

STATE OF MARYLAND

2024
Fiscal Year Ended June 30



**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**



COMPTROLLER of MARYLAND
SERVING THE PEOPLE

Brooke E. Lierman
Comptroller of Maryland



ON THE COVER

LOUIS L. GOLDSTEIN TREASURY BUILDING, Annapolis, Maryland. Home of the Comptroller of Maryland, State Treasurer's Office, and the Board of Public Works. State buildings in the background.

Photo by Corey Jennings, Multimedia Producer, Comptroller of Maryland

GOVERNMENTAL BRANCHES OF MARYLAND

EXECUTIVE

WES MOORE
Governor

ARUNA K. MILLER
Lieutenant Governor

BROOKE E. LIERMAN
Comptroller

ANTHONY BROWN
Attorney General

DERECK E. DAVIS
Treasurer

LEGISLATIVE

WILLIAM C. FERGUSON IV
President of the Senate

ADRIENNE A. JONES
Speaker of
the House of Delegates

JUDICIAL

MATTHEW J. FADER
Chief Judge
Supreme Court of Maryland

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2024

EXECUTIVE TEAM

Brooke E. Lierman
Comptroller of Maryland

Rianna Matthews-Brown
Chief of Staff

Emily Hollis
Deputy Chief of Staff

Andrew Schaufele
Chief Deputy Comptroller for
Revenue Operations & Accounting

Adam Abadir
Deputy Comptroller for Public
Engagement & Communications

Ben Seigel
Deputy Comptroller for Policy,
Public Works & Investment

Rachel Sessa
Deputy Comptroller for Law & Oversight

Kai Boggess-de Bruin
Chief Equity & Transformation Officer

Robert O'Connor
Chief Information Officer

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Board of Public Works

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Policy Research

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Legal

Wayne Green, Director
Administration & Finance

Vacant, Director
Small Business, Policy &
Community Development

Matt Dudzic, Director
State Government Affairs

Christopher Houseknecht
Chief Information Security Officer

David Hildebrand, Director
Risk Management

John Hiter, Director
Information Technology

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Hearings & Appeals

Elaine McNeil, Director
Fair Practices and EEO Operations

Lateefah Montague, Director
Training

Jeane Olson, Director
COMPASS

Kim Pezza, Director
Climate Resilience

Robert Rehrmann, Director
Bureau of Revenue Estimates

Brandy Richmond, Director
Fraud Detection & Business Intelligence

Daniel Rohn
Deputy Chief of Innovation and Governance

Robert Scheerer, Director
Revenue Administration

Maheshwar "Hesh" Seegopaul, Director
Unclaimed Property

Dhiren Shah, Director
Central Payroll

Michael Bayrd, Director
Intergovernmental Affairs

Charles Van Howeth, Director
Field Enforcement

Vacant, Director
Taxpayer Services

Ed Wykowski, Director
Compliance

Luther Dolcar, Director
General Accounting Division

GENERAL ACCOUNTING DIVISION

Luther Dolcar
Director

ACCOUNTING OPERATIONS AND FINANCIAL REPORTING

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Atanas Merdzhanov
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Kellie Vogt
Adekunle Adeleye

A MESSAGE FROM COMPTROLLER BROOKE LIERMAN



I am proud to present the second Annual Comprehensive Financial Report (ACFR) of my term. This report serves as Maryland's official financial statement, providing a critical foundation for everything we do as a state government. It reflects not only the financial health of our state but also the dedication of our team to transparency and excellence. I want to recognize the incredible work of our General Accounting Division, which, under the leadership of Director Luther Dolcar, once again earned national recognition for excellence in financial reporting

by the Government Finance Officers Association in 2023. This achievement underscores the commitment and professionalism of the team behind this report.

As Maryland's Comptroller, I am acutely aware of our state's economic challenges. Still, I am equally confident in our ability to transform those challenges into opportunities. With the resources and information at our disposal, we are committed to supporting our policymakers and leaders in making informed decisions that benefit all Marylanders. A new vision guides our agency: to work in partnership to create a state that is more equitable, more resilient, and more prosperous so that every Marylander can reach their full potential.

This year, as I mark two years in office, we've chosen to highlight the modernization efforts underway at the Office of the Comptroller. When I began this role in January 2023, I found an agency staffed with talented, hardworking employees but operating with outdated systems—the oldest tax system in the country and tools that hadn't kept pace with Marylanders' needs. It was both a challenge and an opportunity.

We immediately got to work, assembling a dynamic team of experienced and innovative professionals to lead our agency into the future. Together, we've tackled challenges, strategically invested in our workforce and technology, and reimaged how we serve Marylanders. Our goal is to create an agency that is transparent, efficient, and accessible to everyone.

This year's ACFR includes insights from two of our agency's leaders who have been instrumental in driving these changes. Here are just a few of the exciting improvements Marylanders will see in 2025 and beyond:

- **Direct File:** A new free, safe, and secure way for many Marylanders to file their taxes.
- **MyComConnect:** An upgraded platform to track cases more effectively across calls, emails, and branch office visits, improving customer service.
- **A Redesigned Comptroller of Maryland Website:** Simplified and reorganized to enhance accessibility and transparency.
- **A Board of Public Works Dashboard:** Offering an easy-to-use tool to track where and how tax dollars are spent on state contracts.
- **State of the Economy Series:** More cutting-edge policy research papers that provide timely, insightful analysis.
- **Unclaimed Property Modernization:** A fully revamped system to expedite claims processing and provide greater transparency.
- **Diversification in Investments:** Through the Terra Maria Emerging Managers Program, we're broadening opportunities in investment management in Maryland.
- **Climate Resiliency Investments:** We continue to support projects and technologies that address climate resiliency through the Maryland Clean Energy Center C3 Fund.
- **Enhanced Data Reporting:** Providing policymakers with accurate, up-to-date data from our Bureau of Revenue Estimates as they address the state's fiscal challenges.

My team and I are committed to building a modern, responsive agency that effectively serves every Marylander and every Maryland business. The progress we've made is just the beginning. Over the next two years, we will continue to deliver improvements you can see and feel, ensuring that this office works for everyone in our state.

It is an honor to serve as your Comptroller, and I am excited for what lies ahead. Together, we will continue to build a stronger, more resilient Maryland.

My best,



Brooke E. Lierman
Comptroller of Maryland

Modernizing Maryland: Embracing the Future at the Comptroller of Maryland

One of Comptroller Brooke Lierman's core priorities is the modernization of the Office of the Comptroller of Maryland. This modernization effort spans the agency and includes well over 70 projects, all focused on ensuring that our services and resources are delivered to the public efficiently and effectively for decades to come. Comptroller Lierman has created a Department of Internet Technology Strategy & Service, led by the agency's first-ever Chief Information Officer (CIO).

To learn more about these modernization efforts, please check out the interview over the next few pages with our Chief Deputy Comptroller, Andrew Schaufele (L), and Chief Information Officer, Rob O'Connor (R).

This open conversation touches on the state of various projects underway, the benefits these modernization efforts will bring to Maryland residents, the importance of constantly updating our security protocols to meet today's challenges, and how these projects, once fully implemented, will increase efficiencies as an agency.

This interview was edited for clarity and brevity.



MODERNIZING MARYLAND: A VISION FOR THE FUTURE OF THE OFFICE OF THE COMPTROLLER

Q In your own words, describe the overarching goals of the Office of the Comptroller’s modernization initiatives. What key challenges or inefficiencies are they addressing? From a big-picture perspective, how do these efforts transform our agency’s service delivery and operations over the next few years?

Chief Deputy Comptroller Andrew Schaufele: Ultimately, we’re trying to simplify processes and increase transparency for Marylanders. At the same time, we don’t want to misconstrue transparency as compromising security. We’re focused on moving past our current “one-star Yelp rating” for customer service and ensuring Marylanders see us as here to serve them. Internally, these efforts enhance efficiency, which helps us better serve residents. It’s about fairness and equitably applying our tax laws for every demographic group and every business in Maryland. New, modern systems help us achieve those goals.

Chief Information Officer Rob O’Connor: We’re also untangling decades of old, outdated systems. The timing is right because our systems were built for tax regulations and codes from 30 years ago when taxes were much more straightforward. Today’s tax filings are more complex, and our outdated systems can’t handle this complexity efficiently, nor were they ever intended to. These foundational changes are enormous, covering infrastructure and core operations. Divisions like Information Technology, Revenue Administration, and Taxpayer Services are key players in this transformation.

Specific Projects and Their Impact

Q Could you walk us through some current projects, like MyCOMConnect, the new website, and Maryland Tax Connect? What are the primary improvements each of these projects will bring?

Major Modernization Projects Underway At The Comptroller of Maryland

A Modern Tax Processing System

In 2018, the Office of the Comptroller launched a multi-phased plan to replace the agency’s legacy tax processing system, SMART, with a new, cloud-based system. This is not just a system update but a complete overhaul, moving away from the agency’s “mainframe”, COBOL-based program in use since the early 1990s. The new processing system implementation brings the agency’s tax services into the digital age while maintaining high-security standards. This rollout is occurring in stages as new tax types are brought into the system.

Expected Complete Implementation Date: 2026



In December 2024, Comptroller Brooke E. Lierman, Governor Wes Moore, and Treasurer Derek Davis approved over \$301M in state contracts at a Board of Public Works meeting, including \$72.6M for Guidehouse, Inc., to modernize the state's 30-year-old financial systems with strong minority and veteran-owned business participation goals.

A The Maryland Tax Connect project is the central nervous system of what we do—a complete replacement of our tax processing system. We're not just slapping on a fresh coat of paint but building a system with self-help features and a public-facing portal. It meets modern expectations of convenience while upholding high-security standards.

Our Customer Relationship Management Software (CRM), MyCOMConnect, is another key project. Marylanders say they struggle to contact us or track their cases. MyCOMConnect improves transparency, letting people see how their cases are being handled and what steps are next. It also uses data analytics to refine our processes and allocate resources more effectively. By early 2025, Marylanders using these systems will be able to attach documents digitally instead of faxing them, which many of our

Certified Public Accountants (CPA)s have asked us to consider updating for years!

For the Unclaimed Property Division, we're transitioning to a new system on the back end. Similar systems in other states have led to a 30% increase in claims. This project speeds up processing and compliance, ensuring more Marylanders get their money faster.

Benefits to Marylanders

Q Which projects are expected to have the most visible impact on Marylanders, and how will these changes enhance their experience? How will these updates make

things easier or more accessible for Marylanders? Are there specific pain points we're hoping to alleviate?

A Marylanders will see significant improvements, particularly

We're focused on moving past our current "one-star Yelp rating" for customer service and ensuring Marylanders see us as here to serve them.

**-Andrew Schaufele
Chief Deputy Comptroller**

in filing processes. Marylanders will get their refunds back faster. Our updated systems will better address unreported income and ensure businesses pay the appropriate sales tax based on their circumstances.

Fraud detection will also be more robust. Our fraud detection team is nationally recognized as one of the country's best. It uses advanced machine-learning tools to safeguard Marylanders from identity theft and fraudulent claims, saving millions of dollars and maintaining trust in the tax system. We're constantly evolving and learning; it's a chess match between us and criminal organizations working to steal from our state. Top-tier cybersecurity practices support these security efforts, and we've earned high marks in statewide risk assessments, including those conducted by the Internal Revenue Service (IRS).

Internal Enhancements and Operational Efficiencies

Q In what ways are these modernization projects expected to improve internal workflows or reduce staff workloads? How will these improvements impact other divisions within the agency? Are there specific examples of cross-division benefits?

A Internally, the new systems will streamline workflows and reduce workloads. Divisions will benefit from better cross-departmental communication and resource sharing. We're also rolling out comprehensive tech training to ensure our staff can adopt and utilize these systems effectively.

Major Modernization Projects Underway At The Comptroller of Maryland

Customer Relationship Management Platform - MyCOMConnect

Prior to Comptroller Lierman's term, no attempt had been made to consolidate and manage incoming calls and requests for service. Under her direction, the agency secured funding to adopt an agency-wide platform to provide Marylanders with more efficient ways to track their cases. Additionally, this single portal will streamline communication and reduce the need for repeated outreach to the agency. MyCOMConnect will improve efficiency and transparency by integrating key tax systems and simplifying collaboration. This modern platform will provide proactive taxpayer service interactions. Advanced features like automated ticket creation, case tracking, and customer satisfaction surveys will enhance service quality while maintaining the highest security standards. Our agency will be able to use actionable data analytics to better understand trends associated with resident concerns as the agency continuously improves its processes and resource allocations.

Expected Implementation Date - Spring, 2025

Project Challenges and Solutions

Q What have been some of the biggest challenges in implementing these modernization efforts? How have you and your teams overcome them?

A The biggest challenge has been maintaining daily operations while implementing these changes. It's like rebuilding a plane while flying it. Staff are doing double duty, which creates strain. Additionally, we're operating in a competitive labor market and need the right people to implement these systems. We've overcome these challenges by prioritizing impactful projects and avoiding unproven technologies. Leadership is critical in making tough business decisions and resisting "shiny new objects" that don't add value. Support from the new Comptroller has been instrumental in ensuring we can attract and retain the people we need. For instance, we now have a CIO, a CISO, a CTO – positions that did not exist previously and that are essential

One thing is clear: the mindset of "we've always done it this way" is no longer acceptable.

**-Rob O'Connor
Chief Information Officer**

to having a highly-functioning team to coordinate big projects like these.

Q What training or support resources will we offer to ensure staff and Marylanders can adopt these new systems quickly?

A We're reinvesting in our staff by shifting training dollars to provide foundational tech skills. New hires undergo tech assessments, and existing employees receive tailored training programs. We're focused on ensuring our team members feel equipped to succeed with these changes.

Q What key performance indicators or metrics are being used to measure the success of these modernization initiatives?

How will we track the improvements in user satisfaction or internal efficiency?

A Reducing the number of customer service touchpoints is our top metric. Ideally, Marylanders can and should handle their filings without needing to call us at all because the systems are working smoothly. If they interact with us, whether

Major Modernization Projects Underway At The Comptroller of Maryland

Unclaimed Property System Overhaul

The agency prioritizes reuniting Maryland residents with their unclaimed money and property. Our Unclaimed Property system is getting upgraded, and transitioning to a more modern system will speed up claims processing and improve compliance on the back end. Similar systems in other states have seen a 30% increase in claims.

Expected Implementation Date: Fall, 2025.

by phone or email, we track how effectively we resolve their issues. Our ultimate goal is a frictionless, cost-effective experience for Marylanders.

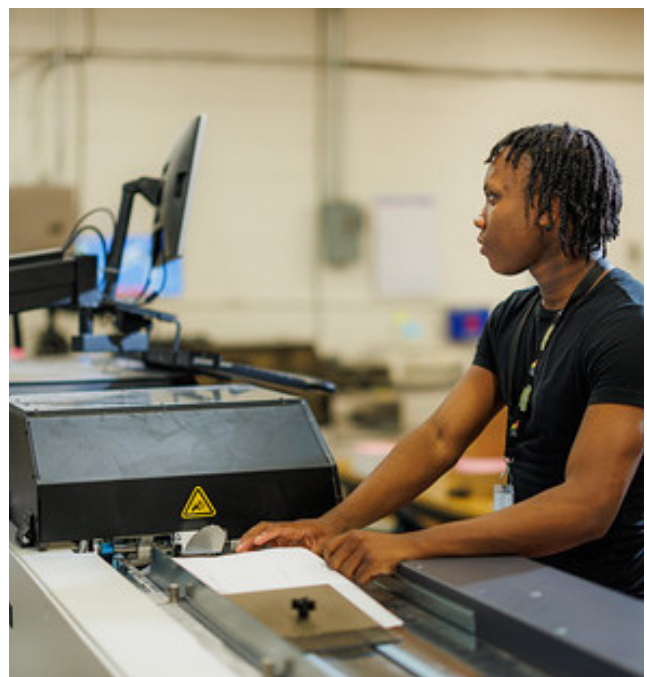
Long-Term Vision and Public Engagement

Q Beyond the current projects, are there any future modernization efforts in the pipeline that you can share? What is essential for Marylanders to understand about these modernization efforts?

A These systems are designed to last at least 10-15 years, but more importantly, serve as adaptable building blocks for future improvements. We're hoping we won't need to do a full-scale overhaul like this for many decades because of the decisions we're implementing now. Marylanders should know that these changes are laying the foundation, the groundwork, for a more secure and transparent future. Our work of accurately collecting taxes supports key services like public roads and education across Maryland. Regarding other things, we're looking at

how the Office of the Comptroller, the payroll preparer for the entire State of Maryland, relies on 30-year-old technology to manage those responsibilities. That is something we will eventually need to update and modernize.

One thing is clear: the mindset of "we've always done it this way" is no longer acceptable. Comptroller Lierman is dedicated to creating a culture of continuous improvement here at the agency.



Kaleb Johnson of Administration & Finance runs the inserting machine, inserting checks into envelopes.

Major Modernization Projects Underway At The Comptroller of Maryland

New Website

Marylanders can expect a new look and feel to marylandtaxes.gov as the agency revamps and reorganizes the Comptroller of Maryland website. These changes will prioritize simplifying how information is organized on the website and ensure that the entire website is 508 compliant and mobile-friendly. This project aims to streamline communications and access to services.

Expected Implementation Date - Spring, 2025

MARYLAND COMPTROLLER WINS AWARD FROM
GOVERNMENT FINANCE OFFICERS ASSOCIATION



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of Maryland

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

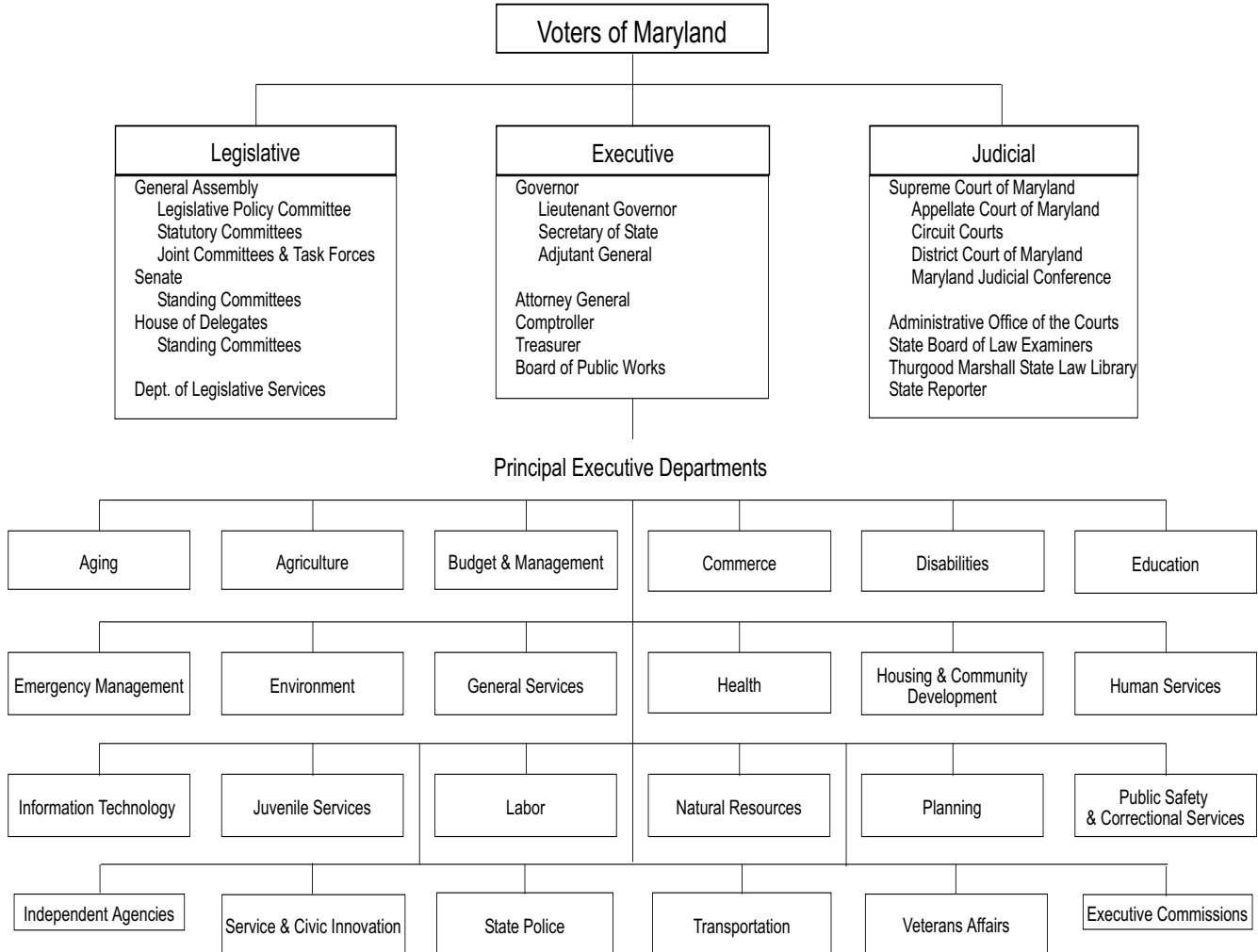
June 30, 2023

Christopher P. Morill

Executive Director/CEO

MARYLAND STATE GOVERNMENT OVERVIEW

OVERVIEW OF MARYLAND STATE GOVERNMENT



Maryland Manual On-Line
Maryland State Archives, 29 November 2023

Maryland State Government
chartsstate/00overview

ANNUAL COMPREHENSIVE FINANCIAL REPORT , STATE OF MARYLAND
FOR THE YEAR ENDED JUNE 30, 2024

Table of Contents

INTRODUCTORY SECTION

Selected State Officials	I
Organization Chart	XI
Transmittal Letter	2

FINANCIAL SECTION

Independent Auditors Report	9
Management’s Discussion and Analysis	14

BASIC FINANCIAL STATEMENTS

<i>Government-wide Financial Statements</i>	28
Statement of Net Position	28
Statement of Activities	30
<i>Governmental Funds Financial Statements</i>	32
Balance Sheet	32
Reconciliation of the Governmental Funds’ Balance to the Statement of Net Position, Net Position Balance	33
Statement of Revenues, Expenditures, and Changes in Fund Balances	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
<i>Enterprise Funds Financial Statements</i>	37
Statement of Fund Net Position	38
Statement of Revenues, Expenses and Changes in Fund Net Position	40
Statement of Cash Flows	41
<i>Fiduciary Funds Financial Statements</i>	43
Statement of Fiduciary Net Position	44
Statement of Changes in Fiduciary Net Position	45
<i>Component Units Financial Statements</i>	46
Combining Statement of Net Position	47
Combining Statement of Activities	49
<i>Index for Notes to the Financial Statements</i>	50
Notes to the Financial Statements	51

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenue and Expenditures and Changes in Fund Balances - Budget and Actual (General Fund)	111
Schedule of Revenue and Expenditures and Changes in Fund Balances - Budget and Actual (Special and Federal Funds)	112
Reconciliation of the Budgetary General and Special Fund, Fund Balances to the GAAP General and Special Revenue Fund, Fund Balances	113
Schedule of Employer Contributions for Maryland State Retirement and Pension System	114

ANNUAL COMPREHENSIVE FINANCIAL REPORT , STATE OF MARYLAND
FOR THE YEAR ENDED JUNE 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)	
Schedule of Employer Net Pension Liability for Maryland State Retirement and Pension System	116
Schedule of Employer Contributions for Maryland Transit Administration Pension Plan	117
Schedule of Changes in Net Pension Liability and Related Ratios for Maryland Transit Administration Pension Plan	118
Schedule of Investment Returns for Maryland Transit Administration Pension Plan	119
Schedule of Employer Contributions for Other Post-Employment Benefit Plan	120
Schedule of Changes in Net OPEB Liability and Related Ratios for Other Post-Employment Benefits Plan	121
Schedule of Investment Returns for Other Post-Employment Benefit Plan	122
Schedule of Employer Contributions for Maryland Transit Administration Retiree Healthcare Benefits Plan	122
Schedule of Changes in Net OPEB Liability and Related Ratios for Maryland Transit Administration Retiree Healthcare Benefits Plan	123
Notes to Required Supplementary Information – Budgeting and Budgetary Control	124
COMBINING FINANCIAL STATEMENTS	
<i>Non-major Governmental Funds</i>	126
Combining Balance Sheet	127
Combining Statement of Revenues, Expenditures, Other Sources and Uses Of Financial Resources and Changes in Fund Balances	128
<i>Non-major Enterprise Funds</i>	129
Combining Statement of Net Position	130
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	131
Combining Statement of Cash Flows	132
<i>Fiduciary Funds</i>	133
Combining Statement of Fiduciary Net Position – Pension and Other Employee Benefits Trust Funds	134
Combining Statement of Changes in Plan Net Position – Pension and Other Employee Benefits Trust Funds	135
Combining Schedule of Fiduciary Net Position – Maryland State Retirement and Pension System	136
Combining Schedule of Changes in Plan Net Position – Maryland State Retirement and Pension System	137
Combining Schedule of Fiduciary Net Position – Maryland Supplemental Retirement Plans	138
Combining Schedule of Changes in Plan Net Position – Maryland Supplemental Retirement Plans	138
Combining Statement of Fiduciary Net Position – Custodial Funds	139
Combining Statement of Changes in Net Position – Custodial Funds	140
<i>Non-major Component Units</i>	141
Combining Statement of Net Position	142
Combining Statement of Activities	144

**ANNUAL COMPREHENSIVE FINANCIAL REPORT , STATE OF MARYLAND
FOR THE YEAR ENDED JUNE 30, 2024**

STATISTICAL SECTION	
Introduction	147
Net Position by Component, Primary Government – Last Ten Years	148
Changes in Net Position – Last Ten Fiscal Years	149
Expenses by Function, Primary Government - Last Ten Fiscal Years	151
Revenues, Primary Government – Last Ten Fiscal Years	152
Fund Balances, Governmental Funds – Last Ten Fiscal Years	153
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	154
Personal Income Tax Filers by Subdivision Tax Year Ended December 31, 2023	156
State Personal Income Tax and Sales Tax Rates – Last Ten Calendar Years	157
Personal Income Tax Filers and Liability by Income Level – Last Ten Tax Years Ended December 31st.	158
Sales and Use Tax Receipts by Principal Type of Business – Last Ten Fiscal Years	160
Schedule of Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	160
Ratio of General Bonded Debt to Actual Value and General Bonded Debt Per Capita – Last Ten Fiscal Years	161
Legal Debt Margin Information – Last Ten Fiscal Years	162
Schedule of Taxes Pledged to Consolidated Transportation Bonds and Net Revenues as Defined for Purposes of Consolidated Transportation Bonds Coverage Tests – Last Ten Fiscal Years	163
Ratio of Pledged Assets to Revenue Bonds, Community Development Administration - Last Ten Fiscal Years	164
Schedule of Demographic Statistics – Last Ten Fiscal Years	164
Schedule of Employment by Sector – Prior Year and Nine Years Prior	165
Maryland’s Ten Largest Private Employers	166
State Employees by Function/Program – Last Ten Fiscal Years	167
Schedule of Miscellaneous, Operating and Capital Asset Statistics by Function – Last Ten Fiscal Years	168
 FINANCIAL SCHEDULES REQUIRED BY LAW	
Schedule of Estimated and Actual Revenues By Source – Budgetary Basis	171
Schedule of Budget and Actual Expenditures and Encumbrances by Major Function – Budgetary Basis	173
Schedule of Changes in Fund Equities - Budgetary Basis	174
Schedule of Funds Transferred to Political Subdivisions	175
Schedule of Taxes Receivable from Collectors of State Property Taxes	176
Schedule of Estimated Revenues – Budgetary Basis	177
Schedule of General, Special, Federal, Current Unrestricted and Current Restricted Fund Appropriations – Budgetary Basis	178

Introductory Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT, STATE OF MARYLAND





February 28, 2025

To the Citizens, Honorable Members of the General Assembly and the Governor, State of Maryland

On behalf of the Office of the Comptroller, I am pleased to share the State of Maryland’s Fiscal Year (FY) 2024 Annual Comprehensive Financial Report (ACFR). The FY24 ACFR includes the State’s financial statements, including estimated and actual revenues and expenditures, required under Title 2, Section 102 of the State Finance and Procurement Article of the Annotated Code of Maryland. These financial statements include:

- FY24 estimated State revenues;
- FY24 estimated State expenditures;
- FY24 total State funds and the total State revenues;
- FY24 revenues that State received from each source;
- FY24 total State expenditures and the purposes of those expenditures;
- FY24 State claims due from a political subdivision;
- FY24 State claims from an officer of a political subdivision who by law collects revenues for the State; and
- FY24 total funds from all state sources that the State transferred to each political subdivision and the amount of those transferred funds.

The Office of the Comptroller is responsible for the accuracy and completeness of the data presented, including all disclosures. To ensure ongoing accuracy, state law requires the Office of Legislative Audits to audit the Comptroller of Maryland’s records every three to four years unless the Legislative Auditor determines, on a case-by-case basis, that more frequent audits are required. The Legislative Auditor conducts fiscal, compliance and performance audits of the various agencies and departments of the State and issues a separate report covering each of those audits.

The Office of the Comptroller also requires an audit of the State’s basic financial statements by a firm of independent auditors selected by an audit selection committee composed of members from the agency, a representative from the University System of Maryland, and other units of the Executive branch of State government. We have satisfied this requirement, and the opinion of CliftonLarsonAllen LLP has been included in the financial section of this report. CliftonLarsonAllen LLP also performs an audit of the federal government’s grants issued to the State of Maryland to meet the requirements of the Office of Management and Budget (OMB) 2 CFR 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” and this information is contained in a separate report.

Under State-issued guidelines for establishing effective internal controls, the State is responsible for ensuring compliance with laws and regulations related to its federal assistance. This compliance is accomplished through internal control guidelines. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The accompanying financial statements provide an accounting of all funds of the State government (primary government), as well as all component units. Component units are legally separate entities for which the primary government is financially accountable. Maryland colleges and universities and the Maryland Stadium Authority are reported as major component units. The Maryland Environmental Service, the Maryland Industrial Development Financing Authority, the Maryland Economic Development Assistant Authority Fund, the Maryland Small Business Financing Authority, the Maryland Food Center Authority, and the Maryland Technology Development Corporation are combined and presented as non-major component units.

Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The MD&A can be found immediately following the report of the independent public accountants.

Background Information on the Office of the Comptroller of Maryland:

The Comptroller is one of three independently-elected statewide elected officials in Maryland. Unique among state financial officers, Maryland's Comptroller has diverse and far-reaching responsibilities that touch the lives of every Marylander.

The state constitution of 1851 created the position of the Comptroller of the Treasury to provide "general superintendence of the fiscal affairs of the state." Since then, this office has grown from a comptroller and one clerk to an agency of more than 1,100 employees. The Comptroller of Maryland is the elected Chief Financial Officer for Maryland, collector of revenue for state programs, remitter of unclaimed property, state payor, provider of information technology services for most state agencies, regulator of the state's motor fuel industries and member of many financial state boards and commissions. A principal duty of the agency is to collect taxes. With a budget of \$110 million, the agency collects approximately \$16 billion a year in state and local tax revenue and provides a range of services to the public at 11 branch offices throughout the state.

The Comptroller's office is divided into five major departments. The Office of Revenue Operations and Accounting is responsible for the tax operations and all counting work of the agency. This department is overseen by the Chief Deputy Comptroller and is divided into several divisions, including revenue administration, taxpayer services, compliance, and general accounting.

The Office of Law and Oversight houses the agency's legal teams, including the legal division, which is responsible for private letter rulings and the hearings and appeals division. It also is responsible for central payroll, unclaimed property, and the field enforcement bureau.

The Office of Policy, Public Works and Investment is responsible for reviewing items that come before the Board of Public Works and staffing the Comptroller in her role as the Vice Chair of the State Retirement and Pension System and on other state boards.

The Office of Public Engagement and Communications directs outreach from the agency, produces reports such as the ACFR, and is responsible for proactive engagement with Marylanders.

The Office of Information Technology Systems and Strategy houses the Annapolis Data Center, supports the internal IT work for the agency, and is responsible for major information technology projects.

The State's major revenue sources are individual and business income taxes and sales and use taxes. The agency also collects taxes on motor fuel, estates, admissions and amusement, and alcohol and tobacco. It also tests motor fuel to ensure the quality of the product for the consumer. The Agency works to provide a level playing field for local businesses in competing with out-of-state retailers who sell through catalogs and on the Internet.

Background Information on the State of Maryland:

Maryland ratified the United States Constitution on April 28, 1788, and the State House is located in Annapolis, where the principal activities of state government are centered. Its employment base is unique with a large federal sector presence, multiple universities, a major port, and technology industry. The service, finance, insurance, and real estate industries are the largest contributors to the gross state product. The State has a bicameral legislature, the General Assembly, composed of a Senate with 47 members and a House of Delegates with 141 members. The General Assembly meets annually for a 90-day session beginning on the second Wednesday in January.

The Maryland Constitution requires the Governor to submit to the General Assembly a balanced budget for the following year. The budget currently uses a legally-mandated budgetary fund structure. Each State agency is provided appropriations at a program level, which is the level at which expenditures cannot legally exceed the appropriations. The State also utilizes an encumbrance system to serve as a tool for managing available appropriations.

Maryland maintains its accounts to conform with the legally mandated budget and also to comply with generally accepted accounting principles. Financial control is generally exercised under the budgetary system. There is a Spending Affordability Committee that consists of certain designated officers of the General Assembly and other members appointed by the President of the Senate and the Speaker of the House of Delegates. Each year the Committee must submit a report to the General Assembly's Legislative Policy Committee and to the Governor recommending the level of State spending, the level of new debt authorization, the level of State personnel, and the use of any anticipated surplus funds.

The General Assembly also created a Capital Debt Affordability Committee that includes the Treasurer, the Comptroller, the Secretary of Budget and Management, the Secretary of Transportation, and one person appointed by the Governor. This Committee is required to submit an estimate of the maximum amount of new general obligation debt that prudently may be authorized to the Governor by October 1 of each year. The Committee's recent reports encompass all tax supported debt, in addition to the general obligation debt, bonds issued by the Department of Transportation, bonds issued by the Maryland Stadium Authority, and capital lease transactions. Although the Committee's responsibilities are advisory only, the Governor is required to give due consideration to the Committee's findings in preparing a preliminary allocation of new general obligation debt authorizations for the next ensuing fiscal year.

Information on the State's Economic Condition:

Economic growth in the US has returned to more typical rates following a recent inflationary boom. Gross Domestic Product (GDP) increased 5.0% year-over-year in the third quarter of 2024, which is similar to the growth of 4.9% that occurred during 2019. After adjusting for inflation, real GDP growth has been in the 2% to 3% range since mid-2022, equivalent to pre-pandemic real GDP growth rates. Personal Consumption Expenditure (PCE) inflation, the Federal Reserve's (the Fed's) preferred measure, slowed to just above its 2% target. However, the Fed has only just begun reducing its interest rate target. Whether the Fed achieves its goal of slowing the economy without triggering a recession will continue to depend on the timing and appropriateness of future interest rate target reductions.

Turning to the labor market, the national unemployment rate is 4.2% as of November 2024. Although it remains low, it has been rising gradually over the last couple of years. It is likely that the federal economic stimulus implemented during the pandemic temporarily pushed unemployment below its natural, or noncyclical, rate. The gradual rise in the unemployment rate so far has been consistent with a return to normal levels and does not necessarily indicate a concerning deterioration in the labor market. However, other labor market data show a mixed picture. According to the Current Population Survey (CPS), which is used to generate the unemployment rate, year-over-year employment growth has been flat since last summer and was down 0.4% in November 2024. This is a sizable discrepancy from the Current Employment Statistics (CES) survey, which is the most quoted source for monthly job gains. The CES shows year-over-year employment growth of 1.4% in November 2024. The less timely but generally more reliable Quarterly Census of Employment and Wages (QCEW) reports job growth closer to but below the growth reported in the CES.

In contrast to slowing employment growth aggregate wage growth stabilized around the beginning of 2023, driven by an increase in average wages. Average wages in this context are the wage income as reported by the US Bureau of Economic Analysis (BEA) over the number of jobs reported by the CES. According to the BEA's Personal Income series, in the second quarter of 2023 aggregate wage income increased at an annual rate of 6.8% and average wages increased by 5.1%. Adjusting for inflation, real wage income increased 4.1% and the real average wage by 2.4%. Both measures have accelerated over the last year-and-a-half as inflation declined. QCEW wage data show marginally lower wage growth compared to the BEA.

Wages respond to inflation and therefore typically will rise as well but there is a lag or delayed response. As a result, an unexpected rise or shock to the economy that causes the inflation will lead to a decline in real wage growth in the near term before wages eventually adjust. After inflation falls wage growth will remain elevated, leading to a rise in real wage growth in the near term. Eventually, wage growth adjusts to the lower inflation and real wages theoretically will have kept up with inflation over time. Both in the US and in Maryland the pattern of real wage growth since the pandemic is consistent with this framework. When inflation spiked, real wage growth went negative. Inflation has recently declined and real wage growth has accelerated. We expect real wage growth to slow in the near term as it adjusts to lower inflation and nominal wage growth to also slow until it grows in line with real wage growth.

Looking forward, we expect economic growth to stabilize around its current rate, with both low and stable real GDP growth and inflation as well as total employment growing in line with population growth.

The Maryland economy has slowed along with the nation. However, due to factors such as the importance of the federal government Maryland's economy tends to be less volatile – it grows more slowly in expansions but contracts less in recessions. Real GDP growth in Maryland was 2.5% year-over-year in the second quarter of 2024, compared to 3.0% for the US. This compares favorably to Maryland's pre-pandemic GDP growth, which was stagnant beginning in 2018 through the beginning of the pandemic.

Maryland's unemployment rate was 3.0% as of October 2024, having gradually risen from a historic low of 1.9% in July 2023. CPS data employment growth is just 0.4% year-over-year in October, compared to 0.9% for the CES. Both surveys show a recovery in job growth from near the near zero level that occurred during mid-2024. The CPS measures employment based on where the surveyed individual lives and therefore reflects the number of employed Marylanders. The CES reports figures based on the location of the job, or the number of jobs located in Maryland. It is therefore not unusual for the two surveys to differ somewhat, particularly since a significant number of Marylanders work in DC and neighboring states. The QCEW, which also measures employment based on job location, has since late 2023 recorded significantly higher job growth than the aforementioned surveys. In June 2024, the QCEW reported job growth of 1.5% year-over-year, compared to CES growth of just 0.3%.

The CPS is also used to generate the Labor Participation Rate (LPR), or the percent of the age 16+ non-institutionalized population that is either employed or actively looking for work. As of October 2024, labor participation continues to be higher in Maryland (65.6%) than the US (62.5%). In addition, since early 2024 it has increased modestly in Maryland compared to a mostly unchanged national rate and decrease in most of our neighboring states. However, it was 69.3% before the pandemic and has not meaningfully recovered since the pandemic.

Other economic data including median household income show a similar pattern. Maryland is still higher than the US, but the difference has narrowed. As there is no meaningful recovery in labor participation evident in the data, we do not assume such a recovery in our forecast. Rather, we forecast that job growth will continue to slow from 0.5% in 2024 and increase in line with our population. In 2026, we expect this growth to be only 0.1%.

Wage growth in Maryland is following the same general trend as US wage growth. Nominal wage growth is elevated compared to the years before the pandemic when the typical growth rate was 4%. Aggregate nominal wages increased by 6.7% year-over-year in the second quarter of 2024, according to BEA. QCEW wage growth is largely consistent with the BEA data, though some quarters differ due the difference in data collection methods.

With the decline in inflation, real average wages have risen steadily from a low of -4.6% in the first quarter of 2022 to 3.8% in the second quarter of 2024. Because the QCEW records higher job growth than the CES it shows lower average wage growth in the second quarter: 3.7% before adjusting for inflation and 1.1% after adjusting for inflation.

Our forecast calls for nominal average wage growth to be 4.5% in 2024 and to stabilize at around 3.5% annually by 2026. With near-zero employment growth, we expect aggregate wage growth to also slow to about 3.5% annually, consistent with pre-pandemic growth.

The combination of Maryland's higher average wage growth and a low unemployment rate, despite a decline in total jobs since the pandemic, suggests the issue is a supply-constrained labor force rather than a lack of labor demand. Maryland's labor force is a smaller share of the population than it was before the pandemic, but it appears to be in demand.

The federal government is a significant source of growing labor demand in Maryland and the region. There are about 550,000 federal civilian jobs in Maryland, the District of Columbia, and Virginia, of which 161,000 are located in Maryland. According to the CES, in October 2024 the federal government accounted for 5.9% of jobs in Maryland, compared to 5.2% in 2019. While the total number of jobs in Maryland remains just below the pre-pandemic peak, the number of federal government jobs is 10.6% higher compared to the fourth quarter of 2019.

Furthermore, federal jobs in the region, and particularly in Maryland, have a higher average wage. In calendar 2023, the average wage of federal jobs located in Maryland was \$158,500, which was two-thirds higher than the average wage for all jobs. As a result, federal jobs account for 10.1% of total wages earned in Maryland in the third quarter of 2024 according to the QCEW.

A significant share of Marylanders works across state borders, particularly in the District of Columbia (DC). In DC, federal employment fell considerably in 2022 and has grown tepidly since. In tax year 2021, a total of 240,000 Maryland resident personal income tax returns reported receiving federal government wages. Federal wages in the year totaled almost \$24.0 billion, accounting for 10.5% of total federal adjusted gross income. Resident taxpayers also reported an additional \$7.2 billion in retirement income. In total, one in nine Maryland households reported receiving federal wage and/or retirement income.

Major Initiatives and Long-Term Financial Planning:

Safeguarding Marylanders in the event of economic decline remains the primary directive of State leadership. The State budgeted to maintain the Rainy-Day Fund balance of 9.4% of General Fund revenues or \$2.34 billion in FY25.

Record funding of \$9.2 billion for K-12 education has resulted in a \$461 million increase - fully funding the Blueprint for Maryland's Future programs. The funding to support low-income students increased by \$160 million, an 8% increase over FY24. A record \$2.3 billion in state funding were allocated to University System of Maryland institutions.

A historic state investment in childcare underpins State's progress on multiple strategic priorities including ending child poverty, connecting Marylanders to jobs, and increasing Maryland's economic competitiveness. \$15 million were set aside to support the implementation of the ENOUGH Act – a first-in-the-nation state level effort to end concentrated child poverty and build safe and thriving communities, \$270 million in FY 2025 to support the Child Care Scholarship (CCS) program and help families enroll their young children in high-quality childcare, \$6.4 million were allocated in new state funding in FY 2025 to support Baltimore's Tech Hub Consortium with tools and leverage to compete for an opportunity at up to \$70 million through the Tech Hub Phase 2 grant from the US Economic Development Administration.

The FY25 budget provisioned investing a bold 65 percent increase of \$115 million (to \$290 million) for housing and community development capital projects aimed squarely at increasing access to quality and affordable housing as well as community revitalization—critical for attracting both population and jobs.

State transfer tax funding of \$115.5 million was allocated to programs that support state and local land preservation, operations of state lands, and capital maintenance and development projects in state parks. In addition, \$90 million in projected fund balance from the Strategic Energy Investment Fund were to fund initiatives to support implementation

of the state's Climate Pollution Reduction Plan. The Chesapeake and Atlantic Bays 2010 Trust Fund (CBTF) has budgeted \$74.5 million to support critical bay restoration activities, implementation of best management practices, and tree planting. This represents a \$10.9 million increase over FY 2024.

Certificate of Achievement:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Maryland for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The State of Maryland has received a Certificate of Achievement for the last 43 consecutive years (Fiscal Years ended 1980 – 2023). We believe that our current Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report on a timely basis could not have been accomplished without the efforts and dedication of the staff of the General Accounting Division with assistance from other personnel from the various departments and agencies of the State. I remain grateful to them for their hard work and perseverance, despite the untimely passing of their division director, Sandy Zinck. We all miss her, and this ACFR is dedicated to her.

Thank you for reviewing this document. We look forward to continuing to work in partnership to create a state that is more equitable, more resilient and more prosperous.

Financial Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT, STATE OF MARYLAND





INDEPENDENT AUDITORS' REPORT

The Honorable Members of the General Assembly and the Governor
 State of Maryland

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain funds, agencies and component units of the State, which represent the indicated percentages of total assets and deferred outflows and total revenues as presented in the table below. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for those funds, agencies and component units, is based solely on the reports of the other auditors.

Opinion Unit	Fund, Agency, or Component Unit	Percentage Audited by Other Auditors	
		Assets and Deferred Outflows	Revenues
Business-type Activities	Department of Housing and Community Development State Funded Loan Programs Maryland Lottery and Gaming Control Agency Maryland Prepaid College Trust	12%	72%
Aggregate Discretely Presented Component Units	Maryland Environmental Service Maryland Technology Development Corporation University System of Maryland Foundation, Inc. University of Maryland College Park Foundation, Inc. University of Maryland Baltimore Foundation, Inc. University of Maryland Faculty Physicians, Inc. University of Maryland Pediatric Associates, P.A. University of Maryland Orthopedic Associates, P.A. Bowie State University Foundation, Inc. Towson University Foundation, Inc. Frostburg State University Foundation, Inc. University of Baltimore Foundation, Inc. and University Properties, Inc. Salisbury University Foundation, Inc. UMUC Ventures, Inc. and Subsidiaries Morgan State University Foundation, Inc. Maryland Food Center Authority	22%	12%
Economic Development Loan Programs - Major Proprietary Fund	Department of Housing and Community Development State Funded Loan Programs	12%	4%
Maryland Lottery and Gaming Control Agency - Major Proprietary Fund	Maryland Lottery and Gaming Control Agency	100%	100%
Maryland Prepaid College Trust Fund - Major Proprietary Fund	Maryland Prepaid College Trust Fund	100%	100%
Aggregate Remaining Fund Information	Maryland Teachers and State Employees Supplemental Retirement Plans Maryland Local Government Investment Pool	14%	45%

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The Honorable Members of the General Assembly and the Governor
State of Maryland

Basis for Opinions

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

Emphasis of Matter

Change in Reporting Entity

As described in Note 27 to the financial statements, effective July 1, 2024, the State adopted new accounting guidance for change in financial reporting entity to be reported retroactively by restating prior periods. Our opinions were not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

(2)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State'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 State's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of require that the management's discussion and analysis and required supplementary information as listed in the accompanying table of contents (collectively referred to as RSI) 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 State's basic financial statements. The combining financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(3)

The Honorable Members of the General Assembly and the Governor
State of Maryland

Other Information

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
February 28, 2025



STATE OF MARYLAND

Management's Discussion and Analysis

Management of the State of Maryland provides this narrative overview and analysis of the financial activities of the State for the fiscal year ended June 30, 2024. Please read it in conjunction with the Comptroller's letter of transmittal, which can be found in the Introductory Section of this report, and the State's financial statements which follow this section. There may be rounding differences between amounts reported in the MD&A section and amounts reported in other sections of the ACFR.

