balances	(674,848)	674,848	-
Prepaid expenses	36,688	-	36,688
Capital assets, not being depreciated	4,641,308	777,518	5,418,826
Capital assets, net of accumulated depreciation	18,743,193	2,302,641	21,045,834
	<u>40,882,464</u>	<u>4,660,600</u>	<u>45,543,064</u>
Total assets			
	<u>40,882,464</u>	<u>4,660,600</u>	<u>45,543,064</u>
DEFERRED OUTFLOWS OF RESOURCES-PENSIONS/OPEB	719,062	-	719,062
	<u>719,062</u>	<u>-</u>	<u>719,062</u>
LIABILITIES			
Accounts payable	463,343	1,001,354	1,464,697
Accrued liabilities	244,424	-	244,424
Payroll withholdings	5,707	-	5,707
Deposits and other escrows held	2,550	-	2,550
Unearned revenue	4,297,833	16,257	4,314,090
Non-current liabilities:			
Due within one year	345,313	134,006	479,319
Due in more than one year	13,135,957	262,193	13,398,150
	<u>18,495,127</u>	<u>1,413,810</u>	<u>19,908,937</u>
Total liabilities			
	<u>18,495,127</u>	<u>1,413,810</u>	<u>19,908,937</u>
DEFERRED INFLOWS OF RESOURCES-PENSIONS/OPEB	650,117	-	650,117
	<u>650,117</u>	<u>-</u>	<u>650,117</u>
NET POSITION			
Net investment in capital assets	15,917,079	2,809,302	18,726,381
Restricted	2,440,032	163,292	2,603,324
Unrestricted	4,099,171	274,196	4,373,367
	<u>15,917,079</u>	<u>2,809,302</u>	<u>18,726,381</u>
TOTAL NET POSITION	<u>\$ 22,456,282</u>	<u>\$ 3,246,790</u>	<u>\$ 25,703,072</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

**Statement of Activities
Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 5,746,413	\$ 324,435	\$ 1,522,199	\$ 69,451	\$ (3,830,328)	\$ -	\$ (3,830,328)
Public safety	7,054,004	660,127	404,956	98,624	(5,890,297)	-	(5,890,297)
Public works	4,488,423	685,556	170,043	100,000	(3,532,824)	-	(3,532,824)
Recreation and culture	254,551	-	14,342	-	(240,209)	-	(240,209)
Miscellaneous	312,788	-	-	-	(312,788)	-	(312,788)
Interest on long-term debt	285,617	-	-	-	(285,617)	-	(285,617)
Total governmental activities	<u>18,141,796</u>	<u>1,670,118</u>	<u>2,111,540</u>	<u>268,075</u>	<u>(14,092,063)</u>	<u>-</u>	<u>(14,092,063)</u>
Business-type activities:							
Sewer	3,579,747	3,003,407	-	246,126	-	(330,214)	(330,214)
Parking facilities	594,037	463,908	-	15,474	-	(114,655)	(114,655)
Total business-type activities	<u>4,173,784</u>	<u>3,467,315</u>	<u>-</u>	<u>261,600</u>	<u>-</u>	<u>(444,869)</u>	<u>(444,869)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 22,315,580</u>	<u>\$ 5,137,433</u>	<u>\$ 2,111,540</u>	<u>\$ 529,675</u>	<u>(14,092,063)</u>	<u>(444,869)</u>	<u>(14,536,932)</u>
GENERAL REVENUES							
Taxes:							
Property taxes, levied for general purposes					9,439,977	-	9,439,977
Shared taxes					3,685,099	-	3,685,099
Miscellaneous					1,233,562	-	1,233,562
Unrestricted investment earnings					605,375	2,055	607,430
Total general revenues					<u>14,964,013</u>	<u>2,055</u>	<u>14,966,068</u>
CHANGE IN NET POSITION					871,950	(442,814)	429,136
NET POSITION, BEGINNING					<u>21,584,332</u>	<u>3,689,604</u>	<u>25,273,936</u>
NET POSITION, ENDING					<u>\$ 22,456,282</u>	<u>\$ 3,246,790</u>	<u>\$ 25,703,072</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

**Balance Sheet
June 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 5,896,086	\$ -	\$ 5,896,086
Restricted cash and cash equivalents	6,557,201	180,664	6,737,865
Investments	3,113,000	-	3,113,000
Accounts receivable	1,867,399	329,774	2,197,173
Loan receivable - revolving loan fund	-	36,337	36,337
Accrued interest receivable	69,422	-	69,422
Property taxes receivable - net	86,240	-	86,240
Due from other funds	309,575	-	309,575
Prepaid costs	33,818	2,870	36,688
TOTAL ASSETS	<u>\$ 17,932,741</u>	<u>\$ 549,645</u>	<u>\$ 18,482,386</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 452,043	\$ 11,290	\$ 463,333
Accrued expenditures	180,420	-	180,420
Payroll withholdings	5,707	-	5,707
Deposits	2,550	-	2,550
Unearned revenue	4,297,833	-	4,297,833
Due to other funds	825,639	158,784	984,423
Total liabilities	<u>5,764,192</u>	<u>170,074</u>	<u>5,934,266</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	46,151	-	46,151
Unavailable revenue - income taxes	1,167,551	-	1,167,551
Unavailable revenue - highway user	29,929	-	29,929
Total deferred inflows of resources	<u>1,243,631</u>	<u>-</u>	<u>1,243,631</u>
FUND BALANCES			
Nonspendable	33,818	2,870	36,688
Restricted	-	114,617	114,617
Committed	7,121,537	149,117	7,270,654
Assigned	1,174,907	112,967	1,287,874
Unassigned	2,594,656	-	2,594,656
Total fund balances	<u>10,924,918</u>	<u>379,571</u>	<u>11,304,489</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 17,932,741</u>	<u>\$ 549,645</u>	<u>\$ 18,482,386</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

**Reconciliation of the Governmental Funds Balance Sheet
to the Statements of Net Position
June 30, 2024**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (page 22)	\$ 11,304,489
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Certain receivables are offset by unavailable revenue in the governmental funds since they are not available to pay for current period expenditures. This is the amount of deferred inflows of resources related to these receivables.	1,243,631
Net deferred outflows and inflows of resources related to pensions/OPEB.	68,945
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of these assets is \$31,995,235 and the accumulated depreciation is \$9,094,666.	23,384,501
Noncurrent liabilities and assets are not reported as liabilities in the governmental funds.	(10,979,549)
Net pension liability	(2,501,731)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(64,004)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (page 21)	<u><u>\$ 22,456,282</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

**Statement of Revenues, Expenditures and Changes In Fund Balances –
Governmental Funds
Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes - local	\$ 9,462,917	\$ -	\$ 9,462,917
Taxes - state shared	3,010,937	-	3,010,937
Licenses and permits	112,271	-	112,271
Revenue from other agencies	3,285,525	336,813	3,622,338
Service charges for current services	922,209	-	922,209
Fines	596,477	-	596,477
Miscellaneous	1,200,848	76,587	1,277,435
Total revenues	<u>18,591,184</u>	<u>413,400</u>	<u>19,004,584</u>
EXPENDITURES			
General government	5,005,260	222,471	5,227,731
Public safety	7,027,525	26,428	7,053,953
Public works	4,396,388	100,000	4,496,388
Recreation and parks	179,955	74,596	254,551
Miscellaneous	312,788	-	312,788
Capital outlay	824,542	-	824,542
Debt service:			
Principal	331,727	-	331,727
Interest	283,159	-	283,159
Total expenditures	<u>18,361,344</u>	<u>423,495</u>	<u>18,784,839</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>229,840</u>	<u>(10,095)</u>	<u>219,745</u>
FUND BALANCES, BEGINNING OF YEAR	<u>10,695,078</u>	<u>389,666</u>	<u>11,084,744</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,924,918</u>	<u>\$ 379,571</u>	<u>\$ 11,304,489</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

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

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUND (page 24)	\$ 219,745
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$1,548,074 exceeded depreciation expense of \$1,064,142 in the period.	483,932
In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid or expected to be paid within one year). This year, the change in vacation, sick, compensatory leave, and OPEB expense was \$234,691.	(234,691)
In the Statement of Activities, only the pension expense related to the changes in net pension liability is reported, whereas in the governmental funds, the actual amount contributed is an expenditure.	35,097
In the Statement of Activities, revenues are recognized when they are earned and received. In the governmental funds, revenues are recognized as income if they are available to satisfy current obligations. This is the amount of the increase in deferred inflows of resources in the governmental funds which is recognized as revenue in the Statement of Activities.	9,162
Long-term debt repayments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount of long-term debt repayments for 2024.	356,247
Interest expense in the Statement of Activities differs from the amount reported in governmental funds due to the net change in accrued interest.	<u>2,458</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (page 22)	<u>\$ 871,950</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

**Statement of Revenues and Expenditures – Budget and Actual - General Fund (Non-GAAP Budgetary Basis)
Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE				
Taxes - local	\$ 9,464,651	\$ 9,418,051	\$ 9,462,917	\$ 44,866
Taxes - state shared	2,479,666	2,873,766	3,010,937	137,171
Licenses and permits	105,000	103,850	112,271	8,421
Revenues from other agencies	4,021,948	3,183,367	3,285,525	102,158
Service charges for current services	851,965	924,345	922,209	(2,136)
Fines	599,250	566,900	596,477	29,577
Miscellaneous	958,535	1,258,572	1,200,848	(57,724)
Total revenues	<u>18,481,015</u>	<u>18,328,851</u>	<u>18,591,184</u>	<u>262,333</u>
EXPENDITURES				
Current:				
General government	6,102,420	5,524,333	5,420,301	104,032
Public safety	6,673,368	6,947,032	6,954,867	(7,835)
Public works	4,597,587	4,724,846	4,621,795	103,051
Recreation and culture	177,050	177,050	179,955	(2,905)
Miscellaneous	315,704	340,704	312,788	27,916
Debt service	614,886	614,886	614,886	-
Total expenditures	<u>18,481,015</u>	<u>18,328,851</u>	<u>18,104,592</u>	<u>224,259</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>486,592</u>	<u>486,592</u>
FUND BALANCE - BEGINNING OF YEAR			<u>9,574,496</u>	
FUND BALANCE - END OF YEAR			<u>\$ 10,061,088</u>	

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

**Statement of Revenues and Expenditures – Budget and Actual - Special Revenue Fund
(Non-GAAP Budgetary Basis)
Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Budget Variance Positive (Negative)</u>
REVENUES				
Revenue from Other Agencies				
CDBG grant	\$ 136,027	\$ 69,451	\$ 69,451	\$ -
Chesapeake Bay Trust Grant	100,000	100,000	100,000	-
Safe Streets for All	46,667	46,667	153,020	106,353
Governor's Office of Crime Control & Prevention	14,342	14,342	14,342	-
Community Legacy grant	115,000	-	-	-
Total - revenue from other agencies	<u>412,036</u>	<u>230,460</u>	<u>336,813</u>	<u>106,353</u>
Miscellaneous				
Total revenues	<u>33,261</u>	<u>33,261</u>	<u>62,245</u>	<u>28,984</u>
	<u>445,297</u>	<u>263,721</u>	<u>399,058</u>	<u>135,337</u>
EXPENDITURES				
General government	182,694	116,118	222,471	(106,353)
Public safety	11,500	11,500	26,428	(14,928)
Public works	103,000	103,000	100,000	3,000
Recreation and culture	162,445	47,445	36,261	11,184
Total expenditures	<u>459,639</u>	<u>278,063</u>	<u>385,160</u>	<u>(107,097)</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	<u>\$ (14,342)</u>	<u>\$ (14,342)</u>	13,898	<u>\$ 28,240</u>
FUND BALANCE - BEGINNING OF YEAR			<u>351,331</u>	
FUND BALANCE - END OF YEAR			<u>\$ 365,229</u>	

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

**Statement of Net Position – Proprietary Funds (Enterprise Funds)
June 30, 2024**

	Parking Fund	Sewer Fund	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 236,177	\$ -	\$ 236,177
Accounts receivable	170,560	498,856	669,416
Due from other funds	-	832,630	832,630
Total current assets	<u>406,737</u>	<u>1,331,486</u>	<u>1,738,223</u>
Noncurrent Assets			
Land	777,518	-	777,518
Capital assets, net	998,644	1,303,997	2,302,641
Total noncurrent assets	<u>1,776,162</u>	<u>1,303,997</u>	<u>3,080,159</u>
Total assets	<u>2,182,899</u>	<u>2,635,483</u>	<u>4,818,382</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	25,094	976,260	1,001,354
Due to other funds	157,782	-	157,782
Unearned revenue	16,217	40	16,257
Notes payable	9,713	-	9,713
Bonds payable	4,967	119,326	124,293
Total current liabilities	<u>213,773</u>	<u>1,095,626</u>	<u>1,309,399</u>
Noncurrent Liabilities			
Accrued compensated absences	24,777	100,565	125,342
Notes payable - long-term	18,044	-	18,044
Bonds payable - long-term	38,807	80,000	118,807
Total noncurrent liabilities	<u>81,628</u>	<u>180,565</u>	<u>262,193</u>
Total liabilities	<u>295,401</u>	<u>1,276,191</u>	<u>1,571,592</u>
NET POSITION			
Net investment in capital assets	1,704,631	1,104,671	2,809,302
Restricted	163,292	-	163,292
Unrestricted	19,575	254,621	274,196
TOTAL NET POSITION	<u>\$ 1,887,498</u>	<u>\$ 1,359,292</u>	<u>\$ 3,246,790</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