Financial Highlights

Government-wide

- Maryland reported a surplus of \$12.5 billion in fiscal year 2024 and a surplus of \$9.5 billion in fiscal year 2023.
- Of the surplus in fiscal year 2024, a deficit balance of \$19.4 billion was reported as total unrestricted net position, which includes a \$21.1 billion deficit balance in governmental activities and a \$1.7 billion balance in business-type activities.
- The State's total net position increased by a total of \$3.0 billion as a result of this year's operations. The net position for governmental activities increased by \$2.2 billion. Net position of business-type activities increased by \$0.8 billion.
- The State's governmental activities had total expenses of \$54.8 billion; total revenues of \$55.5 billion; net transfers from business-type activities of \$1.4 billion for a net increase in net position of \$2.2 billion.
- Business-type activities had total expenses of \$5.1 billion; program revenues of \$7.1 billion; general revenues of \$144.9 million; and transfers out of \$1.4 billion for a net increase in net position of \$0.8 billion.
- Total State revenues were \$62.8 billion, while total costs for all programs were \$60 billion.

Fund Level

- Governmental funds reported a combined fund balance of \$14.9 billion, an increase of \$0.8 billion (5.6%) from prior year's balance of \$14.1 billion.
- The general fund reported an unassigned fund balance surplus of \$0.8 billion and a remaining fund balance (nonspendable, restricted, and committed) of \$10.8 billion, compared to an unassigned fund balance surplus of \$3.0 billion and a remaining fund balance of \$8.3 billion last year. This represents a net increase of \$408 million in general fund, fund balance. The total unassigned fund balance surplus in the governmental funds was \$0.8 billion in the current year and \$3.0 billion in the prior year.
- Governmental funds reported a total nonspendable, restricted, committed, and assigned fund balance of \$14.1 billion in 2024, compared to \$11.1 billion in the prior year.

Long-term Debt

- Total bonds and liabilities under long-term leases at year end were \$23.0 billion, net-of-related premiums, discounts and adjustments, a net decrease of \$492.1 million or 2.14% from the prior year.
- During the year, \$1.2 billion General Obligation Bonds were issued with a net premium of \$154 million. Additionally, \$2.0 billion Revenue Bonds for business-type activities were issued. No Transportation Bonds were issued, and there was no associated premium.

Overview of the Financial Statements

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

Government-wide Financial Statements (Reporting the State as a Whole)

The government-wide financial statements provide a broad overview of the State's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the State's economic condition at the end of the fiscal year. The statements include all fiscal-year revenues and expenses, regardless of whether cash has been received or paid. The government-wide financial statements include two statements.

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

The *Statement of Activities* presents information showing how the State'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 not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the State.

The above financial statements distinguish between the following three types of state programs or activities:

Governmental Activities - The activities in this section are typically supported by taxes and intergovernmental revenues, i.e., federal grants. Most services normally associated with the State government fall into this category, including the Legislature, Judiciary and the general operations of the Executive Department.

Business-Type Activities - These functions normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. These business-type activities of the State include Economic Development Loan Program, Unemployment Insurance Program, Maryland Lottery and Gaming Control Agency, Maryland Transportation Authority, economic insurance programs of the Department of Housing and Community Development, Maryland Prepaid College Trust, and Maryland Correctional Enterprises, a program which constructs office furnishings utilizing the prisons' inmate population.

Discretely Presented Component Units - The government-wide statements include operations for which the State has financial accountability but are legally separate entities. Financial information for these component units is reported separately from the financial information presented for the primary government. The component unit activities include Higher Education, the Maryland Stadium Authority and other non-major proprietary activities. All of these entities operate similarly to private sector business and to the business-type activities described above. The component unit Higher Education consists of the University System of Maryland, Morgan State University, St. Mary's College and Baltimore City Community College and certain affiliated foundations. The non-major component units include the Maryland Food Center Authority, Maryland Environmental Service, Maryland Industrial Development Financing Authority, Maryland Small Business Development Authority, Maryland Economic Development Assistance Authority, and Maryland Technology Development Corporation.

Complete financial statements of the individual component units can be obtained from the Comptroller of Maryland, LLG Treasury Building, Annapolis, Maryland 21404.

This report includes two schedules (pages [33](#) and [35](#)) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities (accrual accounting) on the government-wide statements. The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities are not reported on governmental fund statements.
- Certain tax revenues that are earned and other assets that are not available to pay for current period expenditures are deferred in governmental fund statements, but are recognized on the government-wide statements.
- Other amounts that otherwise meet the definition of a revenue or expense that relate to a future period are deferred only on the government-wide statements.
- Unless currently due and payable, long-term liabilities, such as lease and contract obligations, compensated absences, litigation, and bonds and notes payable, only appear as liabilities in the government-wide statements.
- Capital outlays result in capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond, note proceeds, lease and subscription issued result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund statements.
- Certain other transactions represent either increases or decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental fund statements.

The government-wide financial statements can be found on pages [28](#) - [30](#) 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 State, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The State's funds can be divided into three categories: governmental, enterprise, and fiduciary. Each of these categories uses a different accounting approach.

Governmental funds - Most of the basic services provided by the State are financed through 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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the State's near-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the State's near-term financing requirements. These statements provide a detailed short-term view of the State's finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the State.

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

The State maintains eight governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Department of Transportation-special revenue fund, and Capital Projects Fund, considered to be the State's major governmental funds. Data from the remaining nonmajor governmental funds are combined into a single, aggregated presentation. Data for the five non-major governmental funds, the Opioid Restitution Fund, the Maryland Economic Adjust Fund, the Maryland Economic Development Opportunities Program Fund, the debt service fund for general obligation bonds, the debt service fund for transportation revenue bonds, are provided in the form of combining statements elsewhere in this report. These funds are reported using modified accrual accounting, which measures cash and all other assets which can be readily converted to cash. The basic governmental funds financial statements can be found on pages [32](#) and [34](#) of this report.

Enterprise funds - Enterprise funds are used to show activities that operate similar to activities of commercial enterprises. These funds charge fees for services provided to outside customers including local governments. Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. There is no reconciliation needed between the government-wide business-type financial statements for business-type activities and the enterprise fund financial statements because they both utilize accrual accounting, the same method used for business in the private sector.

The State has seven enterprise funds, five of which are considered to be major enterprise funds. These funds are: Economic Development Loan Programs, the Unemployment Insurance Program, the Maryland Lottery and Gaming Control Agency, the Maryland Transportation Authority, and the Maryland Prepaid College Trust. Data for the non-major enterprise funds, Economic Development - Insurance Programs and Maryland Correctional Enterprises, are combined into a single aggregated presentation. Individual fund data for these non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

The basic enterprise funds financial statements can be found on pages [38](#) - [42](#) of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the state government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are restricted in purpose and are not available to support the State's own programs. Fiduciary funds use accrual accounting.

The State's fiduciary funds include the Pension and Other Employee Benefits Trust Funds, the Investment Trust Fund and Custodial Funds. The Pension and Other Employee Benefits Trust Funds consist of the Retirement and Pension System, the Maryland Transit Administration Pension Plan, the Postretirement Health Benefits Trust Fund and the Maryland Supplemental Retirement Plans. The Investment Trust Fund accounts for the transactions, assets, liabilities and net position of an external investment pool. Custodial funds account for fiduciary activities that are not required to be reported in pension and other post-employment benefit trusts funds, investment trust funds, or private-purpose trust funds. Individual fund detail for the fiduciary funds can be found in the combining financial statements.

The basic fiduciary funds financial statements can be found on pages [44](#) - [45](#) of this report.

Combining Financial Statements, Component Units - The government-wide financial statements present information for the component units in a single aggregated column in the Statement of Net Position and the Statement of Activities. A combining Statement of Net Position and Combining Statement of Activities have been provided for the Component Units Funds and provide detail for each major component unit, with a combining column for the non-major component units. Individual financial statement information for the non-major component units is provided elsewhere in this report.

The combining financial statements for the component units can be found on pages [47](#) - [49](#) of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages [51](#) - [109](#) of this report.

Required Supplementary Information

The required supplementary information includes budgetary comparison schedules for the budgetary general, special and federal funds, along with a reconciliation of the statutory and Accounting Principles Generally Accepted in the United States of America (GAAP) General and Special Revenue Fund, fund balances at fiscal year end and related notes. This report also presents certain required supplementary information concerning the State's contributions and liabilities for its pension plans and post-employment healthcare benefits and related notes. Required supplementary information immediately follows the notes to the financial statements.

Other Supplementary Information

Combining Financial Statements

The combining financial statements referred to earlier in connection with non-major governmental, enterprise, fiduciary funds and non-major component units are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

The State's combined net position (governmental and business-type activities) totaled to a \$12.5 billion surplus at the end of the fiscal year 2024 and \$9.5 billion surplus at the end of the fiscal year 2023.

Net Position as of June 30, <i>(Expressed in Millions)</i>							
	Governmental Activities		Business-type Activities		Total		
	2024	2023	2024	2023	2024	2023	
Current and other assets	\$ 23,532	\$ 21,276	\$ 13,658	\$ 12,565	\$ 37,189	\$ 33,841	
Capital assets	29,883	29,180	7,581	7,391	37,464	36,570	
Total assets	53,414	50,456	21,239	19,955	74,653	70,411	
Total deferred outflows of resources	7,106	5,551	175	150	7,281	5,701	
Long-term liabilities	47,672	45,149	7,559	6,889	55,231	52,038	
Current and other liabilities	7,875	6,990	1,470	1,606	9,345	8,596	
Total liabilities	55,547	52,139	9,029	8,495	64,576	60,634	
Total deferred inflows of resources	4,743	5,836	126	161	4,868	5,997	
Net position:							
Net invested in capital assets	20,477	19,558	5,164	4,900	25,641	24,458	
Restricted	855	653	5,374	4,829	6,229	5,481	
Unrestricted	(21,102)	(22,179)	1,721	1,721	(19,381)	(20,458)	
Total net position (deficit)	\$ 230	\$ (1,968)	\$ 12,259	\$ 11,449	\$ 12,489	\$ 9,481	

The largest portion of the State's net position, \$25.6 billion, reflects investment in capital assets such as land, buildings, equipment and infrastructure, less any related debt to acquire those assets that is still outstanding, as adjusted by any deferred inflows or deferred outflows of resources. The State uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the State's investment in 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.

In addition, a portion of the State's net position, \$6.2 billion, represents resources that are subject to external restrictions or enabling legislation on how they may be used. The unrestricted net position, which represents the amount available to meet the State's ongoing obligations, was a deficit of \$19.4 billion. The State is committed to provide post-employment benefits (pension and other post-employment benefits) to eligible employees. As a result, the State has recognized substantial liabilities in the financial statements for these benefits. As of June 30, 2024, the State recognized long term liabilities of \$32.6 billion for pension and other post-employment benefits, which resulted in a deficit balance in the unrestricted net position.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the State's net position changed during the fiscal year.

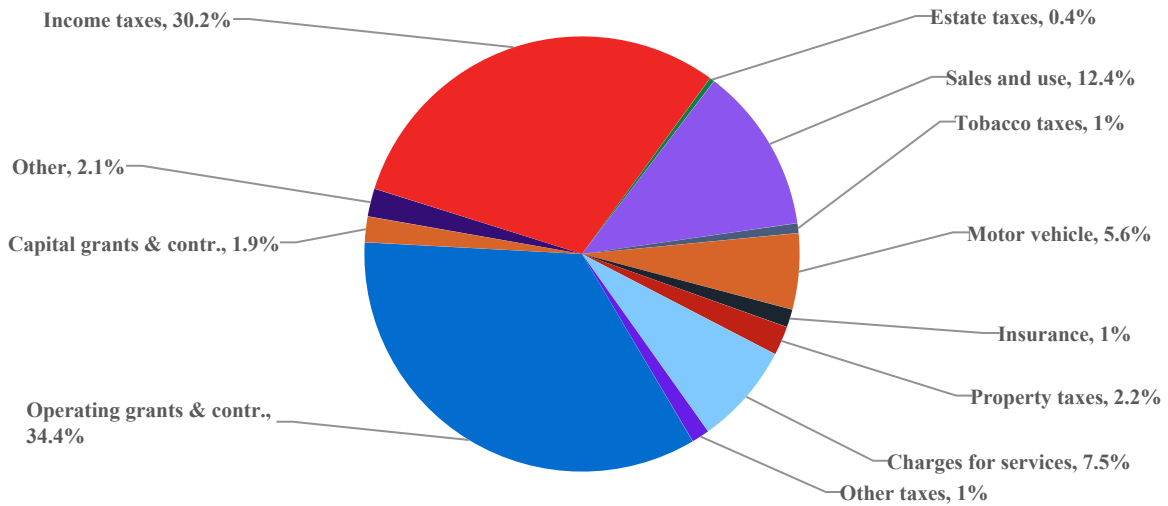
Changes in Net Position For the Year Ended June 30, (Expressed in Millions)						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 4,188	\$ 3,583	\$ 6,821	\$ 6,812	\$ 11,009	\$ 10,395
Operating grants and contributions	19,078	19,652	314	184	19,392	19,836
Capital grants and contributions	1,065	1,284	—	—	1,065	1,284
General revenues:						
Income taxes	16,748	15,186	—	—	16,748	15,186
Sales and use taxes	6,861	6,786	—	—	6,861	6,786
Motor vehicle taxes	3,136	3,022	—	—	3,136	3,022
Tobacco taxes	405	449	—	—	405	449
Insurance company taxes	746	712	—	—	746	712
Property taxes	1,195	1,176	—	—	1,195	1,176
Estate inheritance taxes	207	303	—	—	207	303
Other taxes	748	715	—	—	748	715
Unrestricted investment earnings	1,157	600	145	73	1,302	673
Total revenues	55,536	53,467	7,280	7,069	62,816	60,536
Expenses:						
General government	3,641	2,755	—	—	3,641	2,755
Health and mental hygiene	19,687	19,800	—	—	19,687	19,800
Education	12,066	10,619	—	—	12,066	10,619
Aid for higher education	3,776	3,535	—	—	3,776	3,535
Human resources	3,488	3,544	—	—	3,488	3,544
Public safety	2,757	1,716	—	—	2,757	1,716
Transportation	4,775	4,210	—	—	4,775	4,210
Judicial	1,095	674	—	—	1,095	674
Labor, licensing and regulation	588	482	—	—	588	482
Natural resources and recreation	796	563	—	—	796	563
Housing and community development	773	76	—	—	773	76
Environment	160	116	—	—	160	116
Agriculture	185	77	—	—	185	77
Commerce	295	284	—	—	295	284
Intergovernmental grants and revenue sharing	590	654	—	—	590	654
Interest	83	89	—	—	83	89
Economic development insurance programs	—	—	1	2	1	2
Economic development loan programs	—	—	381	304	381	304
Unemployment insurance program	—	—	437	403	437	403
Maryland Lottery and Gaming Control Agency	—	—	3,541	3,425	3,541	3,425
Maryland Transportation Authority	—	—	473	694	473	694
Maryland Prepaid College Trust (529)	—	—	156	20	156	20
Maryland Correctional Enterprises	—	—	64	50	64	50
Total expenses	54,755	49,194	5,052	4,900	59,807	54,094
Increase (decrease) in net position before transfers	781	4,273	2,228	2,169	3,009	6,442
Transfers in/(out)	1,418	1,450	(1,418)	(1,450)	—	—
Change in net position	2,199	5,723	810	719	3,009	6,443
Net position (deficit) - beginning, as restated	(1,968)	(7,691)	11,449	10,729	9,481	3,038
Net position (deficit) - ending	\$ 230	\$ (1,967)	\$ 12,259	\$ 11,448	\$ 12,490	\$ 9,481

The following table compares financial information from the Government-wide Statement of Activities for this and the prior fiscal year to indicate how the State's revenues and expenses changed from year to year.

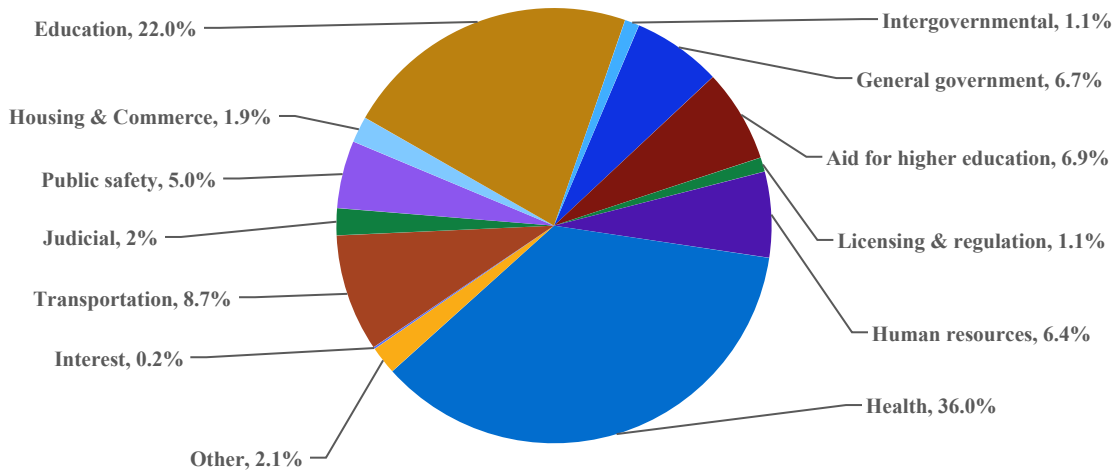
Analysis of Changes in Net Position
For the Year Ended June 30, 2024, Compared to June 30, 2023
(Expressed in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	Amount of Increase/ (Decrease)	Percentage of Increase/ -Decrease	Amount of Increase/ (Decrease)	Percentage of Increase/ -Decrease	Amount of Increase/ (Decrease)	Percentage of Increase/ -Decrease
Revenues:						
Program revenues:						
Charges for services	\$ 605	16.9%	\$ 9	0.1%	\$ 614	5.9%
Operating grants and contributions	(574)	-2.9%	130	70.7%	(444)	-2.2%
Capital grants and contributions	(219)	-17.1%	—	—%	(219)	-17.1%
General revenues:						
Income taxes	1,562	10.3%	—	—%	1,562	—%
Sales and use taxes	75	1.1%	—	—%	75	0.5%
Motor vehicle taxes	114	3.8%	—	—%	114	1.7%
Tobacco taxes	(44)	-9.8%	—	—%	(44)	-1.5%
Insurance company taxes	34	4.8%	—	—%	34	7.6%
Property taxes	19	1.6%	—	—%	19	2.7%
Estate inheritance taxes	(96)	-31.7%	—	—%	(96)	-8.2%
Other taxes	33	4.6%	—	—%	33	10.9%
Unrestricted investment earnings	557	92.8%	72	98.6%	629	88.0%
Total revenues	2,066	74.4%	211	169.4%	2,277	169.0%
Expenses:						
General government	886	32.2%	—	—%	886	32.2%
Health and mental hygiene	(113)	-0.6%	—	—%	(113)	-0.6%
Education	1,447	13.6%	—	—%	1,447	13.6%
Aid for higher education	241	6.8%	—	—%	241	6.8%
Human resources	(56)	-1.6%	—	—%	(56)	-1.6%
Public safety	1,041	60.7%	—	—%	1,041	60.7%
Transportation	565	13.4%	—	—%	565	13.4%
Judicial	421	62.5%	—	—%	421	62.5%
Labor, licensing and regulation	106	22.0%	—	—%	106	22.0%
Natural resources and recreation	233	41.4%	—	—%	233	41.4%
Housing and community development	697	917.1%	—	—%	697	917.1%
Environment	44	37.9%	—	—%	44	37.9%
Agriculture	108	140.3%	—	—%	108	140.3%
Commerce	11	3.9%	—	—%	11	3.9%
Intergovernmental grants and revenue sharing	(64)	-9.8%	—	—%	(64)	-9.8%
Interest	(6)	-6.7%	—	—%	(6)	-6.7%
Economic development loan programs	—	—%	77	25.3%	77	25.3%
Unemployment insurance program	—	—%	34	8.4%	34	8.4%
Maryland Lottery and Gaming Control Agency	—	—%	116	3.4%	116	3.4%
Transportation Authority	—	—%	(221)	-31.8%	(221)	-31.8%
Maryland Correctional Enterprises	—	—%	14	28.0%	14	28.0%
Total expenses	\$ 5,561	1333.1%	\$ 19	-16.7%	\$ 5,580	1316.0%

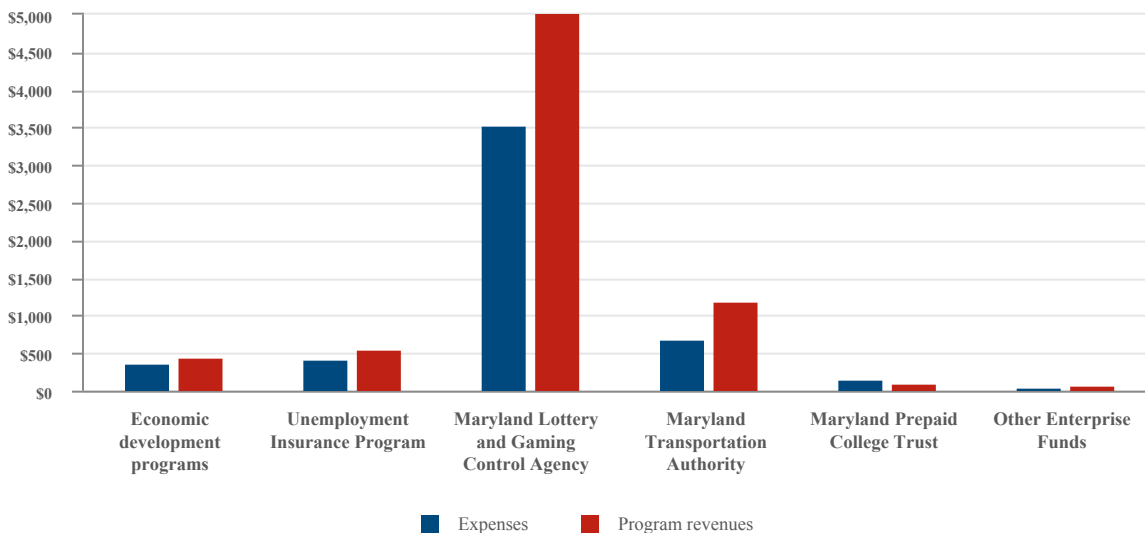
2024 REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



2024 EXPENSES BY FUNCTION - GOVERNMENTAL ACTIVITIES



2024 EXPENSES AND PROGRAM REVENUES - BUSINESS-TYPE ACTIVITIES (Expressed in Millions)



Governmental Activities

- Assets and deferred outflows exceeded liabilities and deferred inflows by \$0.2 billion at the end of fiscal year 2024. For the current year, there was an increase in net position of \$2.2 billion from the previous year.
- Included in the increase in net position, capital assets increased by \$702.8 million, deferred outflows, net of deferred inflows, increased by \$2.6 billion and long-term liabilities increased by \$2.5 billion. The major capital asset events are discussed in the Capital Assets section of this analysis. Among the components of the increase in long-term liabilities were decreases in bonds and notes payable of \$(0.3) billion; a increase in the State's net pension liability (NPL) of \$(2,538) million; and the State's net OPEB liability in the current year in excess of the net OPEB liability in the prior year \$(257) million. The increase in bonds and notes payable is discussed in the Long-Term Debt section of this analysis. The increase in the NPL of \$(2,538) million is offset by the net increase in deferred inflows over deferred outflows related to pensions of \$5 million. The net increase in deferred inflows for pensions will be recognized in the NPL in future years. The NPL and deferred outflows and deferred inflows related to pensions are discussed in Note [17](#) to the financial statements.
- Operating grants and contributions decreased by \$(0.6) billion, primarily due to a decrease in federal grants activity during the fiscal year 2024. Key elements of this decrease are as follows: Maryland Department of Transportation \$(0.3 billion), various programs under Maryland State Department of Education (\$0.1 billion), food benefits (\$0.4 billion) and Department of Housing and Community Development Loan Programs (\$0.1 billion), offset with increase in health and mental hygiene function of \$0.2 billion and general government of \$0.1 billion.
- Income taxes which consist of personal and corporate income tax increase from \$15.2 billion to \$16.7 billion in fiscal year 2024. Personal income tax revenue increased during fiscal year 2024 primarily due to increase in withholdings by 5.1%, well above its typical rate, reflecting a recovery of the labor market and high nominal wage growth. Corporate income tax increased 4.8% due to increase in payments from increased corporate profits.
- Sales and use tax increased by \$75.0 million in fiscal year 2024. The increase is attributable to several factors: increased demand for goods, increased nominal price due to inflation and increased online sales.

Business-type Activities

- Business-type activities increased the State's net position by \$2.2 billion before net transfers of \$1.4 billion to governmental activities, for a net increase of \$0.8 billion in net position. The increase compares to an increase of \$2.2 billion before net transfers of \$1.4 billion, for a net increase of \$0.7 billion in net position, in the prior year. Key elements of this decrease are as follows:
- Net position of the Maryland Transportation Authority increased by \$510 million compared to an increase of \$185 million in the prior year. Net operating income was \$295 million compared to \$254 million in the prior year.
- The Unemployment Insurance Program net position increased by \$111.5 million in 2024. Net position increased by \$272.1 million in 2023. Net operating gain was \$25.5 million compared to the prior year's increase by \$183.5 million. Charges for services (unemployment taxes) decreased by \$124 million (21%) and benefit payments were increased by \$34.0 million (8.4%). Federal payments for extended benefits and other programs decreased by \$25.9 million compared to a decrease of \$1.3 billion in the prior year.
- Net position for the Economic Development Loan Programs increased by \$234 million in 2024 compared to an increase of \$195 million in the prior year. Majority of the increase was attributable from the Maryland Water Infrastructure Financing Administration. Net income of the Administration increased by \$125 million compared to an increase of \$146 million in 2023, primarily due to a \$41 million decrease in contributions from Federal and State governments from \$87 million in fiscal year 2023 to \$46 million in fiscal year 2024. Net income of the State Funded Loan Programs increased by \$76.88 million compared to an increase of \$73.50 million in the prior year for programs related to financing housing opportunities.
- Lottery ticket sales were \$2.7 billion in 2024, an decrease of \$(32) million, or (1.18)%, from 2023. In 2024 in Maryland's six casinos, gross video lottery terminal (VLT) and table game revenue was \$2.4 billion, an increase of \$121 million, 5%, from the prior year. The increase was due to the reopening of casinos, bars and restaurants and the veteran organizations in the State of Maryland after an effort to contain the spread of COVID-19 by temporarily closing in 2020. Operating expenses, including cost of sales, increased by \$116 million, or 3.3%, over 2023. Transfers to governmental activities by Maryland State Lottery & Gaming Control Agency (MLGCA) were \$1.6 billion in 2024 and \$1.6 billion in 2023.

Financial Analysis of the State's Funds

As of the end of the current fiscal year, the State's governmental funds reported a combined fund balance of \$14.9 billion, an increase of \$789.1 million from the prior year. The combined fund balance includes a surplus of \$0.8 billion in unassigned governmental funds, all \$0.8 billion is from the General Fund. The remainder of the fund balance is unspendable, restricted, committed, or assigned based on the constraints on the specific purposes for which amounts in that fund can be spent. The remainder of the fund balance is 1) unspendable because it is in the form of prepaid items, inventories and long-term loans and notes receivable (\$534.0 million); 2) restricted by outside parties or to pay debt service on general obligation bonds and transportation bonds from specific taxes (\$855.0 million); 3) committed to legislated purposes or encumbered as committed fund balance based on the constraints and approvals in place at year end or when existing resources are not sufficient to liquidate encumbrances (\$11.7 billion); or 4) intended spending expressed by (a) the governing body or (b) a body or official to which the governing body has delegated the authority to assign amounts (\$1.0 billion). The committed fund balance includes the \$2.9 billion "State Reserve Fund", which is set aside to meet future financial needs in circumstances that are not expected to occur routinely. The State's goal is to retain 10% of estimated General Fund revenues in the Revenue Stabilization Account of the State Reserve Fund for each fiscal year.

General Fund

The General Fund is the major operating fund of the State. At the end of the current fiscal year, the unassigned fund balance surplus of the General Fund was \$0.8 billion, while total fund balance was \$11.7 billion. The fund balance of the State's General Fund increased by \$0.4 billion during 2024, compared to an increase of \$0.5 billion for 2023. Revenues increased by \$2.6 billion (5.5%) to \$49.5 billion primarily due to increase in state income tax of \$1.5 billion and interest income of \$0.7 billion. Expenditures increased by \$2.7 billion (5.8%) from the prior year, resulting largely from overall personnel cost increase and various program expenditures. The General Fund expenditure increase was primarily for expenditures for health and mental hygiene, which increased by \$1.1 billion (6.0%).

Transfers into the General Fund were \$1.7 billion in 2024 and \$1.7 billion in 2023. Transfers consisted primarily of \$1.6 billion transferred from MLGCA in 2024. Transfers out from the general fund were \$1.9 billion this year compared to \$1.8 billion for the prior year. This increase was mainly due to a decrease of \$0.6 million to Economic Development Loan programs, an increase of \$944.7 million to various non-major governmental fund, and an increase of \$88.9 million to special revenue fund.

Special Revenue Fund

The Maryland Department of Transportation special revenue fund accounts for resources used for operation of the State's transportation activities, not including debt service and pension activities. The fund balance of the Department's special revenue fund was \$143 million as of June 30, 2024, an increase of \$481 million compared to an increase of \$2 million in the prior fiscal year. Revenues decreased by \$442 million (8.1%), expenditures increased by \$157 million 2.9%, and other sources of financial resources increased by \$116 million 148.1%. The economic challenges and uncertainty surrounding the COVID-19 global pandemic have impacted virtually all of the Department's operations and revenues. Estimated State revenues for the Department's current six-year capital program are \$2 billion more than the estimates for the previous six-year program. Total projected revenues amount to \$39.5 billion for the six-year period (fiscal years 2025-2030). This estimate is based on the revenue sources used by the Department and includes bond proceeds and federal funds that will be used for operating, capital, and debt service expenses.

Budgetary Highlights

Differences between the original budget and final amended budget, and the final budget and actual expenditures for the year are summarized for the General Fund as follows. The budgetary schedule may be found in the Required Supplementary Information Section.

Overall, the change between the original and final amended general fund budget was an increase of \$356 million in expenditures, or 1.3%.

There was no variance between the final budget of \$28.3 billion, and actual expenditures.

The General Fund variance of \$87.2 million or 8.8% in Executive and Administrative Control function is attributable to the following agencies: Governor's Office of Crime Prevention and Policy, Maryland Cannabis Administration, Department of Aging and Veterans Affairs. The Governor's Office of Crime Prevention and Policy differences primarily relate to expenditures were accrued and paid from 2023, while there were no offsetting postings to clear the reversals (\$8.89 million), and reversions in fiscal year 2024 (\$3.33 million). The Maryland Cannabis Administration relates to appropriation specifically for Social Equity Partnership Grants related to cannabis licensees. The agency did not use their general fund amount as it was a planned reversion included for fiscal year 2024 and noted in the Department of Legislative Services budget analysis during the 2024 Legislative Session. The Department of Aging's difference is largely attributed to a reversion of about \$7 million from the Area Agencies on Aging (AAA) due to underspending on various programs. The variance is due to the reversion of additional general funds provided in fiscal year 2024 budget for the new Charlotte Hall contract. The General Fund variance of \$71.6 million or 7.9% in the Human Resources function is attributable to a \$64.3 million reversion in assistance payments during fiscal year 2024 closeout, impacting total expenditures across all fund types. The General Fund variance of \$24.4 million or 13.4% in the Budget and Management function stems from unexpended balance for salary adjustments due to lower than expected salary costs, as well as Statewide amendments that realigned \$276 million from the Statewide account in the Department of Budget and Management into various agency accounts. There is no significant effect expected on future services or liquidity.

**Significant Differences between Original Budget, Final Budget, and Actual Amounts
for the year ended June 30, 2024 (Expressed in Thousands)
General Fund**

	Original Budget	Final Budget	Original versus Final budget	Percentage Change	Actual Amounts	Final Budget versus Actual	Percentage Change
Expenditures and encumbrances by function:							
Payments of revenue to civil divisions of the State	\$ 258,063	\$ 258,063	\$ —	0.0%	\$ 258,063	\$ —	0.0%
Public debt	425,100	425,100	—	0.0%	425,100	—	0.0%
Legislative	222,938	225,844	2,906	1.3%	129,059	96,784	42.9%
Judicial review and legal	864,921	872,759	7,838	0.9%	854,568	18,191	2.1%
Executive and administrative control	616,551	991,807	375,256	60.9%	904,636	87,172	8.8%
Financial and revenue administration	292,851	300,064	7,213	2.5%	288,047	12,017	4.0%
Budget and management	452,394	181,793	(270,601)	(59.8)%	157,361	24,433	13.4%
General services	534,673	541,915	7,242	1.4%	352,284	189,631	35.0%
Department of service and civic innovation	16,943	16,864	(79)	0.0%	16,610	254	—%
Transportation and Highways	15,969	16,219	250	1.6%	11,420	4,798	29.6%
Natural resources and recreation	243,537	247,178	3,641	1.5%	236,376	10,802	4.4%
Agriculture	79,755	82,745	2,990	3.7%	79,167	3,578	4.3%
Health, hospitals and mental hygiene	7,479,706	7,496,853	17,146	0.2%	7,420,071	76,782	1.0%
Human resources	843,781	904,287	60,506	7.2%	832,663	71,624	7.9%
Labor, licensing and regulation	68,061	70,430	2,368	3.5%	61,424	9,006	12.8%
Public safety and correctional services	1,449,739	1,570,337	120,598	8.3%	1,544,126	26,210	1.7%
Public education	11,243,514	11,183,945	(59,569)	(0.5)%	11,019,402	164,543	1.5%
Housing and community development	411,052	433,135	22,083	5.4%	138,952	294,183	67.9%
Commerce	209,157	213,861	4,704	2.2%	194,620	19,242	9.0%
Maryland technology development corporation	54,716	54,716	—	0.0%	54,466	250	0.5%
Environment	78,499	80,069	1,570	2.0%	71,182	8,887	11.1%
Juvenile services	316,619	326,583	9,964	3.1%	322,284	4,299	1.3%
State police	430,601	439,534	8,932	2.1%	430,426	9,107	2.1%
State reserve fund	1,363,223	1,393,904	30,681	2.3%	1,393,904	—	—%
Reversions	(75,000)	(75,000)	—	0.0%	—	(75,000)	100.0%
Total expenditures and encumbrances	\$ 27,897,363	\$ 28,253,003	\$ 355,640	1.3%	\$ 27,196,211	\$ 1,056,793	3.7%

Capital Assets and Debt Administration

Capital assets

As of June 30, 2024, the State had invested \$37.5 billion (net of accumulated depreciation and amortization) in a broad range of capital assets (see table below): Depreciation and amortization expense for the fiscal year totaled \$1.7 billion (\$1.5 billion for governmental activities and \$183 million for business- type activities). The increase in the State's investment in capital assets, net of depreciation and amortization expense, for the current fiscal year was \$0.9 billion (a increase of \$0.7 billion for governmental activities and an increase of \$191 million for business-type activities).

Capital Assets as of June 30,
(Net of Depreciation/Amortization, Expressed in Millions)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Capital assets, not depreciated or amortized						
Land and improvements	\$ 4,044	\$ 4,003	\$ 407	\$ 407	\$ 4,452	\$ 4,410
Land use rights	1,292	1,265	—	—	1,292	1,265
Art and historical treasures	23	23	—	—	23	23
Construction in progress	9,369	9,295	1,775	1,899	11,144	11,194
Capital assets, being depreciated or amortized						
Structures and improvements	3,213	3,028	228	218	3,442	3,245
Equipment	967	931	44	43	1,011	974
Infrastructure	10,320	10,065	5,101	4,820	15,420	14,885
Right-of use assets	653	570	26	4	679	574
Total	\$ 29,883	\$ 29,180	\$ 7,581	\$ 7,391	\$ 37,464	\$ 36,570

Major capital asset events during the current fiscal year for governmental activities include:

- Additional computer equipment for the Board of Elections, data storage equipment for Maryland Judiciary, health care equipment for the Department of Health and various equipment for the Department of Public Safety and Correctional Services
- Continued widening and/or expansion of existing highways and bridges, and various transit, port and motor vehicle administration construction projects
- Preservation of agricultural and open space land through the purchase of easements
- New property acquisitions, and construction and improvements to recreation and park facilities under the Department of Natural Resources
- Veterans cemetery improvements
- Improvements to the statewide telecommunications network including One Maryland broadband wiring and high speed data network wiring
- Energy efficiency improvements in State buildings
- Western Maryland rail trail improvements
- Building improvements for the Maryland Judiciary and construction of a new District Court facility
- Rehabilitation of Herrington Manor and Bloede dams
- Construction and renovations of the Military Department Armories
- Construction of new barracks and garage in Cumberland for the State Police
- Renovation of police and correctional training facilities
- Building improvements at correctional facilities and at the Department of Health
- Construction of a new animal health lab in Salisbury
- Continued construction on the Purple Line Transitway light rail project in Montgomery and Prince George's counties

Elements of increases in capital assets of business-type activities include significant infrastructure investment in system preservation and restoration of MDTA's existing facilities and expansion growth related to the I-95 Express Toll Lanes Northbound Extension Project.

Additional information on the State's capital assets can be found in footnote [10](#) of this report.

Long-term debt

The State is empowered by law to authorize, issue and sell general obligation bonds, which are backed by the full faith and credit of the State. The State also issues dedicated revenue bonds for the Department of Transportation and various business-type activities. The payment of principal and interest on revenue bonds comes solely from revenues received from the respective activities. This dedicated revenue debt is not backed by the State's full faith and credit.

As of June 30, 2024, the State had outstanding bonds, net of related premiums, discounts and adjustments, totaling \$22.2 billion. Of this amount, \$11.7 billion were general obligation bonds, backed by the full faith and credit of the State. The remaining \$10.6 billion were secured solely by the specified revenue sources.

Outstanding Bond Debt as of June 30, <i>(Expressed in Millions)</i>						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds (backed by the State)	\$ 11,680	\$ 11,566	\$ —	\$ —	\$ 11,680	\$ 11,566
Transportation Bonds (backed by specific revenues)	3,686	4,062	—	—	3,686	4,062
Revenue bonds (backed by specific revenues)	—	—	6,879	6,245	6,879	6,245
Total	\$ 15,366	\$ 15,628	\$ 6,879	\$ 6,245	\$ 22,245	\$ 21,872

The total increase in bonded debt in the current fiscal year was \$0.4 billion (\$114 million increase related to general obligation bonds, \$375.9 million decrease related to transportation bonds, and \$634 million increase related to revenue bonds). The State's general obligation bonds are rated Aaa by Moody's and AAA by Standard and Poors and Fitch. During fiscal year 2024, the State issued general obligation debt totaling \$1.2 billion at a premium of \$154 million.

State law limits the amount of Consolidated Transportation Bonds, dedicated revenue debt that may be outstanding as of June 30 to the amount authorized in the budget, and this amount may not exceed \$4.5 billion. The aggregate principal amount of these bonds that was authorized to be outstanding as of June 30, 2024, was \$3.4 billion. The actual par amount in Consolidated Transportation Bonds outstanding was \$3.0 billion.

Additional information on the State's long-term debt can be found in footnote [13](#) of this report.

Economic Factors and Next Year's Budget

The forecast of the Maryland economy by the Board of Revenue Estimates is the basis for Maryland's revenue outlook. Employment growth of 0.7% is expected in calendar year 2024 and 0.2% in calendar year 2025. The calendar year 2024 year-to-date unemployment rate was 2.8% as of November 2024, and has continued a downward trend since COVID-19 job losses commenced 2020. Historical employment growth and the unemployment rate for the past five years are depicted below:





**Estimated*

Increase in personal income of 4.2% and growth of 3.9% in calendar years 2024 and 2025, respectively, is expected.

Maryland's labor force is a smaller share of the population than it was before the pandemic, but it appears to be in demand. General fund revenues are estimated to increase by 0.8% in fiscal year 2025.

Maryland's budget in fiscal year 2025 is \$65 billion, a 2.31% increase over 2024. The fiscal year 2025 budget conforms to the legislature's Spending Affordability Committee's guidelines. The general fund budget is \$26 billion, a 4.27% decrease over 2024, and includes a projected \$117 million fiscal year 2025 surplus. Reserves are projected to total \$698 million of June 30, 2025.

Requests for Information

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the State's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the General Accounting Division, Office of the Comptroller, P.O. Box 746, Annapolis, Maryland, 21404.

Basic Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT, STATE OF MARYLAND



STATE OF MARYLAND
Statement of Net Position
June 30, 2024
(Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash	\$ 340,111	\$ 154,123	\$ 494,234	\$ 398,936
Equity in pooled invested cash	8,843,079	850,516	9,693,595	3,843,333
Investments	1,137,679	1,731,119	2,868,798	175,680
Endowment investments	—	—	—	524,949
Foundation investments	—	—	—	2,633,610
Inventories	271,196	22,737	293,933	10,940
Prepaid items	239,954	—	239,954	26,975
Taxes receivable, net	3,549,015	—	3,549,015	—
Intergovernmental receivables	4,723,993	—	4,723,993	—
Tuition contracts receivable	—	90,013	90,013	147,350
Due from component units	3,369	—	3,369	—
Other accounts receivable, net	3,388,496	653,305	4,041,801	718,823
Loans and notes receivable, net	24,854	2,575,723	2,600,577	95,444
Leases receivable, net	218,960	203,070	422,030	182,575
Other assets	2,700	27,591	30,291	290,235
Restricted assets:				
Cash	163,516	3,091,682	3,255,198	79,349
Equity in pooled invested cash	513,854	91,642	605,496	—
Investments	36,263	2,658,270	2,694,533	904,974
Taxes receivable, net	72,718	—	72,718	—
Loans and notes receivable	1,316	1,212,585	1,213,901	—
Other accounts receivable	470	295,147	295,617	—
Capital assets, not being depreciated:				
Land	4,044,381	407,129	4,451,510	254,647
Land use rights	1,292,328	—	1,292,328	—
Art and historical treasures	23,068	—	23,068	—
Construction in progress	9,369,165	1,775,254	11,144,419	1,140,617
Capital assets, net of accumulated depreciation and amortization:				
Structures and other improvements	3,213,409	228,494	3,441,903	6,814,165
Equipment	967,400	43,675	1,011,075	597,817
Infrastructure	10,319,856	5,100,522	15,420,378	329,949
Right-of-Use Assets	652,900	26,283	679,183	60,539
Total capital assets	29,882,508	7,581,357	37,463,865	9,197,735

STATE OF MARYLAND
Statement of Net Position
June 30, 2024
(Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Total assets	\$ 53,414,049	\$ 21,238,880	\$ 74,652,929	\$ 19,230,907
Deferred outflows of resources	\$ 7,105,793	\$ 175,004	\$ 7,280,797	\$ 548,060
Liabilities				
Salaries payable	\$ 349,866	\$ —	\$ 349,866	\$ 264,942
Vouchers payable	1,266,771	—	1,266,771	—
Accounts payable and accrued liabilities	3,548,198	611,152	4,159,350	883,960
Internal balances	(157,410)	157,410	—	—
Due to primary government	—	—	—	3,369
Accounts payable to political subdivisions	159,867	—	159,867	—
Unearned revenue	654,466	77,670	732,136	497,594
Accrued insurance on loan losses	—	10,625	10,625	373
Other liabilities	—	—	—	589
Bonds and notes payable:				
Due within one year	1,500,721	418,077	1,918,798	172,055
Due in more than one year	13,865,187	6,460,907	20,326,093	3,693,093
Other noncurrent liabilities:				
Due within one year	552,700	194,615	747,315	260,030
Due in more than one year	33,806,467	1,098,568	34,905,035	2,317,096
Total liabilities	\$ 55,546,832	\$ 9,029,024	\$ 64,575,856	\$ 8,093,100
Deferred inflows of resources	\$ 4,742,687	\$ 125,692	\$ 4,868,379	\$ 495,928
Net Position				
Net investment in capital assets	20,477,477	5,163,659	25,641,136	7,211,926
Restricted for:				
Debt service	587,023	305,354	892,377	884,728
Capital improvements	—	325,001	325,001	3,916
Higher education-nonexpendable	—	—	—	1,736,523
Higher education-expendable	—	—	—	1,188,741
Unemployment compensation benefits	—	2,084,420	2,084,420	—
Loan programs	—	2,567,877	2,567,877	17,575
Insurance programs	—	91,441	91,441	—
911 Trust Fund	169,138	—	169,138	—
Other	98,843	—	98,843	—
Unrestricted (deficit)	(21,102,158)	1,721,416	(19,380,742)	146,529
Total net position (deficit)	\$ 230,322	\$ 12,259,167	\$ 12,489,489	\$ 11,189,939

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

STATE OF MARYLAND
Statement of Activities
For the Year Ended June 30, 2024
(Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 3,641,410	\$ 364,011	\$ 1,250,185	\$ —	\$ (2,027,213)	\$ —	\$ (2,027,213)	\$ —
Health and mental hygiene	19,686,902	1,441,327	11,857,683	—	(6,387,891)	—	(6,387,891)	—
Education	12,066,264	593,448	2,255,949	—	(9,216,868)	—	(9,216,868)	—
Aid for higher education	3,775,516	85,725	69	—	(3,689,721)	—	(3,689,721)	—
Human resources	3,488,091	120,326	2,446,616	—	(921,149)	—	(921,149)	—
Public safety	2,756,840	137,224	111,139	—	(2,508,477)	—	(2,508,477)	—
Transportation	4,775,337	505,355	253,917	1,065,269	(2,950,796)	—	(2,950,796)	—
Judicial	1,094,790	340,276	11,991	—	(742,522)	—	(742,522)	—
Labor, licensing and regulation	587,849	41,801	240,352	—	(305,695)	—	(305,695)	—
Natural resources and recreation	796,248	417,583	42,727	—	(335,938)	—	(335,938)	—
Housing and community development	772,574	26,583	566,115	—	(179,876)	—	(179,876)	—
Environment	159,916	43,355	23,963	—	(92,598)	—	(92,598)	—
Agriculture	185,330	19,452	11,477	—	(154,402)	—	(154,402)	—
Commerce	294,952	51,487	5,507	—	(237,957)	—	(237,957)	—
Intergovernmental grants and revenue sharing	590,310	—	—	—	(590,310)	—	(590,310)	—
Interest	82,721	104	—	—	(82,617)	—	(82,617)	—
Total governmental activities	\$ 54,755,049	\$ 4,188,057	\$ 19,077,691	\$ 1,065,269	\$ (30,424,032)	\$ —	\$ (30,424,032)	\$ —
Business-type activities:								
Economic development - insurance programs	\$ 900	\$ 2,524	\$ 3,963	\$ —	\$ —	\$ 5,587	\$ 5,587	\$ —
Economic development - water quality loan programs	107,888	150,215	46,627	—	—	88,954	88,954	—
Economic development - housing loan programs	273,074	83,936	142,730	—	—	(46,408)	(46,408)	—
Unemployment insurance program	437,121	462,669	85,972	—	—	111,519	111,519	—
Maryland Lottery and Gaming Control Agency	3,540,551	5,127,334	—	—	—	1,586,783	1,586,783	—
Maryland Transportation Authority	472,698	902,273	35,057	—	—	464,632	464,632	—
Maryland Prepaid College Trust (529)	155,535	23,652	—	—	—	(131,883)	(131,883)	—
Maryland Correctional Enterprises	64,497	68,641	—	—	—	4,145	4,145	—
Total business-type activities	\$ 5,052,265	\$ 6,821,244	\$ 314,349	\$ —	\$ —	\$ 2,083,329	\$ 2,083,329	\$ —
Total primary government	\$ 59,807,313	\$ 11,009,301	\$ 19,392,040	\$ 1,065,269	\$ (30,424,032)	\$ 2,083,329	\$ (28,340,703)	\$ —