**Statement of Revenues, Expenses and Change In Net Position - Proprietary Funds
(Enterprise Funds)
Year Ended June 30, 2024**

	Parking Fund	Sewer Fund	Total
OPERATING REVENUES			
Revenues from Other Agencies			
DHCD-Community Safety Works Grant	\$ 15,474	\$ -	\$ 15,474
American Rescue Plan Act	-	246,126	246,126
Service Charges for Current Services			
Sanitation and Waste Removal			
Sewerage charges	-	2,839,647	2,839,647
Sewer connection charges	-	76,916	76,916
Other revenues	-	31,744	31,744
Utility locator fees	-	19,190	19,190
User benefit fees	-	35,910	35,910
Highway and Streets			
Meter collections	132,700	-	132,700
Lease fees	62,886	-	62,886
Fines and Forfeitures			
Parking	85,233	-	85,233
Miscellaneous			
County share operating expenses and capital repairs	183,089	-	183,089
Total operating revenues	<u>479,382</u>	<u>3,249,533</u>	<u>3,728,915</u>
OPERATING EXPENSES			
Salaries/Benefits	-	265,302	265,302
Contractual services	-	2,255,918	2,255,918
Allocated administrative costs	283,176	411,510	694,686
Supplies	-	3,337	3,337
Utilities	-	20,475	20,475
Depreciation	132,850	73,501	206,351
Amortization	-	11,562	11,562
Maintenance	15,539	87,884	103,423
Compensated absences	5,877	13,242	19,119
Other	2,117	10,175	12,292
Connection costs	-	76,916	76,916
User benefit fees	-	35,945	35,945
Postage	295	-	295
Insurance	46,850	16,280	63,130
Processing fees	-	28,430	28,430
Pumping Station	-	261,293	261,293
Garage operations	105,531	-	105,531
Total operating expenses	<u>592,235</u>	<u>3,571,770</u>	<u>4,164,005</u>
Operating (loss)	<u>(112,853)</u>	<u>(322,237)</u>	<u>(435,090)</u>
Non-Operating Revenue (Expenses)			
Investment income	2,055	-	2,055
Investment expenses	<u>(1,802)</u>	<u>(7,977)</u>	<u>(9,779)</u>
Net non-operating revenue (expenses)	<u>253</u>	<u>(7,977)</u>	<u>(7,724)</u>
DECREASE IN NET POSITION	(112,600)	(330,214)	(442,814)
NET POSITION, BEGINNING OF PERIOD	<u>2,000,098</u>	<u>1,689,506</u>	<u>3,689,604</u>
NET POSITION, END OF PERIOD	<u>\$ 1,887,498</u>	<u>\$ 1,359,292</u>	<u>\$ 3,246,790</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

**Statement of Cash Flows - Proprietary Funds (Enterprise Funds)
Year Ended June 30, 2024**

	<u>Parking Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sewer charges	\$ -	\$ 3,692,829	\$ 3,692,829
Cash received from parking charges	534,620	-	534,620
Payments to suppliers	(481,661)	(3,224,018)	(3,705,679)
Payments to employees	-	(265,139)	(265,139)
Net cash provided by operating activities	<u>52,959</u>	<u>203,672</u>	<u>256,631</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash payment of note principal	(9,555)	-	(9,555)
Cash payment of bond principal	(4,831)	(187,060)	(191,891)
Interest paid on long-term obligation	(1,802)	(8,947)	(10,749)
Acquisition of capital assets	(9,753)	(7,665)	(17,418)
Net cash (used in) financing activities	<u>(25,941)</u>	<u>(203,672)</u>	<u>(229,613)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>2,055</u>	<u>-</u>	<u>2,055</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>29,073</u>	<u>-</u>	<u>29,073</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>207,104</u>	<u>-</u>	<u>207,104</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 236,177</u>	<u>\$ -</u>	<u>\$ 236,177</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating loss	\$ (112,853)	\$ (322,237)	\$ (435,090)
Adjustments to reconcile net operating loss to net cash provided by operating activities:			
Depreciation and amortization	132,850	85,063	217,913
Effects of changes in operating assets and liabilities:			
Accounts receivable	40,942	62,390	103,332
Due from other funds	-	380,866	380,866
Due to other funds	(47,685)	-	(47,685)
Accounts payable	19,532	(15,692)	3,840
Unearned revenue	14,296	40	14,336
Compensated absences payable	5,877	13,242	19,119
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 52,959</u>	<u>\$ 203,672</u>	<u>\$ 256,631</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

**Statement of Fiduciary Net Position
June 30, 2024**

	<u>Pension</u>	<u>OPEB</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 334,012	\$ -	\$ 334,012
Investments:			
Mutual funds	21,791,750	-	21,791,750
Fiscal agents	259,391	-	259,391
Pooled OPEB Trust	-	697,196	697,196
Total assets	<u>22,385,153</u>	<u>697,196</u>	<u>23,082,349</u>
LIABILITIES			
Accounts payable	<u>21,106</u>	<u>-</u>	<u>21,106</u>
NET POSITION			
Held in trust for pension/OPEB benefits	<u>\$ 22,364,047</u>	<u>\$ 697,196</u>	<u>\$ 23,061,243</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

**Statement of Changes In Fiduciary Net Position
Year Ended June 30, 2024**

	<u>Pension</u>	<u>OPEB</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Employer contributions	\$ 622,180	\$ 39,600	\$ 661,780
Employee contributions	518,647	-	518,647
Total contributions	<u>1,140,827</u>	<u>39,600</u>	<u>1,180,427</u>
Investment gain:			
Net increase in the fair value of investments	<u>2,961,984</u>	<u>67,786</u>	<u>3,029,770</u>
Total additions	<u>4,102,811</u>	<u>107,386</u>	<u>4,210,197</u>
DEDUCTIONS			
Benefit payments	1,256,162	-	1,256,162
Contractual services	<u>118,984</u>	<u>8,989</u>	<u>127,973</u>
Total deductions	<u>1,375,146</u>	<u>8,989</u>	<u>1,384,135</u>
CHANGE IN NET POSITION	2,727,665	98,397	2,826,062
NET POSITION HELD IN TRUST FOR PENSION/OPEB BENEFITS:			
BEGINNING OF YEAR	<u>19,636,382</u>	<u>598,799</u>	<u>20,235,181</u>
END OF YEAR	<u>\$ 22,364,047</u>	<u>\$ 697,196</u>	<u>\$ 23,061,243</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Bel Air, Maryland (the Town) was incorporated in 1874 by an act of the Maryland General Assembly and operates under a Council-Manager form of government. The Town provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation, culture, recreation, public improvements, planning and zoning, and general administrative services.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect on interfund activity has been removed from these statements. Exceptions to this general rule are the interfund activity between the government funds and the fiduciary funds. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities that are supported by customer service charges.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are clearly identifiable with a specific function or category. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, such as taxes, are reported as general revenues.

Separate financial statements are shown for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. The recorded amounts of enterprise fund financial instruments, including cash, investments, receivables, payables and long-term debt approximate fair value. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. For pension trust funds, employee and employer contributions are recognized as revenues in the period in which the employee services are performed. Under the modified accrual method, revenues from federal and state expenditure-driven grant programs are deemed available and subject to accrual to the extent that eligible expenditures have been incurred and federal and state funds are requested to pay invoices when due. 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.

Those revenues susceptible to accrual are property taxes, taxes collected by the state and county on behalf of the Town, franchise taxes, special assessments, revenue from other agencies, interest revenue and charges for services. Fines and forfeitures, licenses, permits, penalties and interest (on property taxes) and other revenues become measurable and available when cash is received by the Town and are recognized as revenue at that time.

The Town has two major governmental funds, the general fund and special revenue fund. The general fund is used to account for all activities of the government not accounted for in some other fund. The general fund accounts for the normal recurring activities of the Town such as police, public works, recreation and culture, general government, etc. These activities are financed primarily by property taxes, other taxes, licenses and permits, revenues from other governmental agencies and service charges. The special revenue fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result primarily from providing services and delivering goods in connection with the fund's principal ongoing operations such as charges to customers for sales and services and expenses such as salaries, operating expenses and depreciation. All revenues and expenses not meeting this definition are non-operating revenues and expenses.

TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Town has two proprietary funds, the sewer fund and the parking fund. The sewer fund accounts for all activities associated with the provision of sewerage services to the residents of the Town of Bel Air. The parking fund accounts for the cost and operation of the Town's parking facilities.

The Town has two fiduciary funds, the Sworn Officers Pension Trust and the Civilian Pension Trust. As fiduciary funds, the pension funds are used to account for assets held by the Town in a trustee capacity for individuals and retirees.

Assets, Liabilities and Net Position or Equity

Property Taxes

Taxes on real property are levied on a fiscal year basis as of July 1 and are delinquent after September 30. Taxes on business personal property are levied on a fiscal year basis as of July 1 and are delinquent three months after the monthly billing. Property taxes are attached as an enforceable lien on the underlying properties. General property taxes receivable as of June 30, 2024, amounted to \$86,240. Property tax revenue is recognized in the year levied and when it becomes available, including amounts expected to be collected soon enough after the end of the year to be used to pay liabilities of the current period.

Real and personal property taxes are levied at rates enacted by the Board of Commissioners in the annual budget resolution on the assessed value as determined by the Maryland State Department of Assessments and Taxation. The rates of levy cannot exceed the constant yield tax rate furnished by the Maryland State Department of Assessments and Taxation without public notice, and only after public hearings.

The personal property tax rate is \$1.20 per \$100 of assessed value, and the real property tax rate is \$.54 per \$100 of assessed value.

Restricted Assets

Restricted cash in the general fund represents developers' deposits and cash in escrow from bank financings. Restricted cash in the parking fund and sewer fund represents cash designated for parking lot construction and cash in escrow from bank financings, respectively. When possible, restricted assets are used before unrestricted assets.

TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town defines capital assets, as those which cost more than \$2,500 and have an estimated useful life in excess of one year. Such assets are valued at historical or estimated historical cost if actual historical cost is not available. Donated assets are stated at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or extend asset lives are not capitalized. Construction in progress (CIP) was added due to the materiality of the construction/renovation of the Town Hall/Police Department project.

Expenditures for major assets and improvements are capitalized as projects are constructed. Interest on debt during the construction period is capitalized. The amount of interest to be capitalized is offset by interest income earned on investment proceeds over the same period. Exhaustible capital assets of the General Fund and Proprietary Funds are depreciated, which is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives are generally as follows:

<u>Category</u>	<u>Years</u>
Infrastructure	50
Land improvements	10 – 30
Buildings	25 – 40
Building improvements	7 – 40
Leasehold improvements	7 – 40
Machinery and equipment	3 – 45
Furniture and fixtures	5 – 15
Vehicles	5 – 20

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type in the Statement of Net Position. In the governmental fund financial statements, the face amount of the debt issued is reported as other financing sources.

Compensated Absences

Town employees accumulate vacation, compensatory, and sick leave hours for subsequent use or for payment upon termination or retirement. Earned vacation pay may be paid upon termination or retirement upon completion of one year of continuous service as a full-time employee. A maximum of 80 hours compensatory time may be converted to paid hours when a nonexempt employee retires, resigns, or is otherwise terminated. Fifty percent of earned sick pay to a maximum of 400 hours may be paid upon retirement, resignation, or termination after completion of five years of service.

TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accumulated Unpaid Vacation, Sick, Compensatory Pay and OPEB

As of June 30, 2024, the liability for governmental activities of the Town employees for accrued vacation, sick and compensatory leave and OPEB was \$750,148, \$674,394, \$65,118, and \$819,273, respectively, based on the salary and wage rates in effect at the end of the fiscal year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities in accordance with generally accepted accounting principles.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* and Implementation Guide No. 2023-1, Implementation Guidance Update—2023, which both took effect during FY 2024. The Town implemented all Statements and Implementation Guides that were applicable and material to the Town's financial statements during the fiscal year. The GASB has issued Statement No. 101, *Compensated Absences*, Statement No. 102, *Certain Risk Disclosures*, 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 Town will be analyzing the effects of these pronouncements and plans to adopt them, as applicable, by their effective dates.