STATE OF MARYLAND
Statement of Activities
For the Year Ended June 30, 2024
(Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Component Units-								
Higher education	\$ 7,744,709	\$ 2,989,434	\$ 2,076,880	\$ 361,744	\$ —	\$ —	\$ —	\$ (2,316,652)
Maryland Stadium Authority	540,614	110,310	181,917	—	—	—	—	(248,387)
Other component units	297,700	234,904	51,615	—	—	—	—	(11,181)
Total component units	\$ 8,583,023	\$ 3,334,648	\$ 2,310,412	\$ 361,744	\$ —	\$ —	\$ —	\$ (2,576,220)
General revenues:								
Income taxes					\$ 16,748,231	\$ —	\$ 16,748,231	\$ —
Sales and use taxes					6,861,211	—	6,861,211	—
Motor vehicle taxes					3,136,104	—	3,136,104	—
Tobacco taxes					405,071	—	405,071	—
Insurance company taxes					745,978	—	745,978	—
Property taxes					1,195,314	—	1,195,314	—
Estate inheritance taxes					207,092	—	207,092	—
Other taxes					748,206	—	748,206	—
Grants and contribution not restricted to specific programs					—	—	—	2,503,115
Unrestricted investment earnings (loss)					1,157,484	144,872	1,302,356	402,316
Additions to permanent endowments					—	—	—	159,475
Transfers					1,418,098	(1,418,098)	—	—
Total general revenues, additions to permanent endowments, and transfers					32,622,789	(1,273,226)	31,349,563	3,064,907
Changes in net position					2,198,757	810,102	3,008,859	488,686
Net position (deficit), beginning of the year					(1,968,435)	11,449,065	9,480,630	10,701,253
Net position (deficit), end of the year					\$ 230,322	\$ 12,259,167	\$ 12,489,489	\$ 11,189,939

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

STATE OF MARYLAND
Balance Sheet
Governmental Funds
June 30, 2024
(Expressed in Thousands)

	General	Special Revenue Maryland Department of Transportation	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash	\$ 340,111	\$ —		\$ —	\$ 340,111
Equity in pooled invested cash	7,215,077	—	1,625,529	2,473	8,843,079
Investments	—	—	1,137,679	—	1,137,679
Prepaid items	239,954	—	—	—	239,954
Taxes receivable, net	3,342,751	206,264	—	—	3,549,015
Intergovernmental receivables	3,600,461	1,123,532	—	—	4,723,993
Other accounts receivable	3,162,174	92,782	147	133,393	3,388,496
Due from other funds	323,622	240,582	—	—	564,204
Due from component units	3,369	—	—	—	3,369
Inventories	162,411	108,785	—	—	271,196
Loans and notes receivable, net	24,854	—	—	—	24,854
Leases receivable, net	—	218,960	—	—	218,960
Restricted assets:					
Cash	—	114,498	—	—	114,498
Cash with fiscal agent	—	—	—	49,018	49,018
Equity in pooled invested cash	—	—	—	513,854	513,854
Investments	—	—	—	36,263	36,263
Taxes receivable, net	—	—	—	72,718	72,718
Other accounts receivable	1	—	—	469	470
Loans and notes receivable, net	—	—	—	1,316	1,316
Total assets	\$ 18,414,785	\$ 2,105,403	\$ 2,763,355	\$ 809,503	\$ 24,093,046
Liabilities:					
Salaries payable	\$ 311,460	\$ 38,406	\$ —	\$ —	\$ 349,866
Vouchers payable	1,228,641	—	38,130	—	1,266,771
Accounts payable and accrued liabilities	1,945,949	667,681	206,207	2,320	2,822,157
Due to other funds	758,522	138,583	74,570	—	971,675
Accounts payable to political subdivisions	21,164	89,087	49,616	—	159,867
Unearned revenue	621,322	33,144	—	—	654,466
Accrued self-insurance costs	118,508	—	—	—	118,508
Total liabilities	\$ 5,005,566	\$ 966,901	\$ 368,523	\$ 2,320	\$ 6,343,310
Deferred inflows of resources	\$ 1,740,008	\$ 995,994	\$ —	\$ 123,731	\$ 2,859,733
Fund balances:					
Nonspendable	\$ 425,184	\$ 108,785	\$ —	\$ —	\$ 533,969
Restricted	169,233	—	—	685,771	855,004
Committed	10,235,944	—	1,465,800	—	11,701,744
Assigned	—	33,723	929,032	—	962,755
Unassigned	838,851	—	—	(2,320)	836,531
Total fund balances	11,669,211	142,508	2,394,832	683,452	14,890,003
Total liabilities and fund balances	\$ 18,414,785	\$ 2,105,403	\$ 2,763,355	\$ 809,503	\$ 24,093,046

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

STATE OF MARYLAND
Reconciliation of the Governmental Funds' Fund Balance
to the Statement of Net Position, Net Position Balance June 30, 2024
(Expressed in Thousands)

Amounts reported for governmental activities in the Statement of Net Position (pages [28 - 29](#)) differ from the amounts for the governmental funds' fund balances because of:

Amount in governmental funds, fund balance (page 32)	\$	14,890,003
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		29,882,508
Taxes and other receivables that will not be available to pay for current period expenditures and, therefore, are deferred in the funds		2,859,733
Accrued interest payable on bonds and lease liability are not liquidated with current financial resources in the governmental funds		(161,160)
Other long-term assets not available to pay for current period expenditures		2,700
Deferred outflows of resources not recognized as current period expenditures		7,105,793
Deferred inflows of resources not recognized as current period revenues		(4,742,687)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds:		
General Obligation Bonds		(10,195,239)
Premiums to be amortized over the life of the debt		(1,484,322)
Transportation Bonds		(3,388,520)
Premiums to be amortized over the life of the debt		(297,827)
Accrued self-insurance costs		(233,893)
Accrued annual leave		(475,180)
Pension liabilities		(20,184,227)
Other post-employment benefits liability		(12,126,829)
Pollution remediation		(34,781)
Intergovernmental financing agreements		(356,818)
Obligations under lease liability		(648,953)
Obligations under lease liabilities with component units		(114,732)
Obligations under subscription arrangements		(65,246)
Net Position (deficit) of governmental activities (pages 28 - 29)	\$	230,322

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

STATE OF MARYLAND
Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds
For the Year Ended June 30, 2024
(Expressed in Thousands)

	General	Special Revenue Maryland Department of Transportation	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Income taxes	\$ 16,720,294	\$ —	\$ —	\$ —	\$ 16,720,294
Sales and use taxes	6,853,984	—	—	—	6,853,984
Motor vehicle taxes	—	3,136,104	—	—	3,136,104
Tobacco taxes	405,071	—	—	—	405,071
Insurance company taxes	745,978	—	—	—	745,978
Property taxes	203,785	—	—	991,528	1,195,314
Estate inheritance taxes	207,093	—	—	—	207,093
Other taxes	421,551	—	—	—	421,551
Other licenses and fees	1,087,751	—	—	—	1,087,751
Charges for services	2,118,949	505,355	13,500	—	2,637,804
Interest and other investment income	1,023,610	(354)	18,996	4,122	1,046,374
Federal revenue	18,650,721	1,056,006	—	6,410	19,713,138
Other	1,052,420	306,184	—	51,575	1,410,179
Total revenues	\$ 49,491,208	\$ 5,003,295	\$ 32,496	\$ 1,053,636	\$ 55,580,635
Expenditures:					
Current:					
General government	\$ 3,487,169	\$ —	\$ —	\$ 261	\$ 3,487,429
Health and mental hygiene	20,012,535	—	—	3,018	20,015,553
Education	11,632,292	—	346,597	—	11,978,889
Aid to higher education	3,444,393	—	330,733	—	3,775,126
Human resources	3,505,499	—	—	—	3,505,499
Public safety	2,636,413	—	—	—	2,636,413
Transportation	—	2,510,056	—	—	2,510,056
Judicial	1,071,966	—	—	—	1,071,966
Labor, licensing and regulation	583,369	—	—	—	583,369
Natural resources and recreation	726,907	—	—	—	726,907
Housing and community development	775,519	—	—	—	775,519
Environment	158,368	—	—	—	158,368
Agriculture	173,042	—	—	—	173,042
Commerce	293,825	—	—	305	294,130
Intergovernmental grants and revenue sharing	271,055	1,249,256	319,255	—	1,839,566
Capital outlays	235,916	1,762,344	303,559	—	2,301,819
Debt service:					
Principal retirement	113,867	—	—	1,298,119	1,411,985
Interest	29,147	—	—	554,319	583,466
Bond issuance costs	630	—	893	—	1,523
Total expenditures	\$ 49,151,909	\$ 5,521,656	\$ 1,301,037	\$ 1,856,022	\$ 57,830,624
Excess (deficiency) of revenues over (under) expenditures	339,299	(518,361)	(1,268,541)	(802,386)	(2,249,989)
Other financing sources (uses):					
Financing agreement issuance	\$ 5,070	\$ —	\$ —	\$ —	\$ 5,070
Bonds issued	—	—	1,200,000	—	1,200,000
Bond premium	—	—	14,367	139,550	153,917
Other financing source - SBITA and leases	261,991	—	—	—	261,991
Transfers in	1,669,141	464,027	955,877	858,534	3,947,578
Transfers out	(1,867,118)	(426,454)	(235,909)	—	(2,529,481)
Total other sources (uses) of financial resources	69,084	37,573	1,934,334	998,084	3,039,075
Net changes in fund balances	408,383	(480,788)	665,793	195,698	789,086
Fund balances, beginning of year, as previously presented	11,260,828	623,296	—	2,216,792	14,100,916
Change within financial reporting entity (nonmajor to major fund)	—	—	1,729,038	(1,729,038)	—
Fund balances, beginning of year, as restated	11,260,828	623,296	1,729,038	487,754	14,100,916
Fund balances, end of year	\$ 11,669,211	\$ 142,508	\$ 2,394,832	\$ 683,452	\$ 14,890,003

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

STATE OF MARYLAND
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024
(Expressed in Thousands)

Amounts reported for governmental activities in the Statement of Net Activities (pages 30 - 31) are different from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds because of the following:

Net change in fund balances - total governmental funds (page 34)	\$	789,086
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceed depreciation/amortization in the current period.		
Capital outlays	2,168,365	
Depreciation/amortization expense	(1,521,927)	646,438
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		
Net loss on disposals and trade-ins		56,361
Revenues, pension/OPEB related activities, or service concession activities in the Statement of Activities that do not provide or use current financial resources are not reported as revenues or expenditures in the governmental funds.		
Deferred inflows of resources for taxes are recognized net of revenue already recognized in the prior year	684,418	
Deferred inflows of resources for pension/OPEB activities, service concession activities or other revenues are recognized, net of activity already recognized in the prior year	1,093,030	
Revenues from deferred outflows of resources for pension/OPEB activities or service concession activities are recognized, net of activity already recognized in the prior year	1,554,842	3,332,290
The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long term debt and related items.		
Premiums on debt issuances	(153,917)	
Debt issued, General Obligation Bonds	(1,200,000)	
Amortization of premiums on debt issuance	291,001	
Net payments from intergovernmental financing agreements	66,242	
Principal repayments:		
General Obligation Bonds	1,005,999	
Transportation Bonds	318,875	328,200
Some expenses reported in the Statement of Activities (net of expenses already recognized in the prior year) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Net activity for leases	(119,601)	
Net activity for SBITA	(19,211)	
Accrued interest	(7,934)	
Compensated absences	(26,414)	
Self-insurance	9,693	
Net pension liability	(2,537,589)	
Net Other post-employment benefits liability	(257,467)	
Other long-term obligations	4,906	(2,953,619)
Change in net position of governmental activities (pages 30 - 31)	\$	2,198,758

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



STATE OF MARYLAND

ENTERPRISE FUND FINANCIAL STATEMENTS

Major Funds

Economic Development Loan Programs

This fund includes the direct loan programs of the Maryland Departments of Housing and Community Development, and Environment.

Unemployment Insurance Program

This fund reflects the transactions, assets, liabilities and net position of the Unemployment Insurance Program and is used to account for the unemployment assessments collected from employers, Federal revenue received and remittance of benefits to the unemployed.

Maryland Lottery and Gaming Control Agency

This fund accounts for the operation of the State Lottery and the regulation of the operation of the Video Lottery Terminal and table game casinos.

Maryland Transportation Authority

This fund accounts for the activity of the Maryland Transportation Authority, which is responsible for the operation and maintenance of toll roads, bridges and tunnels in the State.

Maryland Prepaid College Trust

The Maryland Prepaid College Trust is a program of the Maryland 529 and directed by the Board to provide a means for payment of the cost of tuition and mandatory fees in advance of enrollment at eligible institutions of higher education.

Non-Major Funds

Other Enterprise Funds

Individual non-major enterprise funds, namely, the economic development insurance programs of the Department of Housing and Community Development and Maryland Correctional Enterprises, are presented in the combining section following the footnotes.

STATE OF MARYLAND
Statement of Fund Net Position
Enterprise Funds
June 30, 2024
(Expressed in Thousands)

	Economic Development Loan Programs	Unemployment Insurance Program	Maryland Lottery and Gaming Control Agency	Maryland Transportation Authority	Maryland Prepaid College Trust (529)	Other Enterprise Funds	Total
Assets-							
Current assets:							
Cash.....	\$ —	\$ —	\$ 2,880	\$ 126,817	\$ 24,426	\$ —	\$ 154,123
Equity in pooled invested cash.....	598,713	—	237,087	—	—	14,716	850,516
Investments.....	—	—	—	129,429	1,058,031	—	1,187,460
Tuition contracts receivable.....	—	—	—	—	90,013	—	90,013
Other accounts receivable.....	17,947	—	97,036	516,790	2,081	19,451	653,305
Due from other funds.....	98,501	1,137	—	61,427	—	—	161,065
Inventories.....	—	—	—	5,456	—	17,281	22,737
Loans and notes receivable, net.....	114,672	—	—	—	—	—	114,672
Leases receivable, net.....	—	—	—	22,835	—	—	22,835
Other assets.....	5	—	74	576	28	271	954
Current restricted assets:							
Cash.....	891,469	1	3,376	192,141	—	—	1,086,987
Cash on deposit with U.S. Treasury.....	—	2,004,695	—	—	—	—	2,004,695
Equity in pooled invested cash.....	—	—	—	—	—	91,642	91,642
Investments.....	366,435	—	3,386	—	—	—	369,821
Loans and notes receivable, net.....	53,799	—	—	—	—	—	53,799
Other accounts receivable.....	44,109	251,038	—	—	—	—	295,147
Total current assets.....	2,185,650	2,256,871	343,839	1,055,471	1,174,579	143,361	7,159,771
Non-current assets:							
Investments.....	5,054	—	—	538,605	—	—	543,659
Loans and notes receivable, net.....	2,461,051	—	—	—	—	—	2,461,051
Leases receivable, net.....	—	—	—	180,235	—	—	180,235
Other assets.....	—	—	—	26,637	—	—	26,637
Restricted non-current assets:							
Investments.....	2,263,790	—	19,906	4,753	—	—	2,288,449
Loans and notes receivable, net.....	1,158,786	—	—	—	—	—	1,158,786
Capital assets, net of accumulated depreciation/amortization:							
Land.....	—	—	—	407,129	—	—	407,129
Structures and improvements.....	—	—	—	224,287	—	4,207	228,494
Equipment.....	—	—	1,114	39,194	—	3,367	43,675
Infrastructure.....	—	—	—	5,100,522	—	—	5,100,522

STATE OF MARYLAND
Statement of Fund Net Position
Enterprise Funds
June 30, 2024
(Expressed in Thousands)

	Economic Development Loan Programs	Unemployment Insurance Program	Maryland Lottery and Gaming Control Agency	Maryland Transportation Authority	Maryland Prepaid College Trust (529)	Other Enterprise Funds	Total
Right-of-Use Assets	—	—	25,064	1,219	—	—	26,283
Construction in progress	—	—	—	1,775,254	—	—	1,775,254
Total non-current assets	5,888,681	—	46,084	8,297,835	—	7,574	14,240,174
Total assets	8,074,331	2,256,871	389,923	9,353,306	1,174,579	150,935	21,399,945
Deferred outflows of resources	—	—	18,634	152,788	—	3,582	175,004
Liabilities-							
Current liabilities:							
Accounts payable and accrued liabilities	130,062	172,451	79,930	224,016	699	3,994	611,152
Due to other funds	2,427	—	244,039	72,009	—	—	318,475
Accrued insurance on loan losses	—	—	—	—	—	10,625	10,625
Other liabilities	13,398	—	6,745	17,221	155,924	1,327	194,615
Unearned revenue	1,210	—	2,037	67,907	5,828	688	77,670
Revenue bonds and notes payable	359,502	—	—	58,575	—	—	418,077
Total current liabilities	506,599	172,451	332,751	439,728	162,451	16,634	1,630,614
Non-current liabilities:							
Other liabilities	49,844	—	83,906	316,339	636,872	11,607	1,098,568
Revenue bonds and notes payable	3,886,375	—	—	2,574,532	—	—	6,460,907
Total non-current liabilities	3,936,219	—	83,906	2,890,871	636,872	11,607	7,559,475
Total liabilities	4,442,818	172,451	416,657	3,330,599	799,323	28,241	9,190,089
Deferred inflows of resources	442	—	9,632	115,122	—	496	125,692
Net Position-							
Net investment in capital assets	—	—	1,039	5,155,046	—	7,574	5,163,659
Restricted for:							
Debt service	228,816	—	—	76,538	—	—	305,354
Capital improvements	—	—	—	325,001	—	—	325,001
Unemployment compensation benefits	—	2,084,420	—	—	—	—	2,084,420
Loan programs	2,567,877	—	—	—	—	—	2,567,877
Insurance programs	—	—	—	—	—	91,441	91,441
Unrestricted	834,378	—	(18,771)	503,788	375,256	26,765	1,721,416
Total net position/(deficit)	\$ 3,631,071	\$ 2,084,420	\$ (17,732)	\$ 6,060,373	\$ 375,256	\$ 125,779	\$ 12,259,167

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

STATE OF MARYLAND
Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Economic Development Loan Programs	Unemployment Insurance Program	Lottery and Gaming Control Agency	Maryland Transportation Authority	Maryland Prepaid College Trust (529)	Other Enterprise Funds	Total
Operating revenues:							
Lottery ticket sales	\$ —	\$ —	\$ 2,732,025	\$ —	\$ —	\$ —	\$ 2,732,025
Charges for services and sales	142,195	462,669	2,385,312	902,273	23,652	69,506	3,985,607
Unrestricted interest on loan income	23,918	—	—	—	—	526	24,444
Restricted interest on loan income	51,698	—	—	—	—	—	51,698
Other	9,287	—	9,997	—	—	1,133	20,417
Total operating revenues	227,098	462,669	5,127,334	902,273	23,652	71,165	6,814,191
Operating expenses:							
Prizes and claims	—	—	1,715,554	—	—	—	1,715,554
Commissions and bonuses	—	—	1,698,528	—	—	—	1,698,528
Cost of sales and services	—	—	64,360	—	—	52,362	116,722
Operation and maintenance of facilities	—	—	—	388,520	—	—	388,520
General and administrative	66,840	—	59,342	39,352	4,811	12,899	183,244
Benefit payments	—	437,121	—	—	150,724	—	587,845
Capital grant distributions	152,580	—	—	—	—	—	152,580
Depreciation and amortization	1	—	2,661	179,745	—	957	183,364
Provision for insurance on loan losses	8,351	—	—	—	—	(983)	7,368
Other	8,414	—	—	—	—	—	8,414
Total operating expenses	236,186	437,121	3,540,445	607,617	155,535	65,235	5,042,140
Operating income (loss)	(9,088)	25,547	1,586,889	294,656	(131,883)	5,930	1,772,051
Non-operating revenues (expenses):							
Unrestricted interest and other investment income (expenses)	21,171	—	—	45,543	78,158	—	144,872
Restricted interest and other investment income (expenses)	143,177	50,294	—	—	—	3,963	197,434
Interest expense	(144,776)	—	—	(85,917)	—	—	(230,693)
Federal grants and distributions	46,180	35,678	—	35,057	—	—	116,915
Other	7,053	—	(106)	220,836	—	(162)	227,621
Total non-operating revenues (expenses)	72,805	85,972	(106)	215,519	78,158	3,801	456,149
Income before transfers	63,717	111,519	1,586,783	510,175	(53,725)	9,731	2,228,200
Transfers in	170,757	—	—	—	—	—	170,757
Transfers out	—	—	(1,588,855)	—	—	—	(1,588,855)
Change in net position	234,474	111,519	(2,072)	510,175	(53,725)	9,731	810,102
Total net position (deficit) - beginning	3,396,597	1,972,901	(15,660)	5,550,198	428,981	116,048	11,449,065
Total net position (deficit) - ending	\$ 3,631,071	\$ 2,084,420	\$ (17,732)	\$ 6,060,373	\$ 375,256	\$ 125,779	\$ 12,259,167

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

STATE OF MARYLAND
Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Economic Development Loan Programs	Unemployment Insurance Program	Maryland Lottery and Gaming Control Agency	Maryland Transportation Authority	Maryland Prepaid College Trust (529)	Other Enterprise Funds	Total
Cash flows from operating activities:							
Receipts from customers	\$ 38,788	\$ 462,840	\$ 5,109,430	\$ 828,554	\$ 63,631	\$ 62,167	\$ 6,565,410
Payments to suppliers	—	—	(92,952)	(178,485)	(3,086)	(52,481)	(327,004)
Payments to employees	(33,985)	—	(34,557)	(232,038)	(1,614)	(14,482)	(316,676)
Other receipts	140,295	—	—	3,863	—	5,334	149,492
Other payments	(212,123)	(387,517)	(1,698,451)	—	(216,270)	(2,493)	(2,516,854)
Lottery prize payments	—	—	(1,724,718)	—	—	—	(1,724,718)
Net cash provided by (used in) operating activities	(67,025)	75,323	1,558,752	421,894	(157,339)	(1,955)	1,829,650
Cash flows from non-capital financing activities:							
Proceeds from the sale of revenue bonds	1,279,629	—	—	—	—	—	1,279,629
Payment on revenue bonds	(493,330)	—	—	(65,320)	—	—	(558,650)
Interest payments	(140,648)	—	—	(11,701)	—	—	(152,349)
Transfers in	195,194	—	—	—	—	—	195,194
Transfers out	—	—	(1,756,635)	—	—	—	(1,756,635)
Grants	50,604	35,678	—	—	—	—	86,282
Lottery installment payments	—	—	(3,333)	—	—	—	(3,333)
Net cash provided by (used in) non-capital financing activities	891,449	35,678	(1,759,968)	(77,021)	—	—	(909,862)
Cash flows from capital and related financing activities:							
Proceeds from notes payable and revenue bonds	—	—	—	718,150	—	—	718,150
Principal paid on notes payable and revenue bonds	—	—	—	(776,635)	—	—	(776,635)
Interest payments	—	—	—	(100,652)	—	—	(100,652)
Acquisition of capital assets	—	—	(2,992)	(442,054)	—	(560)	(445,606)
Net cash provided by (used in) capital related financing activities	—	—	(2,992)	(601,191)	—	(560)	(604,743)
Cash flows from investing activities:							
Receipts from collections of loans	224,796	—	—	71,146	—	—	295,942
Receipts from sales of debt instruments-other entities	909,891	—	3,333	672,010	195,634	—	1,780,868
Interest received as returns on loans	81,740	—	—	—	—	—	81,740
Interest received on debt instruments of other entities	64,712	50,294	—	809	25,331	3,963	145,109
Disbursements for loans	(305,859)	—	—	(30,121)	—	—	(335,980)
Disbursements for debt instruments of other entities	(1,346,935)	—	—	(567,623)	(56,204)	—	(1,970,762)
Net cash provided by (used in) investing activities	(371,655)	50,294	3,333	146,221	164,761	3,963	(3,083)
Net change in cash and cash equivalents	452,769	161,295	(200,875)	(110,097)	7,422	1,448	311,962
Balance - beginning of the year	1,037,415	1,843,401	444,217	429,053	17,004	104,910	3,876,000
Balance - end of the year	\$ 1,490,184	\$ 2,004,696	\$ 243,342	\$ 318,956	\$ 24,426	\$ 106,358	\$ 4,187,962

STATE OF MARYLAND
Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2024
(Continued)
(Expressed in Thousands)

	Economic Development Loan Programs	Unemployment Insurance Program	Maryland Lottery and Gaming Control Agency	Maryland Transportation Authority	Maryland Prepaid College Trust (529)	Other Enterprise Funds	Total
Reconciliation of operating income (loss) to net cash from operating activities:							
Operating income (loss)	\$ (9,088)	\$ 25,547	\$ 1,586,889	\$ 294,656	\$ (131,883)	\$ 5,930	\$ 1,772,051
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation and amortization	1	—	2,661	179,745	—	956	183,363
Interest paid as returns on loans	(80,575)	—	—	—	—	—	(80,575)
Deferred inflows of resources	—	—	(3,496)	(31,111)	—	(1,088)	(35,695)
Deferred outflows of resources	—	—	(303)	(23,404)	—	—	(23,707)
Deferred prize payments	—	—	—	—	—	—	—
Effect of changes in non-cash operating assets and liabilities:							
Other accounts receivable	(253)	171	(17,390)	(52,781)	39,978	(7,402)	(37,677)
Due from other funds	4,578	—	—	—	—	(122)	4,456
Inventories	—	—	—	56	—	(2,969)	(2,913)
Loans and notes receivable	17,528	—	—	—	—	1	17,529
Other assets	—	—	33	—	—	223	256
Accounts payable and accrued liabilities	(6,520)	49,605	(5,101)	39,065	(65,434)	1,765	13,380
Due to other funds	951	—	—	(17,491)	—	—	(16,540)
Accrued insurance on loan losses	(851)	—	—	—	—	776	(75)
Other liabilities	6,166	—	(4,027)	30,130	—	227	32,496
Unearned revenue	1,038	—	(514)	3,029	—	(253)	3,300
Total adjustments	(57,937)	49,776	(28,137)	127,238	(25,456)	(7,886)	57,598
Net cash provided (used in) by operating activities	\$ (67,025)	\$ 75,323	\$ 1,558,752	\$ 421,894	\$ (157,339)	\$ (1,956)	\$ 1,829,649
Noncash transactions:							
Unrealized gain (loss) on investments	\$ (71)	\$ —	\$ (300)	\$ —	\$ 46,200	\$ —	\$ 45,829

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

STATE OF MARYLAND

FIDUCIARY FUND FINANCIAL STATEMENTS

Pension and Other Post-Employment Benefits Trust Funds

This fund includes the Maryland State Retirement and Pension System, Maryland Transit Administration Pension Plan, Maryland Supplemental Retirement Plans and Post-Employment Health Benefits Trust Fund.

Investment Trust Fund

This fund reflects the transactions, assets, liabilities and net position of the Maryland Local Government Investment Pool and is accounted for using the flow of economic resources measurement focus.

Custodial Funds

Custodial funds account for the receipt and disbursement of patient and prisoner accounts (Litigant Patient and Prisoner Accounts), various taxes collected by the State for distribution to the Federal government and political subdivisions (Local Income and Local Transportation Funds), amounts withheld from employee's payroll (Insurance Premium) and restitution for legal settlements for Opioid and Consumer Protection Rights (Restitution).

STATE OF MARYLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024
(Expressed in Thousands)

	Pension and Other Post-Employment Benefits Trust Funds	Investment Trust Fund	Custodial Funds
Assets:			
Cash	\$ 2,283,727	\$ —	\$ 58,533
Equity in pooled invested cash	—	—	4,721,785
Investments:			
US Treasury and agency obligations	6,016,080	3,455,346	—
Repurchase agreements	—	730,415	—
Bonds	4,542,667	—	—
Corporate equity securities	21,296,713	—	—
Commercial paper	—	2,615,977	—
Mortgage related securities	1,968,236	—	—
Mutual funds	4,445,053	870,909	—
Guaranteed investment contracts	797,849	174,977	—
Real estate	62,978	—	—
Annuity contracts	48,251	—	—
Commingled funds	32,911,278	—	—
Total investments	72,089,104	7,847,624	—
Taxes receivable, net	—	—	360,463
Intergovernmental receivables	—	—	202,519
Other receivables	734,813	18,095	—
Accounts receivable, net	—	—	207,207
Due from other funds	—	—	564,881
Collateral for lent securities	4,848,015	—	—
Other assets	32,185	—	—
Total assets	79,987,844	7,865,720	6,115,389
Liabilities:			
Accounts payable and accrued liabilities	842,779	42,606	79,991
Accounts payable to political subdivisions	—	—	776,203
Collateral obligation for lent securities	4,848,015	—	—
Total liabilities	5,690,794	42,606	856,194
Net position:			
Restricted for:			
Pension benefits	68,443,403	—	—
Supplemental retirement plan benefits	5,338,751	—	—
Local Government Investment Pool participants	—	7,823,114	—
Postretirement health benefits	514,897	—	—
Individuals, organizations, other governments	—	—	5,259,194
Total net position	\$ 74,297,050	\$ 7,823,114	\$ 5,259,194

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

STATE OF MARYLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Pension and Other Post-Employment Benefits Trust Funds	Investment Trust Fund	Custodial Funds
Additions:			
Contributions:			
Employers	\$ 2,601,619	\$ —	\$ —
Members	1,288,668	14,010,039	—
Sponsors	784,265	—	—
Participants, individuals, and local governments	—	—	8,644,160
Total contributions	4,674,552	14,010,039	8,644,160
Investment earnings:			
Net increase (decrease) in fair value of investments	2,682,371	—	—
Interest	772,232	575,922	5,844
Dividends	2,242,095	—	—
Total investment earnings	5,696,699	575,922	5,844
Less: investment expense	434,456	3,182	—
Net investment earnings	5,262,242	572,740	5,844
Total additions	9,936,794	14,582,779	8,650,004
Deductions:			
Benefit payments	5,997,831	—	—
Distributions to participants, individuals and local governments	—	572,736	7,889,627
Redemptions (unit transactions at \$1.00 per unit)	—	14,119,099	—
Refunds	107,308	—	—
Administrative expenses	60,769	—	—
Total deductions	6,165,908	14,691,836	7,889,628
Net increase (decrease)	3,770,887	(109,056)	760,376
Net position - beginning	70,526,164	7,932,170	4,498,817
Net position - ending	\$ 74,297,050	\$ 7,823,114	\$ 5,259,194

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

STATE OF MARYLAND

DISCRETELY PRESENTED COMPONENT UNIT FINANCIAL STATEMENTS

Major Component Units

Higher Education

Higher education consists of the University System of Maryland, Morgan State University, St. Mary's College of Maryland, Baltimore City Community College and certain of their foundations. Because the universities and colleges are similar in nature and function, they have been combined and presented as a single component unit. The financial information for certain foundations affiliated with the universities and colleges has not been included in this fund in accordance with GASB Statement No. 14 as amended by GASB Statement No. 39.

Maryland Stadium Authority

The Maryland Stadium Authority was created as a body corporate and politic and as an independent unit of the Executive Department of the State of Maryland. The Authority's purpose is to acquire land and to construct, operate and/or manage various capital facilities in the State.

Non-Major Component Units

Other Component Units

Non-major component units, namely, the Maryland Environmental Service, Maryland Industrial Development Financing Authority, Maryland Food Center Authority, Maryland Economic Development Assistance Authority and Fund, Maryland Small Business Development Financing Authority, and Maryland Technology Development Corporation, are presented individually in the combining section following the footnotes.

STATE OF MARYLAND
Combining Statement of Net Position
Component Units
June 30, 2024
(Expressed in Thousands)

	Higher Education	Maryland Stadium Authority	Other Component Units	Total
Assets:				
Cash	\$ 309,658	\$ —	\$ 89,278	\$ 398,936
Equity in pooled invested cash	3,466,811	258,517	118,005	3,843,333
Investments	52,914	—	122,766	175,680
Endowment investments	524,949	—	—	524,949
Foundation investments	2,633,610	—	—	2,633,610
Tuition contracts receivable	147,350	—	—	147,350
Other accounts receivable	643,836	27,248	47,738	718,823
Inventories	10,940	—	—	10,940
Prepaid items	26,754	—	221	26,975
Loans and notes receivable, net	29,385	—	66,059	95,444
Leases receivable, net	57,799	110,384	14,392	182,575
Other assets	260,923	13,011	16,301	290,235
Restricted assets:				
Cash	78,904	—	445	79,349
Investments	16,997	884,915	3,062	904,974
Capital assets (net of accumulated depreciation and amortization):				
Land	245,239	—	9,408	254,647
Structures and improvements	6,587,404	182,982	43,779	6,814,165
Infrastructure	329,861	—	88	329,949
Right-of-Use Assets	53,629	11	6,899	60,539
Equipment	588,166	497	9,154	597,817
Construction in progress	1,137,263	—	3,354	1,140,617
Total assets	17,202,395	1,477,564	550,948	19,230,907
Deferred outflows of resources	539,481	6,318	2,262	548,060
Liabilities:				
Salaries payable	264,942	—	—	264,942
Accounts payable and accrued liabilities	549,603	248,019	86,338	883,960
Due to primary government	—	—	3,369	3,369
Unearned revenue	476,135	—	21,458	497,594
Accrued insurance on loan losses	—	—	373	373
Other liabilities	236	—	353	589
Bonds and notes payable:				
Due within one year	90,433	79,436	2,186	172,055
Due in more than one year	1,166,712	2,511,269	15,112	3,693,093
Other noncurrent liabilities:				
Due within one year	223,248	8	36,774	260,030
Due in more than one year	2,277,419	24,002	15,676	2,317,096
Total liabilities	5,048,728	2,862,733	181,639	8,093,100
Deferred inflows of resources:	458,598	13,271	24,059	495,928

STATE OF MARYLAND
Combining Statement of Net Position
Component Units
June 30, 2024
(Expressed in Thousands)

	Higher Education	Maryland Stadium Authority	Other Component Units	Total
Net position				
Net investment in capital assets	7,112,259	51,482	48,186	7,211,926
Restricted:				
Debt service	—	884,728	—	884,728
Capital improvements and deposits	—	—	3,916	3,916
Nonexpendable:				
Scholarships and fellowships	660,479	—	—	660,479
Research	28,808	—	—	28,808
Other	1,047,236	—	—	1,047,236
Expendable:				
Debt service	5,617	—	—	5,617
Capital projects	2,973	—	—	2,973
Loans and notes receivable	17,575	—	—	17,575
Scholarships and fellowships	211,110	—	—	211,110
Research	178,863	—	—	178,863
Other	790,178	—	—	790,178
Unrestricted	2,179,452	(2,328,333)	295,410	146,529
Total net position (deficit)	\$ 12,234,550	\$ (1,392,123)	\$ 347,512	\$ 11,189,939

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

STATE OF MARYLAND
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Higher Education	Maryland Stadium Authority	Other Component Units	Total
Expenses:				
General and administrative	\$ —	\$ 17,012	\$ 36,754	\$ 53,767
Operation and maintenance of facilities	514,778	74,197	209,182	798,157
Provision for insurance on loan losses, net	—	—	514	514
Instruction	1,853,853	—	—	1,853,853
Research	1,441,818	—	—	1,441,818
Public service	622,776	—	—	622,776
Academic support	705,554	—	—	705,554
Student services	464,176	—	—	464,176
Institutional support	832,794	—	—	832,794
Scholarships and fellowships	160,187	—	—	160,187
Auxiliary	843,533	—	—	843,533
Interest on long-term debt	35,045	98,712	617	134,374
Depreciation and amortization	11,607	17,624	6,192	35,423
Foundation expenses	257,762	—	—	257,762
Other	827	333,069	44,441	378,337
Total expenses	7,744,709	540,614	297,700	8,583,024
Program revenues:				
Charges for services:				
Student tuition and fees, net of allowances	1,485,748	—	—	1,485,748
Auxiliary enterprises, net of allowances	792,572	—	—	792,572
Restricted investment earnings	165,142	—	—	165,142
Other	545,972	110,310	234,904	891,187
Total charges for services	2,989,434	110,310	234,904	3,334,649
Operating grants and contributions	2,076,880	181,917	51,615	2,310,411
Capital grants and contributions	361,744	—	—	361,744
Total program revenues	5,428,058	292,227	286,519	6,006,804
Net program revenue (expense)	(2,316,652)	(248,387)	(11,181)	(2,576,220)
General revenues:				
Grants and contributions not restricted to specific programs	2,503,115	—	—	2,503,115
Unrestricted investment earnings (losses)	394,267	—	8,049	402,316
Additions to permanent endowments	159,475	—	—	159,475
Total general revenues and additions to permanent endowments	3,056,858	—	8,049	3,064,907
Change in net position	740,206	(248,387)	(3,132)	488,686
Net position (deficit)- beginning of the year	11,494,344	(1,143,736)	350,645	10,701,253
Net position (deficit) - end of the year	\$ 12,234,550	\$ (1,392,123)	\$ 347,512	\$ 11,189,939

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

STATE OF MARYLAND
INDEX FOR NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Table of Contents

Note 1 - Summary of Significant Accounting Policies	51
Note 2 - Summary of Significant Accounting Policies - Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	54
Note 3 - Deposits with Financial Institutions and the U.S. Treasury, Equity in Pooled Invested Cash and Investments	59
Note 4 - Receivables	71
Note 5 - Deferred Outflows of Resources and Deferred Inflows of Resources	72
Note 6 - Loans and Notes Receivable and Leases Receivable	73
Note 7 - Restricted Assets	75
Note 8 - Interfund Receivables and Payables	76
Note 9 - Interfund Transfers	77
Note 10 - Capital Assets	78
Note 11 - Leases	80
Note 12 - Subscription-Based Information Technology Arrangements (SBITAs)	81
Note 13 - Long-Term Obligations	82
Note 14 - Insurance	90
Note 15 - Fund Equity	91
Note 16 - Segment Information	92
Note 17 - Retirement Benefits	94
Note 18 - Other Postemployment Benefits, Health Benefits (OPEB)	100
Note 19 - Commitments	106
Note 20 - Contingencies	106
Note 21 - Tobacco Settlement	107
Note 22 - Landfill Closure and Postclosure Care Costs	107
Note 23 - Service Concession Arrangements	107
Note 24 - Tax Abatements	108
Note 25 - Asset Retirement Obligations	109
Note 26 - Subsequent Events	109

Notes to Required Supplementary Information

Schedule of Revenue and Expenditures and Changes in Fund Balances - Budget and Actual (General Fund)	111
Schedule of Revenue and Expenditures and Changes in Fund Balances - Budget and Actual (Special and Federal Funds)	112
Reconciliation of the Budgetary General and Special Fund, Fund Balances to the GAAP General and Special Revenue Fund, Fund Balances	113
Schedule of Employer Contributions for Maryland State Retirement and Pension System	114
Schedule of Employer Contributions for Maryland Transit Administration Pension Plan	117
Schedule of Changes in Net Pension Liability and Related Ratios for Maryland Transit Administration Pension Plan	118
Schedule of Employer Contributions for Other Post-Employment Benefit Plan	120
Schedule of Employer Contributions for Maryland Transit Administration Retiree Healthcare Benefits Plan	122
Budgeting and Budgetary Control	124

STATE OF MARYLAND

Notes to the Financial Statements

For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies:

A. Reporting Entity:

The accompanying financial statements include the various departments, agencies, and other organizational units governed by the General Assembly and/or Constitutional Officers of the State of Maryland (State).

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the state government (primary government) and its component units (entities for which the State is considered to be financially accountable). The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability to determine the State's reporting entity. These criteria include the State appointing a voting majority of an organization's governing body and (1) the ability of the State to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State. There may be rounding differences between amounts reported in the MD&A section and amounts reported in other sections of the ACFR.

Discrete Component Units:

The discretely presented component units are those entities which are legally separate from the State, but are financially accountable to the State, or whose relationships with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The Component Units column of the government-wide financial statements includes the financial data of the following major component units. Individual statements are presented for each component unit.

Higher Education (major) - Higher Education consists of the University System of Maryland, Morgan State University, St. Mary's College of Maryland and Baltimore City Community College and their related foundations. Each entity is governed by its own Board of Regents, or Board of Trustees, whose members are appointed by the Governor. The universities and colleges are funded through State appropriations, tuition, federal grants, and private donations and grants. Because the universities and colleges are similar in nature and function, they have been combined and presented as a single discretely presented component unit.

Maryland Stadium Authority (major) - The Maryland Stadium Authority (Authority) was created as a body corporate and politic, and as an independent unit of the Executive Department of the State. The Authority's purpose is to acquire land and to construct, operate and/or manage various capital facilities in the State. The Authority's Board consists of seven members, of which, six are appointed by the Governor, with the advice and consent of the State Senate, and one whom is appointed by the Mayor of Baltimore City, with the advice and consent of the State Senate. The Maryland State Legislature and the Board of Public Works (consisting of the Governor, Comptroller and Treasurer) have approved all of the projects and bond issuances of the Authority.

The non-major component units are comprised of the following entities:

The Maryland Environmental Service (Service) was created as a body corporate and politic, and is governed by a nine-member Board of Directors. The Board of Directors and the officers of the Service are appointed and/or approved by the Governor. The Service helps private industry and local governments manage liquid, solid and hazardous wastes. In accordance with direction from the Governor, the Service plans and establishes major resource recovery facilities, solid waste management plans and hazardous waste management programs.

The Maryland Industrial Development Financing Authority (MIDFA), Maryland Small Business Development Financing Authority (MSBDF) and Maryland Economic Development Assistance Authority and Fund (MEDAAF) were established as a body corporate and politic, and both are an instrumentality of the State. The MIDFA, MSBDF, and MEDAAF boards each consist of nine members, the Secretary of the Department of Commerce, or his designee; the State Treasurer or the State Comptroller, as designated by the Governor; and seven members appointed by the Governor and confirmed by the Senate. The MIDFA, MSBDF and MEDAAF are subject to the authority of the Secretary and subject to State finance regulations. The MIDFA, MSBDF and MEDAAF provide financial assistance to enterprises seeking to locate or expand operations in Maryland.

The Maryland Food Center Authority (Authority) is a body corporate and politic, the governing board of which is composed of twelve members. Four members are State officials, and eight members are appointed by the Governor. The Authority has statewide jurisdiction to promote the State's welfare by undertaking real estate development and management activities that facilitate the wholesale food industry activity in the public interest. It is subject to State regulations and approvals, and has received State subsidies.

The Maryland Technology Development Corporation (TEDCO) was established as a body corporate and politic, and a public instrumentality of the State. TEDCO's Board of Directors consists of 15 individuals; the Secretary of the Department of Commerce and 14 members appointed by the Governor with the advice and consent of the Senate. Its budget is submitted to and approved by the State, and its major revenue source is State appropriations. TEDCO was created to assist in transferring to the private sector and commercializing the results and products of scientific research and development conducted by the colleges and universities, and to assist in the commercialization of technology developed in the private sector. TEDCO administers the Maryland Technology Incubator Program, the Maryland Stem Cell Research Fund and the Maryland Venture Fund.

Complete financial statements of the individual component units and the Maryland Local Government Investment Pool of the Investment Trust Fund may be requested from the Comptroller of Maryland, LLG Treasury Building, Annapolis, Maryland 21404.

Related Organizations:

The Maryland Economic Development Corporation (MEDCO), Injured Workers' Insurance Fund and the Maryland Automobile Insurance Fund are related organizations of the State. The Governor appoints a majority of the Board of Directors, but the State does not have the ability to impose its will on the organizations, and there is no financial benefit/burden relationship. As of June 30, 2024, the Economic Development Loan Programs, major enterprise funds, had transactions with MEDCO that included loans, investments and grants totaling \$3,862,207.

B. Government-wide and Fund Financial Statements:

The State's government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component units. Inter-fund activity has been eliminated from these statements except for certain charges for services between activities that would distort the direct costs and program revenues reported for the applicable functions. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements as those assets are not available to support government programs. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement costs, other post-employment benefits, compensated absences, pollution remediation and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The State reports the following major governmental funds:

General Fund:

Transactions related to resources obtained and used for those services traditionally provided by a state government, which are not accounted for in other governmental funds, are accounted for in the general fund. These services include, among other items, general government, health and mental hygiene, education (other than higher education institutions), human resources, public safety, judicial, labor, licensing and regulation, natural resources and recreation, housing and community development, environment, agriculture, and commerce. Resources obtained from federal grants and used for general fund activities consistent with applicable legal requirements, are recorded in the general fund.

Special Revenue Fund, Maryland Department of Transportation:

Transactions related to resources obtained, the uses of which are committed for specific purposes, are accounted for in the special revenue fund. The Maryland Department of Transportation special revenue fund accounts for resources used for operations (other than debt service and pension activities) of the Maryland Department of Transportation, including construction or improvement of transportation facilities and mass transit operations. Revenue sources dedicated to transportation operations include the excise taxes on motor vehicle fuel and motor vehicle titles, a portion of the State's corporation income tax and the State's sales tax, wharfage and landing fees, fare box revenues, bond proceeds, federal grants for transportation purposes and other receipts of the Department's agencies.

Enterprise Funds:

Transactions related to commercial types of activities operated by the State are accounted for in the enterprise funds. The enterprise funds differ from governmental funds in that the focus is on the flow of economic resources, which, together with the maintenance of equity, is an important financial indicator.

The major enterprise funds are as follows:

- 1) The Economic Development Loan Programs include the direct loan programs of the Maryland Departments of Housing and Community Development, and Environment.
- 2) The Unemployment Insurance Program reflects the transactions and account balances of the Unemployment Insurance Program and is used to account for the unemployment taxes collected from employers, federal revenue received and remittance of benefits to the unemployed.
- 3) The Maryland Lottery and Gaming Control Agency operates the State Lottery and regulates the operation of video lottery terminal (VLT) and table game casinos.
- 4) The Maryland Transportation Authority is responsible for the operation and maintenance of toll roads, bridges and tunnels in the State.
- 5) The Maryland Prepaid College Trust is a program of the Maryland 529 and directed by the Board to provide a means for payment of the cost of tuition and mandatory fees in advance of enrollment at eligible institutions of higher education.

Fiduciary Funds:

- 1) The Pension and Other Post-Employment Benefits Trust Funds (Pension and OPEB Trust Funds) include the Maryland State Retirement and Pension System, Maryland Transit Administration Pension Plan, Maryland Teachers & State Supplemental Retirement Plans and Other Post-Employment Health Benefits Trust Fund. The Pension Trust Funds reflect the transactions and account balances of the plans administered by the State, and are accounted for using the flow of economic resources measurement focus. The Maryland Teachers & State Supplemental Retirement Plans, which are reported as of and for its year ended December 31, accounts for participant earnings deferred in accordance with Internal Revenue Code Sections 457, 403(b), 401(a), and 401(k). Amounts deferred are invested and are not subject to Federal income taxes until paid to participants upon termination or retirement from employment, death or for an unforeseeable emergency. The Other Post-Employment Health Benefits Trust Fund (OPEB Trust) accumulates funds to assist the State's Employee and Retiree Health and Welfare Benefits Program finance the State's postretirement health insurance subsidy. The OPEB Trust is administered by the Board of Trustees for the Maryland State Retirement and Pension System, and its transactions and account balances are accounted for using the flow of economic resources measurement focus. The assets of the Pension and OPEB Trusts are not pooled for investment purposes, and each trust's assets may be used only for the payment of benefits to the trust's members in accordance with the terms of the trust.
- 2) Investment Trust Fund reflects the transactions and account balances of the Maryland Local Government Investment Pool and is accounted for using the flow of economic resources measurement focus.
- 3) The State uses custodial funds to account for the receipt and disbursement of litigants, patient and prisoner accounts, and various taxes collected by the State for distribution to political subdivisions.

D. New Pronouncements:

In Fiscal Year 2024, the State adopted new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, issued in June 2022, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections.

The following additional GASB statements have been issued and affect future periods:

- Statement No. 101, *Compensated Absences*, issued in June 2022, is effective for fiscal years beginning after December 15, 2023.
- Statement No. 102, *Certain Risk Disclosures*, issued in December 2023, is effective for fiscal years beginning after December 15, 2023.
- Statement No. 103, *Financial Reporting Model Improvements*, issued in April 2024, is effective for fiscal years beginning after June 15, 2025.

The State will implement these statements as of their effective dates.

E. Basis of Presentation:

The basic financial statements of the State of Maryland have been prepared in accordance with accounting principles generally accepted in the United States applicable to governments. The Governmental Accounting Standards Board (GASB) establishes accounting and financial reporting requirements for governments. There may be rounding differences between amounts reported in the basic financial statements section and amounts reported in other sections of the Annual Comprehensive Financial Report (ACFR). Also, note, all amounts in the ACFR are stated in thousands unless otherwise indicated.

2. Summary of Significant Accounting Policies- Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity:

A. All Funds:

Deposits with Financial Institutions and Investments:

The State Treasurer's Office operates a centralized cash receipt, investment and disbursement function for the majority of the State's funds as required by statute. Certain enterprise activities, pension funds, custodial funds and component units are specifically exempt from this function by law. Individual fund equity in pooled invested cash is reported as an asset on the balance sheets of those funds participating in the centralized cash receipt and disbursement function. Investment earnings accrue to those funds reporting equity in pooled invested cash only if the law specifically provides for the fund's accrual of interest earnings.

The State Treasurer's Office invests short-term cash balances on a daily basis primarily in U.S. Government obligations and money market mutual funds. Under the State Finance and Procurement Article of the Annotated Code of Maryland, Title 6, Subtitle 2, the State Treasurer may only invest in the following:

- Any obligation for which the United States Government has pledged its faith and credit for the payment of principal and interest.
- Any obligation that a United States agency issues in accordance with an act of Congress.
- Any obligation unconditionally guaranteed by an eligible supranational issuer.
- Repurchase agreements that any of the above obligations secure.
- Certificates of deposits of Maryland financial institutions.
- Bankers' acceptances.
- Money market mutual funds.
- Commercial paper.
- Maryland Local Government Investment Pool.
- Securities Lending Collateral.

In addition, bond sale proceeds may be invested in municipal securities. Collateral must be at least 102% of the book value of the repurchase agreements, and must be delivered to the State Treasurer's custodian for safekeeping. The Maryland Local Government Investment Pool is invested in accordance with the provisions of Section 6-222 and 6-223 of the State Finance and Procurement Article of the Annotated Code of Maryland and Title 17, Subtitle 3 of the Code. Investments are recorded at fair value, except for the following:

- Investments held by the Maryland Local Government Investment Pool, a qualifying investment pool, are measured at amortized cost, which approximates fair value.
- Synthetic guaranteed investment contracts that are fully benefit-responsive are measured at contract value.
- Investments in qualifying external investment pools are measured at amortized cost.

The State 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.

Changes in fair value are recognized as revenue. Investments with an original maturity of three months or less when purchased are reported in the financial statements as cash and cash equivalents.

The Maryland State Retirement and Pension System (System), in accordance with State Personnel and Pension Article Section 21- 123 of the Annotated Code of Maryland, is permitted to make investments subject to the terms, conditions, limitations and restrictions imposed by the Board of Trustees of the System. The law further provides that no more than 25% of the assets that are invested in common stocks may be invested in non-dividend paying common stocks. In addition, no investment in any one organization may constitute more than 5% of the total assets of the System. The System is authorized by Section 21-116 of the State Personnel and Pensions Article to establish and maintain the investment policy manual, which authorizes investing in all major sectors of the capital market in order to diversify and minimize total investment program risk. Such sectors would include, but are not limited to, common stock, preferred stock, convertible securities, warrants and similar rights of U.S. and non-U.S. companies; private equity - direct/partnership/funds; real estate investment trusts; commingled real estate funds; directly owned real estate; fixed income obligations of the U.S. government and its states and local subdivisions, non-U.S. governments and their states and local subdivisions, U.S. and non-U.S. companies, and supra-national organizations; futures and options; foreign exchange forward and future contracts and options; equity index futures; and equity options.

Investments of the System, the Post-Employment Health Benefits Trust Fund (OPEB Trust) and the Maryland Transit Administration (MTA) Pension Plan are stated at fair value, except that investments in 2a7-like external investment pools are measured at the net asset value per share determined by the pool. The investments of the OPEB Trust and the MTA Pension Plan are held and invested on their behalf by the System and are limited to those allowed for the System. In addition, State employees are offered participation in Maryland Supplemental Retirement Plans created in accordance with the Internal Revenue Code, Sections 401(a), 401(k), 403(b) and 457. The Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans (the Plans) is responsible for the implementation, maintenance and administration of the Plans. The Board has appointed a private company as the Plans' administrator. Assets of the Plans are valued at fair value, except for the following:

- Investments in synthetic guaranteed investment contracts that are fully benefit-responsive are measured at contract value.
- Investments in life insurance contracts are measurement at cash surrender value.
- Investments in qualifying external investment pools are measured at amortized cost.

Retirement Costs:

Substantially all State employees participate in one of several State retirement systems (See Note 17). The State also provides retirement benefits to teachers and certain other employees of its political subdivisions. Retirement costs have been provided on the accrual basis, based upon actuarial valuations, except that retirement expenditures for governmental funds represent amounts contributed by the State for the fiscal year.

Other Post-Employment Benefit Costs:

Substantially all State retirees may participate in the various health care plans offered by the State (See Note 18). Post-employment health care costs have been provided on the accrual basis, based upon actuarial valuations, except that other post-employment expenditures for governmental funds represent amounts contributed by the State for the fiscal year.

Accrued Self-Insurance Costs:

The accrued self-insurance costs represent the State's liability for its various self-insurance programs. The State is self-insured for general liability, property and casualty, workers' compensation, environmental and anti-trust liabilities and certain employee health benefits. The State records self-insurance expenses in the proprietary funds and discretely presented component units on an accrual basis and the modified accrual basis for the governmental funds. The long-term accrued self-insurance costs of the governmental funds, which are not expected to be funded with current resources, are reported in the government-wide financial statements.

Annual Leave Costs:

Principally all full-time employees accrue annual leave based on the number of years employed up to a maximum of 25 days per calendar year. Earned annual leave may be accumulated up to a maximum of 75 days as of the end of each calendar year. Accumulated earned but unused annual leave for general government employees is accounted for in the government-wide financial statements. Liabilities for accumulated earned but unused annual leave applicable to proprietary funds and component units are reported in the respective funds.

Capital Assets:

Capital assets, which include land and land improvements, land use rights, property, plant, art and historical treasures, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure acquired prior to June 30, 1980, is not reported. Capital assets are defined by the government as assets with an initial, individual cost of more than \$50,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art; historical treasures, and similar assets; and capital assets received in a service concession arrangement are recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Leased assets are amortized over the lease term or the life of the asset, whichever is less.

Capital assets of the primary government, as well as the component units, are generally depreciated or amortized using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	5-75
Building improvements	5-75
Vehicles	3-25
Office equipment	2-10
Computer equipment	2-10
Other machinery and equipment	3-20
Computer software	5-10
Infrastructure	10-75
Right to use assets	Lease/Subscription Term

Right-to-use Assets:

GASB Statements No. 87 and No. 96 requires the recognition of certain assets and liabilities and recognizes an inflow or outflow of resources based on the payment provisions of the contract. The liability is measured at the present value of payments expected to be made during the contract term and reduced as payments are made. Assets are measured at the amount of the initial measurement of the liability, plus any payments made at or before the commencement of the contract term. Assets are amortized over the shorter of the contract term or useful life of the underlying assets. The receivable is measured at the present value of contract payments expected to be received during the lease term.

Deferred Outflows and Deferred Inflows of Resources:

Deferred outflows of resources are consumption of net assets that applies to future reporting periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources are presented separately after "Total Assets" in the State's financial statements.

Deferred inflows of resources are acquisition of net assets that applies to future reporting periods and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are presented separately after "Total Liabilities" in the State's financial statements.

Long-term Obligations:

In the government-wide financial statements, and for 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 statement of net position. Bond premiums and discounts adjust the carrying value of the bonds and are amortized over the life of the bonds. Issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Restricted Resources:

When both restricted and unrestricted resources are available for use, it is the State's policy to use restricted resources first, and then unrestricted resources as they are needed.

Debt Refinancing:

The gain or loss associated with debt refinanced is deferred and amortized as interest expense over the shorter of the remaining life of the old debt or the life of the new debt.

Net Position:

Net position is divided into three categories. Net investment in capital assets is the capital assets less accumulated depreciation or amortization and outstanding principal of the related debt on the assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of capital assets or related debt also are included in this category. Restricted net position reflects restrictions on assets and deferred outflows imposed by parties outside the State or imposed by the State by constitutional provisions or enabling legislation, net of related liabilities and deferred inflows. Unrestricted net position is total net position of the State less net investment in capital assets and restricted net position. Unrestricted net position is comprised mainly of cash, investments, loans and receivables.

B. Government Funds:

Inventories and Prepaid Items:

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements under the consumption method.

Grants:

Revenues from federal reimbursement type grants are recognized when the related expenditures are incurred and the revenues are both measurable and available. The State considers all grant revenues to be available if they are collected within 60 days of the current fiscal period or where eligibility requirements are met. Distributions of food stamp benefits are recognized as revenues and expenditures when the benefits are distributed to individual recipients.

Income Taxes:

The State accrues the net income tax receivable or records unearned revenue based on estimated income tax revenues and refunds due relating to the fiscal year, that will not be collected or paid until after the fiscal year end. This accrual is computed based on projected calendar year net tax collections, tax laws in effect, future projections and historical experience.

Sales and Use Taxes:

The State accrues June sales taxes that are not remitted at year end as a receivable. These taxes are considered measurable and available since they represent June collections that are remitted to the State in July by merchants who collect the related sales tax.

Property Taxes:

The State levies an annual tax for the fiscal year beginning July 1 and ending June 30 on all real property subject to taxation, due and payable each July 1 and December 1 (lien dates), based on assessed values as of the previous January 1, established by the State Department of Assessments and Taxation at 100% of estimated market value. Each of the counties, Baltimore City and incorporated municipalities establish rates and levy their own tax on such assessed values. The State tax rate in fiscal year 2024 was 11.2¢ per \$100 of assessed value. Unpaid property taxes are considered in arrears on October 1 and January 1, respectively, and penalty and interest of 1% is assessed for each month or fraction of a month that the taxes remain unpaid. Property taxes are accrued to the extent they are collected within 60 days of year end.

Escheat Property:

Escheat property is property that reverts to the State's general fund in the absence of legal claimants or heirs. The escheat activity is reported in the general fund. An asset is recognized in the period when the legal claim to the assets arises or when the resources are received, whichever occurs first, and a liability is recognized for the estimated amount that ultimately will be reclaimed and paid.

Intergovernmental Expenditures:

General, special revenue and capital projects fund revenues paid to political subdivisions, and bond proceeds granted to political subdivisions, are recorded as intergovernmental expenditures if such payments do not require mandatory use for specific functions. Direct grants and other payments to, or on behalf of, political subdivisions are recorded as current expenditures.

Capital Assets:

Expenditures for capital assets are reported as capital outlays in the governmental funds.

Compensated Absences:

It is the State's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the State does not have a policy to pay any amounts when employees separate from service with the government. A liability for vacation pay amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Equity:

Fund balance for governmental funds is reported in categories and classifications that are presented in order of constraints on the specific purposes for which amounts in that fund can be spent. The non-spendable fund balance represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Otherwise, fund balance is classified as restricted, committed, assigned, or unassigned. Amounts are reported as restricted when spending constraints are (a) externally imposed or (b) imposed by the government by constitutional provisions or enabling legislation. The committed fund balance includes amounts committed for specific purposes by formal action of the government's highest level of decision-making authority. In Maryland, the uses of these funds are established in statute after appropriate action by the General Assembly and the Governor. The assigned fund balance is intended spending expressed by (a) the governing body or (b) a body or official to which the governing body has delegated the authority to assign amounts. The Governor is authorized to assign current year funds for appropriation in the subsequent year's budget pursuant to budgetary policies adopted by the General Assembly. The unassigned fund balance is the residual classification for the general fund.

Encumbrances are commitments related to unperformed contracts for goods or services. The State utilizes encumbrance accounting as part of the budgetary integration for the general, special revenue, and capital projects funds. Certain amounts which were available for specific purposes have been encumbered as either restricted, committed or assigned fund balance depending on the constraints and approval in place at year end. In addition, where existing resources are not sufficient to liquidate encumbrances, the encumbrances are reported within committed or assigned fund balance, as appropriate. Encumbrances outstanding at year-end are reported as committed fund balance in the general, special revenue, and capital projects funds. Encumbrances are not displayed on the face of the financial statements but are disclosed in Note 19.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the State considers restricted resources to have been spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the State considers committed, assigned, and unassigned amounts to have been spent in that order.

C. Enterprise Funds, Fiduciary Funds and Component Units:

Basis of Accounting:

The accounts of the enterprise funds, fiduciary funds and component units are maintained and reported using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Enterprise funds and component units distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents:

The enterprise funds consider all highly liquid investments within original maturity of three months or less when purchased to be cash and cash equivalents for reporting on the statement of cash flows.

Grants:

Revenues from federal reimbursement type-grants are recorded when the related eligible expenses are incurred.

Capital Assets:

Capital assets are stated at cost. Depreciation/amortization of the cost of capital assets is provided on the straight-line basis over estimated useful lives of 5 to 75 years for depreciable real property and building improvements, and 2 to 20 years for equipment. Repairs and maintenance are charged to operations in the period incurred. Replacements, additions and betterments are capitalized over the useful life of the applicable asset class. Right-to-use assets are amortized over the lease term or the life of the asset, whichever is less.

MLGCA Revenues, Prizes and Related Transfers:

Revenues and prizes of the Maryland Lottery and Gaming Control Agency (MLGCA) are primarily recognized when drawings are held. Certain prizes are payable in deferred installments. Such liabilities are recorded at the present value of amounts payable in the future. State law requires the MLGCA to transfer to the State revenues in excess of amounts allocated to prize awards, operating expenses and capital expenditures. The excess revenues from certain select games are transferred to the State's general fund, which then transfers the amounts to the Maryland Stadium Authority for operations and to cover the State's capital lease payments to the Maryland Stadium Authority.

Video lottery terminals (VLTs) are a self-activated video version of lottery games. The MLGCA recognizes VLT revenue as gross terminal revenue equivalent to all wagers, net of related prizes. The casino operators' share is recorded as commissions and bonuses. The six casino operators receive between 39% and 60% of the gross terminal revenue to operate their casinos. After deducting operating costs, State law requires the MLGCA to transfer the remainder of the gross terminal revenue to various general fund agencies, which are responsible for making further distributions.

The casinos also operate table games. Table games include blackjack, roulette, craps and various poker games, among others. Table game revenue is equivalent to all wagers, net of related prizes. Casino operators receive 80% of the table game revenue to operate their casinos and these costs are recorded as commissions. The remainder is remitted to the MLGCA which transfers 15% to public education programs in the general fund and 5% to local jurisdictions in accordance with the enabling legislation.

Provisions for Insurance and Loan Losses:

Current provisions are made for estimated losses resulting from insuring loans and uncollectible loans. Loss provisions are based on the current status of insured and direct loans, including delinquencies, economic conditions, loss experience, estimated value of collateral and other factors which may affect their realization.

Inventories:

Inventories of supplies are stated at cost.

3. Deposits with Financial Institutions and the U.S. Treasury, Equity in Pooled Invested Cash and Investments:

Cash and cash equivalents, equity in pooled invested cash and investments as shown on the basic financial statements as of June 30, 2024, reconcile to cash deposit and investment disclosures as follows (amounts expressed in thousands):

Government-wide statement of net position:	
Cash	\$ 893,170
Equity in pooled invested cash	13,536,928
Investments	6,203,037
Restricted cash	3,334,547
Restricted equity in pooled invested cash	605,496
Restricted investments	3,599,507
Statement of fiduciary net position:	
Cash	2,342,260
Equity in pooled invested cash	4,721,785
Investments	79,936,729
Collateral for lent securities	4,848,015
Total cash and investments per basic financial statements	120,021,474
Less: cash and investments of higher education foundations not subject to disclosure	2,906,084
Total cash and investments per Note 3	<u>\$ 117,115,390</u>
Cash deposit:	
Governmental funds	\$ 628,111
Enterprise funds	2,090,640
Fiduciary funds	186,164
Component units	125,574
Investments:	
Governmental funds	19,913,667
Enterprise funds	5,544,554
Fiduciary funds	86,940,840
Component units	1,685,840
Total cash deposits and investments	<u>\$ 117,115,390</u>

Cash and equity in pooled invested cash for financial statement presentation includes short-term investments with a maturity of three months or less when purchased. Investments for financial statement presentation include certificates of deposit with a maturity of three months or less when purchased.

A. Cash Deposits:

As of June 30, 2024, the carrying value for the bank deposits of the governmental funds, enterprise funds, fiduciary funds and component units were \$628,111, \$2,090,640, \$186,164, and \$125,574, respectively. The bank balances were \$628,111, \$2,090,401, \$186,164 and \$127,756, respectively.

Custodial Risk. Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's name. State law permits the Treasurer to deposit in a financial institution in the State, unexpended or surplus money in which the Treasurer has custody if (a) the deposit is interest-bearing; (b) the financial institution provides collateral that has a fair value that exceeds the amount by which a deposit exceeds the deposit insurance; and (c) a custodian holds the collateral.

The Economic Development Loan Programs and higher education component unit do not have a deposit policy for custodial credit risk. As of June 30, 2024, \$47,539, and \$16,920,932, respectively, of their bank balances were exposed to custodial credit risk as uninsured and uncollateralized.

B. Investments:

The State discloses investment risks as follows:

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

1. Investments-Governmental Funds:

The State Treasurer's Office is authorized to make investments as stated in Note 2.A.

The governmental funds investments' fair value measurements and the valuation techniques used to categorize the investments in the hierarchy level as of June 30, 2024, are as follows:

- U.S. agency securities (\$5,363,078) are comprised of agency issued debt. Agency issued debt securities are valued at the closing price reported in the active market in which the individual security is traded as Level 1 securities.
- Supranationals (\$2,120,661) are comprised of international development institutions that provide financing for economic development. Supranational issued debt securities are valued by consensus of international financial institutions based on observable inputs as Level 2 securities.
- Repurchase agreements (\$3,964,611) are valued based on a model that incorporates market observable pricing information and are categorized as Level 2.
- Investment in the Local Government Investment Pool (\$1,714,591) and money market mutual funds (\$1,962,373) are valued at amortized cost.
- Commercial Paper (\$4,658,881) is valued at amortized cost, which approximates fair value.

The investments and maturities as of June 30, 2024, for the governmental funds of the primary government were as follows (amounts expressed in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-3	More than 3
U.S. Agencies	\$ 5,363,078	\$ 880,872	\$ 4,038,223	\$ 443,983
Supranationals	2,120,661	294,488	1,300,721	525,452
Asset Backed Securities	129,472	—	129,472	—
Repurchase Agreements	3,964,611	3,964,611	—	—
Commercial Paper	4,658,881	4,658,881	—	—
Money Market Mutual Funds	1,962,373	1,962,373	—	—
Local Government Investment Pool	1,714,591	1,714,591	—	—
Total Investments	\$ 19,913,667	\$ 13,475,816	\$ 5,468,416	\$ 969,435

Interest Rate Risk. The State Treasurer's Office's investment policy states that to the extent possible, it will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Treasurer's Office will not directly invest in securities maturing more than five years from the date of purchase. Sinking fund investments with guaranteed earnings to redeem term bonds beginning in fiscal year 2024 were \$49,018,000.

Credit Risk. State law requires that the governmental funds' repurchase agreements be collateralized by U.S. Treasury and agency obligations. In addition, investments are made directly in U.S. agency obligations. Obligations of the Federal National Mortgage Association, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Tennessee Valley Authority are rated Aaa by Moody's, AA by Standard Poor's, and AAA by Fitch. Obligations of the Federal Home Loan Bank are rated Aaa by Moody's and AA by Standard Poor's. Obligations of the Federal Agricultural Mortgage Corporation and Overseas Private Investment Corporation are not rated.

Supranational obligations are required to be rated in the highest credit rating category by a nationally recognized statistical rating organization. World Bank bonds and African Development Bank bonds are rated Aaa by Moody's and AAA by Standard Poor's and Fitch. Asian Development Bank bonds are Aaa by Moody's and AAA by Standard Poor's.

The Local Government Investment Pool is rated AAAM by Standard Poor's. Money market mutual funds are not rated.

Concentration of Credit Risk. The State Treasurer's Office's investment policy limits the amount of repurchase agreements to be invested with a particular institution to 30% of the portfolio. There is no other limit on the amount that may be invested in any one issuer. More than 5% of the governmental funds' investments are in the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and African Development Bank. These investments are 15.6%, 5.7%, and 5.4% of the governmental funds' total investments, respectively.

2. *Investments – Enterprise Funds:*

The enterprise funds' bond indentures and investment policies, with the exception of the Economic Development Loan Programs, authorize the investment of assets related to the indentures and other funds in obligations in which the State Treasurer may invest. The Economic Development Loan Programs are authorized to invest in obligations of the U.S. Treasury, U.S. government agencies, obligations of U.S. political subdivisions, bankers acceptances, commercial paper, repurchase agreements, guaranteed investment contracts, corporate debt securities and mutual funds in accordance with bond indentures, and in direct equity investments in accordance with the statute establishing the program.

The Maryland Prepaid College Trust's Statement of Investment Policy (Investment Policy), adopted by the Board as required by the enabling legislation, allows the Trust to purchase investments including domestic, international and private equities; domestic, foreign and high yield bonds; global real estate equities; private real estate; commodities and other governmental agency instruments, as well as money market deposits based on the Investment Policy's specified portfolio allocation

The investments and maturities as of June 30, 2024, for the enterprise funds of the primary government were as follows (amounts expressed in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)				
		Less than 1	1-5	6-10	11-15	More than 15
U.S. Treasury obligations	\$ 374,664	\$ 265,785	\$ 96,579	\$ 5,790	\$ 6,510	\$ —
U.S. Government agency obligations	2,772,614	264,092	108,375	2,276	14,748	2,383,123
Repurchase agreements	2,408	—	—	—	2,408	—
Commercial Paper	20,000	20,000	—	—	—	—
Guaranteed investment contracts	2,898	5	2,893	—	—	—
Money market mutual funds	1,892,078	1,892,078	—	—	—	—
Municipal bonds	98,466	—	79,971	9,827	8,668	—
Supranationals	57,723	—	57,723	—	—	—
Bond mutual funds	156,927	42,055	14,847	64,269	35,756	—
Total	\$ 5,377,778	\$ 2,484,015	\$ 360,388	\$ 82,162	\$ 68,090	\$ 2,383,123

The MLGCA, a major enterprise fund, invests in U.S. Treasury obligations that provide for guaranteed payouts to jackpot prize winners, and therefore have no interest rate risk to the MLGCA. As of June 30, 2024, the fair value of these investments was \$23,260,636.

The enterprise funds have the following fair value measurements as of June 30, 2024 (amounts expressed in thousands):

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
U.S. Treasury Obligations	\$ 374,664	\$ 374,664	\$ —	\$ —
U.S. Government agency obligations	2,772,614	359,026	2,413,588	—
Repurchase agreements	2,408	2,408	—	—
Commercial paper	20,000	20,000	—	—
Guaranteed investment contracts	2,898	—	2,898	—
Municipal bonds	98,466	98,466	—	—
Supranationals	57,723	57,723	—	—
Money market mutual funds	1,431,008	273,259	1,157,749	—
Bond mutual funds	156,927	156,927	—	—
Total debt securities	4,916,708	1,342,473	3,574,235	—
Equity securities				
Corporate Equity	262,767	262,767	—	—
Direct equity investments	198,303	—	—	198,303
Total equity securities	461,070	262,767	—	198,303
Total investments by fair value level	5,377,778	\$ 1,605,240	\$ 3,574,235	\$ 198,303
Investments measured at net asset value (NAV)				
Corporate debt securities	64,146			
Real estate	102,629			
Total investments measured at NAV	166,775			
Total investments	\$ 5,544,553			

- Level 1 investments are valued at the closing price reported in the active market in which the individual security is traded. Supranational issued debt securities (\$57,723,000) are valued by consensus of international financial institutions based on observable inputs.
- Level 2 investments are valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. GNMA direct U.S. Government obligations (\$0) and FNMA U.S. Government agency obligations (\$2,413,588,000) are valued using the matrix pricing technique.
- Direct equity investments classified as Level 3 are assessed by management for impairment based on financial condition, operating results and other factors on an annual basis.
- Investments measured at net asset value per share (or its equivalent) (\$166,775,000), as a practical expedient, are not classified in the fair value hierarchy. The Maryland Prepaid College Trust Statement of Investment Policy allows to purchase investments in domestic, foreign and high yield bonds (\$64,146,000) and real estate equities (global and private - \$102,629,000). Investments that are not invested in liquid securities may have different structures that require capital to be called and redeemed at various times according to the legal documents governing each entity.

Interest Rate Risk. The enterprise funds' policy for managing their exposure to fair value loss arising from increasing interest rates is to manage investment maturities so that they precede or coincide with the expected need for funds. It is the practice of the Maryland Prepaid College Trust to have no investments with maturities longer than required to fund tuition obligations based on actuarial projections.

Credit Risk. The investment policies of the enterprise funds require that repurchase agreements are collateralized by U.S. Treasury and agency obligations. The policies also require that money market mutual funds contain only U.S. Treasuries or agencies or repurchase agreements secured by these, or that they receive the highest possible rating from at least one nationally recognized securities rating organization and that commercial paper be rated A-1, P-1. According to the indenture and investment policy of the Economic Development Loan Programs, investments must be rated no lower than the rating on the Loan Programs' bonds or F1/P1 for the issuer's short-term accounts or securities. The ratings on the Loan Programs' bonds as of June 30, 2024, were Aa by Moody's and AA by Fitch, or higher. The Investment Policy of the Maryland Prepaid College Trust details the minimum quality standards for the Trust's bond portfolios.

As of June 30, 2024, the enterprise funds had the following investments and quality ratings (amounts expressed in thousands):

Investment Type	Fair Value	Quality Rating	Rating Organization	Percentage of Total Investments
U.S. government agency obligations	\$ 2,620,215	Aaa	Moody's	47.26 %
U.S. government agency obligation	527,063	AA	S&P	9.51
Money market mutual funds	1,892,078	AAAm/Aaa	S&P/Moody's	34.12
Repurchase agreements	2,408	Aaa	Moody's	0.04
Commercial paper	20,000	A-1/ P-1	S&P/Moody's	0.36
Guaranteed investment contracts	2,867	Aaa	Moody's	0.05
Municipal bonds	98,466	AAA	S&P	1.78
Supranationals	57,723	AAA	S&P	1.04
Bond mutual funds	10,214	AAA/Aaa	S&P/Moody's	0.18
Bond mutual funds	110,089	AA/Aa	S&P/Moody's	1.99
Bond mutual funds	19,977	A	S&P/Moody's	0.36
Bond mutual funds	48,148	BBB	S&P/Moody's	0.87
Unrated	32	Unrated		—
Total	\$ 5,409,279			97.56 %

Concentration of Credit Risk. The enterprise funds place no limit on the amount they may invest in any one issuer of U.S. government agency obligations. More than 5% of the enterprise funds' investments are in obligations of the Federal Home Loan Bank and Federal National Mortgage Association. These investments are 1.7% and 44.7%, of the enterprise funds' total investments, respectively. The Prepaid College Trust's guidelines limit a single investment to 5% of each bond portfolio's fair value, except U.S. Treasury notes and bonds.

In addition to the Maryland Prepaid College Trust, the Maryland 529 Plans consist of the Maryland Senator Edward J. Kasemeyer College Investment Plan, a fiduciary component unit. As of June 30, 2024, the Plan has \$9,868,187, of investments held in trust for individuals and organizations.

3. Investments – Fiduciary Funds:

The Pension Trust Funds, Post-Employment Health Benefits Trust Fund, and Maryland Local Government Investment Pool are authorized to make investments as stated in Note 2.A.

The investments and maturities as of June 30, 2024, for the fiduciary funds of the primary government were as follows (amounts expressed in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More than 10
U.S. Treasury notes and bonds	\$ 6,260,036	\$ 1,912,747	\$ 1,257,609	\$ 670,333	\$ 2,419,347
U.S. Treasury strips	91,764	—	—	1,504	90,260
U.S. Government agency obligations	1,679,319	1,571,949	42,720	33,687	30,963
Repurchase agreements	730,415	730,415	—	—	—
Commercial paper	2,615,977	2,615,977	—	—	—
Guaranteed investment contracts	975,186	174,977	797,849	2,360	—
Corporate bonds	2,630,076	42,029	1,164,928	981,337	441,783
International bonds	411,146	6,647	165,072	139,367	100,060
Other government bonds	1,308,689	50,083	501,734	382,221	374,651
Mortgage-backed securities	1,971,371	613	23,321	42,323	1,905,115
Asset-backed securities	142,618	74	35,355	32,251	74,938
Bond mutual funds	1,956,293	129,456	1,202,523	548,621	75,694
Swaps	7,951	(283)	(8,448)	2,290	14,392
Money market mutual funds	2,685,930	1,022,131	—	1,646,678	17,120
Total investments	23,466,771	8,256,813	5,182,662	4,482,972	5,544,323
Collateral for lent securities	4,848,015	4,848,015	—	—	—
Total investments and collateral for lent securities	\$ 28,314,786	\$ 13,104,828	\$ 5,182,662	\$ 4,482,972	\$ 5,544,323

In addition to the investments scheduled above, as of June 30, 2024, the fiduciary funds' investments also include the fair value of corporate equity securities of \$21,327,269,903, commingled investments of \$11,907,327,525, private equity of \$14,626,001,000, real estate of \$6,454,894,029, stock mutual funds of \$4,267,520,607, annuity contracts of \$48,250,961 and insurance contracts of \$2,740,550.

The fiduciary funds have the following fair value measurements as of June 30, 2024 (amounts expressed in thousands):

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
U.S. Treasury notes and bonds	\$ 4,348,872	\$ 4,348,872	\$ —	\$ —
U.S. Treasury strips	91,764	91,764	—	—
U.S. Government agency obligations	135,137	135,137	—	—
Repurchase agreements	730,415	—	730,415	—
Corporate bonds	2,630,076	—	2,630,076	—
International bonds	411,146	—	411,146	—
Other government bonds	1,308,689	—	1,308,689	—
Mortgage-backed securities	1,971,371	—	—	1,971,371
Bond mutual funds	175,172	175,172	—	—
Money market mutual fund	1,815,020	1,815,020	—	—
Collateral for lent securities	4,848,015	—	4,848,015	—
Total debt securities	18,465,677	6,565,965	9,928,341	1,971,371
Equity securities				
Corporate equities	21,327,270	21,327,270	—	—
Stock mutual funds	4,267,521	4,267,521	—	—
Total equity securities	25,594,791	25,594,791	—	—
Real estate	62,978	—	—	62,978
Total investments by fair value level	44,123,446	\$ 32,160,756	\$ 9,928,341	\$ 2,034,349
Investments measured at net asset value				
Asset-backed securities funds	142,618			
Bond mutual funds	1,781,121			
Real estate funds	6,391,916			
Private equity funds	14,626,001			
Commingled investments	11,907,328			
Total investments measured at net asset value	34,848,984			
Investments measured at amortized cost				
U S Treasury notes and bonds	1,911,164			
U S Government agency obligations	1,544,182			
Commercial paper	2,615,977			
Money market mutual funds	870,909			
Total investments measured at amortized cost	6,942,233			
Investments measured at contract value				
Guaranteed investment contracts	975,186			
Annuity contracts	48,251			
Total investments measured at contract value	1,023,437			
Investments measured at cash surrender value				
Insurance contracts	2,741			
Total investments	\$ 86,940,840			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Level 2 investments include the following:

- Debt securities valued using a combination of prevailing market prices and interest payments that are discounted at prevailing interest rates for similar instruments.
- Mortgage-backed securities issued as U.S. agency securities categorized as mortgage pass-through. Mortgage pass-through includes to-be-announced (TBA) securities and mortgage pass-through certificates. TBA securities and mortgage pass-throughs are generally valued on the basis of their fortune principal and interest payments discounted at prevailing interest rates for similar investments.
- Collateral for lent securities invested in the lending agent's short term investment pool operating as an open-end money market mutual fund, together with the related obligation.
- Commingled investments whose valuation methodology and valuation frequency of the pooled investment vehicles may not be able to appraise whether the net asset value represents the exit value of the fund.

Level 3 investments include the following:

- Commercial and residential mortgage-backed securities valued using discounted cash flow techniques.
- Real estate valued on the basis of a discounted cash flow approach, which includes the future rental receipts, expenses, and residual values as the highest and best use of the real estate from a market participant view as rental property.

The valuation method for investments measured at net asset value per share (or its equivalent) is presented on the following table (in millions):

June 30, 2024				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private funds (includes equity, credit, energy, infrastructure, and timber)	\$ 22,309	\$ 10,491	—	—
Real estate-open ended	4,814	—	Quarterly	45-90 days
Equity open-end fund	3,662	—	Daily	1 day
	2,491	—	Monthly	5 - 30 days
	668	—	Triennially	150 days
Multi-asset	258	—	Monthly	5 days
Hedge Funds				
Equity long/short	914	—	Monthly	30-45 days
	236	—	Quarterly	60 days
Event-driven	110	—	Quarterly	15 days
	246	—	Quarterly	60-65 days
	11	—	Quarterly	90 days
	105	—	Quarterly	120+ days
	25	—	N/A	Liquidating
Global macro	305	—	Monthly	5-30 days
	585	—	Monthly	5-30 days
	100	—	Quarterly	60-90 days
	161	—	Monthly	30 days
Relative value	209	—	Monthly	90 days
	542	—	Quarterly	30 days
	1,152	—	Quarterly	45-90 days
Opportunistic	152	—	Quarterly	90 days
	1	—	Semi Annual	90-120 days
	<u>\$ 39,056</u>	<u>\$ 10,491</u>		

Information included in the MSRPS financial statements:

Other information regarding fair value measurements for investments measured at net asset value per share (or its equivalent) is available at <https://sra.maryland.gov/annual-financial-reports>.

Interest Rate Risk. As of June 30, 2024, the System had \$1,572,872,000 invested in mortgage pass-through securities. These investments are moderately sensitive to changes in interest rates because they are backed by mortgage loans in which the borrowers have the option of prepaying.

The Maryland Teachers & State Employees Supplemental Retirement Plans (Plans) invest in annuity contracts and insurance contracts that provide for guaranteed payouts to participants, and therefore have no interest rate risk to the Plans. As of June 30, 2024, the carrying value of these investments was \$48,250,961, and \$2,740,550, respectively.

The State Treasurer's Office manages the Local Government Investment Pool. The State Treasurer's investment policies state that no direct investment by the Pool may have a maturity date of more than 13 months after its acquisition.

Credit Risk. The investment policy of the System regarding credit risk is determined by each investment manager's mandate. The Local Government Investment Pool may invest in bankers acceptances and commercial paper subject to certain credit rating guarantee and/or collateral requirements. As of June 30, 2024, the fiduciary funds' investments were rated by Standard and Poor's and/or an equivalent national rating organization, and the ratings are presented below using the Standard and Poor's rating scale (amounts expressed in thousands):

Investment Type	Fair Value	Quality Rating	Percentage of Total Investments
U.S. Government agency obligations	\$ 65,912	AAA	0.08%
U.S. Government agency obligations	1,610,853	AA	1.96
U.S. Government agency obligations	—	A	0.00
U.S. Government agency obligations	—	Unrated	0.00
Money market mutual funds	870,909	AAA	1.06
Money market mutual funds	103	A	0.00
Money market mutual funds	1,815,020	Unrated	2.21
Commercial paper	2,615,977	AAA	3.19
Guaranteed investment contracts	797,849	AA	0.97
Guaranteed investment contracts	177,337	Unrated	0.22
Corporate bonds	7,931	AAA	0.01
Corporate bonds	63,596	AA	0.08
Corporate bonds	360,301	A	0.44
Corporate bonds	6,292	BAA	0.01
Corporate bonds	—	BA	0.00
Corporate bonds	761,769	BBB	0.93
Corporate bonds	818,734	BB	1.00
Corporate bonds	546,252	B	0.67
Corporate bonds	—	CAA	0.00
Corporate bonds	40,237	CCC	0.05
Corporate bonds	—	CC	0.00
Corporate bonds	—	C	0.00
Corporate bonds	79,023	Unrated	0.10
International bonds	22,736	AAA	0.03
International bonds	22,985	AA	0.03
International bonds	48,611	A	0.06
International bonds	2,296	BAA	0.00
International bonds	1,092	BA	0.00
International bonds	126,281	BBB	0.15
International bonds	72,245	BB	0.09
International bonds	59,323	B	0.07
International bonds	6,662	CCC	0.01
International bonds	54,204	Unrated	0.07
Other government bonds	4,671	AAA	0.01
Other government bonds	85,991	AA	0.10
Other government bonds	173,992	A	0.21
Other government bonds	336,678	BBB	0.41
Other government bonds	236,234	BB	0.29
Other government bonds	159,510	B	0.19
Other government bonds	43,471	CCC	0.05
Other government bonds	4,227	CC	0.01
Other government bonds	8,459	D	0.01
Other government bonds	255,454	Unrated	0.31
Mortgage-backed securities	28,154	AAA	0.03
Mortgage-backed securities	5,306	AA	0.01
Mortgage-backed securities	19,520	A	0.02
Mortgage-backed securities	12,403	BBB	0.02
Mortgage-backed securities	2,549	BB	0.00
Mortgage-backed securities	—	BA	0.00
Mortgage-backed securities	1,795	B	0.00
Mortgage-backed securities	1,700	CCC	0.00
Mortgage-backed securities	—	CC	0.00
Mortgage-backed securities	144	D	0.00
Mortgage-backed securities	1,899,799	Unrated	2.31
Asset-backed securities-Other	29,017	AAA	0.04
Asset-backed securities-Other	12,360	AA	0.02
Asset-backed securities-Other	8,068	A	0.01
Asset-backed securities-Other	5	BAA	0.00
Asset-backed securities-Other	13,724	BBB	0.02
Asset-backed securities-Other	3,993	BB	0.00
Asset-backed securities-Other	1,987	B	0.00
Asset-backed securities-Other	3,768	CCC	0.00
Asset-backed securities-Other	188	CC	0.00
Asset-backed securities-Other	—	D	0.00
Asset-backed securities-Other	70,574	Unrated	0.09
Repurchase agreements	730,415	A	0.89
Bond mutual funds	175,172	Unrated	0.21
Total	\$ 15,383,861		18.74%

Foreign Currency Risk.

The majority of the System's foreign currency-denominated investments are in equities. The System has an overlay program to minimize its currency risk.

The System's exposure to foreign currency risk as of June 30, 2024, was as follows (amounts expressed in thousands):

Currency	Equity	Fixed Income	Cash	Alternative Investments	Total
Australian Dollar	\$ 247,244	\$ —	\$ 5,688	\$ 130,164	\$ 383,096
Brazilian Real	7,860	(712)	157	—	7,305
Canadian Dollar	402,880	(217)	293	210,504	613,460
Czech Koruna	—	—	5	—	5
Danish Krone	167,642	—	278	—	167,920
Egyptian Pound	19,136	—	—	—	19,136
Euro Currency	1,679,203	80,921	14,295	1,607,252	3,381,671
Hong Kong Dollar	172,923	—	592	48,059	221,574
Hungarian Forint	882	—	33	—	915
Indonesian Rupiah	20,085	—	—	—	20,085
Japanese Yen	1,020,037	106	5,567	16,349	1,042,059
Mexican Peso	32,476	11,559	2,126	—	46,161
New Israeli Sheqel	20,796	—	76	—	20,872
New Taiwan Dollar	56,623	—	22	—	56,645
New Zealand Dollar	7,556	11,612	777	7,388	27,333
Norwegian Krone	55,621	—	204	—	55,825
Philippine Peso	—	—	—	—	—
Polish Zloty	—	(1,465)	2,531	—	1,066
Pound Sterling	660,359	26,951	9,831	262,649	959,790
Singapore Dollar	56,084	—	379	—	56,463
Peruvian Sol	—	9,903	542	—	10,445
South African Rand	64,086	1,861	523	—	66,470
South Korean Won	111,267	—	24	—	111,291
Swedish Krona	130,406	—	164	—	130,570
Swiss Franc	424,497	—	102	5,077	429,676
Thailand Baht	8,503	—	—	—	8,503
Turkish Lira	2,979	—	33	—	3,012
UAE Dirham	22,306	—	—	—	22,306
Yuan Renminbi	14,267	—	—	—	14,267
Other holdings with potential exposure to foreign currency risk	5,060,338	1,308,668	—	2,351,934	8,720,940
Total	\$ 10,466,056	\$ 1,449,187	\$ 44,242	\$ 4,639,376	\$ 16,598,861

(1) This line includes American Depository Receipts and international obligations valued in U.S. dollars; however, they are considered to have exposure to multiple foreign currencies.

Derivatives:

The System investment manager's guidelines determine the extent to which derivatives are permissible. Futures and other derivatives are permitted to the extent that they are used in a manner that does not materially increase total portfolio volatility or relate to speculative activities. Unleveraged derivatives are permitted for the purpose of hedging investment risk, to replicate an investment that would otherwise be made directly in the cash market or to modify asset exposure in tactical portfolio shifts. Use of derivatives is not permitted to materially alter the characteristics, including the investment risk, of each manager's account. The investment managers are to have in place, and use, procedures that subject derivative based strategies to rigorous scenario and volatility analysis. Futures and short option positions must be hedged with cash, cash equivalents or current portfolio security holdings.

A list of derivatives aggregated by investment type is as follows (amounts expressed in thousands):

	Changes in Fair Value		Fair Value as of June 30, 2024		
	Classification	Amount	Classification	Amount	Notional ⁽¹⁾
Commodity Futures Long	Investment Revenue	\$ 19,053	Futures	\$ —	8,892
Commodity Futures Short	Investment Revenue	(1,114)	Futures	—	—
Credit default swaps written	Investment revenue	686	Swaps	1,722	51,692
Fixed income futures long	Investment revenue	(282,990)	Futures	—	4,844,656
Fixed income futures short	Investment revenue	9,079	Futures	—	(250,843)
Fixed income options bought	Investment revenue	625	Options	107	150,581
Fixed income options written	Investment revenue	2,611	Options	(221)	(92,185)
Foreign currency futures short	Investment revenue	—	Futures	—	(18,000)
Foreign currency options bought	Investment revenue	76	Options	364	8
Foreign currency options written	Investment revenue	319	Options	(362)	(16,000)
Futures options bought	Investment revenue	(332)	Options	8	50
Futures options written	Investment revenue	(939)	Options	(377)	(167)
FX forwards	Investment revenue	4,282	Long term instruments	17,811	5,736,248
Index futures long	Investment revenue	19,726	Futures	—	890
Index futures short	Investment revenue	271,607	Futures	—	(627)
Index options written	Investment revenue	(58,023)	Options	—	—
Pay fixed interest rate swaps	Investment revenue	192	Swaps	18,108	320,127
Receive fixed interest rate swaps	Investment revenue	9,303	Swaps	(11,816)	453,320
Rights	Investment revenue	455	Common stock	64	67
Warrants	Investment revenue	(1,234)	Common stock	76	159
Grand Totals		\$ (6,618)		\$ 25,484	

(1) Notional may be a dollar amount or size of underlying for futures and options, negative values refer to short positions.

Credit Risk.

The System is exposed to credit risk on derivative instruments that are in asset positions. To minimize its exposure to losses related to credit risk, the investment managers use counterparty collateral in their non-exchange-traded derivative instruments. Netting arrangements are also used when entering into more than one derivative instrument transaction with a counterparty. At the present time, the System does not have a formal policy relating to counterparty collateral or netting arrangements.

The aggregate fair value of derivative instruments in asset positions as of June 30, 2024, was \$142,674,000. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform. The maximum loss would, however, be reduced by the counterparty collateral and the liabilities included in netting arrangements with counterparties.

The following tables list the fair value of credit exposure per ratings of Standard Poor's (S&P), Moody's and Fitch for the counterparties (amounts expressed in thousands):

Fair Value	S&P Rating	Fair Value	Moody's Rating	Fair Value	Fitch Rating
\$ 34,682	AA-	\$ 33	Aa2	\$ 570	AA
30,640	A+	27,370	Aa2	68,659	AA-
33,424	A	23,011	Aa3	73,399	A+
35,252	A-	56,967	A1	40	A
8,676	BBB+	42	A2	6	A-
		35,251	A3	—	BBB+
\$ 142,674		\$ 142,674		\$ 142,674	

Risk concentrations are presented in the table below:

Counterparty Name	Percentage of Net Exposure	S&P Rating	Fitch Rating	Moody's Rating
Hsbc Bankplc	24.7	A-	A+	A3
State Street Bank London	14.5	A	AA-	A1
Westpac Banking Corporation	13.9	AA-	AA-	Aa2
Bnp Paribas Sa	11.4	A+	A+	Aa3
The Bank Of New York Mellon	8.9	A	AA-	A1
Royal Bank Of Canada (Uk)	7.9	AA-	AA-	A1
Citibank N.A.	4.7	A+	A+	Aa3
Ubs Ag	4.5	A+	A+	Aa2
Wells Fargo Lch	4.1	BBB+	A+	A1
Toronto Dominion Bank	2.5	AA-	AA-	A1
Wells Fargo Cme	1.3	BBB+	A+	A1
Wells Fargo Ice	0.7	BBB+	A+	A1
Wells Fargo Bank Na	0.4	A+	AA-	Aa2
Jpmorgan Chase Bank, N.A.	0.3	A+	AA-	Aa2

4. Investments – Component Units:

Investment accounts established by higher education institutions relate principally to endowments and trust accounts required by debt instruments and are invested in accordance with the investment policies adopted by the Board of Trustees. In general, endowment resources can be invested in debt and equity securities, and trust accounts can be invested only in debt securities. These investments include U.S. Treasury and agency obligations, corporate debt and equity securities, asset-backed securities and mutual funds that invest in government securities. The investments of the higher education foundations are not included in the disclosures below.