Net Position

The government-wide and business-type activity financial statements utilize a net asset presentation. Net position is categorized as follows:

Net Investment in capital assets – This category groups all capital assets into one component of net assets. Accumulated depreciation and outstanding balances of debt that are attributed to the acquisition, construction, or improvement of these assets, reduce the balances in this category.

Restricted net position – This category represents external restrictions imposed by creditors, grantors, laws, and regulations of other governments.

Unrestricted net position – This category represents the net position of the Town, not restricted for any purpose.

TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components- nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Town to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted or committed. The authority for assigning fund balance is expressed by the Town Manager or their designee.

Unassigned – This classification represents amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position.

The governmental funds 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. One element of that reconciliation is non-current liabilities. Noncurrent liabilities applicable to the Town's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds but is recognized as an expenditure when due. All liabilities, both current and noncurrent are reported in the Statement of Net Position.

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

A. Explanation of certain differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position (Continued)

The summary of the difference is as follows:

Equipment/vehicle obligations	\$	392,422
Compensated absences/OPEB		2,308,933
Infrastructure Bond 2021 A-1 and A-2		7,075,000
Infrastructure Bond Premium		662,054
G.O. Bond 2018 Energy Performance Contract		541,130
Total	\$	10,979,539

B. Explanation of certain differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between the net changes in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation is the purchase of capital assets as expenditures; however, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. The summary of the \$483,932 difference is found on page 26.

NOTE 3 – RECONCILIATION OF GAAP AND NON-GAAP EXPENDITURES

A reconciliation of expenditures of the general fund and special revenue fund to present the Statements of Revenues and Expenditures on a GAAP basis is as follows:

	<u>Revenues</u>	<u>Other Financing Sources</u>	<u>Expenditures</u>	<u>Current Year Effect on Fund Balance</u>
General Fund				
Budgetary basis	\$ 18,591,184	\$ -	\$ 18,104,592	\$ 486,592
Current year encumbrances	-	-	(1,174,907)	1,174,907
Prior year encumbrances	-	-	1,431,659	(1,431,659)
GAAP basis	<u>\$ 18,591,184</u>	<u>\$ -</u>	<u>\$ 18,361,344</u>	<u>\$ 229,840</u>
	<u>Revenues</u>	<u>Other Financing Sources</u>	<u>Expenditures</u>	<u>Current Year Effect on Fund Balance</u>
Special Revenue Fund				
Budgetary basis	\$ 399,058	\$ -	\$ 385,160	\$ 13,898
Prior year encumbrances	-	-	38,335	(38,335)
GAAP basis	<u>\$ 399,058</u>	<u>\$ -</u>	<u>\$ 423,495</u>	<u>\$ (24,437)</u>

TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

1. By the first meeting in April, the Town Administrator submits the entire budget to the Board of Town Commissioners. The budget includes both the operating and capital equipment expenditures and the means of financing them. Also, work sessions and hearings are scheduled.
2. No later than the second Town meeting in April, the Town Board adopts a tentative budget. The Board may insert new budget items, delete items, and increase or decrease any items of the budget so presented. The tentative budget becomes a public record in the Office of the Director of Finance, open to public inspection by any resident or taxpayer of the Town.
3. Between the 15th and 31st of May, the Board must hold a public hearing on the tentative budget after two weeks' notice has been published in a newspaper with a general circulation within the Town.
4. The Town Administrator may transfer funds between appropriations for different purposes; however, it shall be approved by a majority of the Board of Town Commissioners before becoming effective.
5. The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as expenditures at the time purchase orders are issued. Budgetary comparisons presented for the general fund are on this non-GAAP basis.
6. All appropriations lapse at the end of the budget year to the extent that they have not been expended or lawfully encumbered.

NOTE 5 – CASH AND INVESTMENTS

Cash and Cash Equivalents

For purposes of statement presentation, all highly-liquid investments with a maturity of three months or less when purchased are considered to be cash and cash equivalents, which includes short-term funds held in the Maryland Local Government Investment Pool.

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 5 – CASH AND INVESTMENTS (Continued)

Cash and Cash Equivalents (Continued)

A. Cash on hand

At year-end, cash on hand for petty cash and change funds was \$2,025.

B. Deposits

At year-end, the carrying amount of the Town's bank deposits was \$274,214, and the bank balance was \$1,121,629 of which \$727,390 was covered by federal deposit insurance and \$394,239 was covered by collateral. The deposits of the Town were not exposed to custodial credit risk as of June 30, 2024.

C. Cash equivalents

As of June 30, 2024, the Town's cash equivalents consisted of money market funds held by the Maryland Local Government Investment Pool totaling \$12,593,889.

Investments

Investments consist of Certificates of Deposit with varying maturities and interest rates ranging from 4.5% to 5.5% which are all covered by federal deposit insurance. Investments have maturities between December 2024 through March 2026.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less than 1 Year</u>	<u>1 to 2</u>	<u>2 to 3</u>
Certificates of Deposit	<u>\$ 3,113,000</u>	<u>\$ 483,000</u>	<u>\$ 1,915,000</u>	<u>\$ 715,000</u>

Interest Rate Risk

Fair value fluctuates with interest rates and increasing interest rates could cause fair value to decline below original cost. To limit the Town's exposure to fair value losses arising from increasing interest rates, the Town's investment policy limits the term of investment maturities except in the fiduciary funds, for which longer term maturities are allowed to match the cash flow of liabilities. Town management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the Town from having to sell investments below original cost for that purpose. The investments at June 30, 2024, met the Town's investment policy as of that date. Investment income includes the following for the year ended June 30, 2024:

Net interest and dividends - governmental activities	<u>\$ 605,375</u>
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TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 5 – CASH AND INVESTMENTS (Continued)

Credit Risk

Town investment policy does not permit investments in commercial paper or corporate bonds, except in fiduciary funds or if they are permitted under state law in the state investment pool. The Town invests in the Maryland Local Government Investment Pool (MLGIP), which is under the administration of the State Treasurer. The MLGIP was established in 1982 under Article 95, Section 22G of the Annotated Code of Maryland and is rated AAAM by Standard & Poors, their highest rating for money market mutual funds. The MLGIP seeks to maintain a constant value of \$1.00 per unit. Unit value is computed using the amortized cost method. In addition, the net asset value of the pool, marked to market, is calculated and maintained on a weekly basis to ensure a \$1.00 per unit constant value.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2024, all of the Town's investments were insured or registered, or for which the securities were held by the Town or its agent in the Town's name or were invested in the MLGIP.

Statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements secured by direct government or agency obligations, and in Maryland Local Government Investment Pool.

Pension Investments

As of June 30, 2024, the Sworn Officers Pension Trust and the Civilian Pension Trust had the following investments and maturities in two of its mutual funds which include investments in bonds.

	Sworn Officers Pension Trust	Civilian Pension Trust	Weighted Average Maturity
T. Rowe Price New Income - I Fund	\$ 2,700,501	\$ 2,824,360	8.51 years
Short-term Bond - I Fund	569,027	605,751	2.17 years

The mutual funds are unrated. The Town's investments held by the Pension Trusts are reported at fair value.

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 5 – CASH AND INVESTMENTS (Continued)

Pension Investments (Continued)

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

The Plans have the following recurring fair value measurements as of June 30, 2024:

- Mutual funds are valued using quoted market prices (Level 1 inputs); and
- Fiscal agents are valued based on the quoted market prices of the underlying assets (Level 2 inputs).

	As of June 30, 2024		
	Civilian 401 (a) Plan (Level 2)	Civilian Pension Trust (Level 1)	Sworn Officers' Pension Trust (Level 1)
ASSETS			
Investments:			
Mutual funds	\$ -	\$ 11,039,216	\$ 10,752,534
Fiscal agents	259,391	-	-
Total assets	<u>\$ 259,391</u>	<u>\$ 11,039,216</u>	<u>\$ 10,752,534</u>

NOTE 6 – CHANGES IN CAPITAL ASSETS

Additions and disposals of fixed capital assets during the year ended June 30, 2024, are shown below:

	Balance July 1, 2023	Additions	Disposals	Ending Balance June 30, 2024
Governmental Activities				
Land – not being depreciated	\$ 4,641,308	\$ -	\$ -	\$ 4,641,308
Buildings and improvements	7,338,165	11,490,510	-	18,828,675
Infrastructure	1,905,435	39,345	-	1,944,780
Machinery and equipment	1,256,927	40,008	13,212	1,283,723
Furniture and fixtures	1,933,815	265,379	-	2,199,194
Vehicles	4,077,786	554,631	430,249	4,202,168
Construction in progress	10,841,799	-	10,841,799	-
Total	<u>31,995,235</u>	<u>12,389,873</u>	<u>11,285,260</u>	<u>33,099,848</u>
Less – accumulated depreciation	9,094,666	1,064,142	443,461	9,715,347
Capital assets, net	<u>\$ 22,900,569</u>	<u>\$11,325,731</u>	<u>\$10,841,799</u>	<u>\$ 23,384,501</u>

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 6 – CHANGES IN CAPITAL ASSETS (Continued)

	Balance July 1, 2023	Additions	Disposals	Ending Balance June 30, 2024
Proprietary Funds				
Parking fund:				
Land not being depreciated	\$ 777,518	\$ -	\$ -	\$ 777,518
Parking improvements	456,647	-	-	456,647
Garage	3,306,772	-	-	3,306,772
Parking vehicle	77,105	-	-	77,105
Equipment	2,265	9,753	-	12,018
	<u>4,620,307</u>	<u>9,753</u>	<u>-</u>	<u>4,630,060</u>
Sewer fund:				
Sewer pipes and storm drain	2,033,518	-	-	2,033,518
Equipment	638,801	-	-	638,801
Vehicle	442,761	-	-	442,761
Building	-	7,665	-	7,665
	<u>3,115,080</u>	<u>7,665</u>	<u>-</u>	<u>3,122,745</u>
Total	7,735,387	17,418	-	7,752,805
Less – accumulated depreciation	4,466,295	206,351	-	4,672,646
Capital assets, net	<u>\$ 3,269,092</u>	<u>\$ (188,933)</u>	<u>\$ -</u>	<u>\$ 3,080,159</u>

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

General government	\$ 564,937
Public safety	123,243
Public works	<u>375,962</u>
Total depreciation expense – governmental activities	<u>\$ 1,064,142</u>

As of June 30, 2024, accumulated depreciation for the parking fund and sewer fund amounted to \$2,853,898 and \$1,818,748, respectively. Depreciation expense for the year ended June 30, 2024, amounted to \$132,850 in the parking fund and \$73,501 in the sewer fund.

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 7 – NON-CURRENT LIABILITIES

Non-current liability transactions of the Town for the year ended June 30, 2024, are presented below.

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2024</u>	<u>Due Within One Year</u>
Governmental activities					
Equipment/vehicle notes	\$ 519,567	\$ -	\$ 127,145	\$ 392,422	\$ 129,057
Net pension liability	3,300,593	-	798,862	2,501,731	-
G.O. Bond 2018 Energy Performance Contract	600,712	-	59,582	541,130	61,256
Infrastructure Bond Series 2021 A-1 and A-2	7,220,000	-	145,000	7,075,000	155,000
Infrastructure Bond Premium	686,574	-	24,520	662,054	-
Accrued vacation, sick and compensatory leave/OPEB	2,074,242	234,691	-	2,308,933	-
Total governmental activities liabilities	<u>\$ 14,401,688</u>	<u>\$ 234,691</u>	<u>\$ 1,155,109</u>	<u>\$ 13,481,270</u>	<u>\$ 345,313</u>
	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2024</u>	<u>Due Within One Year</u>
Business-type activities					
Parking Fund:					
Parking garage repairs bond, 2013	\$ -	\$ -	\$ -	\$ -	\$ -
Parking garage bond (lighting retrofit), 2018	48,605	-	4,831	43,774	4,967
Parking jeep note	14,017	-	3,055	10,962	3,089
Parking garage sweeper note	23,295	-	6,500	16,795	6,624
Accrued vacation, sick and compensatory leave / OPEB	18,900	5,877	-	24,777	-
Total parking fund debt	<u>104,817</u>	<u>5,877</u>	<u>14,386</u>	<u>96,308</u>	<u>14,680</u>
Sewer Fund:					
Infrastructure Bond 2006 Series A: 20 year note	35,500	-	35,500	-	-
Sewer Fund I&I Services Bond, 2017A	160,000	-	40,000	120,000	40,000
Sewer Fund CIP/I&I Services Bond, 2013A	97,354	-	49,576	47,778	47,778
Sewer I&I Services/Main Replace. Bond, 2015	93,532	-	61,984	31,548	31,548
Accrued vacation, sick and compensatory leave / OPEB	87,323	13,242	-	100,565	-
Total sewer fund debt	<u>473,709</u>	<u>13,242</u>	<u>187,060</u>	<u>299,891</u>	<u>119,326</u>
Total business-type activities liabilities	<u>\$ 578,526</u>	<u>\$ 19,119</u>	<u>\$ 201,446</u>	<u>\$ 396,199</u>	<u>\$ 134,006</u>