One of the institutions, the University System of Maryland, transferred title to its endowment investments to its foundation in exchange for an equivalent proportionate interest in the long-term investment portfolio managed by the foundation. In June 2011, the institution entered into a new agreement with the foundation. The agreement is for a term of five years, with renewable two-year extensions at the option of the institution, unless notice of intent to terminate the arrangement is provided prior to the expiration of the term. If the agreement is terminated, funds invested with individual investment managers that have commitments from the foundation to maintain investments for certain minimum time periods may not be returned to the institution until those constraints have been satisfied. For reporting purposes, the foundation's investments have been reduced by the amount of the institution's investments with the foundation.

The investments and maturities as of June 30, 2024, for the component units were as follows (amounts expressed in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)				
		Less than 1	1-5	6-10	11-15	More than 15
U.S. Treasury obligations	\$ 244,028	\$ 13,153	\$ 230,875	\$ —	\$ —	\$ —
U.S. government agency obligations	56,738	55,459	1,246	9	23	—
Bond mutual funds	—	—	—	—	—	—
Mortgage-backed securities	140	—	98	31	11	—
Corporate debt securities	1,871	348	646	440	173	264
Money market mutual funds	737,033	737,033	—	—	—	—
Total	\$ 1,039,809	\$ 805,994	\$ 232,864	\$ 481	\$ 207	\$ 264

In addition to the investments scheduled above, as of June 30, 2024, the component units' investments include the fair value of stock mutual funds of \$24,385,162, corporate equity securities of \$67,325,231, real estate of \$28,459,065, and the share of assets invested with the foundation of \$520,121,000.

The component units had the following fair value measurements as of June 30, 2024 (amounts expressed in thousands):

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
U.S. Treasury obligations	\$ 244,028	\$ 244,028	\$ —	\$ —
U.S. Government agency obligations	56,738	56,738	—	—
Bond mutual funds	—	—	—	—
Mortgage-backed securities	140	140	—	—
Corporate debt securities	1,871	1,863	—	7
Money market mutual funds	737,033	737,033	—	—
Total debt securities	1,039,809	1,039,802	—	7
Equity securities				
Corporate equities - publicly held	70	70	—	—
Equity investments in privately-held companies and venture capital partnerships:				
Not publicly traded	67,255	—	—	67,255
Stock mutual funds	24,385	24,385	—	—
Total equity securities	91,710	24,455	—	67,255
Real estate	28,459	—	—	28,459
The share of the USM's investment in the open-end mutual fund investment of the University System of Maryland Foundations, Inc	520,121	—	520,121	—
Total investments by fair value level	1,680,100	\$ 1,064,258	\$ 520,121	\$ 95,721
Investments measured at amortized cost	5,740			
Money market mutual funds	5,740			
Total investments	\$ 1,685,840			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Corporate bonds are categorized as Level 2 investments based on yields currently available on comparable securities of issuers with similar credit ratings. The share of the University System of Maryland's (USM) investment in the open-end mutual fund investment of the USM Foundation, Inc is considered a common trust fund whose valuation methodology and valuation frequency of the pooled investment vehicles may not be able to appraise whether the net asset value represents the exit value of the fund and is classified as Level 2.

Level 3 investments include the investments in not publicly traded, privately-held companies and venture capital partnerships which are valued by management after consideration of, among other factors, the financial condition, operating results, significant recent events, and other security offerings of the investors. Also, interest in private real estate is valued based on discounted cash flows, including future rental receipts, expenses, and residual values as the highest and best use of the real estate from a market participant view as rental property as a Level 3 investment.

Investments measured at net asset value per share (or its equivalent) are not material for reporting redemption frequency and notice period.

Interest Rate Risk. The policy of the higher education institutions for managing their exposure to fair value loss arising from increasing interest rates is to comply with their investment policy, which sets maximum maturities for various fixed income securities.

Credit Risk. The policy of the higher education institutions for reducing their exposure to credit risk is to require minimum quality ratings for fixed income securities.

As of June 30, 2024, the component units had the following investments and quality ratings (amounts expressed in thousands):

Investment Type	Fair Value	Quality Rating	Rating	Percentage of
			Organization	Total Investments
U.S. agencies	\$ 291,516	AAA/Aaa	S&P & Moody's	17.29%
U.S. agencies	9,250	AA/Aaa	S&P & Moody's	0.55
Money market mutual funds	737,033	Aaa	Moody's	43.72
Money market mutual funds	5,740	Not rated		0.34
Corporate debt securities	87	AAA	S&P	0.01
Corporate debt securities	143	AA	S&P	0.01
Corporate debt securities	403	A	S&P	0.02
Corporate debt securities	1,172	BBB	S&P	0.07
Corporate debt securities	65	Not rated		0.00
Total	\$ 1,045,410			62.01%

Concentration of Credit Risk. The higher education component units place no limit on the amount they may invest in U.S. government issuers.

C. Securities Lending Transactions:

Fiduciary Funds:

The Pension Trust Funds (Funds) participate in a securities lending program as permitted by the investment policies as approved by the Board of Trustees. The Fund's custodian lends specified securities to independent brokers in return for collateral of greater value. The preceding Investments-Fiduciary Funds Schedule in Note 3.B.3 includes securities lent at year-end for cash collateral and collateral received from lent securities.

Borrowing brokers must transfer in the form of cash or other securities, collateral valued at a minimum of 102% of the fair value of domestic securities and international fixed income securities, or 105% of the fair value of international equity securities on loan. Collateral is marked to market daily. If the fair value of the pledged collateral falls below the specified levels, additional collateral is required to be pledged by the close of the next business day. In the event of default by a borrowing broker, the Funds' custodial bank is obligated to indemnify the Funds if, and to the extent that, the fair value of collateral is insufficient to replace the lent securities. The Funds have not experienced any loss due to credit or interest rate risk on securities lending activity since inception of the program. As of June 30, 2024, the Funds had no credit risk exposure to borrowers because the fair value of collateral held for securities lent exceeded the fair value of the related securities, as follows (amounts expressed in thousands):

	Fair Value		Percent Collateralized
	Lent Securities	Collateral Received	
Lent for cash collateral:			
U.S. government and agency securities	\$ 3,331,025	\$ 3,408,514	102.33%
U.S. corporate bond and equity securities	1,371,211	1,403,473	102.35
International fixed income securities	9,614	9,829	102.24
International equities	24,858	26,199	105.39
Total securities lent	\$ 4,736,708	\$ 4,848,015	102.35%

During fiscal year 2024, the Funds maintained the right to terminate securities lending transactions upon notice. The lending agent reinvests the cash collateral received on each loan utilizing indemnified repurchase agreements (repos). As of June 30, 2024, such repos had average days to maturity of 11.77 days.

4. Receivables:

Taxes receivable, as of June 30, 2024, consisted of the following (amounts expressed in thousands):

	Major Governmental Funds		Non-Major Governmental Funds	Total Governmental Funds
	General	Special Revenue		
Income taxes	\$ 2,641,853	\$ —	\$ —	\$ 2,641,853
Sales and use taxes	707,328	—	—	707,328
Transportation taxes, primarily motor vehicle fuel and excise	—	206,264	—	206,264
Other taxes, principally alcohol, tobacco and property	25,211	—	72,718	97,929
Less: Allowance for uncollectibles	31,641	—	—	31,641
Taxes receivable, net	\$ 3,342,751	\$ 206,264	\$ 72,718	\$ 3,621,732

Tax revenues are reported net of uncollectible amounts. Total uncollectible amounts related to tax revenues of the current period were \$3,546,000.

Other accounts receivable in the governmental funds of \$3.1 billion, including \$388,725,000, due in excess of one year, consisted of various miscellaneous receivables for transportation costs, collection of bills owed to the State's collection unit, Medicaid reimbursements, child support and public assistance overpayments and the tobacco settlement.

Other accounts receivable for the enterprise funds of \$948,452,000, primarily consisted of \$251,038,000, due to the Unemployment Insurance Program from employers and for benefit overpayments, \$516,790,000 due to the Maryland Transportation Authority from toll revenue receivable, \$44,109,000, due to the Community Development Administration from accrued interest and claims receivable on foreclosed and other loans, \$97,036,000, due to the Maryland Lottery and Gaming Control Agency from lottery retailers for ticket sale proceeds and from casino operators for gross terminal revenue and table game revenue, and \$2,081,000 due to the Maryland Prepaid College Trust from investing activities.

5. Deferred Outflows of Resources and Deferred Inflows of Resources:

Deferred outflows of resources and deferred inflows of resources are reported when a given item that otherwise meets the definition of a revenue or expenditure/expense relates to a future period. These deferred amounts apply to governmental activities, business-type activities, proprietary funds, and fiduciary funds, except that deferred inflows apply to governmental funds for revenues that are not considered to be available to liquidate liabilities of the current period.

As of June 30, 2024, the State's deferred outflows of resources and deferred inflows of resources consist of the following components (amounts expressed in thousands):

	Governmental Funds				
	General Fund	Special Revenue Funds	Governmental Activities	Business-Type Activities	Component Units
Deferred Outflows of Resources:					
Loss on refunding of debt – Refunding of some previously outstanding general obligation bonds and revenue bonds resulted in losses	\$ —	\$ —	\$ —	\$ 16,474	\$ 3,092
Interest Rate Exchange Agreements (Swaps) - with a variable rate bond issue	—	—	—	—	32
Pension-related deferred outflows	—	—	5,983,183	158,530	533,458
Other post-employment benefit-related deferred outflows	—	—	1,122,610	—	839
Asset retirement obligations	—	—	—	—	10,640
Total for Deferred Outflows of Resources	\$ —	\$ —	\$ 7,105,793	\$ 175,004	\$ 548,060
Deferred Inflows of Resources:					
Governmental fund receivables for revenues that are not considered to be available to liquidate liabilities of the current period	1,740,008	915,659	—	—	—
Gain on refunding of debt -Refunding of some previously outstanding residential revenue bonds - deferred bond premiums	—	—	44,848	1,765	342
Service Concession Arrangement receipts of the:					
Maryland Department of Transportation	—	—	197,124	—	—
Maryland Transportation Authority	—	—	—	39,075	—
University System of Maryland	—	—	—	—	290,267
Leases	—	204,066	204,066	12,058	105,218
Pension-related deferred inflows	—	—	990,552	72,794	98,264
Other post-employment benefit-related deferred inflows	—	—	3,306,097	—	1,838
Total for Deferred Inflows of Resources	\$ 1,740,008	\$ 1,119,725	\$ 4,742,687	\$ 125,692	\$ 495,928

6. Loans and Notes Receivable and Leases Receivable:

A. Loans and Notes Receivable:

Loans and notes receivable, as of June 30, 2024, consisted of the following (amounts expressed in thousands):

	Primary Government			Component Units		
	General	Non – major Governmental Funds	Enterprise	Higher Education	Maryland Stadium Authority	Other
Notes receivable:						
Political subdivisions:						
Water quality projects	\$ —	\$ 848	\$ 1,729,821	\$ —	\$ —	\$ —
Other	—	—	206,826	—	—	—
Volunteer fire & rescue companies	21,288	—	—	—	—	—
Permanent mortgage loans	—	468	2,222,181	—	—	—
Student and health profession loans	—	—	—	31,829	—	—
Shore erosion loans	3,566	—	—	—	—	—
Other	—	—	—	5,043	—	83,889
Total	24,854	1,316	4,158,828	36,872	—	83,889
Less: Allowance for possible loan losses	—	—	370,520	7,487	—	17,830
Loans and notes receivable, net	24,854	1,316	3,788,308	29,385	—	66,059
Due within one year	2,612	536	168,472	19,714	—	5,042
Due in more than one year	\$ 22,242	\$ 779	\$ 3,619,836	\$ 9,671	\$ —	\$ 61,017

Certain notes receivable for advances of general obligation bond proceeds bear interest at rates ranging from 4.4% to 5.8% and mature within 12 years.

Water quality project loans consist of loans to various local governments and other governmental entities in the State for wastewater and drinking water projects under the United States Environmental Protection Agency's (EPA) Capitalization Grants for State Revolving Funds' Federal assistance program.

The permanent mortgage loans consist of financing for single and multi-family projects, rental projects, small businesses, industrial sites and various other purposes. Substantially all of the loans are secured by first liens on the related property and are insured or credit enhanced by the Federal Housing Administration mortgage insurance programs, the Veterans Administration and USDA/RD guarantee programs, Federal Home Loan Mortgage Corporation (Freddie Mac), FNMA, GNMA, Maryland Housing Fund or by private mortgage insurance policies.

Student and health profession loans are made pursuant to student loan programs funded through the U.S. Government.

B. Leases Receivable:

The Department is a party to multiple leases, primarily at the BWI Marshall Airport and at the Port of Baltimore. The Department recognized \$30,150,000 in lease revenue and \$6,025,234 in interest revenue related to leases. As of June 30, 2024, the Department's receivable for lease payments was \$218,960,000 and the balance of the deferred inflow of resources was \$204,066,000. The deferred inflow of resources will be recognized as revenue over the lease term.

Enterprise Funds:

As of June 30, 2024, the Maryland Transportation Authority (Authority) has leases receivable with the State's Department of Transportation, the Washington Metropolitan Area Transit Authority (WMATA), and the general fund. The present value of leases receivable as of June 30, 2024, was \$203,070,000. As of June 30, 2024, the Authority held \$49,049,000 to be spent to complete assets under these leases receivable. Lease payments receivable, including unearned interest for each of the five succeeding fiscal years and thereafter, including repayment of amounts to be spent, consist of the following (amounts expressed in thousands):

2025	\$	22,835
2026		23,798
2027		24,831
2028		17,937
2029		18,867
2030-2034		90,829
2035-2039		37,845
Total		236,942
Unearned interest income		15,177
Total lease payments		252,119
Restricted investments related to unexpended bond proceeds		49,049
Leases receivable, net	\$	203,070

Component Units:

As of June 30, 2024, the Maryland Stadium Authority (Authority) has leases receivable with the State. The present value of the leases receivable as of June 30, 2024, is \$110,384,000. As of June 30, 2024, the Authority held \$19,086,000, to be spent to complete assets under these leases receivable. Lease payments receivable, including unearned interest for each of the five succeeding fiscal years and thereafter, including repayment of amounts to be spent, consist of the following (amounts expressed in thousands):

2025	\$	17,693
2026		16,688
2027		8,755
2028		8,758
2029		8,757
2030-2034		43,795
2035-2039		43,782
2040-2044		20,388
2045-2049		18,737
2050-2054		11,242
Total		198,596
Less: unearned interest income		69,126
Net lease payments		129,470
Less: restricted investments related to unexpended bond proceeds		19,086
Leases receivable, net	\$	110,384

7. Restricted Assets:

Certain assets of the governmental activities, business-type activities and component units are classified as restricted assets on the Statement of Net Position. The purpose and amount of restricted assets as of June 30, 2024, are as follows (amounts expressed in thousands):

Amount	Purpose
Governmental Activities:	
\$ 114,498	Represents money restricted for construction retainages related to highway and airport projects
468	Represents Economic Development loans and grants to promote and encourage the development of new and existing businesses within the State of Maryland.
587,023	Represents State property taxes restricted to pay debt service on general obligations debt.
1	Represents certificates of deposit restricted for Agricultural Land Preservation easement purchases .
86,146	Represents money restricted by the National Settlement Agreement and Section 7-331(f) of the State Finance and Procurement Article, limited to Future Opioid Remediation
<u>\$ 788,136</u>	
Business-type Activities:	
\$ 4,734,020	Assets of the Community Development Administration are restricted for various mortgage loans for low-income housing.
44,368	The purpose of the restricted assets is to secure the revenue bonds of the Maryland Water Infrastructure Financing Administration made for waste-water treatment systems and bay restoration
2,255,734	Restricted assets represent deposits with the U.S. Treasury and amounts due from employers to pay unemployment compensation benefits in accordance with federal statute.
26,668	Restricted assets include cash held in separate annuity contracts and coupon bonds for winning lottery ticket payouts; escrow deposits from lottery agents, casino operator license applicants and other gaming license applicants prior to being recognized as revenue; and prize fund reserves for multi-state lotteries.
196,894	Cash and investments have been restricted in accordance with revenue bond debt covenants of the Maryland Transportation Authority for completion of capital projects and debt service.
91,642	Assets have been restricted by the Maryland Housing Fund to pay possible future claims under insurance for losses on mortgage loans.
<u>\$ 7,349,326</u>	
Component Units:	
\$ 95,901	Restricted assets of higher education include funds held by the trustee for future specific construction projects and to pay debt service and cash restricted for endowment purposes
884,915	Restricted assets of Maryland Stadium Authority include cash and investments that relate to revenue bond indentures.
3,172	Restricted assets include cash and investments that relate to revenue bond indentures and to restricted project funds for the provision of water supply, wastewater treatment, and solid waste management by Maryland Environmental Service.
335	Cash has been restricted to fulfill funding commitments for COVID-19 grants and loans of Maryland Economic Development Assistance Authority and Fund.
<u>\$ 984,323</u>	

8. Interfund Receivables and Payables:

Interfund balances, as of June 30, 2024 consisted of the following (amounts expressed in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue	\$ 77,156 ⁽¹⁾
	Fund Enterprise Funds -	
	Economic Development Loan Programs	2,427 ⁽²⁾
	Maryland Lottery and Gaming Control Agency	244,039 ⁽³⁾
		<u>\$ 323,622</u>
Special Revenue Fund	General Fund	\$ 168,573 ⁽⁴⁾
	Enterprise Funds -	
	Maryland Transportation Authority	72,009 ⁽⁵⁾
		<u>\$ 240,582</u>
Enterprise Funds - Economic Development Loan Programs	General Fund	\$ 23,931 ⁽⁶⁾
	Capital Projects Fund	74,570 ⁽⁷⁾
Unemployment Insurance Program	General Fund	1,137 ⁽⁶⁾
	Maryland Transportation Authority	61,427 ⁽⁸⁾
		<u>\$ 161,065</u>
Custodial Fund - Local Income Taxes	General Fund	\$ 564,881 ⁽⁹⁾

The receivable and payable transactions between the governmental funds and the enterprise funds are reported as due from and due to other funds. The receivable and payable transactions between the custodial fund and the general fund are reported as accounts receivable from the State treasury by the custodial fund and due to other funds by the general fund.

The receivable and payable transactions between the Primary Government and Component Units, as of June 30, 2024, consist of the following (amounts expressed in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Non-major component units	\$ 3,369
		<u>\$ 3,369</u>

The receivable and payable transactions between the general fund and component unit are reported as due from/due to component units and due to/due from primary government. The receivable and payable transactions between the component unit and custodial fund are reported as due from primary government by the component unit and accounts payable and accrued liabilities by the custodial fund.

- (1) The amount represents Transportation Trust Fund revenues transferred back to the general fund in July and August, 2024.
- (2) This amount represents payable balances for economic development loan program transfers.
- (3) This amount represents monies collected by the Maryland Lottery and Gaming Control Agency in June, 2024, and paid to the general fund in July, 2024.
- (4) The amount represents income and sales tax subsidies and return of health insurance costs from the general fund.
- (5) The Maryland Transportation Authority collects fees for the special revenue fund. The money will be used to build and maintain special revenue fund infrastructure, structures and other improvements.
- (6) These amounts represent receivable balances from general fund subsidies.
- (7) Bond funds collected by the capital projects fund on behalf of the economic development loan programs.
- (8) The Maryland Transportation Authority receives rent, interest income and fees for services from the special revenue fund.
- (9) The estimated refunds were made in accordance with Section 2-606 of Tax-General Article of the Annotated Code of Maryland from the reserve of unallocated tax revenue that the Comptroller estimates will be claimed and refunded to taxpayers within 3 years of the date that the income tax return was filed. The money will be used to provide funding for public elementary and secondary education and the Maryland Medicaid Program among other uses.

All Interfund balances except for (9) above, are expected to be repaid by June 30, 2025. For (9) above, the General Fund is required to pay to the custodial fund \$33,333,000, a year in each of fiscal years 2021 through 2026 and \$10,000,000, a year in each of fiscal years 2021 through 2025. The remaining balance is due to pay local income taxes at unspecified dates in the future.

9. Interfund Transfers:

Interfund transfers, for the year ended June 30, 2024, consisted of the following (amounts expressed in thousands):

Transfers In	Transfers Out	Amount
General Fund	Capital Projects Fund	\$ 80,286
	Enterprise Funds - Maryland Lottery and Gaming Control Agency	1,588,855
		<u>\$ 1,669,141</u>
Special Revenue Fund	General Fund	<u>\$ 464,027</u>
Capital Projects Fund	General Fund	<u>\$ 955,877</u>
Non-major Governmental Funds	General Fund	\$ 432,080
	Special Revenue Fund	426,454
		<u>\$ 858,534</u>
Enterprise Funds - Loan Programs	General Fund	\$ 15,134
	Capital Projects Fund	155,623
		<u>\$ 170,757</u>

Transfers are primarily used to 1) transfer revenues from the fund required by statute or budget to collect the revenue to the fund required by statute or budget to expend them, 2) transfer receipts restricted to debt service from the funds collecting the receipts to the non-major governmental funds as debt service payments become due, and 3) provide unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In addition, the non-major governmental funds transferred \$60,660, of Program Open Space funds, \$18,996, of interest earned on bonds and \$630, for expenses for bond sales to the general fund.

The Maryland Lottery and Gaming Control Agency transferred revenue in excess of funds allocated to prize awards, casino operators, operating expenses and capital expenditure payments in the amount of \$1,588,855, to the general fund. The general fund transferred \$15,134, to support the operations of Enterprise Funds - Loan Programs. Expenditures for capital projects of \$155,623, were transferred to Enterprise Funds - Loan Programs.

During the year, the general fund and other governmental funds had expenditures of \$277,371, and \$100,380, respectively, that were for funds provided to supplement revenues and construction costs, respectively, of the higher education component units. The general fund also had net expenditures of \$34,152, that were for funds provided to supplement revenues of the Maryland Stadium Authority. The general fund transferred \$44,343, to the non-major component unit, the Maryland Technology Development Corporation, TEDCO, for Maryland Stem Cell Research and other operating grants. TEDCO transferred to the general fund \$3,369, as distributions/returns from Venture Capital Limited Partnerships. These expenditures are recorded as grants and contributions on component unit financial statements.

10. Capital Assets:

A. Capital Assets, Primary Government:

Capital assets activity by asset classification net of accumulated depreciation/amortization, for the year ended June 30, 2024, was as follows (amounts expressed in thousands):

Governmental activities:

Classification	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, not depreciated or amortized				
Land and improvements	\$ 4,003,329	\$ 41,255	\$ 203	\$ 4,044,381
Land use rights	1,265,273	27,056	—	1,292,328
Art and historical treasures	23,068	—	—	23,068
Construction in progress	9,294,593	1,059,617	985,045	9,369,165
Total capital assets, not depreciated or amortized	14,586,263	1,127,927	985,248	14,728,942
Capital assets, being depreciated or amortized				
Structures and improvements	7,326,243	371,643	(33,563)	7,731,449
Right-of-Use leased structures and improvements	674,303	167,241	49,716	791,828
Equipment	4,041,751	189,113	94,359	4,136,505
Right-of-Use leased equipment	19,738	—	—	19,738
Subscription assets	57,959	61,080	1,432	117,607
Infrastructure	30,744,860	1,236,406	(20,734)	32,002,000
Right-of-Use infrastructure	15,352	—	—	15,352
Total capital assets, being depreciated or amortized	42,880,206	2,025,483	91,210	44,814,479
Less: accumulated depreciation and amortization				
Structures and improvements	4,298,499	221,671	2,130	4,518,040
Right-of-Use leased structures and improvements	171,090	101,592	49,716	222,966
Right-of-Use leased equipment	10,527	5,263	—	15,790
Equipment	3,111,046	149,710	91,651	3,169,105
Subscription assets	12,661	37,511	1,432	48,740
Infrastructure	20,680,026	1,004,964	2,846	21,682,143
Right-of-Use infrastructure	2,913	1,217	—	4,130
Total accumulated depreciation and amortization	28,286,761	1,521,927	147,775	29,660,912
Total capital assets, net	\$ 29,179,708	\$ 1,631,484	\$ 928,683	\$ 29,882,509

Business-type activities:

Classification	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, not depreciated or amortized				
Land and land improvements	\$ 406,882	\$ 247	\$ —	\$ 407,129
Construction in progress	1,898,986	399,546	523,278	1,775,254
Total capital assets, not depreciated or amortized	2,305,868	399,793	523,278	2,182,383
Capital assets, being depreciated or amortized				
Structures and improvements	268,799	16,808	1,796	283,811
Equipment	120,500	9,214	2,606	127,108
Right-of-Use Leased Equipment	8,251	160	—	8,411
Right-of-Use Leased Office Space	8,077	24,570	6,472	26,175
Infrastructure	7,258,320	506,470	158,129	7,606,661
Subscription Assets	467	—	—	467
Total capital assets, being depreciated or amortized	7,664,414	557,222	169,003	8,052,633
Less: accumulated depreciation and amortization				
Structures and improvements	51,127	5,569	1,380	55,316
Equipment	77,434	8,410	2,411	83,433
Right-of-Use Leased Equipment	5,829	1,422	—	7,251
Right-of-Use Leased Office Space	6,730	948	6,472	1,206
Infrastructure	2,438,348	166,864	99,073	2,506,139
Subscription Assets	162	151	—	313
Total accumulated depreciation and amortization	2,579,630	183,364	109,336	2,653,658
Total capital assets, net	\$ 7,390,652	\$ 773,651	\$ 582,945	\$ 7,581,357

B. Depreciation/Amortization Expense, Primary Government:

The depreciation and amortization expense for the year ended June 30, 2024, for the primary government was charged as follows (amounts expressed in thousands):

Governmental activities:

Function	Amount
General government	\$ 176,779
Education	3,029
Human resources	9,094
Health and mental hygiene	13,198
Environment	234
Public safety	45,813
Natural resources and recreation	27,517
Transportation	1,207,165
Agriculture	37,372
Labor, licensing and regulation	455
Judicial	1,271
Total depreciation and amortization expense – governmental activities	\$ 1,521,927

Business-type activities:

Function	Amount
MLGCA	\$ 2,661
Transportation Authority	179,745
Maryland Correctional Enterprises	957
Economic Development Loan Programs	1
Total depreciation and amortization expense – business-type activities	\$ 183,364

11. Leases

The State has entered into various lease agreements as lessee, primarily for office space, warehouse space, storage areas, parking and other rental needs. Most leases have initial terms of up to 10 years, and contain one or more renewals at the State's option, generally for three- or five-year periods. The State has generally included these renewal periods in the lease term when it is reasonably certain that the State will exercise the renewal option. The State's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants.

Certain real estate leases require additional payments for common area maintenance, real estate taxes, and insurance, which are expensed as incurred as variable lease payments. For office space leases that include variable payments, those include payments for the State's proportionate share of the building's property taxes, insurance, and common area maintenance. The State's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the State's leases is not readily determinable, the State utilizes its incremental borrowing rate to discount the lease payments.

As of June 30, 2024, the Statement of Net Position includes the following amounts relating to leases (amounts expressed in thousands):

	Governmental Activities	Business Type Activities
Buildings	\$ 814,950	\$ 26,176
Infrastructure	15,352	—
Equipment	19,738	8,411
Less: accumulated amortization	249,724	8,457
Total	\$ 600,316	\$ 26,130

Future minimum lease payments and the net present value as of June 30, 2024 are as follows:

	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 85,268	\$ 29,994	\$ 2,482	\$ 354	\$ 118,098
2026	77,803	26,068	1,595	232	105,698
2027	74,117	22,350	1,599	228	98,294
2028	70,761	18,786	1,654	232	91,433
2029	68,111	15,292	1,716	235	85,354
2030-2034	189,235	40,292	9,316	1,198	240,041
2035-2039	39,885	16,386	8,110	1,083	65,464
2040-2044	43,772	5,398	—	—	49,170
Total minimum lease payments	\$ 648,952	\$ 174,566	\$ 26,472	\$ 3,562	\$ 853,552

12. Subscription-Based Information Technology Arrangements (SBITAs)

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of June 30, 2024, the Statement of Net Position includes the following amounts relating to SBITAs (amounts expressed in thousands):

	Governmental Activities	Business Type Activities
Subscriptions	\$ 117,607	\$ 468
Less: accumulated amortization	48,739	314
Total	\$ 68,868	\$ 154

Future minimum subscription payments and the net present values as of June 30, 2024 are as follows:

	Governmental Activities		Total
	Principal	Interest	
2025	\$ 33,208	\$ 1,006	\$ 34,214
2026	15,259	575	15,834
2027	7,230	574	7,804
2028	5,452	378	5,830
2029	4,097	234	4,331
Total minimum SBITA payments	\$ 65,246	\$ 2,766	\$ 68,013

13. Long-Term Obligations:

A. Governmental Activities:

Changes in governmental activities' long term debt, for the year ended June 30, 2024, were as follows (amounts expressed in thousands):

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Bonds and Notes Payable:					
General obligation bonds	\$ 10,001,238	\$ 1,200,000	\$ 1,005,999	\$ 10,195,239	\$ 1,112,034
Transportation bonds	3,707,395	—	318,875	3,388,520	336,715
Add: Issuance premiums, net	1,919,233	153,917	291,001	1,782,149	51,972
Total bonds and notes payable	15,627,866	1,353,917	1,615,875	15,365,908	1,500,721
Other Liabilities:					
Compensated absences	448,766	272,540	246,126	475,180	231,877
Self insurance costs	370,882	2,105,508	2,123,990	352,401	129,371
Net pension liability	17,646,638	2,537,589	—	20,184,227	—
Net other post employment benefits liability	11,869,362	257,467	—	12,126,829	—
Intergovernmental financing agreements	423,060	5,070	71,312	356,818	50,977
Obligations under lease liability	574,887	167,241	93,175	648,953	85,268
Obligations under lease liability with component units	69,197	45,535	—	114,732	17,693
Obligations under subscription arrangements	46,034	49,214	30,003	65,246	33,208
Pollution remediation	39,620	—	4,839	34,781	4,305
Other long-term liabilities	67	—	67	—	—
Total other liabilities	31,488,513	5,440,164	2,569,511	34,359,166	552,700
Total long-term liabilities – governmental activities	\$ 47,116,379	\$ 6,794,081	\$ 4,185,386	\$ 49,725,074	\$ 2,053,421

General Obligation Bonds –

General obligation bonds are authorized and issued primarily to provide funds for State owned capital improvements, facilities for institutions of higher education and the construction of public schools in political subdivisions. Bonds have also been issued for local government improvements, including grants and loans for water quality improvement projects and correctional facilities, and to provide funds for loans or outright grants to private, not-for-profit cultural or educational institutions. Under constitutional requirements and practice, the Maryland General Assembly, by a separate enabling act, authorizes loans for particular objects or purposes. Thereafter, the Board of Public Works, a constitutional body comprised of the Governor, the Comptroller and the State Treasurer, by resolution, authorizes the issuance of bonds in specified amounts. Bonds are issued and accounted for on a “cash flow” basis rather than a “project” basis and are not sold to specifically fund an enabling act. General obligation bonds are subject to arbitrage regulations. However, there are no major outstanding liabilities in connection with these regulations as of June 30, 2024. Bonds are subject to redemption provisions at the option of the State.

General obligation bonds, which are paid from the general obligation debt service fund, are backed by the full faith and credit of the State and, pursuant to the State Constitution, must be fully paid within 15 years from the date of issue. Property taxes, bond premiums, interest subsidy payments from the Federal government, debt service fund loan repayments and general fund and capital projects fund appropriations provide the resources for repayment of general obligation bonds. During fiscal year 2024, the State issued \$1,200,000,000, of general obligations at a premium of \$153,917,000, with related issuance costs of \$1,642,000.

No refunding bonds were issued during the fiscal year 2024, and no previously refunded bonds were outstanding as of June 30, 2024.

General obligation bonds issued and outstanding, as of June 30, 2024, were as follows (amounts expressed in thousands):

Issue	Fund	Interest Rates	Annual Principal Installments	Principal Issued	Principal Outstanding
12/15/2009 (a)	2090	1.6	\$ 371.00	\$ 5,563	\$ 371
12/15/2009 (g)	2190	—	50,320	50,320	50,320
3/1/2010 (f)	2101	4.0-4.6	62,170	400,000	62,170
8/1/10 (f)	2105	4.2-4.3	19000-19575	75,000	38,575
8/1/10 (g)	2106	4.4	45	45,175	45,175
12/8/10 (b)	2107	5.0	5	4,543	4,543
8/5/2011 (b)	2027	4.2	15,900	15,900	15,900
8/5/2011 (j)	2118	4.2	6,500	6,500	6,500
3/15/2013 (b)	2126	2.8	15,230	15,230	15,230
12/19/2013 (a)	2130	-	303	4,549	1,516
8/5/14 (a)	2148	5.0-5.3	35,500-184,385	649,715	35,500
12/18/14 (a)	2143	-	308	4,625	1,850
3/17/15 (i)	2151	3.0-5.0	47,635-50,020	518,000	150,175
3/17/15 (b)	2157	4.0	32,200-46,390	365,360	121,145
8/3/15 (i)	2152	2.8-5.0	39,925-49,495	450,000	268,535
12/17/15 (a)	2153	-	308	4,625	2,158
6/22/16 (i)	2161	3.0-5.0	78,380-105,035	1,036,000	638,170
12/15/16 (a)	2163	-	312	4,680	2,496
3/22/17 (i)	2171	3.3-5.0	48,720-65,980	575,000	459,065
3/22/17 (b)	2177	5.0	5,390-34,875	465,685	40,265
8/30/17 (i)	2172	3.0-5.0	37,795-54,850	550,000	416,370
8/30/17 (b)	2178	5.0	203,995-232,180	785,340	651,915
12/15/17 (a)	2173	-	322	4,823	2,894
3/21/18 (i)	2181	3.1-5.0	36,040-51,985	475,000	395,650
8/15/18 (i)	2182	5.0	33,345-40,725	275,295	184,715
8/15/18 (i)	2182b	4.0-5.0	42,815-50,805	234,705	234,705
4/09/19 (i)	2191	5.0	32,130-39,055	265,040	177,540
4/09/19 (i)	2191b	3.0-5.0	41,005-48,665	224,960	224,960
8/28/20 (i)	2192	5.0	34,260-43,995	248,675	233,785
8/28/20 (i)	2192b	2.0-5.0	46,250-52,135	251,325	251,325
3/18/20 (i)	2201	5.0	33,825-43,170	245,055	230,070
3/18/20 (i)	2201b	4.0-5.0	45,330-54,570	249,945	249,945
3/18/20 (b)	2207	3.0-5.0	50,275-67,075	232,230	117,350
8/5/20 (i)	2202	5.0	31,970-42,915	290,080	259,840
8/5/20 (i)	2202b	5.0	45,115-55,105	249,920	249,920
8/5/20 (b)	2208	5.0	46,540-69,230	115,770	115,770
8/5/20 (b)	2209	0.3-1.1	50,290-96,560	355,620	290,465
3/10/21 (i)	2211	5.0	7,630-37,495	207,460	207,460
3/10/21 (i)	2211b	5.0	39,370-47,855	217,540	217,540
3/10/21 (c)	2215	0.3-0.5	21,235	50,000	21,235
8/25/21 (i)	2212	5.0	37,945-48,730	258,950	258,950
8/25/21 (i)	2212b	4.0-5.0	51,225-61,020	281,050	281,050
8/25/21 (c)	2216	0.4-0.7	37,340-37,660	75,000	75,000
3/1/22 (b)	2217	4.0-5.0	35,500-39,745	113,840	113,840
5/1/22 (b)	2217b	3.0-4.0	39,280-43,085	123,285	123,285
6/22/22 (i)	2221	5.0	40,730-79,085	335,180	335,180
6/22/22 (i)	2221b	5.0	83,040-91,550	261,780	261,780
6/22/22 (i)	2221c	5.0	96,125-105,980	303,040	303,040
6/22/22 (c)	2225	3.0-3.2	24,755-61,735	150,000	150,000
3/29/23 (i)	2311	5.0	21,595-31,735	165,865	165,865
3/29/23 (i)	2311b	5.0	33,325-40,505	184,135	184,135
3/29/23 (c)	2315	4.0	22,860-23,855	50,000	50,000
6/18/24 (i)	2411	5.0	13,260-90,785	351,630	351,630
6/18/24 (i)	2411b	5.0	95,320-105,095	300,505	300,505
6/18/24 (i)	2411c	5.0	110,345-121,665	347,865	347,865
6/18/24 (c)	2415	4.5	61,075-71,170	200,000	200,000
				\$ 13,727,378	\$ 10,195,238

(a) Includes refunding debt

(b) Includes Qualified Zone Academy Bonds for which the purchaser may receive Federal tax credits each year the bonds are outstanding

(c) Includes federally taxable Build America Bonds for which the State receives a subsidy payment from the Federal Government equal to 35% of interest payments

(d) Qualified School Construction Bonds for which the purchaser receives Federal tax credits each year the bonds are outstanding

(e) Taxable bond sale

(f) Institutional bond sale

(g) Negotiated bond sale

- (h) Competitive bond sale
- (i) Qualified Energy Construction bond sale

General obligation bonds authorized, but unissued, as of June 30, 2024, totaled \$3,166,518,000.

As of June 30, 2024, general obligation debt service requirements for principal and interest in future years were as follows (amounts expressed in thousands):

Years Ending June 30,	Principal	Interest
2024	\$ 1,112,034	\$ 435,359
2025	1,049,696	395,867
2026	1,044,513	351,852
2027	975,168	309,727
2028	918,418	267,755
2029-2033	3,031,897	683,373
2034-2038	2,063,510	254,370
Total	\$ 10,195,238	\$ 2,698,303

Transportation Bonds –

Transportation bonds outstanding as of June 30, 2024, were as follows (amount expressed in thousands):

	Outstanding
Consolidated Transportation Bonds – 2.0% to 5.0%, due serially through 2036 for State transportation activity	\$ 2,663,675
Consolidated Transportation Bonds, Refunding – 4.0% to 5.0%, due serially through 2028 for State transportation activity	341,235
Special Transportation Project Revenue Bonds - 0.36% - 1.69%, due serially through 2031 for State transportation activity	193,125
Special Transportation Project Revenue Bonds - 4.0% - 5.0%, due serially through 2051 for State transportation activity	190,485
Total	\$ 3,388,520

Consolidated Transportation Bonds are limited obligations issued by the Maryland Department of Transportation (Department) for highway, port, airport, rail, or mass transit facilities, or any combination of such facilities. The principal must be paid within 15 years from the date of issue.

As provided by law, the General Assembly shall establish in the budget for any fiscal year a maximum outstanding aggregate amount of these Consolidated Transportation Bonds as of June 30 of the respective fiscal year that does not exceed \$4,500,000,000, June 30, 2024, and thereafter. The aggregate principal amount of those bonds that was allowed to be outstanding as of June 30, 2024, was \$3,114,910,000. The aggregate principal amount of Consolidated Transportation Bonds outstanding as of June 30, 2024, was \$3,004,910,000. Consolidated Transportation Bonds are payable from the proceeds of certain excise taxes levied by statute, a portion of the corporate income tax and a portion of the State sales tax credited to the Department. These amounts are available to the extent necessary for that exclusive purpose before being available for other uses by the Department. If those tax proceeds become insufficient to meet debt service requirements, other receipts of the Department are available for that purpose. The holders of such bonds are not entitled to look to other State resources for payments.

Under the terms of the authorizing bond resolutions, additional Consolidated Transportation Bonds may be issued, provided, among other conditions, that (1) total receipts (excluding Federal funds for capital projects, bond and note proceeds, and other receipts not available for debt service), less administration, operation and maintenance expenses for the preceding fiscal year, equal at least two times the maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued, and that (2) total proceeds from pledged taxes equal at least two times the maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued.

The 2022 session of the General Assembly established a maximum outstanding principal amount of \$951,000,000, as of June 30, 2024, for all nontraditional debt of the Department. Nontraditional debt outstanding is defined as any debt instrument that is not a Consolidated Transportation Bond or GARVEE bond (tax-exempt debt backed by annual federal appropriations for federal-aid transportation projects). This debt includes certificates of participation, debt backed by customer facility charges, passenger facility charges, or other revenues, and debt issued by the Maryland Economic Development Corporation or any other third party on behalf of the Department. As of June 30, 2024, the Department’s nontraditional debt outstanding was \$246,915,000, and was reported as Intergovernmental financing agreement obligations and includes funds held by the bond trustee under these agreements.

Arbitrage regulations are applicable to the transportation bonds payable. The Department estimates there are no material liabilities for arbitrage rebates as of June 30, 2024.

For the year ended June 30, 2024, the Department did not engage in any debt refunding activities, and had no defeased debt outstanding.

As of June 30, 2024, Department bond debt service requirements for principal and interest in future years were as follows (amounts expressed in thousands):

Years Ending June 30,	Consolidated Transportation Bonds	
	Principal	Interest
2025	\$ 309,860	\$ 119,846
2026	306,255	104,715
2027	321,310	89,933
2028	325,735	74,653
2029	325,735	59,593
2030-2034	1,228,415	127,696
2035-2039	187,600	6,699
Total	\$ 3,004,910	\$ 583,135

County Transportation Bonds are issued by the Department and the proceeds are used by participating counties and Baltimore City to fund local road construction, reconstruction and other transportation projects and facilities and to provide local participating funds for Federally-aided highway projects. Debt service on these bonds is payable from the participating counties' and Baltimore City's share of highway user revenues. County transportation debt is the obligation of the participating counties rather than the Department. There were no unexpended bond proceeds, however, certain debt service sinking fund amounts aggregating \$12,110,733, were invested in money market accounts as of June 30, 2024. These funds are restricted for project funds and county bond debt service, respectively, and are reported as cash and cash equivalents in the custodial funds. As of year end, \$64,345,000, in County Transportation Revenue Bonds were outstanding.

In February 2021 Special Transportation Project Revenue Bonds series 2021A were issued in the amount of \$219,880,000 to redeem previous intergovernmental financing agreements. The Series 2021A Bonds are dated with maturities ranging from 2024 to 2031, at annual interest rates ranging from 0.36%-1.69%.

In July 2021, Special Transportation Project Refunding Revenue Bonds series 2021B were issued in the amount of \$190,485,000 to finance the construction of the Concourse A/B Connector and Baggage Handling System Replacement project. The Series 2021B are dated with maturities ranging from 2026 to 2051, at annual interest rates ranging from 4.0%-5.0%. At the end of the current fiscal year the Department had total Special Transportation Project Revenue Bonds outstanding of \$383,610,000.

Obligations under Intergovernmental Financing Agreements –

Intergovernmental Financing Agreements as of June 30, 2024, bore interest at annual rates ranging from 1.0% to 6.7%. Intergovernmental financing agreements with third parties in fiscal year 2024 increased by \$5,070,000, for master equipment leases entered into by the general fund. The intergovernmental financing with component units include the general fund's intergovernmental financing with the Maryland Stadium Authority, which are being paid with the net proceeds transferred from certain lottery games. Following is a schedule of annual future minimum payments under these obligations, along with the present value of the related net minimum payments as of June 30, 2024, (amounts expressed in thousands):

Years Ending June 30,	Intergovernmental Financing Agreements with	
	Third Parties	Component Units
2025	\$ 67,763	\$ 17,693
2026	64,203	16,688
2027	57,276	8,755
2028	46,530	8,758
2029	46,319	8,757
2030-2034	155,235	43,795
2035-2039	42,350	43,782
2040-2044	—	20,388
2045-2049	—	18,737
2050-2053	—	11,242
Total future minimum payments	479,677	198,596
Less: Amount representing interest	90,185	69,126
Less: Restricted cash and investments	32,674	19,086
Present value of net minimum payments	\$ 356,818	\$ 110,384

The reduction shown for restricted cash and investments in the amounts of \$32,674, and \$19,085,996, is monies held by the bond trustee to be used primarily for construction expenditures.

Pollution Remediation Obligations –

The State has recognized a pollution remediation obligation on the statement of net position for governmental activities. A pollution remediation obligation is a liability which addresses the current or potential detrimental effects of existing pollution and may include pre-cleanup activities (site assessment, feasibility study), cleanup activities (neutralization, containment, removal and disposal, site restoration), oversight and enforcement and post remediation monitoring.

Obligating events initiate the recognition of a pollution remediation liability. These events include any of the following:

- (a) There is an imminent danger to the public.
- (b) The State is in violation of a related permit or license.
- (c) The State is identified as a responsible party or potentially responsible party (PRP) by a regulator.
- (d) The State is named or has evidence that it will be named in a lawsuit.
- (e) The State commences, or legally obligates itself to commence, pollution remediation activities.

The pollution remediation obligation is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations. The liability is recognized as it becomes estimable. In some cases, this may be at inception. In other cases, components of a liability (for example, legal services, site investigation or required post remediation monitoring) are recognized as they become reasonably estimable. At a minimum, the liability is reviewed for sufficiency when various benchmarks occur, such as receipt of an administrative order, participation as a responsible party or PRP in a site assessment, completion of a corrective measures feasibility study, issuance of an authorization to proceed, and as remediation is implemented and monitored.

Measurement of the liability is based on the current value of outlays expected to be incurred using the expected cash flow technique. This technique measures the liability as the sum of probability-weighted amounts in a range of possible estimated amounts – the estimated mean or average. Expected recoveries reduce the pollution remediation expense.

The pollution remediation estimated liability is \$34,780,800, with no estimated recoveries from third parties to reduce the liability. Included in this liability are cost estimates for site monitoring and repair, excavation of road and infrastructure and replacement of buildings as a result of site contamination by hazardous materials under Federal and State law in the amount of \$33,191,000. In these cases, either the State has been named in a lawsuit by a State regulator or the State legally obligated itself under the Environmental Article, Section 7-201, of the Annotated Code of Maryland.

The estimated liability also includes \$1,589,000, for the clean-up of illegal tire dumps for which the State is legally obligated under the Environmental Article, Section 9-2 of the Annotated Code of Maryland.

The cost estimates and assumptions for the pollution remediation due to site contamination from hazardous materials are based on engineering design estimates. The cost estimates and assumptions for the tire dump clean-up are based on estimated unit cost of \$830/ ton based on historical data, fuel costs, specific site factors and oversight costs.

Agricultural Land Preservation Installment Purchase Obligation–

Under the Maryland Agricultural Land Preservation Program, the State purchases agricultural preservation easements restricting development on prime farmland and woodland.

Landowners have the option to choose a lump-sum payment option or installment payment option. The installment payment option is available by taking payments in equal amounts over two to ten years. The landowner may elect to take a certain amount in cash at the time of settlement and divide the remainder of the offer amount equally to be paid annually over the subsequent years. For the installment payments, the funds are invested by the State Treasurer in certificates of deposit at the interest rate in effect on the day of deposit in order to mature in accordance with the schedule of installments indicated by the landowners. Interest rates currently range from 0.15% to 1.24%. Each installment includes interest minus one-quarter of one percent of the interest earned. All installments are paid either April 1 or October 1 beginning the calendar year after the year settlement has occurred. Installment obligations matured through April 2024.

For the governmental activities, compensated absences, self insurance, net pension liability, net other post-employment benefits liability, obligations under lease liability, pollution remediation obligations, claims and judgments, and agricultural land preservation installment purchase obligations are generally liquidated by the general or special revenue fund as applicable.

B. Long Term Obligations – Business-type Activities:

Changes in long-term obligations for business-type activities as of June 30, 2024, were as follows (amounts expressed in thousands):

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Bonds Payable:					
Revenue bonds payable and notes payable	\$ 6,244,534	\$ 1,990,268	\$ 1,355,818	\$ 6,878,984	\$ 418,077
Other Liabilities:					
Lottery prizes	28,808	775	3,333	26,250	3,404
Escrow deposits	83,378	37,228	37,451	83,155	26,389
Compensated absences	20,928	10,567	8,608	22,887	3,999
Self-insurance costs	18,533	3,381	3,858	18,056	2,709
Net Pension liability	282,039	41,723	—	323,762	—
Lease liability	3,856	22,719	103	26,472	2,376
Subscription Liability	145	—	145	—	—
Tuition Benefits Liability	858,149	150,724	216,270	792,603	155,731
Total other liabilities	1,295,836	267,117	269,768	1,293,185	194,608
Total long-term liabilities - business type activities	\$ 7,540,370	\$ 2,257,385	\$ 1,625,586	\$ 8,172,169	\$ 612,685

Debt service requirements for business-type activities' notes payable and revenue bonds to maturity were as follows (amounts expressed in thousands):

Year Ending June 30,	Community Development		Maryland Water Infrastructure		Maryland Transportation	
	Administration		Financing Administration		Authority	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 333,027	\$ 158,198	\$ 25,725	\$ 5,080	\$ 58,575	\$ 93,022
2026	146,255	150,501	23,340	3,794	81,260	95,445
2027	111,707	145,948	24,340	2,957	84,982	91,681
2028	113,564	142,297	25,470	2,227	80,849	87,590
2029	115,582	138,430	26,655	1,394	84,712	83,784
2030-2034	598,385	627,907	18,250	548	469,900	353,938
2035-2039	610,845	519,679	—	—	528,511	246,929
2040-2044	699,738	395,727	—	—	496,165	134,920
2045-2049	668,841	243,660	—	—	303,400	58,701
2050-2054	531,878	88,728	—	—	147,968	11,139
2055-2059	66,285	12,554	—	—	10,683	152
2060-2064	29,500	3,487	—	—	—	—
2065-2069	4,490	283	—	—	—	—
Subtotals	4,030,097	2,627,399	143,780	16,000	2,347,005	1,257,301
Discounts and premiums	71,101	—	898	—	286,103	—
Totals	\$ 4,101,198	\$ 2,627,399	\$ 144,678	\$ 16,000	\$ 2,633,108	\$ 1,257,301

Community Development Administration (Administration) – Revenue Bonds

The Administration, an agency of the Department of Housing and Community Development, has issued revenue bonds, proceeds of which were used for various mortgage loan programs. Assets aggregating approximately \$4,733,622,000 and revenues of each mortgage loan program are pledged as collateral for the revenue bonds. Interest rates range from 0.25% to 6.0%, with the bonds maturing serially through 2064. The principal amount outstanding as of June 30, 2024, was \$4,101,198,080. Substantially all bonds are subject to redemption provisions at the option of the Administration. Redemptions are permitted at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans. During fiscal year 2024, the Administration issued \$1,272,118,000, of revenue bonds with interest rates ranging from 2.75% to 6.36% and maturing serially through 2066.

There were no economic refunding for the year ended June 30, 2024. The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred inflow of resources at its unamortized balance of \$1,279,629, as of June 30, 2024.

Subsequent to June 30, 2024, the Administration issued a total of \$248,035,000, and redeemed a total of \$61,275,000, revenue bonds.

Maryland Water Infrastructure Financing Administration (Administration) – Revenue Bonds

The Administration, an agency of the Department of Environment, has issued revenue bonds for providing loans and grants. Interest rates range from 1.5% to 4.1%, payable semiannually, with annual installments from \$3,420,000, to \$22,305,000, to March 1, 2030. The principal amount outstanding as of June 30, 2024, was \$143,780. These bonds are payable solely from the revenue, money or property of the Administration.

Maryland Transportation Authority Bonds:

Bonds outstanding as of June 30, 2024, are as follows (amounts expressed in thousands):

BWI Consolidated Car Rental Facility Revenue Bonds, Series 2002, maturing in annual installments ranging from \$5,080 to \$6,575 from July 1, 2024, to July 1, 2033, with interest rates ranging from 2.7% to 6.7%, payable semiannually	\$ 59,990
Lease Revenue Refunding Bonds, Series 2015, maturing in annual installments ranging from \$1,195 to \$1,317 from July 1, 2024 to June 1, 2033, with an interest rate of 2.6% payable semiannually	11,187
Series 2017 Revenue Refunding Bonds maturing in annual installments of \$3,850 to \$11,030, from July 1, 2018 to July 1, 2040, with interest rates ranging from 3.0% to 5.0% payable semiannually	140,770
Passenger Facility Charge Revenue Bonds, Series 2012A, maturing in annual installments of \$2,690 to \$3,265 from July 1, 2024 to June 1, 2032, with interest rates ranging from 4.0% to 5.0% payable semiannually	25,660
Passenger Facility Charge Revenue Bonds, Series 2012B, maturing in annual installments of \$7,390 to \$7,765 from July 1, 2024 to June 1, 2027, with interest rates ranging from 2.1% to 4.0% payable semiannually	22,730
Passenger Facility Charge Revenue Bonds BWI Thurgood Marshall Airport, Series 2014, maturing in annual installments of \$2,080 to \$2,365 from July 1, 2024 to June 1, 2034, with interest rates ranging from 3.0% to 5.0% payable semiannually	24,270
Passenger Facility Charge Revenue Bonds, Series 2019, maturing in annual installments of \$4,400 to \$5,345 from July 1, 2024 to June 1, 2039, with interest rates of 2.8% payable semiannually	93,105
Series 2020 Revenue Bonds maturing in annual installments of \$6,735 to \$21,565, from July 1, 2022 to July 1, 2050, with an interest rate of 4.0% to 5% payable semiannually	386,185
Series 2021 Revenue Bonds maturing in annual installments of \$6,625 to \$39,510, from July 1, 2022 to July 1, 2051, with an interest rate of 2.0% to 5% payable semiannually	723,945
Series 2022 Principal payments ranging from \$5,155 to \$5,967 from July 1, 2023 to July 1, 2029, with coupons of 2.06%, payable semiannually	34,043
Series 2022 Revenue Bonds TIFIA maturing in annual installments of \$2,153 to \$10,683 from July 1, 2024 to July 1, 2054, with interest rates ranging from 2.74% to 2.95%, payable semiannually	202,354
Series 2024A Revenue Refunding Bonds Principal payments ranging from \$20,165 to \$51,020 from July 1, 2025 to July 1, 2043, with coupons of 5.00%, payable semiannually	622,765
Unamortized premium	286,103
Total	\$ 2,633,107

Revenue bonds are payable solely from the revenues of the transportation facilities projects. Capital assets constructed for BWI facilities and the Calvert Street Parking Project are not capital assets of the Authority.

Grant and Revenue Anticipation Bonds (GARVEE Bonds) are payable from a portion of Maryland's future Federal highway aid and other pledged monies. These bonds are not general obligations of the Authority or legal obligations of the Maryland Department of Transportation or the State.

Department of Housing and Community Development (DHCD) State Funded Loan Programs – Note Payable

In April 2010, the DHCD obtained a loan from the John D. and Catherine T. MacArthur Foundation to preserve affordable housing for low-income persons and families near military bases in counties in Maryland impacted by the Base Realignment and Closure initiative (BRAC). In fiscal year 2012, several Maryland counties committed matching funds for participation in the BRAC. As of June 30, 2024, total notes payable for BRAC are \$1,585,000. This balance includes the loans received from the MacArthur Foundation as well as several Maryland counties. The loans bear interest at the rate of 2.0%, and are committed for no less than 10 years.

C. Notes and Revenue Bonds Payable – Component Units

Higher Education –

Certain State higher education institutions have issued revenue bonds for the acquisition, renovation, and construction of student housing and other facilities. Student fees and other user revenues collateralize the revenue bonds. Interest rates range from 2.0% to 6.1% on the revenue bonds.

Debt service requirements to maturity were as follows (amounts expressed in thousands):

Year Ending June 30,	Notes Payable and Other Long-Term Debt		Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 4,393	\$ 1,862	\$ 86,040	\$ 42,489
2026	3,945	1,794	86,810	38,056
2027	3,867	1,678	90,870	33,940
2028	3,834	1,566	88,695	30,045
2029	3,065	1,463	84,620	26,128
2030-2034	16,016	5,714	315,930	87,724
2035-2039	23,455	3,203	173,955	42,349
2040-2044	7,666	253	65,395	20,017
2045-2049	—	—	44,770	9,870
2050-2054	—	—	24,775	1,643
Total	66,242	17,534	1,061,860	332,260
Accumulated accreted interest, premiums and discounts	—	—	129,045	—
Total	\$ 66,242	\$ 17,534	\$ 1,190,905	\$ 332,260

The bonds issued are the debt and obligation of the issuing higher education institutions and are not a debt and obligation of, or pledge of, the faith and credit of the State.

As of June 30, 2024, cash and investments were held by the trustees for the higher education institutions in the amount of \$78,853,947, for the University System of Maryland (System), and \$5,616,898, for Morgan State University.

On February 29, 2024, University System of Maryland issued \$75,890,000, of 2024 Series A at interest rates ranging from 4.00% - 5.00% maturing from 2024-2026.

On February 29, 2024, University System of Maryland issued \$28,975,000, of 2024 Refunding Series B Bonds at interest rates ranging from 5.00% maturing from 2024-2026 for refinancing \$30,170,000, of previously issued bonds for construction and university facilities renewal. The reduction in future debt service between the refunding debt and the refunded debt was \$944,547. The economic gain on the transaction was \$909,272.

Obligations under lease liability of \$140,194 existed as of June 30, 2024, and bore interest at annual rates ranging from 1.53% to 6.8%.

Maryland Stadium Authority (Authority) – Revenue Bonds:

Debt service requirements to maturity for Maryland Stadium Authority revenue bonds and notes payable were as follows (amounts expressed in thousands):

Years Ending June 30,	Principal	Interest
2025	\$ 69,145	\$ 99,660
2026	65,460	96,279
2027	72,070	95,507
2028	75,870	96,075
2029	78,180	93,743
2030-2034	449,565	410,143
2035-2039	507,565	300,173
2040-2044	421,820	203,525
2045-2049	327,910	104,367
2050-2052	226,964	197,972
Total	2,294,549	1,697,444
Unamortized premium net of unamortized discount	296,156	—
Total	\$ 2,590,705	\$ 1,697,444

The Authority has issued various lease revenue bonds and notes to finance the construction of the baseball and football stadiums, Baltimore City Public Schools (BCPS), and certain other facilities. Except for BCPS, the outstanding debt is to be repaid through lease payments from the State, as the State has entered into lease arrangements for the use of the facilities financed with the debt proceeds.

In April 2013, the BCPS Construction and Revitalization Act was passed. The General Assembly authorized the Authority to issue up to \$1.1 billion in debt as limited obligations of the Authority, payable solely from the BCPS Financing Fund, established under the Act. As of June 30, 2024, the Authority has issued BCPS Construction and Revitalization Program Revenue Bonds totaling \$746,440,000. In support of the bonds, the Authority will receive \$60,000,000, annually, \$20,000,000, each from the State of Maryland, Baltimore City, and Baltimore City Board of School Commissioners (BCBSC). Sources of revenues include a portion of State lottery revenues, a portion of state education aid currently committed to Baltimore City Public Schools, and other taxes collected by or payable to Baltimore City.

Expenditures for Baltimore City Public School Construction are projected to be spent over an eight-year period while the revenues will be collected for at least thirty (30) years, which will decrease unrestricted net position until the revenues are fully received.

On October 19, 2021, the Authority issued the Series 2021 Maryland Stadium Authority Built to Learn Revenue Bonds, Series 2021 of \$257.0 million. The proceeds will be used for issuance costs, capitalized interest and construction costs related to the Built to Learn statewide public schools program. Interest is payable semiannually at varying rates from 2.75% to 5% per annum. This bond will mature June 1, 2051.

On March 2, 2022, the Maryland Stadium Authority issued series 2022A Maryland Stadium Authority Hagerstown Multi-Use Stadium and Events Facility Lease Revenue Bonds, Series 2022A of \$57.6 million. The proceeds will be used for issuance costs and construction costs related to the Hagerstown Multi-Use Stadium and Events Facility located in Hagerstown, Maryland. Interest is payable semiannually at varying rates from 4% to 5% per annum. This bond will mature June 1, 2052.

On February 23, 2022, the Authority issued the Series 2022A Maryland Stadium Authority Built to Learn Revenue Bonds, Series 2022A of \$373.1 million. The proceeds will be used for issuance costs, capitalized interest and construction costs related to the Built to Learn statewide public schools program. Interest is payable semiannually at varying rates from 4.0% to 5% per annum. This bond will mature June 1, 2052.

As of June 30, 2024, the Authority had outstanding revenue bonds for the construction, renovation and expansion of certain facilities as follows (amounts expressed in thousands):

Facility	Outstanding Amount	Interest Rates	Maturity Date
Baseball Stadium	\$ 45,251	1.0% to 6.1%	12/15/2023
Football Stadium	353,149	Variable	3/1/2026
Camden Station	785	3.0% to 5.2%	12/15/2024
Camden Yards Complex	34,405	2.8% to 3.7%	3/1/2039
Baltimore City Public Schools Construction	1,399,138	5%	5/1/2047
Ocean City Convention Facility	75,645	3.0% to 5.0%	12/15/2039
Built to Learn	682,332	2.7% to 5.0%	6/1/2052
Total	\$ 2,590,704		

14. Insurance:

The self-insurance liabilities represent the State's liability for its various self-insurance programs. The State is self-insured for general liability, property and casualty, worker's compensation, environmental and anti-trust liabilities and certain employee health benefits. Commercial insurance coverage is purchased for specialized exposures such as aviation hull and liability, steam boiler coverage and certain transportation risks. There were no significant reductions or changes in the commercial insurance coverage from the prior year, and the amount of settlements have not exceeded insurance coverage for any of the past three fiscal years.

All funds, agencies and authorities of the State participate in the self-insurance program (Program). The Program, which is accounted for in the general fund, allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund, agency or public authority, based on a percentage of each organization's estimated current-year payroll or based on an average loss experienced by each organization. This charge considers recent trends in actual claims experience of the State as a whole and makes provision for catastrophic losses.

The Program's liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, actual claims paid could differ from these estimates. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Non-incremental claims adjustment expenses have been included as part of the liability for claims and adjustments for the general liability, property and casualty, workers' compensation, environmental and anti-trust liabilities. Liabilities for incurred workers' compensation losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using a 4% discount rate. The worker's compensation and property and casualty costs are based upon separately determined actuarial valuations for the following fiscal years ending. The employee health benefits liability is calculated based on claims subsequently reported and claims trends.

Changes in the self-insurance liabilities during the fiscal year 2024 were as follows (amounts expressed in thousands):

	July 1, 2023	Claims and Changes in Estimates	Claim Payments	June 30, 2024	Amounts Due Within One Year
Property, casualty and general liability	\$ 20,153	\$ 15,623	\$ 13,960	\$ 21,816	\$ 6,319
Employee health benefits	107,144	2,033,607	2,044,059	96,692	96,692
Workers' compensation	243,585	56,278	65,971	233,893	26,360
Governmental activities self-insurance costs	370,882	2,105,508	2,123,990	352,401	129,371
Business-type activities workers' compensation	18,533	3,382	3,859	18,056	2,708
Component units workers' compensation	36,026	6,181	7,489	34,718	5,208
Total self-insurance costs	\$ 425,441	\$ 2,115,070	\$ 2,135,337	\$ 405,175	\$ 137,287

As of June 30, 2024, the Program held \$255,208,000, in cash and investments designated for payments of these claims.

Changes in the self-insurance liabilities during fiscal year 2023 were as follows (amounts expressed in thousands):

	July 1, 2022	Claims and Changes in Estimates	Claim Payments	June 30, 2023	Amounts Due Within One Year
Property, casualty and general liability	\$ 22,020	\$ 8,882	\$ 10,749	\$ 20,153	\$ 7,822
Employee health benefits	82,209	2,006,507	1,981,572	107,144	107,144
Workers' compensation	256,141	48,616	61,171	243,585	28,661
Governmental activities self-insurance costs	360,370	2,064,005	2,053,492	370,882	143,627
Business-type activities workers' compensation	20,083	1,952	3,502	18,533	2,780
Component units workers' compensation	38,005	4,988	6,967	36,026	5,404
Total self-insurance costs	\$ 418,458	\$ 2,070,945	\$ 2,063,961	\$ 425,441	\$ 151,811

As of June 30, 2023, the Program held \$140,472,000, in cash and investments designated for payments of these claims.

15. Fund Equity:

The unrestricted deficit for governmental activities on the government-wide statement of net position is \$21,102,157,751. A portion of the deficit results from the State incurring a debt for the purposes of capital acquisition and construction on behalf of local governments and private organizations. Since the incurrence of this debt does not result in capital assets of the State, the debt is not reflected in the net position category, net investment in capital assets, but rather in the unrestricted net position category. As of June 30, 2024, the State had reported outstanding general obligation bonds and lease liability applicable to these non-State projects of \$6,829,365,049. Without State financing for these capital assets, the State would have reported an unrestricted deficit for governmental activities in the amount of \$14,272,792,702.

The statement of net position for the primary government reported \$6,229,096,840, of restricted net position, including \$587,023,000, restricted by enabling legislation. Detail of the fund balance categories and classification shown in the aggregate on the governmental funds balance sheet is as follows (amounts in thousands):

	Special Revenue			Nonmajor Governmental Funds	Total Governmental Funds
	General	Maryland Department of Transportation	Capital Projects Fund		
Fund balances					
Nonspendable:					
Prepaid items, inventories and long-term loans and notes receivable	\$ 425,184	\$ 108,785	\$ —	\$ —	\$ 533,969
Restricted:					
Debt service	—	—	—	587,023	587,023
911 Trust Fund	169,138	—	—	—	169,138
Other	95	—	—	98,748	98,843
Committed:					
Agriculture	196,670	—	—	—	196,670
Aid for higher education	100,959	—	—	—	100,959
Capital projects	—	—	1,465,800	—	1,465,800
Commerce	311,359	—	—	—	311,359
Education	3,686,619	—	—	—	3,686,619
Environment	732,834	—	—	—	732,834
Health and mental hygiene	1,042,652	—	—	—	1,042,652
Hospital Uncompensated Care	12,977	—	—	—	12,977
Housing and community development	—	—	—	—	—
Human resources	12,217	—	—	—	12,217
Judicial	39,941	—	—	—	39,941
Labor, licensing and regulation	81,861	—	—	—	81,861
Mortgage Services Settlement Fund	15,075	—	—	—	15,075
Natural resources and recreation	256,373	—	—	—	256,373
Ocean beach replenishment	5,635	—	—	—	5,635
Public safety	53,519	—	—	—	53,519
Public Utility Customer Investment Fund	279	—	—	—	279
State Reserve Fund	2,882,715	—	—	—	2,882,715
Waterway improvements	60,821	—	—	—	60,821
Other purposes	743,438	—	—	—	743,438
Assigned	—	33,723	929,032	—	962,755
Unassigned	838,851	—	—	(2,320)	836,531
Total fund balances	\$ 11,669,211	\$ 142,508	\$ 2,394,832	\$ 683,452	\$ 14,890,003

A portion of the general fund's committed fund balance, in the amount of \$2,882,714,922 as of June 30, 2024, includes the State Reserve Fund, which consists primarily of the Revenue Stabilization Account with a balance of \$2,410,717,000. The Revenue Stabilization Account is authorized in Section 7-311 of the State Finance and Procurement Article, Annotated Code of Maryland. Appropriations are required to be transferred to the Revenue Stabilization Account in years when the account balance is less than 7.5% of estimated general fund revenues. If the account balance is at least 3% but less than 7.5%, an appropriation of \$50,000,000, or whatever lesser amount is necessary to bring the account balance to 7.5% of estimated general fund revenues is required; if the account balance is less than 3%, the required appropriation is \$100,000,000.

Transfer of funds from the Revenue Stabilization Account may occur only to support the operation of State government on a temporary basis and only in amounts that are not otherwise offset by reductions made by the General Assembly in the general fund appropriations. These circumstances are not expected to occur routinely.

Transfer of funds from the account that does not result in a balance below 5% of estimated general fund revenues must be authorized by (1) an act of the General Assembly or (2) a specific provision of the State budget bill as enacted. Transfers resulting in a balance below 5% must be authorized by an act of the General Assembly other than the budget bill. The use of a budget amendment for fund transfer is prohibited.

16. Segment Information:

The State's Economic Development Loan Program contains two separately identifiable activities that have separately issued revenue bonds outstanding: housing loans of the Community Development Administration and water quality loans and grants of the Maryland Water Infrastructure Financing Administration.

The Community Development Administration (CDA) has issued revenue bonds, the proceeds of which were used for various mortgage loan programs. The assets of the loan program and revenues of each mortgage loan program are pledged as collateral for the revenue bonds. The bond indentures require the CDA to separately account for the identifiable activity's revenues, expenses, gains and losses, assets and liabilities.

The Maryland Water Infrastructure Financing Administration has issued revenue bonds to encourage capital investment for wastewater treatment systems and bay restoration. These bonds are payable solely from, and secured by, the revenue, money or property of the Maryland Water Infrastructure Financing Administration. The bond indentures require separate accounting for the identifiable activity's revenues, expenses, gains and losses, assets and liabilities.

Summary financial information for the two loan programs is presented below:

As of Condensed Statement of Net Position
As of June 30, 2024
(Expressed in Thousands)

	Community Development Administration	Maryland Water Infrastructure Financing Administration
Assets:		
Current restricted assets	\$ 1,338,916	\$ 16,499
Non-current restricted assets	3,394,706	27,870
Total assets	4,733,622	44,369
Liabilities:		
Current liabilities	469,489	27,919
Non-current liabilities	3,816,491	118,203
Total liabilities	4,285,980	146,122
Net position:		
Restricted	447,642	—
Unrestricted	—	(101,753)
Total net position (deficit)	\$ 447,642	\$ (101,753)

Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Community Development Administration	Maryland Water Infrastructure Financing Administration
Operating income (expenses):		
Interest on loan income	\$ 51,208	\$ 490
Other operating revenues	12,937	—
Other operating expenses	(40,306)	—
Operating income (loss)	23,839	490
Non-operating revenues (expenses)	2,027	5,345
Change in net position	25,866	5,835
Total net position - beginning	421,776	(107,588)
Total net position - ending	\$ 447,642	\$ (101,753)

Condensed Statement of Cash Flows
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Community Development Administration	Maryland Water Infrastructure Financing Administration
Net cash from:		
Operating activities	\$ (15,104)	\$ —
Non-capital financing activities	676,304	(21,043)
Investing activities	(369,986)	21,043
Beginning cash and cash equivalents	600,255	—
Ending cash and cash equivalents	\$ 891,469	\$ —

17. Retirement Benefits:

Maryland State Retirement and Pension System (System):

The State is an employer in the cost-sharing multiple-employer public employee retirement system established by the State to provide pension benefits for all State employees and employees of 154 participating political subdivisions or other entities within the State. The Maryland Transit Administration Pension Plan described below is a separate plan established for 1) Certain management employees and, 2) Employees covered by a collective bargaining agreement.

The State Retirement Agency (the "Agency") is the administrator of the Maryland State Retirement and Pension System (the "System"). The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees. The System is made up of two cost-sharing employer pools: the "State Pool" and the "Municipal Pool". The "State Pool" consists of the State agencies, boards of education, community colleges, and libraries. The "Municipal Pool" consists of the participating governmental units that elected to join the System. Neither pool shares in each other's actuarial liabilities, thus participating governmental units that elect to join the System (the "Municipal Pool") share in the liabilities of the Municipal Pool only.

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

The System prepares a separately audited Annual Comprehensive Financial Report, which can be obtained from the Maryland State Retirement and Pension System, 120 E. Baltimore Street, Suite 1600, Baltimore, Maryland 21202-1600 or located at <http://www.sra.state.md.us/Agency/Downloads/ACFR/>.

Total Net Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Pension Expense - MSRPS & MTA

Below is an aggregation of the total net pension liabilities, deferred outflows of resources, deferred inflow of resources, and net pension expense for both the MSRPS and MTA pension plans. *(Expressed in Thousands)*

	MSRPS	MTA	Total
Net Pension Liability.....	\$ 19,747,524	\$ 761,192	\$ 20,508,716
Deferred outflows of resources.....	6,069,344	112,159	6,181,503
Deferred inflows of resources.....	990,678	246,551	1,237,229
Net Pension expense.....	2,373,087	9,265	2,382,352

Plan Description:

The System is administered in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland and consists of several plans which are managed by the System's Board of Trustees. All State employees and employees of participating entities are covered by the plans.

"Retirement System" – retirement programs for substantially all State employees, teachers, State Police and judges who are not members of the State Pension System.

"Pension System" – retirement programs for employees and teachers hired after January 1, 1980, and prior employees who elected to transfer from the Retirement System.

The System provides retirement, death and disability benefits in accordance with State statutes. For participants enrolled prior to July 1, 2011, vesting occurs after five years of service. A member terminating employment before attaining retirement age, but after completing five years of service becomes eligible for a vested retirement allowance provided the member does not withdraw his or her accumulated contributions. Members of the Retirement System may retire with full benefits after attaining the age of 60, or completing 30 years of service credit, regardless of age. Members of the Pension Systems may retire with full benefits after attaining the age of 62 with five years of service, or after completing 30 years of service credit, regardless of age. State Police members enrolled prior to July 1, 2011, may retire with full benefits after attaining age 50, or completing 22 years of service credit, regardless of age. Members of the Law Enforcement Officers System may retire with full benefits at age 50, or completing 25 years of service credit, regardless of age.

The annual benefit for Retirement System members is equal to 1/55 (1.8%) of the member's highest three-year average final salary multiplied by the number of years of service credit. A member may retire with reduced benefits after completing 25 years of service, regardless of age. A member of the Pension System enrolled prior to July 1, 2011, will generally receive, upon retirement, an annual service retirement allowance equal to 1.2% of the member's highest three-consecutive year average final salary multiplied by the number of years of service credit on or before June 30, 1998, plus 1.8% of the highest three-consecutive year average final salary multiplied by the number of years of service credit after June 30, 1998. The annual benefit for a Pension System member who is employed by a participating governmental unit that does not provide enhanced pension benefits is equal to 0.8% of the member's highest three-consecutive year average final salary multiplied by the number of years of service credit, with a provision for additional benefits for compensation earned in excess of the Social Security Integration Level base. A member of either type of pension system enrolled prior to July 1, 2011, may retire with reduced benefits after attaining age 55 and completing 15 years of service.

For new Pension System members hired on or after July 1, 2011, benefit reforms enacted during the 2011 Legislative Session establish the pension benefit multiplier at 1.5% rather than 1.8%, calculate average final compensation based on the five highest consecutive years of service rather than the three highest, and allow vesting after ten years of eligible service rather than five years.

The annual retirement allowance for a State Police member is equal to 2.55% of the member's highest three-year average final salary multiplied by each year of service and may not exceed 71.4% of member's three years average final compensation. The annual retirement allowance for a member of the Law Enforcement Officers Pension System (LEOPS) is 2.0% of the member's highest three-consecutive year average final salary (AFC) multiplied by each year of service up to a maximum of 30 years plus 1.0% AFC of accumulated credible service in excess of 30 years. Neither the State Police Retirement System nor Law Enforcement Officers Pension System provide for an early retirement. Other reforms similar to those enacted for System employees and teachers were enacted for other systems in the State Pool.

Funding Policy:

In accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland, employer contribution rates are established by annual actuarial valuations using the entry age normal cost method and other actuarial assumptions adopted by the Board of Trustees. In accordance with the law governing the Systems, all benefits of the System are funded in advance. The entry age normal cost method is the actuarial cost method used to determine the employers' contribution rates. Members of the Retirement system are required to contribute to the System a fixed percentage of their regular salaries and wages, 7% or 5%, depending on the retirement plan selected. Under the 2011 Pension Reforms, members of the Pension System are required to contribute to the System 7% of their regular salaries and wages. Members of the Pension System who are employed by a participating government that does not provide enhanced pension benefits are required to contribute to the System 5% of the regular salaries and wages that exceed the Social Security wage base. State Police members are required to contribute 8% of their regular salaries and wages to the System. Members of the Law Enforcement Officers Pension System are required to contribute 7% of earnable compensation. All contributions are deducted from each member's salary, and the resulting payments are remitted to the System on a regular and periodic basis.

The contribution requirements of the System members, as well as the State and participating governmental employers, are established and may be amended by the General Assembly of the State of Maryland. Contribution rates for employer and other nonemployer contributing entities are established by annual actuarial valuations using the Individual Entry Age Normal Cost method with projection and other actuarial assumptions adopted by the Board of Trustees. These contribution rates have been established as the rates necessary to fully fund normal costs and amortize the unfunded actuarial accrued liability.

The unfunded actuarial liability was being amortized in distinct layers. The unfunded actuarial liability which existed as of the June 30, 2000, actuarial valuation was being amortized over a 40-year period (as provided by law) from July 1, 1980 and as provided by law, any new unfunded liabilities or surpluses arising during the fiscal year ended June 30, 2001, or any fiscal year thereafter, was being amortized over a 25-year period from the end of the fiscal year in which the liability or surplus arose. However, in the 2014 legislative session, the Legislature changed the method used to fund the System. The unfunded liability for each System is being amortized over a single closed 25-year period. During fiscal year 2024, for the State Pool, the State paid \$2,427,260,000 of the required contribution totaling \$2,427,260,000, which was 17.4% of covered payroll and 100.0% of the required payment. The State makes non-employer contributions to the System for local school system teachers for retirement costs other than normal costs. The covered payroll amount includes amounts for employees for whom the State pays retirement benefits, but does not pay the payroll. As of June 30, 2024, the State's membership includes 177,683 active members, 40,176 vested former members, and 155,266 retirees and beneficiaries.

Assumptions and Other Inputs:

The significant actuarial assumptions and other inputs listed below were used to measure the total pension liability as of the measurement date of June 30, 2024:

Valuation method	Individual Entry Age Normal Cost Method
Salary increases	0 to 19.50% per year (excluded wage inflation), varies by plan
Inflation	2.50% price, 3.00% wage
Rate of return on investments	6.80%
Discount rate	6.80%
Post-retirement benefit increase	2.13% - 3.00% for service prior to July 1, 2011 1.40% - 3.00% for service after July 1, 2011 (depending on system and provisions)
Mortality	Pub-2010 Healthy Retiree Mortality Tables with Generational Projection Using scale MP-2018.

System's Fiduciary Net Position:

The System's fiduciary net position has been determined on the same basis used by the system. The System's financial statements are prepared on the accrual basis of accounting. Accordingly, investment purchases and sales are recorded as of their respective trade dates. Employer and member contributions are recognized in the period when due, pursuant to statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Investments are reported at fair value.

Long-term contributions receivable:

In addition to actuarially determined contributions, certain withdrawn employers also make annual installment payments, including interest at the actuarially assumed rate of return in effect at the time of withdrawal (7% or 7.5% per year), for liabilities associated with employees that have elected to stay in the System when their employer elected to withdraw. As of June 30, 2024, the outstanding balance was \$0.

Discount rate:

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

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

As of June 30, 2024, the State reported a liability of \$21,429,178,000, \$19,423,036,000 for Governmental Activities, \$324,488,000, for Business-Type Activities and \$1,681,654,000, for Component Units), for its proportionate share of the net pension liability (NPL). The NPL was measured as of June 30, 2024, and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024. The State's proportion of the NPL was based on adjusted contributions to the System in fiscal year 2023 relative to adjusted contributions of the State and all participating local governments, actuarially determined. As of June 30, 2024, the State's proportion was 93.05%, compared to 93.22% in the prior year.

During the year ended June 30, 2012, the State passed legislation that required local school boards of education to fund the current service cost for teachers included in the Teachers Retirement and Pension System (TRS) which is included in the State of Maryland Retirement and Pension System. The intent of the legislation was for the State to be responsible for past service costs, actuarial gains and losses, and the unfunded liability. As a result, the State has determined that the NPL of TRS qualifies as a special funding situation and as such the entire liability associated with TRS and the related deferred outflows and inflows is included in the State's financial statements. The NPL for the TRS is \$11,909,296,000, and for the other State systems is \$9,519,882,000, as of June 30, 2024.

The State recognized pension expense of \$2,575,174,000 consisting of \$1,431,157,000, applicable to the TRS and \$1,144,017,000, applicable to the other State systems, for the year ended June 30, 2024, (\$2,334,093,000 for Governmental Activities, \$38,994,000 for Business-Type Activities and \$202,087,000 for Component Units). At that date, the State reported deferred outflows and deferred inflows of resources related to the State systems from the following sources (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources	Excluding Component Units	
			Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 1,463,962	\$ 76,453	\$ 1,349,117	\$ 70,708
Difference between projected and actual earnings on pension plan investment	1,931,389	—	1,783,599	—
Contributions made subsequent to the measurement date	2,427,260	—	2,220,241	—
Change in proportion and difference between employer contributions and proportionate share of contributions	32,050	84,006	22,299	76,891
Difference between expected and actual experience	753,172	914,032	694,088	843,079
Total	\$ 6,607,833	\$ 1,074,491	\$ 6,069,344	\$ 990,678
TRS	\$ 3,672,313	\$ 597,150	\$ 3,373,047	\$ 550,571
Other State Systems	2,935,520	477,341	2,696,297	440,107
Total	\$ 6,607,833	\$ 1,074,491	\$ 6,069,344	\$ 990,678

	Year ending	
	June 30,	
The net amount reported as deferred outflows of resources related to pensions (non-contributions) will be recognized in pension expense as shown to the right (amounts expressed in thousands):	2025	\$ 414,924
	2026	163,570
	2027	1,728,759
	2028	484,796
	2029	66,376
	Total	\$ 2,858,425

Contributions:

Deferred outflows of resources related to MSRPS of \$2,427,260,000, resulting from State contributions subsequent to the measurement date, will be recognized as a reduction of the NPL in the year ended June 30, 2025.

Rate of Return on Investments:

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 6.80%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

	1% Decrease	Discount Rate	1% Increase
	5.80%	6.80%	7.80%
State's proportionate share of the NPL	\$ 31,775,134	\$ 21,429,178	\$ 12,843,827

	1% Decrease	Discount Rate	1% Increase
	5.80%	6.80%	7.80%
State's proportionate share of the NPL, excluding component units	\$ 29,281,581	\$ 19,747,524	\$ 11,835,908

Information included in the MSRPS financial statements:

Actuarial assumptions, long-term expected rate of return on pension plan investments, discount rate, and pension plan fiduciary net position are available at <https://sra.maryland.gov/annual-financial-reports>.

Maryland Transit Administration Pension Plan (Plan):

The Plan is a single-employer defined benefit contributory plan, which covers all Maryland Transit Administration (Administration) employees covered by a collective bargaining agreement and all those management employees who were employed by the Baltimore Transit Company. In addition, employees who enter the management group as a result of a transfer from a position covered by a collective bargaining agreement maintain their participation. The Maryland Transit Administration was given authority to establish and maintain the Plan under Transportation Article, Section 7-206(b)2(ii), of the Annotated Code of Maryland. The Plan is administered and funded in compliance with the collective bargaining agreements. The Plan prepares separately audited financial statements, which can be obtained from the Maryland Transit Administration Pension Plan, William Donald Schaefer Tower, 8 Saint Paul Street, Baltimore, Maryland 21202 or located at <http://www.mdot.maryland.gov/newMDOT/Finance/index.html>.

Plan Description:

The Plan provides retirement, normal and early, death and disability benefits. Members may retire with full benefits at age 65 with five years of credited service or age 52 with 30 years of credited service. The annual normal retirement benefit is 1.4% - 1.6% (1.3% prior to September 8, 2002) of final average compensation multiplied by credited service, with minimum and maximum benefit limitations. Participants are fully vested after five years of credited service (seven years for participants hired after May 18, 2013).

As of June 30, 2024, membership in the Plan includes 2,475 active members, 715 vested former members, and 2,272 retirees and beneficiaries. There were no investments in, loans to, or leases with parties related to the Plan. There were no Plan investments representing 5 percent or more of total Plan assets. For the year ended June 30, 2024, the Administration's covered and total payroll was \$187,149,685.

Funding Policy:

The Administration's required contributions are based on actuarial valuations. The entry age normal cost method is the actuarial cost method used to determine the employer's contribution rates and the total pension liability. All administrative costs of the Plan are paid by the Plan.

During fiscal year 2024, the Administration paid \$56,110,000, of the required contribution totaling \$54,407,000, which was 30.0% of covered payroll and 103.1% of the required payment.

Assumptions and other inputs:

The significant actuarial assumptions and other inputs listed below were used to measure the total pension liability as of the measurement date of June 30, 2024:

Method of funding	Level Dollar Entry Age Normal
Discount rate	5.37%
Post-retirement benefit increase	2.0% COLAs
Salary increase	2.40% to 10.55% including inflation
Inflation	2.75%
Investment rate of return	6.80%
Mortality	Generational mortality improvements from 2012 using scale MP-2021
Cost of living adjustments	2.0% per year

Plan Fiduciary Net Position:

The Plan's fiduciary net position has been determined on the same basis used by the pension plan. The Plan's financial statements are prepared on the accrual basis of accounting. Accordingly, investment purchases and sales are recorded as of their respective trade dates and all contributions and benefits including refunds of employee contributions are recorded in the period when they become due. Investments are reported at fair value.

Net Pension Liability of the Plan:

The total pension liability of the Plans was determined by an actuarial valuation as of July 1, 2024, rolled forward to June 30, 2024, and the adjustment to the roll-forward liabilities were made to reflect the following assumptions change in the 2024 valuation:

Local 2 Union active employees contributions increased to 6% as of November 6, 2022. Local 1300 contributions increased to 6% as of July 1, 2024.

Change of assumptions: Discount rate decreased from 5.37% to 5.35% and the COLA assumption changed remained at 2.0%.

The components of the net pension liability as of June 30, 2024, are as follows (amounts expressed in thousands):

Total pension liability	\$	1,294,887
Less Plan fiduciary net position		533,695
Employer net pension liability	\$	761,192
Plan fiduciary net position as a percentage of the total pension liability		41.2%

Investments:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the Plan's investment consultant(s) and actuary(s). For each major asset class that is included in the Plan's target asset allocation as of June 30, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	34%	6.0%
Credit/Debt Related Strategies	16%	8.5%
Rate sensitive	20%	2.4%
Absolute return	9%	5.4%
Private equity	15%	5.5%
Real Assets	6%	3.9%
Total	100%	

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

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 6.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate:

A single discount rate of 5.37% was used to measure the total pension liability. The plan's expected net rate of investment return of 6.8% has been blended with the 3.69% yield corresponding to the 20-year maturity on a municipal general obligation AA bond yield curve published on Fidelity's Fixed Income Market Data webpage as of June 30, 2024. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made based on MTA's actual contributions over the prior three fiscal years. The projected benefits include expected cost-of-living adjustments (COLAs) to benefits for pensioners and beneficiaries. Based on these assumptions, the Plan's fiduciary net position is not expected to be available to make all future benefit payments of current plan members.

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

The net pension liability of the MTA calculated using the discount rate of 5.35% as well as what the MTA's net pension liability would be if it were calculated using a discount rate that is 1% lower (4.35%) or 1% higher (6.35%) than the current rate, is as follows (amount express in thousands):

	1% Decrease 4.35%	Discount Rate 5.35%	1% Increase 6.35%
Net pension liability	\$ 937,966	\$ 761,192	\$ 614,523

Pension expense, deferred outflows of resources and deferred inflows of resources and changes in net pension liability:

The components of the pension expense for the Plan as of June 30, 2024, are as follows (amounts expressed in thousands):

	Amount
Service cost	\$ 31,691
Interest on the total pension liability	65,255
Projected investment earnings	(33,573)
Employee contributions	(10,104)
Administrative expenses and other	173
Subtotal	53,442
Amortization - changes of assumptions	(38,597)
Amortization- actual investment earnings different than assumed	944
Amortization-differences between actual and expected experience	(6,524)
Subtotal	(44,177)
Total components recorded as pension expense	\$ 9,265

For the year ended June 30, 2024, the MTA recognized pension expense \$9,265. As of June 30, 2024, the MTA reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 32,265	\$ 31,824
Changes of assumptions	66,430	214,727
Net difference between projected and actual earnings on pension plan investments	13,464	—
Total	\$ 112,159	\$ 246,551

	Year ending June 30,	
	2025	\$ (35,721)
	2026	(36,281)
	2027	(66,213)
	2028	3,823
The net amount reported as deferred inflows of resources related to pensions will be recognized in pension expense as shown to the right (amounts expressed in thousands):	Total	\$ (134,392)

The changes in employer's net pension liability as of June 30, 2024 are as follows (amounts expressed in thousands):

Total pension liability		
Service cost	\$	31,691
Interest		65,255
Differences between expected and actual experience		22,080
Change of assumptions or other inputs		3,207
Benefit payments, including refunds of member contributions		(53,342)
Net changes in total pension liability		68,891
Total pension liability- beginning		1,225,996
Total pension liability- ending ^(a)		1,294,887
Plan fiduciary net position		
Contributions-employer	\$	56,110
Contributions-member		10,104
Net investment income		33,630
Benefit payments, including refunds of member contributions		(53,342)
Administrative expenses		(173)
Net change in plan fiduciary net position		46,329
Plan fiduciary net position-beginning		487,366
Plan fiduciary net position-ending ^(b)		533,695
Net pension liability-ending ^{(a)-(b)}	\$	761,192

Maryland Teachers & State Employee Supplemental Retirement Plans (Plans):

The State offers its employees defined contribution supplemental retirement plans (Plans) created in accordance with Internal Revenue Code Sections 457, 403(b), 401(a) and 401(k). The Plans, available to eligible State employees, permits participants to defer a portion of their salary until future years. Participation in the Plans is optional. Funds from the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. State law provides that the Governor appoint the nine member Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans. The MSRP Board is responsible for the implementation, maintenance and administration of the Plans. MSRP's daily operations are conducted by the agency The Board contracts with an external Plan Administrator/Record Keeper. The Plans prepare separately audited financial statements, which can be obtained from the Maryland Teachers & State Employees Supplemental Retirement Plans, William Donald Schaefer Tower, Suite 200, 6 Saint Paul Street, Baltimore, Maryland 21202 or msrp.maryland.gov.

The State of Maryland Match Plan and Trust was established by the State on July 1, 1999. The plan is designed to be a tax-qualified 401(a) defined contribution matching plan under Internal Revenue Code section 401(a). Under Plan provision, the State contributes to each participant's account an amount equal to each participant's contributions to the Maryland Supplemental Retirement Plans during the same Plan year. An employee's interest in his/her account is fully vested at all times. The match program continues to be established and funded in statute. For the plan year ended December 31, 2023, the State contributed \$12,249,000, to the 401(a) Plan and participants contributed \$104,475,000, \$2,774,000, and \$102,893,000, to the 457, 403(b), and 401(k) Plans, respectively.

18. Other Postemployment Benefits, Health Benefits (OPEB):

State Employee and Retiree Health and Welfare Benefits Program:

Total Net OPEB Liability, Deferred Outflows of Resources, Deferred Inflows of Resources and OPEB Expense - State Employee and Retiree Health and Welfare Benefits Program (SERHWBP) & MTA

Below is an aggregation of total net OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and net OPEB expense for both the SERHWBP and MTA OPEB Plans.

	SERHWBP	MTA	Total
Total Net OPEB Liability.....	\$ 11,362,891	\$ 763,938	\$ 12,126,829
Deferred outflow of resources.....	1,047,016	75,594	1,122,610
Deferred inflows of resources.....	2,999,594	306,503	3,306,097
Net OPEB expense.....	741,820	(938)	740,882

Plan Description:

The State Employee and Retiree Health and Welfare Benefits Program (Plan) is a single-employer defined benefit healthcare plan established by State Personnel and Pensions Article, Sections 2-501-2-516, of the Annotated Code of Maryland. The Plan is self-insured to provide medical, hospitalization, prescription drug and dental insurance benefits to eligible state employees, retirees and their dependents. State law grants authority to establish and amend benefit provisions to the Secretary of the Department of Budget and Management (DBM). In addition, the Secretary shall specify by regulation the types or categories of State employees who are eligible to enroll, with or without State subsidies, or who are not eligible to enroll.

The Postretirement Health Benefits Trust Fund (OPEB Trust) is established as an irrevocable trust under Section 34-101 of the State Personnel and Pensions Article to receive appropriated funds and contributions which will be used to assist the Plan in financing the State's postretirement health insurance subsidy. The oversight of the OPEB funds is the same Board of Trustees that oversees the Maryland State Retirement and Pension Systems. The Board of Trustees consists of 15 members. The Maryland State Retirement and Pension System prepares separately audited financial statements for the OPEB Trust Fund. The report may be obtained from the Office of the Comptroller, Attention: Plan Administrator, P.O. Box 746, Annapolis, Maryland 21404.

Funding Policy:

The contribution requirements of Plan members and the State are established by the Secretary. Each year the Secretary recommends to the Governor the State's share of the costs of the Plan. Funds may be separately appropriated in the State's budget for transfer to the OPEB Trust. Applicable administrative expenses are payable from the OPEB Trust, but may not exceed \$100,000, annually.

Generally, a retiree may enroll and participate in the health benefit options if the retiree retired directly from State service with at least five years of creditable service, ended State service with at least ten years of creditable service and within five years before the age at which a vested retirement allowance normally would begin, or ended State service with at least 16 years of creditable service. For members hired on or after July 1, 2011, they are required to have completed at least 25 years of creditable service, retired directly from State service with at least ten years of creditable service, or ended State service with at least ten years of creditable service and within five years before the age at which a vested retirement allowance normally would begin. As of June 30, 2023, the State's Plan membership includes 84,604 active employees, 2,317 vested former employees, and 54,655 retirees and beneficiaries. Based on current practice, the State subsidizes approximately 50% to 85% of retiree premiums to cover medical, dental, prescription and hospitalization costs, depending on the type of insurance plan. The Plan assesses a charge to retirees for post-employment health care benefits, which is based on health care insurance charges for active employees. During fiscal year 2024, the State did not appropriate funds to the OPEB Trust to prefund future OPEB costs.

Assumptions and Other Inputs:

The significant actuarial assumptions and other inputs listed below were used to measure the total OPEB liability as of the measurement date of June 30, 2024:

Valuation cost method	Entry Age Normal Cost Method
Asset valuation method	Market Value
Rate of return on investments	6.80%
Inflation Rate	2.25%
Mortality	RP-2010 Healthy Retiree Mortality Rates with Generational Projection Using Scale MP-2018 for healthy retirees. RP-2010 Disability Mortality Rates with Generational Projection Using Scale MP-2018 for disabled retirees. RP-2010 Pre-Retirement Mortality Rates with Generational Projection Using Scale MP-2018 for pre-retirement.
Aggregate salary growth	2.75% including inflation
Method to determine blended rate	3.93% represents an unblended pay-go rate
Healthcare cost trend rate	Medical: Under 65 - 7.50% graded to 4.50% over 11 years Over 65 - 6.25% graded to 4.50% over 7 years Prescription drugs: 9.5% graded to 4.5% over 20 years Over 65 - N/A- benefit not offered after December 31, 2018 Dental: 3.0%
Individual salary increase	Vary by group, and years of service

OPEB Plan's Fiduciary Net Position:

The Plan's fiduciary net position has been determined on the same basis used by the plan. The Plan's financial statements are prepared on the accrual basis of accounting. Accordingly, investment purchases and sales are recorded as of their respective trade dates. Employer contributions are recognized in the period when due, pursuant to statutory or contractual requirements. Benefit and refunds are recognized when due and payable in accordance with the terms of the Plans. Investments are reported at fair value.