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 7 – NON-CURRENT LIABILITIES (Continued)

A. Governmental Activities

Bonds Payable

On July 19, 2017, the Town issued a not to exceed \$968,754 “Town of Bel Air \$968,754 General Obligation Energy Performance Bond, 2017B” to Branch Banking and Trust Company (now Truist Bank) with an interest rate of 2.79% for the public purpose of providing funds needed to provide energy improvements to Town facilities. Of this amount, \$896,191 is included in the General Fund, while \$72,563 is included in the Parking Fund. Principal and interest are payable semi-annually on April 19 and October 19 and will continue until April 19, 2032.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 61,256	\$ 14,671	\$ 75,927
2026	62,977	12,950	75,927
2027	64,745	11,180	75,925
2028	66,565	9,361	75,926
2029	68,435	7,492	75,927
2030-2032	217,152	10,720	227,872
Total	<u>\$ 541,130</u>	<u>\$ 66,374</u>	<u>\$ 607,504</u>

On December 2, 2021, the Town entered into a Local Government Infrastructure Bond with the Department of Housing and Community Development for \$8,000,000 with an interest rate of 2.64% for the purpose of providing funds needed to provide and received improvements to Town Hall and the Police Department. Principal is paid annually on April 1 and interest is paid semi-annually on April 1 and October 1 and will continue until April 1, 2051. While the Town borrowed \$8,000,000, the debt service repayment will only be for \$7,424,684 due to a bond premium received in the amount of \$735,614 which is being amortized over the same period as the debt.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 155,000	\$ 250,168	\$ 405,168
2026	155,000	242,278	397,278
2027	170,000	234,388	404,388
2028	170,000	225,736	395,736
2029	185,000	217,082	402,082
2030-2034	1,060,000	939,518	1,999,518
2035-2039	1,260,000	727,324	1,987,324
2040-2044	1,470,000	517,730	1,987,730
2045-2049	1,700,000	276,558	1,976,558
2050-2051	750,000	34,918	784,918
Total	<u>\$ 7,075,000</u>	<u>\$ 3,665,700</u>	<u>\$ 10,740,700</u>

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 7 – NON-CURRENT LIABILITIES (Continued)

A. Governmental Activities (Continued)

Notes Payable

The Town has entered into several notes for the acquisition of capital equipment and vehicles. The interest rates on these notes range from 1.08% to 1.89% with maturity dates from August 18, 2026 to November 21, 2027.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 129,057	\$ 5,123	\$ 134,180
2026	130,993	3,188	134,181
2027	99,212	1,221	100,433
2028	33,160	183	33,343
Total	<u>\$ 392,422</u>	<u>\$ 9,715</u>	<u>\$ 402,137</u>

B. Business-type Activities

Bonds Payable

On July 19, 2017, the Town issued a not to exceed \$968,754 “Town of Bel Air \$968,754 General Obligation Energy Performance Bond, 2017B” to Branch Banking and Trust Company (now Truist Bank) with an interest rate of 2.79% for the public purpose of providing funds needed to provide energy improvements to Town facilities. Of this amount, \$896,191 is included in the General Fund, while \$72,563 is included in the Parking Fund. Principal and interest is payable semi-annually on April 19 and October 19 and will continue until April 19, 2032.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,967	\$ 1,190	\$ 6,157
2026	5,106	1,050	6,156
2027	5,175	907	6,082
2028	5,397	759	6,156
2029	5,549	607	6,156
2030-2031	17,580	869	18,449
Total	<u>\$ 43,774</u>	<u>\$ 5,382</u>	<u>\$ 49,156</u>

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 7 – NON-CURRENT LIABILITIES (Continued)

B. Business-type Activities (Continued)

Bonds Payable (Continued)

On June 11, 2013, the Town of Bel Air issued a \$551,700 “Sewer Fund CIP/I&I Services Bond, 2013A” to PNC Bank, National Association with an interest rate of 1.70% for the public purpose of providing funds needed to develop and publish a sewer system capital improvement plan as well as repairs to the sanitary sewer system in various areas. Interest is payable semi-annually on September 15 and March 15 and will continue until March 15, 2025.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 47,778	\$ 643	\$ 48,421
Total	<u>\$ 47,778</u>	<u>\$ 643</u>	<u>\$ 48,421</u>

On January 5, 2015, the Town of Bel Air issued a \$569,802 “Sewer Fund I&I Services/Main Replacement Bond, 2015” to Harford Bank with an interest rate of 2.29% for the public purpose of providing funds needed for the repairs to the sanitary sewer system in various areas within the Town, as well as a sanitary sewer main replacement located on The John Carroll School property. Interest is payable semi-annually on April 1 and October 1 and will continue until October 1, 2024.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 31,548	\$ 367	\$ 31,915
Total	<u>\$ 31,548</u>	<u>\$ 367</u>	<u>\$ 31,915</u>

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 7 – NON-CURRENT LIABILITIES (Continued)

B. Business-type Activities (Continued)

Bonds Payable (Continued)

On June 5, 2018, the Town of Bel Air issued a \$400,000 “Sewer Fund I&I Services Bond, 2017A” to PNC Bank, National Association with an interest rate of 2.58% for the public purpose of providing funds needed to purchase sewer equipment and to perform repairs to the sanitary sewer system in various areas within the Town. Interest is payable semi-annually on December 5 and June 5 and will continue until June 5, 2027.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 40,000	\$ 2,838	\$ 42,838
2026	40,000	1,806	41,806
2027	40,000	774	40,774
Total	<u>\$ 120,000</u>	<u>\$ 5,418</u>	<u>\$ 125,418</u>

Notes Payable

On February 17, 2020, the Town of Bel Air issued a \$490,267 term note to Harford Bank for the public purpose of purchasing vehicles of which \$45,533 was to finance the purchase of a replacement parking garage sweeper. The interest rate is 1.89% with principal and interest payable semi-annually on February 18 and August 18 and will continue until August 18, 2026.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 6,624	\$ 286	\$ 6,910
2026	6,749	160	6,909
2027	3,422	32	3,454
Total	<u>\$ 16,795</u>	<u>\$ 478</u>	<u>\$ 17,273</u>

On February 21, 2021, the Town of Bel Air issued a \$470,989 term note to Harford Bank for the public purpose of purchasing vehicles of which \$21,571 was to finance the purchase of a replacement electric parking enforcement vehicle. The interest rate is 1.08% with principal and interest payable semi-annually on May 21 and November 21 and will continue until November 21, 2027.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,089	\$ 112	\$ 3,201
2026	3,123	78	3,201
2027	3,157	43	3,200
2028	1,593	9	1,602
Total	<u>\$ 10,962</u>	<u>\$ 242</u>	<u>\$ 11,204</u>

Total interest expense on long-term liabilities was \$286,503.

TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 8 – PENSION PLANS

Town of Bel Air, Maryland Retirement Plan and Trust

The Town of Bel Air provides pension benefits for all of its full-time vested terminated employees through the Town of Bel Air, Maryland Retirement Plan and Trust, a defined contribution plan which was established by and is amended under the conditions of Resolution 430 of the Board of Town Commissioners.

Investments held by the pension trust fund are with the MissionSquare Retirement. As of June 30, 2024, the plan assets at fair market value were \$259,391.

Town of Bel Air, Maryland Civilian Employees Pension Plan

On July 1, 2006, the Town of Bel Air established the Town of Bel Air Civilian Employees Pension Plan (Plan) which provides pension and death and disability benefits to non-sworn plan members and beneficiaries. In accordance with the Town Code, subject to approval by the Town Commissioners, pension plan provisions may be established or amended. The Plan is a single employer defined benefit pension plan administered by the Town of Bel Air. Responsibility for the administration and operation of the Plan is vested with an eleven-member Board of Trustees.

The Plan does not issue a separate financial report but is included in the accompanying financial statements as a pension trust fund.

The Town uses the accrual basis of accounting for the Plan. Investment income is recognized when it is earned, and expenses are recognized when they are incurred. Contributions are recognized when due. Benefits and refunds are recognized when due and payable under the terms of the Plan. The investments consist of publicly traded mutual funds and their fair value is determined by reference to published trade journals.

Investments

The table below summarizes the target asset class weighting, along with the allowable ranges for each class.

<u>Investment Type</u>	<u>Range/Target</u>
Reserves	0% to 20%
Fixed Income	30% to 50%
Equity	50% to 70%

Funding Policy

The Plan requires active members to contribute to the System at the rate of 5.9% of covered compensation and the Town to contribute 8.7% of the members' covered compensation. Increases in the funding requirements, as determined by an actuary, shall be borne by the active members by adjusting the percent of the members' covered compensation to be contributed. As of June 30, 2024, plan assets at fair value totaled \$11,222,916.

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 8 – PENSION PLANS (Continued)

Town of Bel Air, Maryland Civilian Employees Pension Plan (Continued)

Investments (continued)

For 2024, the actuarially determined employer contribution was determined to be \$364,652. This contribution represents 8.8% of estimated payroll and reflects a 30-year layered amortization. The required contribution was determined as part of the July 1, 2023 actuarial valuation using the projected unit credit actuarial cost method.

Membership of the Plan

The membership consisted of the following as of July 1, 2023, the date of the latest actuarial valuation:

Active Plan members	59
Retirees and beneficiaries receiving benefits	34
Terminated Plan members entitled to but not yet receiving benefits	12
	105

Actuarial Assumptions

The long-term expected rate of return on pension plan investments was determined using a standard building block approach. 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 adding expected inflation. Best estimates of arithmetic assumed rates of return for each class included in the pension plans' general target asset allocation as of June 30, 2024 is as follows:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Assumed Rate of Return</u>
Equities:	65%	6.00%
Fixed Income:	34%	2.30%
Cash and Equivalents:	1%	0.75%
Total Weighted Average Real Return	100%	5.02%
Plus Inflation		2.50%
Total Return w/o Adjustment		7.19%
Risk Adjustment		-0.19%
Total Expected Return		7.00%

TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 8 – PENSION PLANS (Continued)

Town of Bel Air, Maryland Civilian Employees Pension Plan (Continued)

The actuarial assumptions included (a) 7.25% investment rate of return, (b) projected salary increases of 6.75% for the first 14 years, 3.25% thereafter, (c) 2.75% inflation rate, and (d) rates of mortality, termination of service, disablement and retirement based on RP-2000 (-2,-2) (Blue Collar), projected to 2025 with Scale BB apply 50% for pre-retirement deaths. The actual contribution by the members was \$251,883.

The Town's contribution for the year ended June 30, 2024 was \$371,422. As of June 30, 2024, there were 59 current employee participants in the Plan. A participant is fully vested after five years.

Net Pension Liability

The net pension liability is equal to the total pension liability minus the net position of the plan. The result as of June 30, 2024 is as follows:

Total pension liability	\$	12,901,200
Net position		(11,222,116)
Net pension liability	\$	<u>1,679,084</u>

Net position as a percentage of total pension liability is 87%.

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

The following presents the net pension liability of the plan, calculated using a discount rate of 7.00% as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	<u>1.0% decrease</u> <u>6.00%</u>	<u>Current rate</u> <u>7.00%</u>	<u>1.0% increase</u> <u>8.00%</u>
Net pension liability	\$ <u>3,169,247</u>	\$ <u>1,679,804</u>	\$ <u>402,122</u>

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the Town recognized pension expense of \$406,801 for the Plan. As of June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 8 – PENSION PLANS (Continued)

Town of Bel Air, Maryland Civilian Employees Pension Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected versus actual investment earnings	\$ -	\$ (79,396)
Differences in actual versus expected experience	347,086	-
Changes in assumptions	108,229	-
Total	<u>\$ 455,315</u>	<u>\$ (79,396)</u>

The above amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in the pension expense as follows:

<u>Year Ended June 30,</u>	<u>Net Amount of Outflow/(Inflow)</u>
2025	\$ 81,970
2026	490,338
2027	(160,683)
2028	(91,155)
2029	55,449
Total	<u>\$ 375,919</u>

Town of Bel Air, Maryland Sworn Officers' Pension Plan

On July 1, 2003, the Town of Bel Air established the Town of Bel Air Sworn Officers' Pension Plan (Plan) which provides pension and death and disability benefits to plan members and beneficiaries. In accordance with the Town Code, subject to approval by the Town Commissioners, pension plan provisions may be established or amended. The Plan is a single employer defined benefit pension plan administered by the Town of Bel Air. Responsibility for the administration and operation of the Plan is vested with a five-member Board of Trustees.

The Plan does not issue a separate financial report but is included in the accompanying financial statements as a pension trust fund.