Net OPEB Liability of the Plan:

The Net OPEB Liability was measured as of June 30, 2024. Plan Fiduciary Net Position was valued as of the measurement date and the Total OPEB Liability was determined from an actuarial valuation as of June 30, 2024.

The components of the net OPEB liability are as follows (amounts expressed in thousands):

Total OPEB liability	\$ 11,877,788
Less: Plan fiduciary net position	514,897
Employer net OPEB liability	<u>\$ 11,362,891</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>4%</u>

Investments:

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the Plan's investment consultant(s) and actuary(s). For each major asset class that is included in the Plan's target asset allocation as of June 30, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	34%	6.0%
Private equity	16	8.5
Rate Sensitive	20	2.4
Credit opportunity	9	5.4
Real Assets	15	5.5
Absolute return	6	3.9
Total	<u>100.0%</u>	

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

The annual money-weighted rate of return, net of investment expenses, on Plan investments for the year ended June 30, 2024, was 11.13%. A money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

Discount rate:

The Discount rate used to measure the total OPEB liability was 3.93% as of June 30, 2024. The projection of cash flow used to determine the discount rate assumed that the State would not make additional contributions to the OPEB Trust and continue to fund the Plan on a pay-as-you-go basis. Based on those assumptions, the OPEB Plan's fiduciary net position was not projected to cover a full year of projected future benefit payments. Therefore, all future benefit payments are discounted at the current index rate for 20 year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.93%).

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

Regarding the sensitivity of the net OPEB liability to change in the healthcare cost trend rates, the following presents the plan's net OPEB liability, calculated using current rates, as well as what the plan's net OPEB liability would be if it were calculated using rates that are 1-percentage-point lower or 1-percentage-point higher (amounts expressed in thousands):

	1% Decrease in Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ 9,718,275	\$ 11,362,891	\$ 13,438,571

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

Regarding the sensitivity of the net OPEB liability to change in the single discount rate, the following presents the plan's net OPEB liability, calculated using a single discount rate of 3.93%, as well as what the plan's net OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (amounts expressed in thousands):

	1% Decrease 2.93%	Discount Rate 3.93%	1% Increase 4.93%
Net OPEB Liability	\$ 13,228,445	\$ 11,362,891	\$ 9,862,363

OPEB Expense, Liabilities and Deferred Outflows of Resources and Deferred inflows of Resources related to OPEB:

The components of the OPEB expense for the Plan as of June 30, 2024, are as follows (amounts expressed in thousands):

Service Cost	\$ 350,298
Interest on the total OPEB liability	425,837
Current period benefit changes	427,337
Expensed portion of current-period difference between expected and actual experience in the Total OPEB liability	6,493
Sub Total	1,209,965
Expensed portion of current-period changes of assumptions or other inputs	(63,367)
Projected earnings on plan investments	(31,503)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(4,016)
Recognition of beginning of year deferred inflows of resources as OPEB expense	(961,538)
Recognition of beginning of year deferred outflows of resources as OPEB expense	592,279
Sub Total	(468,145)
Total components recorded as OPEB expense	\$ 741,820

The State recognized OPEB expense of \$741,820,000, for the year ended June 30, 2024. At that date, the State reported deferred outflows and deferred inflows of resources related to the State plan from the following sources (amounts expressed in thousands):

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Changes in actuarial assumptions	\$ 450,858	\$ 2,994,371
Difference between projected and actual earnings on OPEB plan investments	—	5,223
Difference between expected and actual experience in the Total OPEB liability	596,158	—
Total	\$ 1,047,016	\$ 2,999,594

	Year ending June 30,	
	2025	2026
The net amount reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as shown to the right (amounts expressed in thousands):	\$ (379,149)	(554,859)
	2027	(638,073)
	2028	(298,633)
	2029	(51,152)
	Thereafter	(30,711)
	Total	\$ (1,952,578)

The changes in employer's net OPEB liability as of June 30, 2024 are as follows (amounts expressed in thousands):

Total OPEB liability	
Service cost	\$ 350,298
Interest	425,837
Change of benefit terms	427,337
Differences between expected and actual experience	42,466
Changes of assumptions	(414,422)
Benefit payments, including refunds of member contributions	(535,591)
Net change in total OPEB liability	295,925
Total OPEB liability-beginning	11,581,862
Total OPEB liability-ending ^(a)	11,877,788
Plan fiduciary net position	
Contributions-employer	64
Contributions-employee	—
Net investment income	51,584
Net change in plan fiduciary net position	51,648
Plan fiduciary net position-beginning	463,248
Plan fiduciary net position-ending ^(b)	514,896
Net OPEB liability-ending ^{(a)-(b)}	\$ 11,362,892

Effective January 1, 2025, Medicare retirees that retired before January 1, 2020 are eligible for a health reimbursement arrangement (HRA) which can be used for eligible prescription drug expenses. In the prior valuation, Medicare retirees were scheduled to become eligible for a prescription drug reimbursement program effective January 1, 2025 once the existing Employer Group Waiver Program (EGWP) prescription drug program expired on December 31, 2024.

Contributions:

For the fiscal year ended June 30, 2024, retiree plan members did not contribute to the plan, and the State contributed \$711,393,705 on behalf of retirees. These contributions funded the premium (benefit) payments only.

Maryland Transit Administration Retiree Healthcare Benefit:

The Maryland Transit Administration Retiree Healthcare Benefit (MTA OPEB) is a single-employer defined benefit plan that provides retiree health care benefits under a collective bargaining agreement to all employees who are members of the MTA pension plan, except transfers from union to management positions who are required to enroll in the State Employee and Retiree Health and Welfare Benefits Program. The MTA currently funds retirees' health care on a pay-as-you-go basis. The MTA does not currently have a separate fund set aside to pay health care costs.

Plan Description:

The MTA OPEB provides medical, hospitalization, prescription drug, dental and vision insurance benefits to eligible MTA employees, retirees and their dependents. Members are eligible at age 65 with five years of service or age 52 with 30 years of service provided the member is enrolled in an MTA health plan at normal retirement. Members are also eligible at age 55 if the sum of the participant's age plus years of actual credited service equals at least 85 and the participant is enrolled in an MTA health plan at early retirement, disability with 5 years of service and surviving spouses. A separate audited GAAP-basis postemployment benefit plan report is not available for the healthcare plan.

As of June 30, 2024, 2,401 active employees and 1,506 retirees and beneficiaries were covered by healthcare insurance provided by MTA.

Funding Policy:

Based on current practice, MTA subsidizes approximately 50% to 100% of retiree healthcare premiums depending on the type of insurance plan and whether the retiree receives Medicare. Retirees make the same contribution as active employees, however Medicare is handled separately.

Assumptions and Other Inputs:

The significant actuarial assumptions and other inputs listed below were used in the actuarial valuation as of June 30, 2023, the most recent valuation date, to measure the total MTA OPEB liability as of June 30, 2024:

Method of funding	Individual Entry-Age
Aggregate salary growth	2.75%
Inflation	2.40%
Healthcare cost trend rate	Medical and Prescription: 7.00% in FY 2024 for Pre-Medicare and 6.25% Post-Medicare.
	The ultimate rate 3.50%.
Mortality	RP2014 Blue Collar Fully Generational projected from 2006 using Scale MP-2018
Discount Rate	3.86%
Dental/Vision Trend	3.50% per annum

OPEB Liability of the Plan:

The MTA OPEB liability was measured as of June 30, 2024, based on an actuarial valuation made as of June 30, 2023, and the components of the net MTA OPEB liability are as follows (amounts expressed in thousands):

Total OPEB liability	\$ 763,938
Less: Plan fiduciary net position	—
Employer net OPEB liability	<u>\$ 763,938</u>
Plan fiduciary net position as a percentage of the total OPEB liability:	<u>0.00 %</u>

Discount rate:

The discount rate used to determine the total OPEB liability is based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used for the MTA OPEB to measure the total OPEB liability was 3.86%.

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

Regarding the sensitivity of the OPEB liability to change in the healthcare cost trend rates, the following presents the plan's OPEB liability, calculated using current rates, as well as what the plan's OPEB liability would be if it were calculated using rates that are 1-percentage-point lower or 1-percentage-point higher (amounts expressed in thousands):

	1% Decrease	Current Healthcare Cost	1% Increase
Net OPEB Liability	\$ 649,438	\$ 763,938	\$ 910,584

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

Regarding the sensitivity of the OPEB liability to change in the single discount rate, the following presents the plan's OPEB liability, calculated using a single discount rate of 3.86%, as well as what the plan's OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (amounts expressed in thousands):

	1% Decrease 2.86%	Discount Rate 3.86%	1% Increase 4.86%
Net OPEB Liability	\$ 883,083	\$ 763,938	\$ 666,936

OPEB Expense, Liabilities and Deferred Outflows of Resources and Deferred inflows of Resources related to OPEB:

The components of the OPEB expense for the Plan as of June 30, 2024, are as follows (amounts expressed in thousands):

Service Cost	\$ 41,932
Interest on the total OPEB liability	21,957
Recognition of Outflow (Inflow) of Resources due to Liabilities	(58,008)
Total components recorded as OPEB expense	\$ (938)

The MTA OPEB recognized OPEB expense of \$(938,310), for the year ended June 30, 2024. At that date, the MTA OPEB reported deferred outflows and deferred inflows of resources related to the MTA plan from the following sources (amounts expressed in thousands):

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Changes in actuarial assumptions	\$ 65,720	\$ 203,183
Difference between expected and actual experience	9,874	103,320
Total	\$ 75,594	\$ 306,503

	Year ending June 30,	
	2025	\$ (58,008)
	2026	(43,775)
	2027	(23,847)
	2028	(31,734)
	2029	(31,490)
	Thereafter	(42,055)
	Total	\$ (230,909)

The net amount reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as shown to the right (amounts expressed in thousands):

The changes in employer's OPEB liability as of June 30, 2024 are as follows (amounts expressed in thousands):

Total OPEB liability	
Service Cost	\$ 29,159
Interest	27,910
Differences between expected and actual experience	(7,547)
Changes of assumptions	(18,434)
Benefit payments, including refunds of member contributions	(17,899)
Net change in total OPEB liability	13,190
Total OPEB liability-beginning	750,748
Total OPEB liability-ending ^(a)	<u>\$ 763,938</u>
Plan fiduciary net position	
Contributions-employer	\$ 17,899
Benefit payments, including refunds of member contributions	(17,899)
Net change in plan fiduciary net position	—
Plan fiduciary net position-beginning	—
Plan fiduciary net position-ending ^(b)	—
Net OPEB liability-ending ^{(a)-(b)}	<u>\$ 763,938</u>

19. Commitments:

As noted in Note 2, encumbrance accounting is used to account for outstanding commitments for open purchase orders and unfulfilled contracts, and loans in some governmental funds. Amounts related to encumbrances are reported in the general fund, \$1,656,900,000, the capital projects fund, \$983,207,000, and the special revenue fund, \$50,000 as of June 30, 2024.

State agencies and programs lease office space under various agreements that are accounted for as leases. Many of the agreements contain rent escalation clauses and renewal options. These leases contain termination for convenience clauses providing for cancellation after a certain number of days' notice to lessors. In addition, these leases contain appropriation clauses indicating that continuation of the lease is subject to appropriation by the legislature. Rent expenditures for the year ended June 30, 2024, were approximately \$124,129,000.

As of June 30, 2024, the governmental funds, other than the Department of Transportation, had commitments of approximately \$228,699,000, for service contracts.

As of June 30, 2024, the Department of Transportation and Maryland Transportation Authority had commitments of approximately \$9.6 billion and \$1,056,000 respectively, for construction of highways and mass transit facilities.

Approximately 24.0% of future expenditures related to the Department of Transportation commitments are expected to be reimbursed from proceeds of approved Federal grants when the actual costs are incurred. The remaining portion will be funded by other financial resources of the Department of Transportation.

As of June 30, 2024, the enterprise fund loan programs had committed to lend a total of \$610,239,000, in additional loans. The Community Development Administration, also an enterprise fund loan program, had \$999,153 of revenue bonds and notes outstanding that are not included in the financial statements of the Administration because the bonds are not guaranteed by the State or any other program of the State or any political subdivision. The revenue bonds are secured solely by the individual multi-family project properties, related revenues, applicable credit enhancements or investments equal to the debt outstanding.

As of June 30, 2024, component units commitments included higher education fund commitments of approximately \$554,686,000 for the completion of projects under construction, and economic development funds commitments of \$27,549,000 and \$402,712 for additional loans and service contracts respectively.

20. Contingencies:

The State is party to legal proceedings that normally occur in governmental operations. The legal proceedings are not, in the opinion of the Attorney General, likely to have a material, adverse impact on the financial position of the State as a whole, except for the Child Victims Act Cases described in the following section, which could have a material adverse effect on the financial statements.

As of June 30, 2024, Non-major enterprise funds were contingently liable as insurers of \$563,233,000, of \$590,540,000, mortgage loans made by public and private lenders.

Non-major component units were contingently liable as insurers of \$2,195,674, of \$21,788,209, for economic development and growth bonds issued by financial institutions and the repayment of loans for small businesses.

The State receives significant financial assistance from the U.S. Government. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors.

Any disallowances as a result of these audits become a liability of the fund which received the grant. As of June 30, 2024, the State has recognized liabilities of \$34,156,000, and \$28,400,000, in the general fund for Medicaid claims to the Federal government related to disallowed costs and misallocated costs to establish a marketplace for health insurance benefits for low income individuals and employees of small companies in Maryland, respectively. The State estimates that no additional material liabilities will result from such audits.

In 2023, the General Assembly passed the Child Victims Act which, among other things, provided that an action for damages arising out of certain alleged incidents of sexual abuse that occurred while the victim was a minor may be filed at any time notwithstanding any time limitation under law. The Child Victims Act further provided that if the liability of the State or the State's units arises under a claim of sexual abuse, the liability may not exceed \$890,000 to a single claimant for injuries arising from an incident or occurrence. The effective date of the Child Victims Act was October 1, 2023. As of June 30, 2024, the State is named as a defendant in multiple lawsuits, alleging sexual abuse while in the custody of the State's juvenile detention facilities. As of June 30, 2024, the State has not accrued a loss contingency related to the Child Victims Act as it was determined the amount was not reasonably estimable at this time.

21. Tobacco Settlement:

Maryland has a Cigarette Restitution account for all revenues received from any judgment against or settlement with the tobacco industry. Expenditures from the account are made by an appropriation in the annual State budget. The law provides that at least 50% of the appropriations shall be made for tobacco or health related purposes and the remaining appropriations may be for any public purpose. Currently, 30% of the appropriations shall be made for the Maryland Medical Assistance Program (Medicaid). Appropriations of 0.15% of the account are required to be appropriated for enforcing the escrow requirements for non-participating tobacco product manufacturers. Transfers of \$111,484,000 were made from the proceeds in the Cigarette Restitution account for fiscal year 2024 expenditure of appropriations.

As part of the Master Settlement Agreement between the states and the tobacco companies, Maryland's share during fiscal year 2024 was \$110,068,000 including the award from the arbitration panel for attorney fees. Cigarette Restitution Fund projections will be available after the Governor's budget release for fiscal year 2026.

22. Landfill Closure and Postclosure Care Costs:

State and Federal laws require the Maryland Environmental Service (the Service) to cover and to perform certain maintenance and monitoring functions at Midshore Regional Landfill I, Easton Landfill, Midshore II, and Hobbs Road Landfill sites for 30 years after closure. Although closure and post closure care charges will be paid near and after the date the landfills stop accepting waste, the Service reports a portion of these closure and post closure care costs as a liability based upon the estimated useful life of the landfills.

Midshore I stopped accepting waste on December 31, 2010, was capped, and is now in the post closure monitoring and maintenance period. Total closure and post closure care costs for the landfill are currently estimated to be \$5,612,000, as determined through engineering studies, and \$3,641,000, has been recognized as a liability on the June 30, 2024, Combining Statement of Net Position, Non-Major Component Units.

A flyover is performed annually in July to assist in the calculation of the landfill's remaining capacity based upon the volume of cubic yard capacity. Midshore II's current cells, which are expected to close in 2041, are approximately 41% filled as of June 30, 2024. Total closure and postclosure care costs for the landfill are currently estimated to be \$27,124,000, as determined through engineering studies, and \$8,556,000, has been recognized as a liability as of June 30, 2024. Actual costs may be subject to change due to inflation, deflation, technology, and changes in applicable laws and regulations.

A receivable from project participants corresponding to the accrued liability has also been recorded. Under Federal regulations, the Service has satisfied its financial assurance requirements based upon the local government financial ratio tests of the project participants as of June 30, 2024. The Service expects to satisfy these requirements as of June 30, 2025, using the same criteria.

23. Service Concession Arrangements:

In fiscal year 2009, the Maryland Department of Transportation entered into a long-term lease with Ports America Chesapeake (PAC) to manage, operate and maintain the Dundalk Marine terminal. This agreement satisfies the criteria established to be considered a service concession arrangement.

Under the terms of the ground lease, the Department transfers rights to PAC for a term of 50 years. After 50 years, ownership of the Dundalk Marine Terminal will revert to the Department. PAC charges and collects fees from the user for container lifts, short tons of roll on-roll off, break-bulk and bulk cargo and pays the operating costs, management fee and debt service associated with the project. The Department has the ability to approve what services the operator is required to provide. As of June 30, 2024, the capital assets, net of accumulated depreciation, and deferred concession arrangement receipts were \$39,817,000.

The Department has entered into a light rail transit public private partnership concession arrangement. The construction, operating and maintenance risk is being managed by Purple Line Transit Partners, LLC (PLTP) through a 10-year construction and 30 year operating period. The PLTP will finance, develop, design, build, equip, and supply light rail vehicles under an availability-based concession agreement with the Department. Construction began in August 2017. As of June 30, 2024, the Purple Line construction is now more than 70% complete with \$2,524,000,000 of expenses included in Construction In Progress accounts.

In fiscal year 2013, Maryland Transportation Authority and Areas USA entered a 35-year Service Concession Arrangement (SCA) agreement to redevelop and operate two travel plazas along the John F. Kennedy Memorial Highway (I-95). The structure of the agreement between the Authority and Areas USA is a long term lease and concession. The Authority retains ownership of the property and assets. All property and improvements, with the exception of the fueling systems, are returned to the Authority at the end of the 35 year lease. Under the agreement, the Authority should realize reduced future operating and capital expenses; debt capacity will be reserved for core business activities; and revenue is guaranteed over the life of the agreement. Areas USA invested \$55,890,000, which required no public subsidy or debt, to redesign and rebuild both the Maryland House and Chesapeake House travel plazas. Areas USA will operate and maintain the travel plazas through the year 2047. The unamortized balance as of June 30, 2024, is \$39,075,000, which is reported in the deferred inflow of resources on the Statement of Net Position.

The University System of Maryland has entered into a long-term lease of university-owned land and other SCA agreements with a quasi-governmental issuer of debt and a developer to build, and an operator to manage, student housing projects at seven of the System's institutions.

Under the terms of the ground lease, the System transfers rights to university-owned property for a term of 40 years to the quasi-governmental issuer of debt (the project 'owner'). The project owner contracts with a developer to build student housing on the property, as well as an operator that manages the facility on behalf of the owner. Each student housing project is financed using tax-exempt debt that limits the use of the project to uses that support the institution. The owner of the project charges and collects rent from the students, and pays the operating costs and debt service associated with the project. The residual cash flow from the project, after paying all operating costs and management fees, is paid to the university as the ground lease payment. The institution has the ability to approve what services the operator is required to provide and the rates that can be charged.

Upon final payment of the outstanding debt associated with the project, or upon termination of the ground lease, whichever is sooner, the building's ownership transfers to the university and the owner's rights to use land revert to the university. As of June 30, 2024, the Statement of Net Position reflects net capital assets of \$232,183,000, and deferred service concession arrangement receipts of \$226,930,000, from this transaction.

24. Tax Abatements:

For financial reporting purposes, the tax abatement is defined as an agreement between the government and an individual or entity through which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to the economic development or otherwise benefits the government or its citizens. The following tax abatement programs were granted and administered by the State of Maryland during fiscal year 2024. There was one tax abatement program in 2024 for which a company received a tax abatement of \$5 million or greater. The one program was Aerospace, Electronics or Defense Contract Tax Credit to Northrop Grumman Corp. in the amount of \$7.5 million.

Name of Program	Tax Abatements - FY 2024(1)	Tax Filings - FY 2024(2)	Program Description
Economic Development Programs:			
One Maryland Tax Credit	\$ 614,598	32	The program provides two income tax credits to businesses that initiate major investment projects in Maryland's economically distressed jurisdictions. The Project Tax Credit can be \$5 million and the Start Up Tax Credit can be \$500,000. The business must create at least 25 new positions paying at least 150% of the federal minimum wage. Tax being abated is the State business income tax. Taxes are reduced as an allowance of the credit against taxes. If the credit is less than the tax liability the credit may be used over a 14 year period. After the 4th tax year but before the 15th year after the project has been placed in service the business may apply the excess credit for project costs to non-project related tax income and a portion may be refunded. The authority under which abatements are entered into is the Annotated Code of Maryland: Economic Development Title 6, Subtitle 4, Section 6-401-6-406. There is no provision for recapturing abated taxes.
Biotechnology Investment Incentive Tax Credit	\$ 8,447,839	169	The purpose of the program is to increase investment in Maryland Biotechnology Companies. Investors may receive a credit on their corporate or personal Maryland State income tax equal to 50% of investment not to exceed \$250,000 and for investment in companies in certain counties, 75% of investment not to exceed \$500,000. Taxes being abated are State of Maryland corporate or personal income tax. Authority under which abatements are entered into is the Annotated Code of Maryland, Tax General, Section 10-725. Taxes are reduced as an allowance of credit against income taxes. The amount in excess of the state income tax liability may be refunded (refundable). Amount is limited to the amount in the Biotechnology Investment Incentive Tax Credit Fund. If within 2 years after the close of the tax year for which the credit was claimed the investor sells, transfers or disposes or its ownership interest or if the company ceases to have its headquarters and base of operations in Maryland, the credit must be recaptured on the investors' Maryland income tax return.
Total tax credits administered	\$ 9,062,437	201	

(1) Gross dollar amount the government's tax revenues were reduced for fiscal year 2024 as a result of tax abatement agreements

(2) Number of income tax returns filing for credit in fiscal year 2024

25. Asset Retirement Obligations

The University System of Maryland (USM) owns and operates facilities and equipment subject to certain legal and regulatory requirements to perform asset retirement activities. A non-power training nuclear reactor operated at USM is subject to statutory and regulatory requirements promulgated by the U.S. Nuclear Regulatory Commission (NRC) under Title 10 of the Code of Federal Regulations (CFR). The reactor was subject to estimated asset retirement obligations of \$14,763,000, as of June 30, 2024, and was fully depreciated. The reactor had a remaining useful life of 15 years as of June 30, 2024.

USM is periodically required by the CFR to provide various disclosures to the NRC in order to maintain the operating license for the reactor, including, but not limited to, projected operating costs, decommissioning costs, and funding assurances. USM is in compliance with all such requirements as of June 30, 2024.

USM also owns and operates various equipment assets, including gamma cell irradiators and underground oil tanks, that are subject to statutory or regulatory asset retirement obligations of individually nominal dollar values. All such assets were fully depreciated as of June 30, 2024.

Asset retirement obligations were estimated based upon the historical decommissioning costs of similar assets, stated in current dollars using the Implicit Price Deflator issued by the U.S. Department of Commerce, with current personnel costs and a contingency factor of 25%. Total asset retirement obligations, included in accounts payable and accrued liabilities, of \$16,849,000, and deferred outflows of resources of \$10,640,000, are included on the statement of net position as of June 30, 2024. USM is financially prepared to fund and satisfy all asset retirement obligations when required.

26. Subsequent Events

Debt Issuance

On November 13, 2024, the Maryland Department of Transportation (MDOT) issued \$219.8 million in Special Transportation Project Revenue Bonds, Series 2024A to finance a portion of the costs of certain airport facilities projects, pay capitalized interest on the Series 2024A bonds through December 31, 2025, fund a Debt Service Reserve Fund, and pay bond issuance costs.

Francis Scott Key Bridge Collapse

On March 26, 2024, the M/V Dali (Dali), a container ship, struck the Francis Scott Key Bridge (the Bridge) causing the main spans and three approach spans to immediately collapse into the Patapsco River. As a result, the State of Maryland suffered substantial damage from the lost toll revenue, lost tax revenue, emergency response costs, salvage & debris clean-up costs, and reconstruction costs, estimated to exceed over \$1 billion.

On September 24, 2024, the State of Maryland (State), Maryland Transportation Authority (MDTA) and other State agencies filed a claim in the Limitation of Liability Action for damages for the loss of the Bridge. The State has engaged assistant counsel specializing in admiralty and maritime law. Experts have been engaged to assist in the investigation of this allision and to assist the State in its future claims. Trial on the limitation of liability issue is scheduled for June 2026.

27. Restatement

During the fiscal year 2024, the State implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*, which requires restatement of beginning net position/fund balance, and disclosures resulting from the changes to or within the financial reporting entity in the notes to financial statement. Due to the increase amount of funding received, the State decided that the Capital Projects Fund should be reported as a major governmental fund. The Capital Projects Fund was previously reported as a nonmajor governmental fund. The effect of change within the financial reporting entity is summarized below in the following table.

	Fund balance 7/1/2023, as previously reported	Restatement - Change in financial reporting entity	Fund balance 6/30/2024, as restated
Governmental funds			
Major funds:			
General fund	\$ 11,260,828	\$ —	\$ 11,260,828
Special Revenue Maryland Department of Transportation Fund	623,296	—	623,296
Capital Projects Fund	—	1,729,038	1,729,038
Nonmajor funds	2,216,793	(1,729,038)	487,755
Total governmental funds	\$ 14,100,917	\$ —	\$ 14,100,917

Required Supplementary Information

ANNUAL COMPREHENSIVE FINANCIAL REPORT, STATE OF MARYLAND



STATE OF MARYLAND
Schedule of Revenue and Expenditures and Changes in Fund Balances - Budget and Actual -
Budgetary General, Special, and Federal Funds
For the Year Ended June 30, 2024
(Expressed in Thousands)

	General Fund			
	Budget Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
Income taxes	\$ 15,806,801	\$ 15,469,816	\$ 15,670,642	\$ 200,826
Sales and use taxes	6,065,428	5,909,681	5,896,606	(13,075)
Other taxes	1,498,048	1,682,441	1,550,342	(132,099)
Licenses and fees	135,060	135,060	136,307	1,247
Charges for services	345,051	345,051	224,709	(120,342)
Interest and other investment income	75,000	302,430	557,394	254,964
Other	774,230	801,152	2,299,934	1,498,781
Federal revenue	—	—	—	—
Total revenues	24,699,617	24,645,631	26,335,934	1,690,303
Expenditures and encumbrances by major function:				
Payments of revenue to civil divisions of the State	258,063	258,063	258,063	—
Public debt	425,100	425,100	425,100	—
Legislative	222,938	225,844	129,059	96,784
Judicial review and legal	864,921	872,759	854,568	18,191
Executive and administrative control	616,551	991,807	904,636	87,172
Financial and revenue administration	292,851	300,064	288,047	12,017
Budget and management	452,394	181,793	157,361	24,433
Retirement and pension				
General services	534,673	541,915	352,284	189,631
Department of service and civic innovation	16,943	16,864	16,610	254
Transportation and highways	15,969	16,219	11,420	4,798
Natural resources and recreation	243,537	247,178	236,376	10,802
Agriculture	79,755	82,745	79,167	3,578
Health, hospitals and mental hygiene	7,479,706	7,496,853	7,420,071	76,782
Human resources	843,781	904,287	832,663	71,624
Labor, licensing and regulation	68,061	70,430	61,424	9,006
Public safety and correctional services	1,449,739	1,570,337	1,544,126	26,210
Public education	11,243,514	11,183,945	11,019,402	164,543
Housing and community development	411,052	433,135	138,952	294,183
Commerce	209,157	213,861	194,620	19,242
Maryland technology development corporation	54,716	54,716	54,466	250
Environment	78,499	80,069	71,182	8,887
Juvenile services	316,619	326,583	322,284	4,299
State police	430,601	439,534	430,426	9,107
State reserve fund	1,363,223	1,393,904	1,393,904	—
Reversions	(75,000)	(75,000)	—	(75,000)
Total expenditures and encumbrances	27,897,363	28,253,003	27,196,211	1,056,793
Excess of revenues over (under) expenditures	(3,197,746)	(3,607,372)	(860,277)	2,747,095
Other sources (uses) of financial resources:				
Transfers in (out)	—	—	(1,205,622)	(1,205,622)
Excess of revenues over (under) expenditures and other sources (uses) of financial resources	(3,197,746)	(3,607,372)	(2,065,899)	1,541,473
Fund balances - beginning of the year	(10,304,057)	(7,574,633)	7,704,624	15,279,257
Fund balances - end of the year	\$ (13,501,803)	\$ (11,182,005)	\$ 5,638,725	\$ 16,820,730

See accompanying Notes to Required Supplementary Information.

STATE OF MARYLAND
Schedule of Revenue and Expenditures and Changes in Fund Balances - Budget and Actual -
Budgetary General, Special, and Federal Funds
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Special Fund				Federal Fund			
	Budget Amounts		Actual Amounts	Variance Positive (Negative)	Budget Amounts		Actual Amounts	Variance Positive (Negative)
	Original Budget	Final Budget			Original Budget	Final Budget		
Revenues:								
Income taxes	\$ 1,274,250	\$ 1,274,250	\$ 570,906	\$ (703,344)	\$ —	\$ —	\$ —	\$ —
Sales and use taxes	790,000	790,000	956,608	166,608	—	—	—	—
Other taxes	3,767,662	3,767,662	4,058,205	290,543	—	—	—	—
Licenses and fees	897,466	897,466	1,253,686	356,220	—	—	—	—
Charges for services	2,467,759	2,467,759	2,352,573	(115,186)	—	—	—	—
Interest and other investment income	73,259	73,259	170,949	97,690	—	—	2,137	2,137
Other	1,936,594	1,936,594	1,786,778	(149,815)	—	—	—	—
Federal revenue	—	—	—	—	18,928,186	20,658,029	19,557,127	(1,100,902)
Total revenues	11,206,990	11,206,990	11,149,706	(57,284)	18,928,186	20,658,029	19,559,264	(1,098,765)
Expenditures and encumbrances by major function:								
Payments of revenue to civil divisions of the State	1,600	1,600	17,965	(16,365)	—	—	—	—
Public debt	1,000,000	1,000,000	775,500	224,500	7,500	7,500	6,369	1,131
Judicial review and legal	191,935	217,630	179,195	38,436	13,469	14,831	11,533	3,298
Executive and administrative control	983,223	1,331,071	834,684	496,388	1,388,489	1,472,088	1,385,645	86,444
Financial and revenue administration	209,274	238,208	227,207	11,001	—	—	—	—
Budget and management	112,258	149,106	68,939	80,166	27,368	14,772	190	14,582
Retirement and pension	25,560	26,377	24,589	1,788	—	—	—	—
General services	261,760	312,496	119,349	193,148	1,651	1,651	1,627	24
Department of service and civic innovation	270	11,247	9,544	1,703	7,065	7,065	5,866	1,198
Transportation and highways	4,508,514	4,700,701	4,446,176	254,526	1,659,677	1,513,434	1,319,187	194,247
Natural resources and recreation	555,807	563,397	451,931	111,466	73,257	75,995	41,969	34,026
Agriculture	193,304	199,319	83,892	115,427	15,434	17,317	11,309	6,008
Health, hospitals and mental hygiene	1,317,070	1,469,179	1,214,837	254,342	10,371,383	11,758,211	11,311,817	446,395
Human resources	184,597	195,590	181,537	14,053	2,982,517	3,022,334	2,502,176	520,158
Labor, licensing and regulation	280,646	357,393	287,462	69,931	323,153	363,029	240,173	122,856
Public safety and correctional services	105,119	118,127	112,214	5,913	31,041	38,541	28,302	10,240
Public education	2,210,390	2,039,867	1,819,844	220,023	3,410,151	3,658,137	2,193,690	1,464,447
Housing and community development	249,563	254,539	112,759	141,779	1,095,293	1,157,184	622,108	535,076
Commerce	171,964	241,957	70,162	171,795	16,322	23,639	7,450	16,189
Maryland technology development corporation	—	—	—	—	4,046	4,046	(6,679)	10,725
Environment	835,758	847,658	172,762	674,895	292,669	292,669	77,541	215,128
Juvenile services	4,196	4,196	2,534	1,661	5,840	13,722	9,381	4,342
State police	136,462	152,463	143,425	9,038	11,523	11,523	7,725	3,798
Total expenditures and encumbrances	13,539,270	14,432,121	11,356,507	3,075,614	21,737,847	23,467,688	19,777,379	3,690,309
Excess of revenues over (under) expenditures	(2,332,280)	(3,225,131)	(206,801)	3,018,330	(2,809,661)	(2,809,659)	(218,115)	2,591,544
Other sources (uses) of financial resources:								
Transfers in (out)	—	—	2,173,758	2,173,758	—	—	217,711	217,711
Excess of revenues over (under) expenditures and other sources (uses) of financial resources	(2,332,280)	(3,225,131)	1,966,957	5,192,088	(2,809,661)	(2,809,659)	(404)	2,809,255
Fund balances/(deficit) - beginning of the year	(16,127,069)	(17,357,318)	5,276,742	22,634,060	(8,859,397)	(8,867,293)	—	8,867,293
Fund balances/(deficit) - end of the year	\$ (18,459,349)	\$ (20,582,449)	\$ 7,243,699	\$ 27,826,148	\$ (11,669,058)	\$ (11,676,952)	(404)	\$ 11,676,548

See accompanying Notes to Required Supplementary Information.

STATE OF MARYLAND
Reconciliation of the Budgetary General and Special Funds, Fund Balances
to the GAAP General and Special Funds, Fund Balances
June 30, 2024
(Expressed in Thousands)

	General	Special
Amount in budgetary funds, fund balance	\$ 5,638,725	\$ 7,243,699
Budgetary special funds reclassified to the general fund	7,616,134	(7,616,134)
Budgetary special funds reclassified to other funds	—	1,003,189
Other non-budgetary funds reclassified to governmental funds	920,216	(8,773)
Total of budgetary fund balances reclassified into the governmental funds' fund structure	14,175,075	621,981
Accounting principle differences:		
Assets recognized in the governmental funds financial statements not recognized for budgetary purposes:		
Cash	223,015	114,498
Investments	334,574	—
Taxes receivable	(1,019,830)	206,264
Intergovernmental receivables	360,039	1,123,532
Other accounts receivable	255,343	311,742
Inventories	163,630	108,785
Loans and notes receivable	3,566	—
Due from other funds	—	240,582
Due from component units	3,369	—
Liabilities and deferred inflows of resources recognized in the governmental funds financial statements not recognized for budgetary purposes:		
Salaries payable	(579,642)	(38,406)
Accounts payable and accrued liabilities	(1,970,911)	(1,663,675)
Due to other funds	(583,005)	(138,583)
Accounts payable to political subdivisions	3,876	(89,087)
Unearned revenue	398,467	(33,144)
Accrued self-insurance costs	(98,355)	—
Financial statement governmental funds' fund balances, June 30, 2024 (page 31)	\$ 11,669,211	\$ 142,508

See accompanying Notes to Required Supplementary Information.

STATE OF MARYLAND
Schedule of Employer Contributions for
Maryland State Retirement and Pension System*
Year Ending June 30,
(Expressed in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Governmental Activities' Special Funding Situation:								
Actuarially determined contribution	\$ 1,272,405	\$ 1,228,568	\$ 1,202,102	\$ 1,153,208	\$ 1,170,248	\$ 1,143,586	\$ 1,122,986	\$ 1,137,472
Less: Contributions in relation to the actuarially determined contribution	1,272,405	1,228,568	1,202,102	1,153,208	1,170,248	1,143,586	1,122,986	1,137,472
Contribution deficiency	—	—	—	—	—	—	—	—
Covered payroll	\$ 9,102,349	\$ 8,468,612	\$ 7,957,775	\$ 7,688,846	\$ 7,492,465	\$ 7,153,063	\$ 6,941,097	\$ 6,780,838
Actual contributions as a percentage of covered payroll	14.0 %	14.5 %	15.1 %	15.0 %	15.6 %	16.0 %	16.2 %	16.8 %
Other Governmental Activities:								
Actuarially determined contribution	\$ 905,977	\$ 816,638	\$ 728,098	\$ 695,223	\$ 653,760	\$ 613,280	\$ 588,649	\$ 615,316
Less: Contributions in relation to the actuarially determined contribution	905,977	816,638	728,098	695,223	653,760	613,280	588,847	615,316
Contribution deficiency	—	—	—	—	—	—	(198)	—
Covered payroll	\$ 4,135,587	\$ 3,670,881	\$ 3,846,222	\$ 3,886,504	\$ 2,856,830	\$ 2,642,155	\$ 2,576,216	\$ 2,638,040
Actual contributions as a percentage of covered payroll	21.9 %	22.2 %	18.9 %	17.9 %	22.9%	23.2 %	22.9 %	23.3 %
Business-Type Activities:								
Actuarially determined contribution	\$ 40,946	\$ 36,418	\$ 31,213	\$ 32,627	\$ 26,830	\$ 28,590	\$ 24,952	\$ 28,648
Less: Contributions in relation to the actuarially determined contribution	40,946	36,418	31,213	32,627	26,830	28,590	24,754	28,648
Contribution deficiency	—	—	—	—	—	—	198	—
Covered payroll	\$ 154,621	\$ 141,501	\$ 127,703	\$ 127,427	\$ 106,028	\$ 114,620	\$ 118,291	\$ 114,453
Actual contributions as a percentage of covered payroll	26.5 %	25.7 %	24.4 %	25.6 %	25.3 %	24.9 %	20.9 %	25.0 %
Component Units:								
Actuarially determined contribution	\$ 207,932	\$ 188,750	\$ 167,357	\$ 167,078	\$ 157,629	\$ 143,043	\$ 142,554	\$ 142,767
Less: Contributions in relation to the actuarially determined contribution	207,932	188,750	167,357	167,078	157,629	143,043	142,554	142,767
Contribution deficiency	—	—	—	—	—	—	—	—
Covered payroll	\$ 992,032	\$ 920,821	\$ 817,546	\$ 816,389	\$ 727,484	\$ 745,147	\$ 726,634	\$ 720,191
Actual contributions as a percentage of covered payroll	21.0 %	20.5 %	20.5 %	20.5 %	21.7 %	19.2 %	19.6 %	19.8 %

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

Notes to Schedule of Employer Contributions

Valuation Date:	June 30, 2024 Actuarial Valuation Date on which the Total Pension Liability (TPL) was based: June 30, 2023. The TPL was rolled forward from 2023 to 2024*
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Individual Entry Age Normal Cost Method
Amortization Method	Level Percentage of Projected Payroll, Closed
Remaining Amortization Period	16 years
Asset Valuation Method	5- Year smoothed market: 20% collar
Inflation	2.25% general, 2.75% wage
Salary Increases	2.75% to 11.25% including inflation
Investment Rate of Return	6.80%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to the 2018 Experience Study for the period 2014-2018.
Mortality	Public Sector 2010 Mortality Tables with generational mortality projections using scale MP-2018.

*The Total Pension Liability as of June 30, 2024 includes the impact of benefit changes (special death benefit for Judges) and assumption changes associated with the 2024 Experience Study for the period July 1, 2018 to June 30, 2023. These changes first affected the 2024 actuarial valuation which computes the employer contributions for fiscal year 2026.

STATE OF MARYLAND
Schedule of Employer Net Pension Liability
for Maryland State Retirement and Pension System*
Year Ending June 30,

(Amounts Expressed in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
State of Maryland's proportion of the collective NPL:								
Governmental Activities' proportion of the System's NPL	32.01%	31.58%	31.14%	32.23%	33.59%	33.92%	33.92%	31.18%
Governmental Activities' special funding proportion of the System's NPL	52.33	52.92	53.08	52.81	51.73	51.42	53.95	55.79
Business-Type Activities proportion of the System's NPL	1.41	1.41	1.38	1.39	1.25	1.42	1.18	1.23
Component Units' proportion of the System's NPL	7.30	7.30	7.28	6.90	6.93	7.00	5.86	5.78
Total	<u>93.05%</u>	<u>93.22%</u>	<u>92.88%</u>	<u>93.32%</u>	<u>93.50%</u>	<u>93.76%</u>	<u>94.91%</u>	<u>93.98%</u>
State of Maryland's proportionate share of the collective NPL:								
Governmental Activities' proportionate share of the System's NPL	\$7,371,344	\$6,319,282	\$4,672,223	\$7,283,296	\$6,927,888	\$7,117,624	\$7,203,243	\$7,357,073
Governmental Activities' special funding proportionate share of the System's NPL	12,051,692	10,588,726	7,962,964	11,935,978	10,670,529	10,789,240	11,665,236	13,163,108
Business-Type Activities proportionate share of the System's NPL	324,488	282,443	207,644	313,979	257,001	298,096	254,227	290,202
Component Units' proportionate share of the System's NPL	1,681,654	1,461,343	1,091,997	1,559,272	1,429,833	1,469,074	1,267,498	1,363,073
Total	<u>\$21,429,178</u>	<u>\$18,651,793</u>	<u>\$13,934,828</u>	<u>\$21,092,525</u>	<u>\$19,285,251</u>	<u>\$19,674,034</u>	<u>\$20,390,204</u>	<u>\$22,173,456</u>
State of Maryland's covered payroll:								
Governmental Activities' covered payroll	\$4,135,587	\$3,670,881	\$3,846,222	\$2,856,830	\$2,642,155	\$2,576,216	\$2,638,040	\$2,428,412
Governmental Activities' special funding covered payroll	9,102,349	8,468,612	7,957,775	7,492,465	7,153,063	6,941,097	6,780,838	6,611,038
Business-Type Activities covered payroll	154,621	141,501	127,703	106,028	114,620	118,291	114,453	148,035
Component Units' covered payroll	992,032	920,821	817,546	727,484	745,147	726,634	720,191	835,211
Proportionate share of the collective NPL as a percentage of covered payroll:								
Governmental Activities' proportionate share of NPL as a % of covered payroll	178.24%	172.15%	121.48%	254.94%	262.21%	276.28%	273.05%	302.96%
Governmental Activities' special funding proportionate share of NPL as a % of covered payroll	132.40%	125.03%	100.07%	159.31%	149.17%	155.44%	172.03%	199.11%
Business-Type Activities proportionate share of NPL as % of covered payroll	209.86%	199.60%	162.60%	296.13%	224.22%	252.00%	222.12%	196.04%
Component Units' proportionate share of NPL as % of covered payroll	169.52%	158.70%	133.57%	214.34%	191.89%	202.18%	175.99%	163.20%
Plan fiduciary net position as a percentage of pension liability - All	<u>73.80%</u>	<u>76.30%</u>	<u>81.80%</u>	<u>70.72%</u>	<u>72.34%</u>	<u>71.18%</u>	<u>69.38%</u>	<u>65.79%</u>

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

STATE OF MARYLAND
Schedule of Employer Contributions for
Maryland Transit Administration Pension Plan
Year Ending June 30,
(Expressed in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 54,407	\$ 55,926	\$ 53,639	\$ 58,842	\$ 55,213	\$ 64,649	\$ 66,495	\$ 62,217	\$ 44,736	\$ 40,807
Less: Contributions in relation to the actuarially determined contribution	56,110	55,926	68,606	59,280	43,249	43,250	41,597	40,997	40,997	35,400
Contribution deficiency/(excess)	\$ (1,703)	\$ —	\$ (14,967)	\$ (438)	\$ 11,964	\$ 21,399	\$ 24,898	\$ 21,220	\$ 3,739	\$ 5,407
Covered payroll	\$ 187,150	\$ 170,004	\$ 163,102	\$ 164,553	\$ 149,768	\$ 148,445	\$ 145,834	\$ 137,154	\$ 137,427	\$ 137,680
Actual contributions as a percentage of covered payroll	30.0%	32.9%	42.1%	36.0%	28.9%	29.1%	28.5%	29.9%	29.8%	25.7%

Notes to Schedule

Valuation Date: Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the current fiscal year.
Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age Normal, Level Dollar
Amortization method	Level dollar, (Closed)
Inflation	2.75%
Salary increases	2.75% to 10.55% including inflation
Investment rate of return	6.80%
Municipal bond rate	3.97%
Single discount rate	5.35%
Retirement age	Rates vary by participant age
Mortality	Pri-2012 Amount-Weighted Blue Collar Employee mortality table using scale MP-2021.

STATE OF MARYLAND
Schedule of Changes in Net Pension Liability and Related Ratios for
Maryland Transit Administration Pension Plan
For the Year End June 30,
(Expressed in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 31,691	\$ 29,389	\$ 50,802	\$ 43,827	\$ 42,308	\$ 36,027	\$ 37,194	\$ 36,334	\$ 45,868	\$ 24,718
Interest	65,255	62,495	51,485	56,406	55,831	56,520	54,904	57,881	31,181	39,236
Changes of benefit terms	—	—	—	—	208	(203)	3,106	2,133	82,510	—
Differences between expected and actual experience	22,080	21,902	(50,063)	(11,810)	(17,140)	(8,528)	17,385	(20,741)	(15,024)	(19,621)
Changes of assumptions	3,207	(29,238)	(390,469)	140,735	101,716	(51,455)	(45,637)	(151,242)	338,950	53,480
Benefit payments, including refunds of member contributions	(53,342)	(50,465)	(47,454)	(44,736)	(51,151)	(42,724)	(37,203)	(39,062)	(35,283)	(30,636)
Net changes in total pension liability	68,891	34,082	(385,699)	184,422	131,772	(10,363)	29,749	(114,697)	448,202	67,177
Total pension liability-beginning	1,225,996	1,191,914	1,577,613	1,393,191	1,261,419	1,271,782	1,575,538	1,804,932	908,528	841,351
Total pension liability-ending (a)	<u>\$1,294,887</u>	<u>\$1,225,996</u>	<u>\$1,191,914</u>	<u>\$1,577,613</u>	<u>\$1,393,191</u>	<u>\$1,261,419</u>	<u>\$1,605,287</u>	<u>\$1,690,235</u>	<u>\$1,356,730</u>	<u>\$ 908,528</u>
Plan fiduciary net position										
Net investment income	33,630	18,156	(10,986)	93,213	12,832	31,023	20,550	27,739	3,513	8,279
Contributions-employer	66,214	62,950	75,439	66,591	43,250	41,597	40,997	40,997	38,037	38,361
Benefit payments, including refunds of member contributions	(53,342)	(50,465)	(47,454)	(44,736)	(51,152)	(42,724)	(37,203)	(35,967)	(35,283)	(30,636)
Administrative expenses	(173)	(3,424)	(4,135)	(3,602)	(2,652)	(2,325)	(2,213)	(1,914)	(1,967)	(1,851)
Net change in plan fiduciary net position	46,329	27,217	12,864	111,466	2,278	27,571	22,131	30,855	4,300	14,153
Plan fiduciary net position-beginning	487,366	460,242	447,378	335,912	329,024	298,447	308,155	246,445	237,845	223,692
Plan fiduciary net position-ending (b)	<u>\$ 533,695</u>	<u>\$ 487,459</u>	<u>\$ 460,242</u>	<u>\$ 447,378</u>	<u>\$ 331,302</u>	<u>\$ 326,018</u>	<u>\$ 330,286</u>	<u>\$ 277,300</u>	<u>\$ 242,145</u>	<u>\$ 237,845</u>
Net pension liability-ending (a)-(b)	<u>\$ 761,192</u>	<u>\$ 738,538</u>	<u>\$ 731,672</u>	<u>\$1,130,235</u>	<u>\$1,061,889</u>	<u>\$ 935,401</u>	<u>\$1,275,001</u>	<u>\$1,412,935</u>	<u>\$1,114,585</u>	<u>\$ 670,683</u>
Plan fiduciary net position as a percentage of as a percentage of the total pension liability	41.2%	39.8%	38.6%	28.4%	23.8%	25.8%	20.6%	16.4%	17.8%	26.2%
Covered payroll	\$ 187,150	\$ 170,004	\$ 163,102	\$ 164,553	\$ 149,768	\$ 148,445	\$ 145,834	\$ 137,154	\$ 137,427	\$ 137,680
Employer net pension liability as a percent of covered payroll	406.7%	434.4%	448.6%	686.9%	709.0%	630.1%	874.3%	1030.2%	811.0%	487.1%

Notes to Schedule

Changes of Assumptions: FY24 reflects a decrease to the effective discount rate from 5.37% to 5.35%.