The Town uses the accrual basis of accounting for the Plan. Investment income is recognized when it is earned, and expenses are recognized when they are incurred. Contributions are recognized when due. Benefits and refunds are recognized when due and payable under the terms of the Plan. The investments consist of publicly traded mutual funds and their fair value is determined by reference to published trade journals.

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 8 – PENSION PLANS (Continued)

Town of Bel Air, Maryland Sworn Officers’ Pension Plan (Continued)

Funding Policy

On October 18, 2021, the Plan Trustees voted to change the required active member contribution from 11.62% to 10% of covered compensation, and the Plan requires the Town to contribute 9.7% of the members’ covered compensation. Increases in the funding requirements, as determined by an actuary, shall be borne by the active members by adjusting the percent of the members’ covered compensation to be contributed. As of June 30, 2024, plan assets at fair value totaled \$10,882,740.

For 2024, the actuarily determined employer contribution was determined to be \$209,028. This contribution represents 9.7% of estimated payroll and reflects a 20-year amortization of the unfunded actuarial liability. The required contribution was determined as part of the July 1, 2023 actuarial valuation using the projected unit credit actuarial cost method.

Membership of the Plan

The membership consisted of the following as of July 1, 2023, the date of the latest actuarial valuation:

Active Plan members	31
Retirees and beneficiaries receiving benefits	16
Terminated Plan members entitled to but not yet receiving benefits	4
	51

Actuarial Assumptions

The long-term expected rate of return on pension plan investments was determined using a standard building block approach. 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 adding expected inflation. Best estimates of arithmetic assumed rates of return for each class included in the pension plans’ general target asset allocation as of June 30, 2024 is as follows:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Assumed Rate of Return</u>
Equities:	65%	6.00%
Fixed Income:	34%	2.30%
Cash and Equivalents:	1%	0.75%
Total Weighted Average Real Return	100%	5.02%
Plus Inflation		2.50%
Total Return w/o Adjustment		7.19%
Risk Adjustment		-0.19%
Total Expected Return		7.00%

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 8 – PENSION PLANS (Continued)

Town of Bel Air, Maryland Sworn Officers’ Pension Plan (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions included (a) 7.25% investment rate of return, (b) projected salary increases of 5.5% for the first 15 years, 4.5% for the next 10 years, and 3.5% thereafter, (c) 2.75% inflation rate, and (d) rates of mortality, termination of service, disablement and retirement based on RP-2000 Combined Healthy table for Males and Females to the RP 2000 (Blue Collar) projected to 2025 with Scale BB apply 50% for pre-retirement deaths. The actual contribution by the members was \$266,764. The Town’s contribution for the year ended June 30, 2024 was \$250,758. As of June 30, 2024, there were 31 current employee participants in the Plan. A participant is fully vested after five years.

Net Pension Liability

The net pension liability is equal to the total pension liability minus the net position of the plan. The result as of June 30, 2024 is as follows:

Total pension liability	\$ 11,705,366
Net position	<u>(10,882,739)</u>
Net pension liability	<u>\$ 822,627</u>

Net position as a percentage of total pension liability is 93%.

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

The following presents the net pension liability of the plan, calculated using a discount rate of 7.00% as well as what the plan’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	<u>1.0% decrease</u> <u>6.00%</u>	<u>Current rate</u> <u>7.00%</u>	<u>1.0% increase</u> <u>8.00%</u>
Net pension liability	<u>\$ 2,329,264</u>	<u>\$ 822,627</u>	<u>\$ (449,802)</u>

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the Town recognized pension expense of \$194,598, for the Plan. As of June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between projected versus actual investment earnings	\$ -	\$ (99,529)
Differences in actual versus expected experience	27,854	-
Changes in assumptions	<u>100,011</u>	<u>-</u>
Total	<u>\$ 127,865</u>	<u>\$ (99,529)</u>

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 8 – PENSION PLANS (Continued)

Town of Bel Air, Maryland Sworn Officers' Pension Plan (Continued)

The above amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in the pension expense as follows:

<u>Year ended June 30,</u>	<u>Net Amount of Outflow/(Inflow)</u>
2025	\$ (62,748)
2026	314,469
2027	(210,221)
2028	(162,087)
2029	43,493
After 2029	105,430
Total	\$ 28,336

The financial information for each plan as of and for the year ended June 30, 2024, is summarized as follows:

	<u>As of June 30, 2024</u>			
	<u>Civilian 401 (a) Plan</u>	<u>Civilian Pension Trust</u>	<u>Sworn Officers' Pension Trust</u>	<u>Total</u>
ASSETS				
Cash and equivalents	\$ -	\$ 193,377	\$ 140,635	\$ 334,012
Investments:				
Mutual funds	-	11,039,216	10,752,534	21,791,750
Fiscal agents	259,391	-	-	259,391
Total assets	259,391	11,232,593	10,893,169	22,385,153
LIABILITIES				
Accounts payable	-	10,677	10,429	21,106
NET POSITION				
Held in trust for pension benefits	<u>\$ 259,391</u>	<u>\$ 11,221,916</u>	<u>\$ 10,882,740</u>	<u>\$ 22,364,047</u>
ADDITIONS				
Contributions				
Employer contributions	\$ -	\$ 371,422	\$ 250,758	\$ 622,180
Employee contributions	-	251,883	266,764	518,647
Total contributions	-	623,305	517,522	1,140,827
Investment gain:				
Net increase in the fair value of investments	41,375	1,474,844	1,445,765	2,961,984
Total additions	41,375	2,098,149	1,963,287	4,102,811
DEDUCTIONS				
Benefit payments	15,432	712,784	527,946	1,256,162
Contractual services		60,539	58,445	118,984
Total deductions	15,432	773,323	586,391	1,375,146
CHANGE IN NET POSITION	25,943	1,324,826	1,376,896	2,727,665
NET POSITION HELD IN TRUST FOR PENSION BENEFITS:				
BEGINNING OF YEAR	<u>\$ 233,448</u>	<u>\$ 9,897,090</u>	<u>\$ 9,505,844</u>	<u>\$ 19,636,382</u>
END OF YEAR	<u>\$ 259,391</u>	<u>\$ 11,221,916</u>	<u>\$ 10,882,740</u>	<u>\$ 22,364,047</u>

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 8 – PENSION PLANS (Continued)

457 Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all government 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 rights purchased with those amounts, and all income attributable to those amounts (until paid or made available to the employee or other beneficiary) are held in trust, with the Town serving as trustee, for the exclusive benefit of the plan participants and their beneficiaries, and the assets cannot be diverted to any other purpose. The Town’s beneficial ownership of plan assets held in the ICMA Retirement Trust are held for the further exclusive benefit of the plan participants and their beneficiaries.

Investments are managed by the plan’s trustee under 1 of 32 investment options, or a combination thereof. The plan’s investments are reported at fair value. The choice of the investment option is made by the participant. Management of the Town has determined that the Town does not meet the fiduciary requirements under GASB 32 and therefore has not included the financial statement of the 457 deferred compensation plan in the Town’s financial statements.

NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Sewer Fund</u>	<u>Parking Fund</u>	<u>Total</u>
Due from Other Funds:					
General Fund	\$ -	\$ -	\$ 825,639	\$ -	\$ 825,639
Special Revenue	154,252	-	4,532	-	158,784
Parking Fund	155,323	-	2,459	-	157,782
Total	<u>\$ 309,575</u>	<u>\$ -</u>	<u>\$ 832,630</u>	<u>\$ -</u>	<u>\$ 1,142,205</u>
Due to Other Funds:					
Sewer Fund	\$ 825,639	\$ 4,532	\$ -	\$ 2,459	\$ 832,630
General Fund	-	154,252	-	155,323	309,575
Total	<u>\$ 825,639</u>	<u>\$ 158,784</u>	<u>\$ -</u>	<u>\$ 157,782</u>	<u>\$ 1,142,205</u>

TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

The Town of Bel Air has instituted a program to provide health plan insurance to retired employees who are at least 55 years of age with at least 20 years of service. On July 1, 2009, the Town changed its benefit from a percentage of premium to a determined actual amount; however, the old benefit of a percentage of premium will remain in effect for those individuals who retired prior to January 1, 2009, which includes all of the retirees currently receiving the benefit. The premium amount paid by the Town is dependent upon the years of service by the retiree. The cost of the dependent care portion of the policy is born by the retiree unless he/she has at least 30 years of service. Participation in the program terminates at age 65. The Town recognizes the cost of the contribution in the year it is made. The total cost of the Plan to the Town for the year ended June 30, 2024, was \$20,795 for the seven retired employees participating in the Plan and receiving benefits.

In fiscal year 2016, the Town joined the Maryland Association of Counties (MACO) Pooled OPEB Trust (The Trust). The Trust is a wholly-owned instrumentality of its name members including the Town. The Trust was formed to facilitate the investments of other post-retirement benefits trusts formed by the members to provide post-retirement benefits to their respective retirees. During the year ended June 30, 2024, the Town contributed \$39,600 to the Trust. As of June 30, 2024, the Town's share of the net position of the Trust was \$697,196. A separately audited financial statement of the Trust may be obtained by sending a request to the following address: Board of the MACO Pooled Investment Trust, 169 Conduit Street, Annapolis, MD 21401.

Funding Policy

On December 7, 2015, the Board of Town Commissioners approved Resolution No. 1061-15 which authorized the Town becoming a member of the Maryland Association of Counties Pooled OPEB Trust Fund. The Trust was established on January 27, 2015 to facilitate the investments of Other Postemployment Benefits (OPEB) by the members to provide post-retirement benefits to their respective retirees.

Membership of the Plan

The membership consisted of the following as of July 1, 2023, the date of the latest actuarial valuation:

Number of participants	Total
Active	66
Retired	5
Spouse	2
Total participants	73

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (continued)

Actuarial Assumptions

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

Best estimates of real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2024, and the final investment return assumption, are summarized in the following table:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Long-term Expected Real Return - Portfolio</u>
Domestic Equity	36.0%	6.20%
International Funds	24.0%	6.55%
Fixed Income - U.S.	35.0%	2.30%
Real Estate	5.0%	4.55%
Total Weighted Average Real Return	<u>100.0%</u>	4.84%
Plus Inflation		2.50%
Total Return w/o Adjustment		7.35%
Risk Adjustment		-0.34%
Total Expected Return		<u>7.00%</u>

The actuarial assumptions included (a) 7.0% investment return, net of investment expense and including inflation, (b) 6.0% healthcare trend initially, grading down to 4.25% ultimately, (c) 2.50% inflation, (d) 3.0% salary increases, and (e) rates of mortality are based on the gender-specific Pub2010G for civilian members, Pub 2010S (Below Median) for sworn officers, each with SSA generational projections using Scale SSa2020; 50% of rates for pre-retirement mortality.

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (continued)

Net OPEB Liability

The net OPEB liability is equal to the total OPEB liability minus the net position of the plan. The result as of June 30, 2024 is as follows:

Total OPEB liability	\$ 1,516,469
Plan fiduciary net position	(697,196)
Net OPEB liability	<u>\$ 819,273</u>

Plan fiduciary net position as a percentage of the total OPEB liability	46.0%
-------------------------------------------------------------------------	-------

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

The following presents the net OPEB liability of the plan, calculated using the discount rate of 7.00% as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate:

	1% Decrease 6%	Current Discount Rate 7%	1% Increase 8%
Net OPEB liability	<u>\$ 957,617</u>	<u>\$ 819,273</u>	<u>\$ 694,420</u>

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

The following presents the net OPEB liability of the Town as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current healthcare cost trend rates.

	1% Decrease 3.00%	Current Ultimate Trend Rate 4.00%	1% Increase 5.00%
Net OPEB liability	<u>\$ 663,087</u>	<u>\$ 819,273</u>	<u>\$ 1,003,549</u>

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the Town recognized OPEB expense of \$85,094 for the Plan. As of June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected versus actual investment earnings	\$ 49,604	\$ (47,979)
Differences in actual versus expected experience	-	(423,213)
Changes in assumptions	86,278	-
Total	<u>\$ 135,882</u>	<u>\$ (471,192)</u>

The above amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in the OPEB expense as follows:

<u>Year ended June 30,</u>	<u>Net Amount of Outflow/(Inflow)</u>
2025	\$ (37,293)
2026	(19,428)
2027	(44,228)
2028	(39,142)
2029	(35,429)
After 2029	(159,790)
Total	<u>\$ (335,310)</u>

NOTE 11 – RISK MANAGEMENT

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

For property, excess liability, primary auto and boiler and machinery liability coverage, the Town became 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 coverage and operates under the terms of a Trust Agreement. The Town pays LGIT an annual premium. Claims are processed and recoveries and administrative costs are paid by LGIT.

TOWN OF BEL AIR, MARYLAND

**Notes to Financial Statements
June 30, 2024**

NOTE 11 – RISK MANAGEMENT (Continued)

Similar to a commercial insurance carrier, recoveries are subject to deductibles and to annual aggregate/per occurrence dollar limits. Settled claims from these risks have not exceeded coverage for the past three fiscal years, and there has not been a reduction in insurance coverage in the past fiscal year. The Town is fully insured for worker’s compensation through the Injured Worker’s Insurance Fund of Maryland. Employees are bonded through commercial insurance carriers to limit the loss to the Town in the event of employees committing acts of embezzlement or theft.

NOTE 12 – FUND BALANCE

As of June 30, 2024, the Fund Balances were designated for the following purposes:

Special Revenue Fund

Nonspendable:

Explorer scouts	\$ 2,870	
Total Nonspendable		\$ 2,870

Restricted:

Community Legacy Grant	50,000	
Seized property-Federal Justice	2,312	
Seized property-Federal Treasury	62,305	
Total Restricted	<u>114,617</u>	

Committed:

Tree planting – forest conservation	8,057	
Revolving loan fund	86,000	
Seized property	1,376	
Open space fee in lieu	1,444	
Stormwater management - fee in lieu	52,240	
Total Committed	<u>149,117</u>	

Assigned:

Public amenity – gardens/park/art	47,506	
Memorials	1,455	
Cultural arts	21,522	
Explorer scouts	42,484	
Community Parks & Playground	-	
Total Assigned	<u>112,967</u>	

Total fund balance \$ 379,571

TOWN OF BEL AIR, MARYLAND

Notes to Financial Statements June 30, 2024

NOTE 12 – FUND BALANCE (Continued)

Fund balances for the Town's general fund consisted of the following as of June 30, 2024: Non-spendable fund balance was \$33,818 pertaining to prepaid costs in the general fund; committed fund balance was \$7,121,537 pertaining to \$13,365 for seized property, \$4,873,918 for capital, \$341,559 for stormwater management, \$44,829 for worker's compensation claims, \$1,547,866 for stabilization, \$300,000 for leave payout; assigned fund balance was \$1,174,907 for current year encumbrances, and unassigned fund balance totaled \$2,594,656.

NOTE 13 – RISK AND UNCERTAINTIES

The Town's pension plans invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment of securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The Town receives grants from time to time. Expenditures from certain grants are subject to audit by the grantor, and the Town is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the Town's management, no material refunds will be required as a result of disallowed expenditures.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BEL AIR, MARYLAND

Schedule of Changes in Net OPEB Liability and Related Ratios June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability								
Service Cost	\$ 47,117	\$ 58,683	\$ 56,974	\$ 46,773	\$ 45,411	\$ 46,496	\$ 45,142	\$ 43,827
Interest	99,900	115,212	105,865	98,313	91,514	88,777	81,824	75,600
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	(355,727)	-	(141,009)	-	(68,793)	-	-
Changes in assumptions	-	-	-	135,582	-	-	-	-
Benefit payments and implicit subsidy	(20,795)	(29,760)	(32,246)	(51,348)	(31,329)	(21,408)	(36,324)	(27,476)
Net change in Total OPEB Liability	126,222	(211,592)	130,593	88,311	105,596	45,072	90,642	91,951
Total OPEB liability - beginning	1,390,247	1,601,839	1,471,246	1,382,935	1,277,339	1,232,267	1,141,625	1,049,674
Total OPEB liability - ending	<u>\$ 1,516,469</u>	<u>\$ 1,390,247</u>	<u>\$ 1,601,839</u>	<u>\$ 1,471,246</u>	<u>\$ 1,382,935</u>	<u>\$ 1,277,339</u>	<u>\$ 1,232,267</u>	<u>\$ 1,141,625</u>
Plan fiduciary net position								
Contributions - employer, including benefit payments and implicit subsidy	\$ 60,395	\$ 51,760	\$ 44,996	\$ 74,348	\$ 56,999	\$ 55,404	\$ 77,024	\$ 60,476
Contributions - member	-	-	-	-	-	-	-	-
Net investment income	67,448	62,619	(81,879)	121,975	8,671	22,721	20,751	25,757
Benefit payments and implicit subsidy	(20,795)	(29,760)	(32,246)	(51,348)	(31,329)	(21,408)	(36,324)	(27,476)
Administrative expense	(8,652)	(2,678)	(8,270)	(2,071)	(7,717)	(1,975)	(5,810)	(1,510)
Other	(5,600)	-	-	-	-	-	-	-
Net change in Plan Fiduciary Net Position	92,796	81,941	(77,399)	142,904	26,624	54,742	55,641	57,247
Plan fiduciary net position - beginning	604,400	522,459	599,858	456,954	430,330	375,588	319,947	262,700
Plan fiduciary net positions - ending	<u>\$ 697,196</u>	<u>\$ 604,400</u>	<u>\$ 522,459</u>	<u>\$ 599,858</u>	<u>\$ 456,954</u>	<u>\$ 430,330</u>	<u>\$ 375,588</u>	<u>\$ 319,947</u>
Net OPEB liability - ending	\$ 819,273	\$ 785,847	\$ 1,079,380	\$ 871,388	\$ 925,981	\$ 847,009	\$ 856,679	\$ 821,678
Plan fiduciary net position as a percentage of total OPEB liability	45.97%	43.47%	32.62%	40.77%	33.04%	33.69%	30.48%	28.03%
Covered employee payroll	\$ 6,823,198	\$ 6,324,151	\$ 5,724,945	\$ 5,820,103	\$ 5,513,957	\$ 5,038,579	\$ 5,239,219	\$ 5,086,620
Net OPEB liability as a percentage of covered payroll	12.01%	12.43%	18.85%	14.97%	16.79%	16.81%	16.35%	16.15%
Annual money-weighted rate of return	10.00%	11.80%	-13.60%	26.20%	2.00%	5.80%	6.20%	7.64%

Notes to schedule:

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF BEL AIR, MARYLAND

Schedule of Contributions - OPEB June 30, 2024

	<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>	<u>2015</u>
Actuarially determined contribution	\$ 101,403	\$ 94,769	\$ 114,632	\$ 107,133	\$ 99,286	\$ 92,364	\$ 85,721	\$ 85,721	\$ 62,149	\$ 62,149
Contributions in relation to the actuarially determined contribution	60,395	51,760	44,996	74,348	56,999	55,404	77,024	60,476	276,195	26,914
Contribution deficiency (excess)	<u>\$ 41,008</u>	<u>\$ 43,009</u>	<u>\$ 69,636</u>	<u>\$ 32,785</u>	<u>\$ 42,287</u>	<u>\$ 36,960</u>	<u>\$ 8,697</u>	<u>\$ 25,245</u>	<u>\$ (214,046)</u>	<u>\$ 35,235</u>
Covered payroll	\$ 6,823,198	\$ 6,324,151	\$ 5,724,945	\$ 5,820,103	\$ 5,513,957	\$ 5,038,579	\$ 5,239,219	\$ 5,086,620	\$ 4,728,430	\$ 4,546,567
Contributions as a percentage of covered payroll	0.89%	0.82%	0.79%	1.28%	1.03%	1.10%	1.47%	1.19%	5.84%	0.59%

Note to Schedule

Valuation date: June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level payment over a closed period of 30 years
Asset valuation method	Market Value
Inflation	2.5%
Salary increases	3%
Investment rate of return	7% net of OPEB investment expense, including inflation
Retirement age	The latter of 25 years of service and age 65

Mortality rates are based on the gener-specific Pub2010G for Civilian members, Pub 2010S (Below Median) for Sworn Officers, each with SSA generational projections using Scale SSA2020; 50% of rates for pre-retirement mortality.

TOWN OF BEL AIR, MARYLAND

Schedule of Changes in Pension Fund Net Pension Liability and Related Ratios June 30, 2024

	Civilian									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service Cost: Retirement benefits Administration	\$ 410,062	\$ 370,725	\$ 371,177	\$ 356,660	\$ 342,361	\$ 332,389	\$ 321,472	\$ 315,871	\$ 241,040	\$ 226,439
Interest	845,949	803,194	773,265	724,793	675,561	637,782	601,400	565,717	594,815	554,161
Differences between expected and actual experiences	332,684	67,581	(116,205)	149,005	169,795	(107,027)	(25,268)	(50,182)	80,719	(274,272)
Changes in assumptions	-	-	-	324,689	-	-	-	(607,784)	-	-
Benefit pymts, incl rfd's member contrib, death, terminations	(712,784)	(628,741)	(572,663)	(469,133)	(574,943)	(347,140)	(303,500)	(433,705)	(329,122)	(338,437)
Net changes in total pension liability	875,911	612,759	455,574	1,086,014	612,774	516,004	594,104	(210,083)	587,452	167,891
Total pension liability - beginning	12,025,289	11,412,530	10,956,956	9,870,942	9,258,168	8,742,164	8,148,060	8,358,143	7,770,691	7,602,800
Total pension liability - ending (a)	<u>\$ 12,901,200</u>	<u>\$ 12,025,289</u>	<u>\$ 11,412,530</u>	<u>\$ 10,956,956</u>	<u>\$ 9,870,942</u>	<u>\$ 9,258,168</u>	<u>\$ 8,742,164</u>	<u>\$ 8,148,060</u>	<u>\$ 8,358,143</u>	<u>\$ 7,770,691</u>
Plan fiduciary net position										
Contributions - employer	\$ 371,422	\$ 355,880	\$ 333,500	\$ 317,698	\$ 306,985	\$ 288,726	\$ 285,031	\$ 268,835	\$ 263,915	\$ 248,724
Contributions - member	251,883	241,435	196,654	215,491	208,185	195,931	191,429	182,322	179,074	168,370
Net investment income	1,474,844	884,231	(1,961,696)	2,566,255	466,400	547,396	643,365	855,347	(16,141)	250,391
Receipts of In-kind	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refuds of member contributions	(712,784)	(628,741)	(572,663)	(469,133)	(574,942)	(347,140)	(303,500)	(433,705)	(329,122)	(338,437)
Administrative expense	(60,339)	(55,244)	(63,161)	(62,711)	(52,340)	(56,172)	(48,061)	(42,569)	(55,379)	(39,481)
Net changes in plan fiduciary net position	1,325,026	797,561	(2,067,366)	2,567,600	354,288	628,741	768,264	830,230	42,347	289,567
Plan fiduciary net positions - beginning	9,897,070	9,099,509	11,166,875	8,599,275	8,244,987	7,616,246	6,847,982	6,017,752	5,975,405	5,685,838
Plan fiduciary net positions - ending (b)	<u>\$ 11,222,096</u>	<u>\$ 9,897,070</u>	<u>\$ 9,099,509</u>	<u>\$ 11,166,875</u>	<u>\$ 8,599,275</u>	<u>\$ 8,244,987</u>	<u>\$ 7,616,246</u>	<u>\$ 6,847,982</u>	<u>\$ 6,017,752</u>	<u>\$ 5,975,405</u>
Town's net pension - (asset) liability - ending (a) - (b)	\$ 1,679,104	\$ 2,128,219	\$ 2,313,021	\$ (209,919)	\$ 1,271,667	\$ 1,013,181	\$ 1,125,918	\$ 1,300,078	\$ 2,340,391	\$ 1,795,286
Plan fiduciary net position as a percentage of total pension liability/asset	86.98%	82.30%	79.73%	101.92%	87.12%	89.06%	87.12%	84.04%	72.00%	76.90%
Covered employee payroll	\$ 4,238,886	\$ 3,661,656	\$ 3,494,150	\$ 3,516,421	\$ 3,373,219	\$ 3,318,691	\$ 3,276,716	\$ 3,147,119	\$ 2,739,570	\$ 2,634,202
Net liability/asset as a percentage of covered payroll	39.61%	58.12%	66.20%	-5.97%	37.70%	30.53%	34.36%	41.31%	85.43%	68.15%
Annual money-weighted rate of return, net of investment expense	15.10%	9.80%	-17.70%	29.90%	5.30%	7.60%	9.40%	14.30%	-0.30%	4.40%

Notes to schedule:

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF BEL AIR, MARYLAND

Schedule of Changes in Pension Fund Net Pension Liability and Related Ratios June 30, 2024

	Sworn Officers									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service Cost: Retirement benefits Administration	\$ 344,999	\$ 290,042	\$ 290,585	\$ 230,036	\$ 240,936	\$ 233,918	\$ 235,642	\$ 220,727	\$ 166,468	\$ 148,752
Interest	753,460	726,195	711,646	670,501	633,161	601,697	575,590	548,807	579,955	545,503
Differences between expected and actual experiences	456,635	(149,838)	(278,653)	50,669	88,078	(87,660)	(69,720)	(215,973)	107,963	(58,419)
Changes in assumptions	-	-	-	371,772	-	-	-	(369,157)	-	-
Benefit pymts, incl rfd's member contrib, death, terminations	(527,946)	(535,653)	(495,405)	(436,239)	(436,239)	(382,037)	(342,165)	(348,320)	(407,470)	(315,333)
Net changes in total pension liability	1,027,148	330,746	228,173	886,739	525,936	365,918	399,347	(163,916)	446,916	320,503
Total pension liability - beginning	10,678,218	10,347,472	10,119,299	9,232,560	8,706,624	8,340,706	7,941,359	8,105,275	7,658,359	7,337,856
Total pension liability - ending (a)	<u>\$ 11,705,366</u>	<u>\$ 10,678,218</u>	<u>\$ 10,347,472</u>	<u>\$ 10,119,299</u>	<u>\$ 9,232,560</u>	<u>\$ 8,706,624</u>	<u>\$ 8,340,706</u>	<u>\$ 7,941,359</u>	<u>\$ 8,105,275</u>	<u>\$ 7,658,359</u>
Plan fiduciary net position										
Contributions - employer	\$ 250,757	\$ 241,077	\$ 219,625	\$ 216,533	\$ 201,258	\$ 202,289	\$ 201,004	\$ 194,064	\$ 183,050	\$ 179,762
Contributions - member	266,764	256,420	276,240	267,690	248,753	249,527	249,870	239,984	226,325	222,234
Net investment income	1,445,765	848,264	(1,876,826)	2,461,767	458,803	523,298	618,731	823,919	(13,096)	246,899
Receipts of In-kind	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(527,946)	(535,653)	(495,405)	(436,239)	(436,239)	(382,037)	(342,165)	(348,320)	(407,470)	(315,333)
Administrative expense	(58,445)	(52,822)	(60,178)	(58,733)	(48,023)	(47,430)	(48,331)	(40,844)	(54,700)	(37,215)
Net changes in plan fiduciary net position	1,376,895	757,286	(1,936,544)	2,454,110	424,552	545,647	679,109	868,803	(65,891)	296,347
Plan fiduciary net positions - beginning	9,505,844	8,748,558	10,685,102	8,234,084	7,809,532	7,263,885	6,584,776	5,715,973	5,781,864	5,485,517
Plan fiduciary net positions - ending (b)	<u>\$ 10,882,739</u>	<u>\$ 9,505,844</u>	<u>\$ 8,748,558</u>	<u>\$ 10,685,102</u>	<u>\$ 8,234,084</u>	<u>\$ 7,809,532</u>	<u>\$ 7,263,885</u>	<u>\$ 6,584,776</u>	<u>\$ 5,715,973</u>	<u>\$ 5,781,864</u>
Town's net pension - liability (asset) - ending (a) - (b)	\$ 822,627	\$ 1,172,374	\$ 1,598,914	\$ (565,803)	\$ 998,476	\$ 897,092	\$ 1,076,821	\$ 1,356,583	\$ 2,389,302	\$ 1,876,495
Plan fiduciary net position as a percentage of total pension liability/asset	92.97%	89.02%	84.55%	105.59%	89.19%	89.70%	87.09%	82.92%	70.52%	75.50%
Covered employee payroll	\$ 2,584,312	\$ 2,556,837	\$ 2,230,796	\$ 2,248,187	\$ 2,140,738	\$ 2,152,007	\$ 2,137,595	\$ 1,939,501	\$ 1,988,860	\$ 1,912,365
Net liability/asset as a percentage of covered payroll	31.83%	45.85%	71.67%	-25.17%	46.64%	41.69%	50.38%	69.94%	120.13%	98.12%
Annual money-weighted rate of return, net of investment expense	15.30%	9.80%	-17.60%	29.90%	5.40%	7.70%	9.40%	14.40%	-0.20%	4.50%

Notes to schedule:

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF BEL AIR, MARYLAND

Schedule of Civilian Employees Pension Plan Employer Contributions June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 364,652	\$ 310,938	\$ 302,077	\$ 312,798	\$ 282,384	\$ 272,771	\$ 281,277	\$ 282,358	\$ 224,720	\$ 221,424
Contributions in relation to the actuarially determined contributions	(371,422)	(355,880)	(333,500)	(317,698)	(306,985)	(288,726)	(285,031)	(268,835)	(263,914)	(248,724)
Contributions deficiency (excess)	\$ (6,770)	\$ (44,942)	\$ (31,423)	\$ (4,900)	\$ (24,601)	\$ (15,955)	\$ (3,754)	\$ 13,523	\$ (39,194)	\$ (27,300)
Covered employee payroll	\$ 4,238,886	\$ 3,661,656	\$ 3,494,150	\$ 3,516,421	\$ 3,373,219	\$ 3,318,691	\$ 3,276,716	\$ 3,147,119	\$ 2,739,570	\$ 2,634,202
Contributions as a percentage of covered employee payroll	8.76%	9.72%	9.54%	9.03%	9.10%	8.70%	8.70%	8.54%	9.63%	9.44%

Notes to schedule

Valuation Date

Actuarially determined contributions rates are calculated as of July 1, 2023
12 months prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Investment return	7%, net of investment expense and including inflation
Mortality	The Pub2010G mortality tables, projected generationally using Scale SSA; 50% applied for pre-retirement deaths. A two year ago setback is applied for members.
Turnover	T4
Salary Scale	7.00% for the first 5 years, 5.50% for the next 8 years, and 3% thereafter
Valuation of Assets	Market value as reported by the plan administrator, adjusted by a fraction of the investment (gains)/losses for the plan years preceding the current valuation year. Actuarial value can not exceed 120% of actual market value or be less than 80%.

TOWN OF BEL AIR, MARYLAND

**Schedule of Sworn Officers Pension Plan Employer Contributions
June 30, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 209,028	\$ 145,963	\$ 125,294	\$ 120,840	\$ 141,858	\$ 137,891	\$ 130,508	\$ 155,731	\$ 165,647	\$ 167,259
Contributions in relation to the actuarially determined contributions	(250,757)	(241,077)	(219,625)	(216,533)	(201,258)	(202,289)	(201,004)	(194,064)	(183,050)	(179,762)
Contributions deficiency (excess)	<u>\$ (41,729)</u>	<u>\$ (95,114)</u>	<u>\$ (94,331)</u>	<u>\$ (95,693)</u>	<u>\$ (59,400)</u>	<u>\$ (64,398)</u>	<u>\$ (70,496)</u>	<u>\$ (38,333)</u>	<u>\$ (17,403)</u>	<u>\$ (12,503)</u>
Covered employee payroll	\$ 2,584,312	\$ 2,556,837	\$ 2,230,796	\$ 2,248,187	\$ 2,140,738	\$ 2,152,007	\$ 2,137,595	\$ 1,939,501	\$1,988,860	\$ 1,912,365
Contributions as a percentage of covered employee payroll	9.70%	9.43%	9.85%	9.63%	9.40%	9.40%	9.40%	10.01%	9.44%	9.40%

Notes to schedule

Valuation Date

Actuarially determined contributions rates are calculated as of July 1, 2023,
12 months prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Investment return	7%, net of investment expense and including inflation
Mortality	The Pub2010S(B) mortality tables, projected generationaly using Scale SSA: 50% applied for pre-retirement deaths.
Turnover	T4
Salary Scale	5.75% for the first 15 years, 4.5% for the next 10 years, then 3.25% thereafter
Valuation of Assets	Market value as reported by the plan administrator, adjusted by a fraction of the investment (gains)/losses for the plan years preceding the current valuation year. Actuarial value can not exceed 120% of actual market value or be less than 80%.

SUPPLEMENTARY INFORMATION

TOWN OF BEL AIR, MARYLAND

**Schedule of Cash and Cash Equivalents - General Fund
June 30, 2024**

UNRESTRICTED

M&T Bank	
Checking	\$ 27,552
Payroll	1,000
Har-co Credit Union	
Savings	5
PeoplesBank	
Money market	108
Aberdeen Proving Grounds Federal Credit Union	
Savings	5
First National Bank	
Checking	50
Freedom Federal Credit Union	
Money market	2,601
Change fund	1,350
PNC	
Local government investment pool	<u>5,863,415</u>
TOTAL UNRESTRICTED CASH	<u>\$ 5,896,086</u>

RESTRICTED

Truist Bank	
Turner escrow	\$ -
Harford Bank	
Savings	7,390
Escrow	
PNC Bank	
Local Government Investment Pool - ARPA	6,399,480
Local Government Investment Pool - Bond Issue	<u>150,331</u>
TOTAL RESTRICTED CASH	<u>\$ 6,557,201</u>

TOWN OF BEL AIR, MARYLAND

**Schedule of Revenues and Expenditures Budget (Non-GAAP Budgetary Basis) and Actual General Fund
Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes - Local				
Real property	\$ 8,353,051	\$ 8,397,051	\$ 8,397,114	\$ 63
Half-year real property	21,600	26,400	26,486	86
Personal property	10,000	10,000	6,420	(3,580)
Railroads and public utilities	510,000	514,600	514,802	202
Ordinary business corporations	520,000	420,000	455,843	35,843
Penalties and interest	50,000	50,000	62,252	12,252
<u>Deductions</u>				
Discounts allowed on taxes	-	-	-	-
Net local taxes	<u>9,464,651</u>	<u>9,418,051</u>	<u>9,462,917</u>	<u>44,866</u>
Taxes - State Shared				
Highway	614,666	623,766	622,183	(1,583)
Income taxes	1,800,000	2,175,000	2,316,300	141,300
Admission and amusement	65,000	75,000	72,454	(2,546)
Total taxes - State shared	<u>2,479,666</u>	<u>2,873,766</u>	<u>3,010,937</u>	<u>137,171</u>
Licenses and Permits				
<u>Business</u>				
Beer, wine and liquor	-	8,850	8,854	4
Traders	55,000	55,000	62,305	7,305
<u>Other Licenses and Permits</u>				
Building and equipment	50,000	40,000	41,112	1,112
Total - licenses and permits	<u>105,000</u>	<u>103,850</u>	<u>112,271</u>	<u>8,421</u>
Revenue from Other Agencies				
<u>Grants from State Government</u>				
Police protection	234,564	246,693	246,693	-
Governor's Office grant	57,124	161,655	162,541	886
Miscellaneous grants	-	25,441	16,960	(8,481)
<u>Grants from the Federal Government</u>				
Bulletproof vest grant	-	-	-	-
ARPA grant	2,315,000	1,367,418	1,466,694	99,276
<u>Grants from County Government</u>				
Financial corporations	8,458	8,458	8,458	-
Stormwater Management	175,000	141,900	124,043	(17,857)
Tax rebate	1,225,802	1,225,802	1,255,802	30,000
Traffic grants	6,000	6,000	4,334	(1,666)
Total - revenue from other agencies	<u>4,021,948</u>	<u>3,183,367</u>	<u>3,285,525</u>	<u>102,158</u>

TOWN OF BEL AIR, MARYLAND

**Schedule of Revenues and Expenditures Budget (Non-GAAP Budgetary Basis) and Actual General Fund
Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES (Continued)				
Service Charges for Current Services				
<u>General Government</u>				
MAWC well fees	\$ 9,000	\$ 9,000	\$ 8,074	\$ (926)
Bel Air Armory fees	95,000	125,000	121,404	(3,596)
Finance fees	9,900	9,900	11,455	1,555
Zoning and subdivision fees	16,000	22,000	22,370	370
Administration permit fees	300	300	470	170
MD homebuilder guaranty fund	300	300	100	(200)
<u>Sanitation and Waste Removal</u>				
Sewer fund administrative fee	391,620	420,000	411,510	(8,490)
<u>Public Service Enterprises</u>				
Parking fund administrative fee	278,045	278,045	283,176	5,131
Reimbursement for police services	30,000	30,000	32,943	2,943
Police and DPW overtime reimbursement	20,000	28,000	28,633	633
Police reports	1,800	1,800	2,074	274
Total - service charges for for current services	<u>851,965</u>	<u>924,345</u>	<u>922,209</u>	<u>(2,136)</u>
Fines				
Traffic signal camera	581,250	560,000	589,118	29,118
False alarm	18,000	6,900	7,359	459
Total - fines	<u>599,250</u>	<u>566,900</u>	<u>596,477</u>	<u>29,577</u>
Miscellaneous				
Interest	250,000	565,460	605,375	39,915
Cable TV franchise	140,000	127,000	127,336	336
Rental income	28,500	28,500	28,877	377
Seized property	3,000	6,800	6,858	58
Equipment/vehicle sale proceeds	44,000	95,000	72,954	(22,046)
Rockfield Foundation contribution	900	900	-	(900)
Bel Air Alliance contribution	13,200	9,500	9,474	(26)
Transfer to seized property	(2,000)	(2,000)	-	2,000
Transfer from unassigned	35,000	-	-	-
Transfer from capital	432,000	66,586	-	(66,586)
Transfer from leave payout	-	38,584	-	(38,584)
Grants	8,935	16,335	16,512	177
Miscellaneous	5,000	305,907	333,462	27,555
Total - miscellaneous	<u>958,535</u>	<u>1,258,572</u>	<u>1,200,848</u>	<u>(57,724)</u>
TOTAL REVENUES	<u><u>\$ 18,481,015</u></u>	<u><u>\$ 18,328,851</u></u>	<u><u>\$ 18,591,184</u></u>	<u><u>\$ 262,333</u></u>

TOWN OF BEL AIR, MARYLAND

**Schedule of Revenues and Expenditures Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES				
General Government				
<u>Legislative</u>				
Commissioners				
Salaries/Benefits	\$ 27,360	\$ 27,360	\$ 27,183	\$ 177
Operating expenses	30,250	30,250	25,475	4,775
<u>Town Clerk</u>				
Salaries/Benefits	276,241	267,679	260,888	6,791
Operating expenses	41,408	42,408	39,130	3,278
<u>Executive</u>				
Town Administrator				
Salaries/Benefits	177,892	178,392	178,452	(60)
Operating expenses	22,798	22,798	20,831	1,967
<u>Elections</u>				
Registration and Election				
Operating expenses	4,020	5,048	4,913	135
<u>Finance</u>				
Salaries/Benefits	615,633	593,383	583,695	9,688
Operating expenses	25,404	22,404	22,146	258
Actuarial valuations pension & OPEB	11,200	11,200	11,200	-
Independent auditing	21,630	19,540	19,540	-
<u>Law</u>				
Legal Counsel				
Operating expenses	78,100	223,100	224,112	(1,012)
<u>Planning and Zoning</u>				
Salaries/Benefits	552,831	542,831	528,456	14,375
Operating expenses	76,702	92,198	83,944	8,254
Capital outlay	1,808,167	227,092	209,193	17,899
<u>Economic Development</u>				
Salaries/Benefits	414,449	360,949	360,990	(41)
Operating expenses	80,732	80,732	73,107	7,625
<u>General Services</u>				
<u>Municipal Buildings</u>				
Salaries/Benefits	71,349	67,449	66,498	951
Operating expenses	291,744	341,005	328,818	12,187
Pre-construction services-PD/TH	-	770,824	770,824	-
Capital outlay	377,000	194,835	191,403	3,432
<u>Bel Air Reckord Armory</u>				
Salaries/Benefits	136,357	133,807	129,199	4,608
Operating expenses	140,356	189,794	191,716	(1,922)
Capital outlay	130,000	359,635	359,635	-

TOWN OF BEL AIR, MARYLAND

**Schedule of Revenues and Expenditures Budget (Non-GAAP Budgetary Basis) and Actual General Fund
Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (Continued)				
General Government (Continued)				
<u>Other General Government</u>				
Public Officers' Association				
Operating expenses	\$ -	\$ -	\$ -	-
Public Relations				
Salaries/Benefits	89,087	89,587	88,013	1,574
Operating expenses	24,254	15,654	12,171	3,483
<u>Technology</u>				
Salaries/Benefits	277,239	282,939	287,781	(4,842)
Operating expenses	300,217	327,927	317,475	10,452
Capital outlay	-	3,513	3,513	-
Total - general government	<u>6,102,420</u>	<u>5,524,333</u>	<u>5,420,301</u>	<u>104,032</u>
Public Safety				
<u>Administrative, Patrol and Investigation</u>				
Salaries/Benefits	5,705,239	5,811,439	5,741,806	69,633
Operating expenses	365,981	545,381	601,166	(55,785)
Capital outlay	150,000	149,657	151,823	(2,166)
<u>Traffic Safety</u>				
Red light camera program	231,975	220,382	237,993	(17,611)
<u>Fire Department</u>				
Volunteer Company Contribution	164,589	164,589	164,589	-
<u>Protective Inspection</u>				
Other:				
Hydrant rental	55,584	55,584	57,490	(1,906)
Total - public safety	<u>6,673,368</u>	<u>6,947,032</u>	<u>6,954,867</u>	<u>(7,835)</u>
Public Works				
<u>General Administration</u>				
Salaries/Benefits	1,061,718	1,039,218	1,022,354	16,864
Operating expenses	235,459	235,459	189,871	45,588
Capital Outlay	-	-	-	-
<u>Highways and Streets</u>				
Streets, Roadways and Alleys				
Salaries/Benefits	851,957	761,657	715,869	45,788
Operating expenses	274,020	274,020	240,030	33,990
Sidewalk, curb and street construction	385,000	508,368	534,222	(25,854)
Capital outlay	305,000	358,191	356,129	2,062
Street Lighting				
Operating expenses	95,000	95,000	109,125	(14,125)

TOWN OF BEL AIR, MARYLAND

**Schedule of Revenues and Expenditures Budget (Non-GAAP Budgetary Basis) and Actual
Special Revenue Fund
Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Revenue from Other Agencies				
CDBG grant	\$ 136,027	\$ 69,451	\$ 69,451	\$ -
Community Legacy Grant	100,000	100,000	100,000	-
Safe Streets for All	46,667	46,667	153,020	106,353
Governor's Office of Crime Prevention and Policy	14,342	14,342	14,342	-
Community Parks & Playground Grant	115,000	-	-	-
Total - revenue from other agencies	<u>412,036</u>	<u>230,460</u>	<u>336,813</u>	<u>106,353</u>
Miscellaneous				
Seized property-Federal Justice	9,500	9,500	3,563	(5,937)
Tree planting - forest conservation	2,000	2,000	-	(2,000)
Tree planting - fee in lieu	2,000	2,000	-	(2,000)
Stormwater management fee in lieu	3,000	3,000	13,290	10,290
Open space fee in lieu	2,000	2,000	-	(2,000)
Memorials	200	200	2,262	2,062
Transfer from General Fund seized property	2,000	2,000	-	(2,000)
Seized property-Federal Treasury	-	-	702	702
Public amenity	2,000	2,000	12,729	10,729
Explorer scouts	8,383	8,383	18,704	10,321
Auxiliary police	-	-	304	304
Cultural arts project	16,520	16,520	20,555	4,035
Revolving loan fund	-	-	4,478	4,478
Total - miscellaneous	<u>47,603</u>	<u>47,603</u>	<u>76,587</u>	<u>28,984</u>
TOTAL REVENUES	<u><u>\$ 459,639</u></u>	<u><u>\$ 278,063</u></u>	<u><u>\$ 413,400</u></u>	<u><u>\$ 135,337</u></u>
EXPENDITURES				
General Government				
Safe Streets for All	\$ 46,667	\$ 46,667	\$ 153,020	\$ (106,353)
CDBG grant	136,027	69,451	69,451	-
Revolving loan fund	-	-	-	-
Total - general government	<u>182,694</u>	<u>116,118</u>	<u>222,471</u>	<u>(106,353)</u>
Public Safety				
Seized property-internal	2,000	2,000	-	2,000
Seized property-Federal Treasury	9,500	9,500	6,090	3,410
Seized property-Federal Justice	-	-	20,034	(20,034)
Auxiliary police	-	-	304	(304)
Total - public safety	<u>11,500</u>	<u>11,500</u>	<u>26,428</u>	<u>(14,928)</u>

TOWN OF BEL AIR, MARYLAND

**Schedule of Revenues and Expenditures Budget (Non-GAAP Budgetary Basis) and Actual
Special Revenue Fund
Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (Continued)				
Public Works				
Stormwater management - fee in lieu	\$ 3,000	\$ 3,000	\$ -	\$ 3,000
Community Legacy Grant	100,000	100,000	100,000	-
Total - public works	<u>103,000</u>	<u>103,000</u>	<u>100,000</u>	<u>3,000</u>
Recreation and Parks				
Tree planting - forest conservation	2,000	2,000	-	2,000
Tree planting - fee in lieu	2,000	2,000	-	2,000
Explorer Scouts	22,725	22,725	15,740	6,985
Cultural arts project	16,520	16,520	18,855	(2,335)
Open space fee in lieu	2,000	2,000	-	2,000
Public amenity	2,000	2,000	-	2,000
Memorials	200	200	1,666	(1,466)
Community Parks & Playground Grant	115,000	-	-	-
Total - recreation and parks	<u>162,445</u>	<u>47,445</u>	<u>36,261</u>	<u>11,184</u>
TOTAL EXPENDITURES	<u>\$ 459,639</u>	<u>\$ 278,063</u>	<u>\$ 385,160</u>	<u>\$ (107,097)</u>
SUMMARY				
TOTAL REVENUES	\$ 459,639	\$ 278,063	\$ 413,400	\$ 135,337
TOTAL EXPENDITURES	<u>459,639</u>	<u>278,063</u>	<u>385,160</u>	<u>(107,097)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,240</u>	<u>\$ 28,240</u>

TOWN OF BEL AIR, MARYLAND

**Schedule of Revenues and Expenditures Compared to Budget
Parking Fund
Year Ended June 30, 2024**

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Revenues from other Agencies			
DHCD - Community Safety Works Grant	\$ -	\$ 15,474	\$ 15,474
Service Charges for Current Services			
<u>Highways and Streets</u>			
Meter collections	125,500	132,700	7,200
Lease fees	63,134	62,886	(248)
Fines and Forfeitures			
Parking	92,100	85,233	(6,867)
Miscellaneous			
County share operating expenses and capital repairs	170,543	183,089	12,546
Total operating revenues	<u>451,277</u>	<u>479,382</u>	<u>28,105</u>
OPERATING EXPENSES			
Miscellaneous			
Compensated absences	-	5,877	(5,877)
Postage	1,584	295	1,289
Miscellaneous	1,163	1,457	(294)
Parking fine charges	17,499	-	17,499
Depreciation	133,418	132,850	568
Lots and Meters			
Transfer to general fund - administrative costs	183,111	187,792	(4,681)
Maintenance	3,000	6,952	(3,952)
Operating expenses	6,410	660	5,750
Parking Garage			
Transfer to general fund - administrative costs	94,934	95,384	(450)
Operating expenses	37,135	53,590	(16,455)
Insurance	29,757	46,850	(17,093)
Maintenance	8,050	8,587	(537)
Capital	62,000	51,941	10,059
Capital repairs	15,000	-	15,000
Total operating expenses	<u>593,061</u>	<u>592,235</u>	<u>826</u>
Operating (loss)	<u>(141,784)</u>	<u>(112,853)</u>	<u>28,931</u>
Non-operating Revenues (Expenses)			
Interest income - investment	-	2,055	2,055
Interest expense - various debts	(1,802)	(1,802)	-
Total non-operating revenues (expenses)	<u>(1,802)</u>	<u>253</u>	<u>2,055</u>
NET (LOSS)	<u>\$ (143,586)</u>	<u>\$ (112,600)</u>	<u>\$ 30,986</u>

TOWN OF BEL AIR, MARYLAND

**Schedule of Revenues and Expenditures Compared to Budget
Sewer Fund
Year Ended June 30, 2024**

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Revenues from other Agencies			
American Rescue Plan Grant	\$ 1,100,000	\$ 246,126	\$ (853,874)
Service Charges for Current Services			
Sanitation and Waste Removal			
Sewer usage charges	2,675,000	2,839,647	164,647
Sewer connection charges	50,000	76,916	26,916
Other revenues	24,250	31,744	7,494
Utility locator fees	22,450	19,190	(3,260)
User benefit fees	35,770	35,910	140
Total operating revenues	<u>3,907,470</u>	<u>3,249,533</u>	<u>(657,937)</u>
OPERATING EXPENSES			
Salaries/benefits	276,258	265,302	10,956
Compensated absences	-	13,242	(13,242)
Contractual services	1,778,939	2,255,918	(476,979)
Amortization	24,248	11,562	12,686
Supplies	3,417	3,337	80
Utilities	16,000	20,475	(4,475)
Miss Utility fees	3,050	2,893	157
Depreciation	76,780	73,501	3,279
Maintenance	30,000	10,004	19,996
Connection costs	50,000	76,916	(26,916)
Water company charges	5,560	2,800	2,760
Miscellaneous	6,475	4,482	1,993
Transfer to general fund - administrative costs	391,620	411,510	(19,890)
User benefit fee	35,770	35,945	(175)
Root control maintenance	35,000	35,316	(316)
Main and lateral repairs	22,000	42,564	(20,564)
Insurance	10,500	16,280	(5,780)
Pumping Station	1,100,000	261,293	838,707
Equipment	8,000	-	8,000
Transfer to SSCI reserve	-	-	-
Processing fees	26,000	28,430	(2,430)
Total operating expenses	<u>3,899,617</u>	<u>3,571,770</u>	<u>327,847</u>
Operating income (expense)	<u>7,853</u>	<u>(322,237)</u>	<u>(330,090)</u>
Non-operating (Expenses)			
Interest expense - various debts	(7,853)	(7,977)	(124)
Total non-operating (expenses)	<u>(7,853)</u>	<u>(7,977)</u>	<u>(124)</u>
NET (LOSS)	<u>\$ -</u>	<u>\$ (330,214)</u>	<u>\$ (330,214)</u>

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