STATE OF MARYLAND
Schedule of Investment Returns for
Maryland Transit Administration Pension Plan
Year Ending June 30,
(Expressed in Thousands)

Fiscal Year Ended	Annual money-weighted rate of return, net of investment expenses
2024	6.9%
2023	3.1%
2022	(3.0)%
2021	26.7%
2020	3.5%
2019	6.4%
2018	8.1%
2017	10.0%
2016	1.5%
2015	3.7%

STATE OF MARYLAND
Schedule of Employer Contributions for
Other Post-Employment Benefit Plan
Year Ending June 30,
(Expressed in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 614,673	\$ 581,190	\$ 610,967	\$ 551,443	\$ 611,709	\$ 644,919	\$ 532,287	\$ 779,316	\$ 634,552	\$ 574,359
Less: Contributions in relation to the actuarially determined contribution	535,591	706,946	673,695	629,554	601,487	499,502	562,479	526,535	490,765	449,750
Contribution deficiency/(excess)	<u>\$ 79,082</u>	<u>\$ (125,756)</u>	<u>\$ (62,728)</u>	<u>\$ (78,111)</u>	<u>\$ 10,222</u>	<u>\$ 145,417</u>	<u>\$ (30,192)</u>	<u>\$ 252,781</u>	<u>\$ 143,787</u>	<u>\$ 124,609</u>
Covered payroll	\$ 7,338,908	\$ 6,692,488	\$ 5,944,012	\$ 5,687,358	\$ 5,669,650	\$ 5,380,192	\$ 5,115,140	\$ 5,111,236	\$ 4,997,602	\$ 4,929,100
Actual contributions as a percentage of covered payroll	7.3%	10.6%	11.3%	11.1%	10.6%	9.3%	11.0%	10.3%	9.8%	9.1%

Notes to Schedule

Valuation date: Actuarially determined contribution amounts are calculated as of June 30 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal
Amortization method period Level Dollar Amount
Remaining amortization period ... 30-year open period
Asset valuation method Market value of assets

STATE OF MARYLAND
Schedule of Changes in Net OPEB Liability and Related Ratios for
Other Post-Employment Benefits Plan*
For the Year Ended June 30,
(Expressed in Thousands)

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 350,298	\$ 349,990	\$ 503,008	\$ 568,469	\$ 427,003	\$ 337,320	\$ 306,642
Interest	425,837	454,177	333,082	376,474	516,935	426,193	410,862
Change of benefit terms	427,337	(1,414,935)	106,421	87,982	97,221	2,544,752	—
Differences between expected and actual experience	42,466	258,674	111,645	560,235	162,068	459,791	323,130
Changes of assumptions	(414,422)	(189,372)	(2,802,673)	(2,490,736)	1,537,159	471,611	(969,487)
Benefit payments, including refunds of member contributions	(535,591)	(706,946)	(673,695)	(629,554)	(601,487)	(499,502)	(562,479)
Net changes in total OPEB liability	295,925	(1,248,412)	(2,422,212)	(1,527,130)	2,138,899	3,740,165	(491,332)
Total OPEB liability-beginning	11,581,862	12,830,273	15,252,485	16,779,615	14,640,716	10,900,551	11,391,883
Total OPEB liability-ending ^(a)	<u>\$ 11,877,788</u>	<u>\$ 11,581,862</u>	<u>\$ 12,830,273</u>	<u>\$ 15,252,485</u>	<u>\$ 16,779,615</u>	<u>\$ 14,640,716</u>	<u>\$ 10,900,551</u>
Plan fiduciary net position							
Net investment income	\$ 51,648	\$ 77,888	\$ (68,491)	\$ 98,747	\$ 4,373	\$ 21,460	\$ 22,599
Net change in plan fiduciary net position	51,648	77,888	(68,491)	98,747	4,373	21,460	22,599
Plan fiduciary net position-beginning	463,248	385,361	453,852	355,105	350,732	329,272	306,673
Plan fiduciary net position-ending ^(b)	<u>\$ 514,896</u>	<u>\$ 463,249</u>	<u>\$ 385,361</u>	<u>\$ 453,852</u>	<u>\$ 355,105</u>	<u>\$ 350,732</u>	<u>\$ 329,272</u>
Net OPEB liability-ending ^{(a)-(b)}	<u>\$ 11,362,892</u>	<u>\$ 11,118,613</u>	<u>\$ 12,444,912</u>	<u>\$ 14,798,633</u>	<u>\$ 16,424,510</u>	<u>\$ 14,289,984</u>	<u>\$ 10,571,279</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.3%	4.0%	3.0%	3.0%	2.1%	2.4%	3.0%
Covered payroll	\$ 7,338,908	\$ 6,692,488	\$ 5,944,012	\$ 5,687,358	\$ 5,669,650	\$ 5,380,192	\$ 5,115,140
Plan net OPEB liability as a percent of covered payroll	154.8%	166.1%	209.4%	260.2%	289.7%	265.6%	206.7%

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

STATE OF MARYLAND
Schedule of Investment Returns for
Other Post-Employment Benefit Plan*
Year Ending June 30,
(Expressed in Thousands)

Fiscal Year Ended	Annual money-weighted rate of return, net of investment expenses
2024	11.1%
2023	13.3%
2022	(15.1)%
2021	27.8%
2020	1.3%
2019	6.5%
2018	7.4%

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

STATE OF MARYLAND
Schedule of Employer Contributions for
Maryland Transit Administration Retiree Healthcare Benefits Plan*
Year Ending June 30,
(Expressed in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 29,159	\$ 46,235	\$ 41,932	\$ 46,156	\$ 31,899	\$ 41,137	\$ 47,907	\$ 90,004	\$ 72,624	\$ 67,496
Less: Contributions in relation to the actuarially determined contribution	17,899	20,177	15,511	20,354	17,240	15,617	12,422	16,887	15,296	13,905
Contribution deficiency/(excess)	<u>\$ 11,260</u>	<u>\$ 26,058</u>	<u>\$ 26,421</u>	<u>\$ 25,802</u>	<u>\$ 14,659</u>	<u>\$ 25,520</u>	<u>\$ 35,485</u>	<u>\$ 73,117</u>	<u>\$ 57,328</u>	<u>\$ 53,591</u>
Covered-employee payroll	\$ 187,150	\$ 170,004	\$ 163,102	\$ 164,553	\$ 149,768	\$ 148,445	\$ 145,834	\$ 137,154	\$ 137,427	\$ 137,680
Actual contributions as a percentage of covered-employee payroll	9.6%	11.9%	9.5%	12.4%	11.5%	10.5%	8.5%	12.3%	11.1%	10.1%

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of June 30 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to establish “actuarially determined contribution” rates:

Actuarial cost method Individual Entry-Age

*OPEB plan is funded as a pay-as-you-go arrangement and is not pre-funded by assets.

STATE OF MARYLAND
Schedule of Changes in Net OPEB Liability and Related Ratios for
Maryland Transit Administration Retiree Healthcare Benefit Plan*
Year Ending June 30,
(Expressed in Thousands)

	2024	2023	2022	2021	2020	2019
Total OPEB liability						
Service cost	\$ 29,159	\$ 46,235	\$ 41,932	\$ 46,156	\$ 31,898	\$ 41,137
Interest	27,910	19,257	21,957	26,467	26,053	29,487
Differences between expected and actual experience	(7,547)	(116,971)	(8,079)	19,747	(1,121)	(14,073)
Changes of assumptions	(18,434)	(167,511)	66,622	(21,696)	64,217	(145,356)
Benefit payments, including refunds of member contributions	(17,899)	(20,177)	(15,511)	(20,354)	(17,240)	(15,617)
Net changes in total OPEB liability	13,190	(239,167)	106,921	50,320	103,807	(104,422)
Total OPEB liability-beginning	750,748	989,915	882,994	832,674	728,867	833,289
Total OPEB liability-ending ^(a)	<u>\$ 763,938</u>	<u>\$ 750,748</u>	<u>\$ 989,915</u>	<u>\$ 882,994</u>	<u>\$ 832,674</u>	<u>\$ 728,867</u>
Plan fiduciary net position						
Contributions-employer	\$ 17,899	\$ 20,177	\$ 15,511	\$ 20,354	\$ 17,240	\$ 15,617
Benefit payments, including refunds	(17,899)	(20,177)	(15,511)	(20,354)	(17,240)	(15,617)
Administrative expenses ^(b)	—	—	—	—	—	—
Net OPEB liability-ending ^{(a)-(b)}	<u>\$ 763,938</u>	<u>\$ 750,748</u>	<u>\$ 989,915</u>	<u>\$ 882,994</u>	<u>\$ 832,674</u>	<u>\$ 728,867</u>
Covered-employee payroll	<u>\$ 187,150</u>	<u>\$ 170,004</u>	<u>\$ 163,102</u>	<u>\$ 164,553</u>	<u>\$ 149,768</u>	<u>\$ 148,445</u>
Employer net OPEB liability as a percent of covered-employee payroll	<u>408.2%</u>	<u>441.6%</u>	<u>606.9%</u>	<u>536.6%</u>	<u>556.0%</u>	<u>491.0%</u>

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No assets have been accumulated in a trust to pay related benefits. Assets to pay related benefits have not been accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101.

STATE OF MARYLAND

Notes to Required Supplementary Information For the Year Ended June 30, 2024

Budgeting and Budgetary Control:

The Maryland Constitution requires the Governor to submit to the General Assembly an annual balanced budget for the following fiscal year. This budget is prepared and adopted for the General Fund, which includes all transactions of the State, unless otherwise directed to be included in another fund and the Special Fund, which includes the transportation activities of the State, fishery and wildlife funds, shared taxes and payments of debt service on general obligation bonds. In contrast, the GAAP special revenue fund includes the operations (other than debt service and pension activities) of the Maryland Department of Transportation. The budgetary Federal fund revenue and expenditures are included in the GAAP General and Special Funds as federal revenues and expenditures by function. An annual budget is also prepared for the Federal Fund, which accounts for substantially all grants from the Federal government, and the current unrestricted and restricted funds of the Universities and Colleges. In addition to the annual budget, the General Assembly adopts authorizations for the issuance of general obligation bonds. The expenditures of the resources obtained thereby are accounted for in the capital projects fund.

All State budgetary expenditures for the general, special and federal funds are made pursuant to appropriations in the annual budget, as amended from time to time, by budget amendments. The legal level of budgetary control is at the program level of the general, special and federal funds. State governmental departments and independent agencies may, with the Governor's approval, amend the appropriations by program within the budgetary general fund, provided they do not exceed their total general fund appropriations as contained within the annual budget. The legal level of budgetary control is at the program (function) level of the general, special and federal funds. Examples of State functional programs include Public debt, transportation and highways, and environment. These functional programs are at the legal level of budgetary control and the presentation of budget and actual comparisons on pages 111 and 112 .

Increases in total general fund appropriations must be approved by the General Assembly. For the fiscal year ended June 30, 2024, the General Assembly approved a net increase in General Fund appropriations of \$354,750,620. Appropriations for programs funded by, in whole or in part, from the special or federal funds, may permit expenditures in excess of original special or federal fund appropriations to the extent that actual revenues exceed original budget estimates and such additional expenditures are approved by the Governor. Unexpended appropriations from the general fund may be carried over to succeeding years to the extent of encumbrances, with all other appropriations lapsing as of the end of the fiscal year. Unexpended appropriations from special and federal funds may be carried over to the extent of (a) available resources, and (b) encumbrances. The State's accounting system is maintained by the Comptroller in compliance with State Law and in accordance with the State's Budgetary Funds. It controls expenditures at the program level to ensure legal compliance. The "Agency Appropriation Unencumbered Balance Report," which is available for public inspection at the Office of the Comptroller, provides a more comprehensive accounting of activity on the basis of budgeting at the legal level of budgetary control.

The original and amended budget adopted by the General Assembly for the general, special and federal funds is presented in the Schedule of Revenues, Expenditures and Encumbrances, and Changes in Fund Balances, Budget and Actual for the year ended June 30, 2024. The State's budgetary fund structure and the basis of budgeting, which is the modified accrual basis with certain exceptions, differ from that utilized to present financial statements in conformity with generally accepted accounting principles. The budgetary system's principal departures from the modified accrual basis are the classification of the State's budgetary funds and the timing of recognition of certain revenues and expenditures. A summary of the effects of the fund structure differences and exceptions to the modified accrual basis of accounting, as of June 30, 2024, is provided in the "Reconciliation of the Budgetary General and Special Fund, Fund Balances to the GAAP General and Special Revenue Fund Balances" immediately following the budgetary schedule.

Combining Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT, STATE OF MARYLAND



STATE OF MARYLAND

Non-major Governmental Funds

Special Revenue Funds

Opioid Restitution Fund: Transactions related opioid abatement purposes resulting from the nationwide prescription opioid-related legal settlements.

Maryland Economic Development Opportunities Program Fund (Sunny Day): Transactions related to loans, conditional loans, grants, conditional grants, and investments made to assist in the retention or expansion of existing enterprises and the attraction of new enterprises.

Maryland Economic Adjust Fund (MEAF): Transactions related to loans made to eligible businesses, and grants to Revolving Loan Funds administered by local government or nonprofit economic development organizations in the State of Maryland to assist with the modernization of manufacturing operation, the development of commercial applications for technology, and exploring and entering new markets.

Debt Service Funds

General Obligation Bonds, Debt Service Fund: Transactions related to resources obtained and used for the payment of interest and principal on general long-term debt obligations are accounted for in the general obligation bonds debt service fund.

Transportation Bonds, Debt Service Fund: Transactions related to resources obtained and used for the payment of interest and principal on transportation long-term debt obligations are accounted for in the transportation bonds debt service fund.

STATE OF MARYLAND
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024
(Expressed in Thousands)

	Opioid Restitution Fund	Maryland Economic Adjust Fund	Maryland Economic Development Opportunities Program Fund (Sunny Day)	Debt Service Funds		Total Non-major Governmental Funds
				General Obligation Bonds	Transportation Bonds	
Assets:						
Equity in pooled invested cash	\$ —	\$ 641	\$ 1,832	\$ —	\$ —	\$ 2,473
Investments	—	—	—	—	—	—
Other accounts receivable	133,037	6	350	—	—	133,393
Restricted Assets:						
Cash with fiscal agent	—	—	—	49,018	—	49,018
Equity in pooled invested cash	86,146	—	—	427,708	—	513,854
Investments	—	—	—	36,263	—	36,263
Taxes receivable, net	—	—	—	72,718	—	72,718
Other accounts receivable	—	—	—	469	—	469
Loans and notes receivable, net	—	468	—	848	—	1,316
Total assets	\$ 219,183	\$ 1,114	\$ 2,182	\$ 587,023	\$ —	\$ 809,502
Liabilities:						
Vouchers payable	—	—	—	—	—	—
Accounts payable and accrued liabilities	—	—	—	2,320	—	2,320
Due to other funds	—	—	—	—	—	—
Accounts payable to political subdivisions	—	—	—	—	—	—
Total liabilities	—	—	—	2,320	—	2,320
Deferred inflows of resources	123,731	—	—	—	—	123,731
Fund balances:						
Restricted	95,452	1,114	2,182	587,023	—	685,771
Committed	—	—	—	—	—	—
Assigned	—	—	—	—	—	—
Unassigned	—	—	—	(2,320)	—	(2,320)
Total fund balance	95,452	1,114	2,182	584,703	—	683,452
Total liabilities and fund balances	\$ 219,183	\$ 1,114	\$ 2,182	\$ 587,023	\$ —	\$ 809,502

STATE OF MARYLAND
Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Change in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024
(Expressed in Thousands)

					<u>Debt Service Funds</u>		<i>Formerly Non-Major Governmental Fund Capital Projects Fund</i>	Total Non-major Governmental Funds
	Opioid Restitution Fund	Maryland Economic Adjust Fund	Maryland Economic Development Opportunities Program Fund (Sunny Day)	General Obligation Bonds	Transportation Bonds			
Revenues:								
Property taxes	\$ —	\$ —	\$ —	\$ 991,528	\$ —	\$ —	\$ —	\$ 991,528
Interest and other investment income	2,371	—	—	1,751	—	—	—	4,122
Federal revenue	—	41	—	6,369	—	—	—	6,410
Other	51,464	7	—	104	—	—	—	51,575
Total revenue	53,835	48	—	999,753	—	—	—	1,053,636
Expenditures:								
General government	—	—	261	—	—	—	—	261
Education	—	—	—	—	—	—	—	—
Health and mental hygiene	3,018	—	—	—	—	—	—	3,018
Commerce	—	305	—	—	—	—	—	305
Debt service:								
Principal retirement	—	—	—	1,005,999	292,120	—	—	1,298,119
Interest	—	—	—	419,985	134,334	—	—	554,319
Bond issuance costs	—	—	—	—	—	—	—	—
Total expenditures	3,018	305	261	1,425,984	426,454	—	—	1,856,022
Surplus (deficiency) of revenues under expenditures	50,817	(257)	(261)	(426,231)	(426,454)	—	—	(802,386)
Other sources (uses) of financial resources:								
Bonds issued	—	—	—	—	—	—	—	—
Bond premium	—	—	—	139,550	—	—	—	139,550
Transfers in	—	—	—	432,080	426,454	—	—	858,534
Transfers out	—	—	—	—	—	—	—	—
Total other sources of financial resources	—	—	—	571,630	426,454	—	—	998,084
Net changes in fund balances	50,817	(257)	(261)	145,398	—	—	—	195,698
Fund balances, beginning of year, as previously presented								
Change within financial reporting entity (nonmajor to major fund)	—	—	—	—	—	(1,729,038)	—	(1,729,038)
Fund balances, beginning of year, as restated	44,635	1,371	2,443	439,305	—	—	—	2,216,792
Fund balances, end of year	\$ 95,452	\$ 1,114	\$ 2,182	\$ 584,703	\$ —	\$ —	\$ —	\$ 683,451

STATE OF MARYLAND

Non-major Enterprise Funds

Transactions related to commercial types of activities operated by the State are accounted for in the enterprise funds. The non-major enterprise funds consist of the economic development insurance programs of the Department of Housing and Community Development and Maryland Correctional Enterprises, which utilizes inmate labor from State correctional institutions to manufacture goods, wares and merchandise to be sold to State and federal agencies, political subdivisions and charitable, civic, educational, fraternal or religious associations or institutions.

STATE OF MARYLAND
Combining Statement of Net Position
Non-major Enterprise Funds
June 30, 2024
(Expressed in Thousands)

	Economic Development Insurance Programs	Maryland Correctional Enterprises	Total Non-Major Enterprise Funds
Assets-			
Current assets:			
Equity in pooled invested cash	\$ 7,204	\$ 7,512	\$ 14,716
Other accounts receivable	—	19,451	19,451
Inventories	—	17,281	17,281
Other assets	211	60	271
Restricted equity in pooled invested cash	91,642	—	91,642
Total current assets	99,057	44,304	143,361
Non-current assets:			
Capital assets, net of accumulated depreciation:			
Structures and improvements	—	4,207	4,207
Equipment	—	3,367	3,367
Total non-current assets	—	7,574	7,574
Total assets	99,057	51,878	150,935
Deferred outflows of resources	—	3,582	3,582
Liabilities-			
Current liabilities:			
Accounts payable and accrued liabilities	431	3,563	3,994
Accrued insurance on loan losses	10,625	—	10,625
Other liabilities	488	839	1,327
Unearned revenue	530	158	688
Total current liabilities	12,074	4,560	16,634
Non-current liabilities:			
Other liabilities	61	11,546	11,607
Total non-current liabilities	61	11,546	11,607
Total liabilities	12,135	16,106	28,241
Deferred inflows of resources	—	496	496
Net Position-			
Net investment in capital assets	—	7,574	7,574
Restricted for insurance programs	91,441	—	91,441
Unrestricted (deficit)	(4,519)	31,284	26,765
Total net position	\$ 86,922	\$ 38,858	\$ 125,779

STATE OF MARYLAND
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-major Enterprise Funds
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Economic Development Insurance Programs	Maryland Correctional Enterprises	Total Non-Major Enterprise Funds
Operating revenues:			
Charges for services and sales	\$ 865	\$ 68,641	\$ 69,506
Unrestricted interest on loan income	526	—	526
Other	1,133	—	1,133
Total operating revenues	2,524	68,641	71,165
Operating expenses:			
Cost of sales and services	—	52,362	52,362
General and administrative	1,883	11,016	12,899
Depreciation and amortization	—	957	957
Provision for insurance on loan losses	(983)	—	(983)
Total operating expenses	900	64,334	65,235
Operating income (loss)	1,624	4,307	5,930
Non-operating revenues (expenses):			
Restricted investment income	3,963	—	3,963
Other	—	(162)	(162)
Total non-operating revenues (expenses)	3,963	(162)	3,801
Changes in net position	5,587	4,145	9,731
Total net position - beginning of the year	81,335	34,713	116,048
Total net position - end of the year	\$ 86,922	\$ 38,858	\$ 125,779

STATE OF MARYLAND
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Economic Development Insurance Programs		Maryland Correctional Enterprises		Total Non-Major Enterprise Funds
Cash flows from operating activities:					
Receipts from customers.....	\$ 767	\$	61,400	\$	62,167
Payments to suppliers.....	—		(52,481)		(52,481)
Payments to employees.....	(704)		(13,778)		(14,482)
Other receipts.....	5,334		—		5,334
Other payments.....	(2,493)		—		(2,493)
Net cash provided by (used in) operating activities.....	2,904		(4,859)		(1,955)
Cash flows from capital and related financing activities:					
Acquisition of capital assets.....	—		(560)		(560)
Net cash provided by (used in) capital and related financing activities.....	—		(560)		(560)
Cash flows from investing activities:					
Interest received on debt instruments of other entities.....	3,963		—		3,963
Net cash provided by (used in) investing activities.....	3,963		—		3,963
Net change in cash and cash equivalents.....	6,867		(5,419)		1,448
Balance - beginning of the year.....	91,979		12,931		104,910
Balance - end of the year.....	\$ 98,846	\$	7,512	\$	106,358

Reconciliation of operating income to net cash from operating activities:

Operating income (loss).....	\$ 1,624	\$	4,307	\$	5,930
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation and amortization.....	—		956		956
Deferred inflows of resources.....	—		(1,088)		(1,088)
Effect of changes in non-cash operating assets and liabilities:					
Other accounts receivable.....	—		(7,402)		(7,402)
Due from other funds.....	(122)		—		(122)
Inventories.....	—		(2,969)		(2,969)
Loans and notes receivable.....	1		—		1
Other assets.....	199		24		223
Accrued vacation and Workers Compensation.....	—		—		—
Accounts payable and accrued liabilities.....	403		1,362		1,765
Accrued insurance and loan losses.....	776		—		776
Unearned revenue.....	23		(276)		(253)
Other liabilities.....	—		227		227
Net cash from operating activities.....	\$ 2,904	\$	(4,859)	\$	(1,956)

STATE OF MARYLAND

Fiduciary Funds

The Pension and Other Post-Employment Benefits Trust Funds include the Maryland State Retirement and Pension System, Maryland Transit Administration Pension Plan, Maryland Teachers & State Employees Supplemental Retirement Plans, and Post-Employment Health Benefits Trust Fund. The Pension Trust Funds reflect the transactions, assets, liabilities and net position of the plans administered by the State and the Maryland Transit Administration and are accounted for using the flow of economic resources measurement focus. The Maryland Supplemental Retirement Plans, which is included with a year end of December 31, accounts for participant earnings deferred in accordance with Internal Revenue Code Sections 457, 403(b), 401(a) and 401(k). Amounts deferred are invested and are not subject to Federal income taxes until paid to participants upon termination or retirement from employment, death or for an unforeseeable emergency. The other Post-Employment Health Benefits Trust Fund (OPEB Trust) accumulates funds to assist the State's Employee and Retiree Health and Welfare Benefits Program finance the State's postretirement health insurance subsidy. The OPEB Trust is administered by the Board of Trustees for the Maryland State Retirement and Pension System, and its transactions and its transactions and account balances are accounted for using the flow of economic resources measurement focus.

The State uses custodial funds to account for the receipt and disbursement of patient and prisoner accounts, various taxes collected by the State for distribution to the Federal government and political subdivisions and amounts withheld from employee's payroll.

STATE OF MARYLAND
Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefits Trust Funds
June 30, 2024
(Expressed in Thousands)

	Maryland State Retirement and Pension System	Maryland Transit Administration Pension Plan	Other Postretirement Health Benefits Trust Fund	Maryland Supplemental Retirement Plans December 31, 2023	Total
Assets:					
Cash	\$ 2,265,618	\$ 15,110	\$ 7	\$ 2,992	\$ 2,283,727
Receivables:					
Accrued investment income	260,758	1,573	—	44,605	306,936
Total receivables	260,758	1,573	—	44,605	306,936
Investments:					
US Treasury and agency obligations	5,900,878	46,694	68,508	—	6,016,080
Bonds	4,506,999	35,668	—	—	4,542,667
Corporate equity securities	20,775,555	164,399	356,759	—	21,296,713
Mortgage related securities	1,952,783	15,453	—	—	1,968,236
Mutual funds	—	—	—	4,445,053	4,445,053
Guaranteed investment contracts	—	—	—	797,849	797,849
Real estate	—	—	62,978	—	62,978
Annuity contracts	—	—	—	48,251	48,251
Commingled funds	32,626,454	258,178	26,646	—	32,911,278
Total investments	65,762,669	520,392	514,891	5,291,153	72,089,105
Other receivables	426,020	1,857	—	—	427,877
Collateral for lent securities	4,848,015	—	—	—	4,848,015
Other assets	—	32,185	—	—	32,185
Total assets	73,563,080	571,117	514,898	5,338,750	79,987,845
Liabilities:					
Accounts payable and accrued liabilities	71,376	37,422	—	—	108,798
Collateral obligation for lent securities	4,848,015	—	—	—	4,848,015
Other liabilities	733,981	—	—	—	733,981
Total liabilities	5,653,372	37,422	—	—	5,690,794
Net position restricted for:					
Pension benefits	67,909,708	533,695	—	—	68,443,403
Deferred compensation benefits	—	—	—	5,338,750	5,338,750
Postretirement health benefits	—	—	514,897	—	514,897
Total net position	\$ 67,909,708	\$ 533,695	\$ 514,897	\$ 5,338,750	\$ 74,297,050

STATE OF MARYLAND
Combining Statement of Changes in Plan Net Position
Pension and Other Employee
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Maryland State Retirement and Pension System	Maryland Transit Administration Pension Plan	Other Postretirement Health Benefits Trust Fund	Maryland Supplemental Retirement Plans December 31, 2023	Total
Additions:					
Contributions:					
Employers	\$ 1,834,051	\$ 56,110	\$ 711,458	\$ —	\$ 2,601,619
Members	1,056,173	10,104	—	222,391	1,288,668
Sponsors	784,265	—	—	—	784,265
Total contributions	<u>3,674,489</u>	<u>66,214</u>	<u>711,458</u>	<u>222,391</u>	<u>4,674,552</u>
Investment earnings:					
Net appreciation (depreciation) in fair value of investments	1,891,910	10,860	46,527	733,074	2,682,371
Interest	716,931	22,770	5,352	27,180	772,232
Dividends	2,242,095	—	—	—	2,242,095
Total investment income	<u>4,850,936</u>	<u>33,630</u>	<u>51,879</u>	<u>760,254</u>	<u>5,696,699</u>
Less: investment expense	434,161	—	295	—	434,456
Net investment income	<u>4,416,775</u>	<u>33,630</u>	<u>51,584</u>	<u>760,254</u>	<u>5,262,242</u>
Total additions	<u>8,091,264</u>	<u>99,844</u>	<u>763,042</u>	<u>982,645</u>	<u>9,936,794</u>
Deductions:					
Benefit payments	4,916,425	53,342	711,394	316,670	5,997,831
Refunds	107,308	—	—	—	107,308
Administrative expenses	50,796	173	—	9,800	60,769
Total deductions	<u>5,074,529</u>	<u>53,515</u>	<u>711,394</u>	<u>326,470</u>	<u>6,165,908</u>
Net increase/(decrease)	3,016,735	46,329	51,648	656,175	3,770,887
Net position-beginning	64,892,973	487,366	463,249	4,682,575	70,526,163
Net position-ending	<u>\$ 67,909,708</u>	<u>\$ 533,695</u>	<u>\$ 514,897</u>	<u>\$ 5,338,750</u>	<u>\$ 74,297,049</u>

STATE OF MARYLAND
Combining Schedule of Fiduciary Net Position
Maryland State Retirement and Pension System
June 30, 2024
(Expressed in Thousands)

	Teachers' Retirement and Pension System	Employees' Retirement and Pension System	State Police Retirement System	Judges' Retirement System	Law Enforcement Officers' Pension System	Subtotal	Eliminations*	Total
Assets:								
Cash	\$ 1,354,446	\$ 767,477	\$ 67,049	\$ 24,187	\$ 52,459	\$ 2,265,618	\$ —	\$ 2,265,618
Investments, at fair value	39,836,288	21,989,540	1,882,430	587,044	1,467,367	65,762,669	—	65,762,669
Other receivables & Accrued Inv. Income	379,473	263,288	22,476	5,151	16,390	686,778	—	686,778
Due from other systems	82,540	55,109	422	—	12,641	150,712	(150,712)	—
Collateral for lent securities	2,950,982	1,609,545	138,723	43,435	105,330	4,848,015	—	4,848,015
Total assets	44,603,729	24,684,959	2,111,100	659,817	1,654,187	73,713,792	(150,712)	73,563,080
Liabilities:								
Accounts payable and accrued liabilities	35,587	31,648	1,947	825	1,369	71,376	—	71,376
Due to other system	50,236	100,391	(26)	109	2	150,712	(150,712)	—
Collateral obligation for lent securities & Other liab	3,397,416	1,853,373	159,725	50,015	121,467	5,581,996	—	5,581,996
Total liabilities	3,483,239	1,985,412	161,646	50,949	122,838	5,804,084	(150,712)	5,653,372
Net Position:								
Restricted for pension benefits	\$ 41,120,490	\$ 22,699,547	\$ 1,949,454	\$ 608,868	\$ 1,531,349	\$ 67,909,708	\$ —	\$ 67,909,708

* Intersystem balances have been eliminated in the financial statements.

STATE OF MARYLAND
Combining Schedule of Changes in Plan Net Position
Maryland State Retirement and Pension System
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Teachers' Retirement and Pension System	Employees Retirement and Pension System	State Police Retirement System	Judges' Retirement System	Law Enforcement Officers' Pension System	Subtotal	Eliminations*	Total
Additions:								
Contributions:								
Employers	\$ 488,140	\$ 1,099,639	\$ 115,333	\$ 26,085	\$ 104,854	\$ 1,834,051	\$ —	\$ 1,834,051
Members	636,103	385,842	11,393	4,255	18,580	1,056,173	—	1,056,173
Sponsors	784,265	—	—	—	—	784,265	—	784,265
Total contributions	1,908,508	1,485,481	126,726	30,340	123,434	3,674,489	—	3,674,489
Investment earnings:								
Net increase (decrease) in fair value of investments	1,147,268	631,877	54,188	16,942	41,635	1,891,910	—	1,891,910
Interest	419,592	233,652	19,920	6,452	15,247	694,863	—	694,863
Dividends	1,358,303	750,107	64,186	20,114	49,385	2,242,095	—	2,242,095
Income from securities lending	13,371	7,381	632	199	485	22,068	—	22,068
Total investment income	2,938,534	1,623,017	138,926	43,707	106,752	4,850,936	—	4,850,936
Less: investment expense	262,972	145,229	12,441	3,894	9,625	434,161	—	434,161
Net investment income	2,675,562	1,477,788	126,485	39,813	97,127	4,416,775	—	4,416,775
Total additions	4,584,070	2,963,269	253,211	70,153	220,561	8,091,264	—	8,091,264
Deductions:								
Benefit payments	2,795,799	1,817,473	154,308	46,027	102,818	4,916,425	—	4,916,425
Refunds	53,297	52,739	261	59	952	107,308	—	107,308
Administrative expenses	29,755	20,181	310	76	474	50,796	—	50,796
Total deductions	2,878,851	1,890,393	154,879	46,162	104,244	5,074,529	—	5,074,529
Net system transfers in/(out)	(5,962)	4,317	75	(31)	1,601	—	—	—
Changes in net position	1,699,257	1,077,193	98,407	23,960	117,918	3,016,735	—	3,016,735
Net position restricted for pension benefits:								
Beginning of the year	39,421,233	21,622,354	1,851,047	584,908	1,413,431	64,892,973	—	64,892,973
End of the year	\$ 41,120,490	\$ 22,699,547	\$ 1,949,454	\$ 608,868	\$ 1,531,349	\$ 67,909,708	\$ —	\$ 67,909,708

* Intersystem balances have been eliminated in the financial statements.

STATE OF MARYLAND
Combining Schedule of Fiduciary Net Position
Maryland Supplemental Retirement Plans
December 31, 2023
(Expressed in Thousands)

	Deferred Compensation Plan Section 457	Savings and Investment Plan Section 401(k) Plan	Match Plan and Trust 401(a) Plan	Tax Sheltered Annuity Plan 403(b) Plan	Total
Assets:					
Cash	\$ 2,992	\$ —	\$ —	\$ —	\$ 2,992
Investments, at fair value	2,311,422	2,619,251	242,918	117,562	5,291,153
Other receivables	24,862	19,158	216	368	44,605
Total assets	<u>2,339,276</u>	<u>2,638,409</u>	<u>243,134</u>	<u>117,931</u>	<u>5,338,750</u>
Net position:					
Restricted for deferred compensation benefits	<u>\$ 2,339,276</u>	<u>\$ 2,638,409</u>	<u>\$ 243,134</u>	<u>\$ 117,931</u>	<u>\$ 5,338,750</u>

STATE OF MARYLAND
Combining Schedule of Changes in Plan Net Position
Maryland Supplemental Retirement Plans
For the Year Ended December 31, 2023
(Expressed in Thousands)

	Deferred Compensation Plan Section 457	Savings and Investment Plan Section 401(k) Plan	Match Plan and Trust 401(a) Plan	Tax Sheltered Annuity Plan 403(b) Plan	Total
Additions:					
Contributions:					
Members	\$ 104,475	\$ 102,893	\$ 12,249	\$ 2,774	\$ 222,391
Total contributions	<u>104,475</u>	<u>102,893</u>	<u>12,249</u>	<u>2,774</u>	<u>222,391</u>
Investment earnings:					
Net increase in fair value of investments	305,124	372,577	36,806	18,566	733,074
Interest	15,494	10,820	750	115	27,180
Net investment income	<u>320,618</u>	<u>383,397</u>	<u>37,557</u>	<u>18,681</u>	<u>760,254</u>
Total additions	<u>425,093</u>	<u>486,290</u>	<u>49,806</u>	<u>21,456</u>	<u>982,645</u>
Deductions:					
Benefit payments	134,634	160,744	11,912	9,380	316,670
Administrative expenses	5,267	4,070	325	138	9,800
Total deductions	<u>139,901</u>	<u>164,814</u>	<u>12,237</u>	<u>9,518</u>	<u>326,470</u>
Changes in net position	285,192	321,476	37,569	11,938	656,175
Net position restricted for pension and other employee benefits:					
Beginning of the year	2,054,083	2,316,933	205,565	105,993	4,682,575
End of the year	<u>\$ 2,339,276</u>	<u>\$ 2,638,409</u>	<u>\$ 243,134</u>	<u>\$ 117,931</u>	<u>\$ 5,338,750</u>

STATE OF MARYLAND
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024
(Expressed in Thousands)

	Custodial Funds					Total Custodial Funds
	Local Income Taxes	Insurance Premium Taxes	Local Transportation Funds and Other Taxes	Litigant, Patient and Prisoner Accounts	Restitution	
Assets:						
Cash	\$ —	\$ 10	\$ 12,111	\$ 46,412	\$ —	\$ 58,533
Equity in pooled invested cash	4,477,118	136,209	23,266	11,451	73,741	4,721,785
Taxes receivable, net	360,463	—	—	—	—	360,463
Intergovernmental receivables	202,519	—	—	—	—	202,519
Accounts receivable, net	—	6	—	—	207,201	207,207
Due from other funds	564,881	—	—	—	—	564,881
Total assets	5,604,982	136,225	35,377	57,863	280,942	6,115,389
Liabilities:						
Accounts payable and accrued liabilities	—	—	—	6,250	73,741	79,991
Accounts payable to political subdivisions	752,937	—	23,266	—	—	776,203
Total liabilities	752,937	—	23,266	6,250	73,741	856,194
Net Position:						
Restricted for:						
Individuals, organizations, other governments	4,852,045	136,225	12,111	51,613	207,201	5,259,194
Total net position	\$ 4,852,045	\$ 136,225	\$ 12,111	\$ 51,613	\$ 207,201	\$ 5,259,194

STATE OF MARYLAND
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Custodial Funds					Restitution	Total Custodial Funds
	Local Income Taxes	Insurance Premium Taxes	Local Transportation Funds and Other Taxes	Litigant, Patient and Prisoner Accounts			
Additions:							
Contributions:							
Participants, individuals, and local governments	\$ 8,452,208	\$ 33,468	\$ 10,126	\$ 35,975	\$ 112,383	\$ 8,644,160	
Total contributions	8,452,208	33,468	10,126	35,975	112,383	8,644,160	
Investment earnings:							
Interest	—	5,844	—	—	—	5,844	
Total investment income	—	5,844	—	—	—	5,844	
Net investment income	—	5,844	—	—	—	5,844	
Total additions	8,452,208	39,311	10,126	35,975	112,383	8,650,004	
Deductions:							
Distribution to participants, individuals, and local governments	7,756,971	31,950	14,490	35,801	50,415	7,889,627	
Total deductions	7,756,971	31,950	14,490	35,801	50,415	7,889,627	
Net increase/(decrease)	695,237	7,361	(4,363)	174	61,968	760,377	
Net position-beginning	4,156,808	128,863	16,474	51,439	145,233	4,498,817	
Net position-ending	\$ 4,852,045	\$ 136,224	\$ 12,111	\$ 51,613	\$ 207,201	\$ 5,259,194	

STATE OF MARYLAND

Non-major Component Unit Financial Statements

Non-major Component Units

Non-major component units are comprised of the following proprietary fund type entities:

Maryland Environmental Service

The Maryland Environmental Service was created as a body corporate and politic. The Service helps private industry and local governments manage liquid, solid and hazardous wastes. In accordance with direction from the Governor, the Service plans and establishes major resource recovery facilities, solid waste management plans and hazardous waste management programs.

Maryland Economic Development Assistance Authority and Fund

The Maryland Economic Development Assistance Authority and Fund was established on July 1, 1999 and is codified in the Economic Development Article in Sections 5-301 through 5-349 of the Annotated Code of Maryland. Shortly after its creation, legislation was developed to consolidate ten existing economic development programs into the Fund through the Financing Programs Consolidation Act of 2000. The Fund was designed to be a nonlapsing revolving loan fund to provide below market, fixed rate financing to growth industry sector businesses locating or expanding in priority funding areas of the State.

Maryland Small Business Development Financing Authority

The Maryland Small Business Development Financing Authority (MSBDFA) was established by the State of Maryland in 1978 and is governed by the Economic Development Article and the MSBDFA programs are contained in Sections 5-501 through 5-575. MSBDFA is administered by the Department of Commerce (the Department). MSBDFA's purpose is to assist socially or economically disadvantaged entrepreneurs and small businesses in the creation and expansion of Maryland businesses. The programs can extend financial assistance to small businesses that are unable to obtain adequate business financing on reasonable terms through normal financing channels.

Maryland Industrial Development Financing Authority

The Maryland Industrial Development Financing Authority was established as a body corporate and politic and a public instrumentality of the State to provide financial assistance to enterprises seeking to locate or expand operations in Maryland.

Maryland Food Center Authority

The Maryland Food Center Authority is a body corporate and politic which was created to establish and operate a consolidated wholesale food center within the Greater Baltimore Region and is subject to State regulations.

Maryland Technology Development Corporation

The Maryland Technology Development Corporation was established as a body corporate and politic and a public instrumentality of the State to assist in the commercialization of technology developed in the universities and the private sector. The Corporation administers the Maryland Technology Incubator program, Maryland Stem Cell Research Fund and Maryland Venture Fund.

STATE OF MARYLAND
Combining Statement of Net Position
Non-major Component Units
June 30, 2024
(Continued)
(Expressed in Thousands)

	Maryland Environmental Service	Maryland Economic Development Assistance Authority and Fund	Maryland Small Business Development Financing Authority	Maryland Industrial Development Financing Authority	Maryland Food Center Authority	Maryland Technology Development Corporation	Total Non-major Component Units
Assets:							
Cash	\$ 8,360	\$ —	\$ —	\$ —	\$ 3	\$ 80,915	\$ 89,278
Equity in pooled invested cash	—	85,924	15,426	6,361	10,294	—	118,005
Investments	54,059	—	—	—	—	68,707	122,766
Other accounts receivable	45,498	—	137	—	1,085	1,018	47,738
Prepaid items	—	—	—	—	—	221	221
Loans and notes receivable, net	—	2,011	5,038	—	20,208	38,802	66,059
Leases receivable, net	—	10,175	—	—	4,217	—	14,392
Other assets	8,475	—	5,567	—	2,233	26	16,301
Restricted assets:							
Cash	110	335	—	—	—	—	445
Investments	3,062	—	—	—	—	—	3,062
Capital assets, net of accumulated depreciation/ amortization:							
Land	5,952	—	—	—	3,456	—	9,408
Structures and improvements	26,635	—	—	—	17,144	—	43,779
Infrastructure	88	—	—	—	—	—	88
Right-of-use assets	3,837	—	—	—	—	1,006	4,843
Equipment	8,728	—	—	—	388	38	9,154
Construction in progress	331	—	—	—	3,023	—	3,354
Total assets	165,135	98,445	26,168	6,361	62,051	192,789	550,948
Deferred outflows of resources	1,420	—	—	—	842	—	2,262

STATE OF MARYLAND
Combining Statement of Net Position
Non-major Component Units
June 30, 2024
(Continued)

(Expressed in Thousands)

	Maryland Environmental Service	Maryland Economic Development Assistance Authority and Fund	Maryland Small Business Development Financing Authority	Maryland Industrial Development Financing Authority	Maryland Food Center Authority	Maryland Technology Development Corporation	Total Non-major Component Units
Liabilities:							
Accounts payable and accrued liabilities	53,770	—	63	—	281	32,224	86,338
Due to Primary Government	—	—	—	—	—	3,369	3,369
Unearned revenue	—	335	1	63	4	21,056	21,458
Accrued insurance on loan losses	—	—	104	269	—	—	373
Other liabilities	—	—	—	—	226	127	353
Bonds and notes payable:							
Due within one year	2,186	—	—	—	—	—	2,186
Due in more than one year	15,112	—	—	—	—	—	15,112
Other noncurrent liabilities:							
Due within one year	36,474	—	—	—	300	—	36,774
Due in more than one year	9,468	—	—	—	3,204	3,004	15,676
Total liabilities	117,010	335	168	332	4,015	59,780	181,639
Deferred inflows of resources	2,404	—	—	—	21,655	—	24,059
Net position:							
Net investment in capital assets	24,175	—	—	—	24,011	—	48,186
Restricted:							
Capital improvements and deposits	1,416	—	—	—	2,500	—	3,916
Unrestricted	21,550	98,109	26,000	6,029	10,712	133,009	295,410
Total net position	\$ 47,141	\$ 98,109	\$ 26,000	\$ 6,029	\$ 37,223	\$ 133,009	\$ 347,512

STATE OF MARYLAND
Combining Statement of Activities
Non-major Component Units
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Maryland Environmental Service	Maryland Economic Development Assistance Authority and Fund	Maryland Small Business Development Financing Authority	Maryland Industrial Development Financing Authority	Maryland Food Center Authority	Maryland Technology Development Corporation	Total Non-major Component Units
Expenses:							
General and administrative	\$ 14,021	\$ 4,044	\$ 5,384	\$ 3,482	\$ 2,142	\$ 7,681	\$ 36,754
Operation and maintenance of facilities	206,905	—	—	—	2,277	—	209,182
Provision for insurance on loan losses, net	—	396	—	119	—	—	514
Interest on long-term debt	617	—	—	—	—	—	617
Depreciation and amortization	4,898	—	—	—	1,269	25	6,192
Other	1,275	3,271	435	3,000	—	36,459	44,441
Total expenses	227,716	7,711	5,819	6,601	5,688	44,165	297,700
Program revenues:							
Charges for services and sales	224,983	—	475	236	6,614	2,596	234,904
Total charges for services	224,983	—	475	236	6,614	2,596	234,904
Operating grants and contributions	3,150	2,719	1,402	—	—	44,343	51,615
Total program revenues	228,133	2,719	1,878	236	6,614	46,939	286,519
Net program revenue (expense)	417	(4,992)	(3,942)	(6,365)	926	2,774	(11,181)
General revenues:							
Unrestricted investment income	2,590	3,490	420	462	910	177	8,049
Total general revenues	2,590	3,490	420	462	910	177	8,049
Change in net position	3,007	(1,502)	(3,522)	(5,903)	1,836	2,951	(3,132)
Net position - beginning of the year	44,134	99,611	29,522	11,932	35,387	130,058	350,645
Net position - end of the year	\$ 47,141	\$ 98,109	\$ 26,001	\$ 6,029	\$ 37,223	\$ 133,009	\$ 347,511



Statistical Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT, STATE OF MARYLAND



Statistical Section

This part of the State's annual comprehensive financial reports presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's economic condition.

Table of Contents

Financial Trends	
These schedules contain trend information to help the reader understand how the State's financial position and well-being have	148
Revenue Capacity.....	
These schedules contain information to help the reader assess the State's most significant own-source revenues.....	156
Debt Capacity	
These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.....	160
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.....	164
Operating Information	
These schedules contain service data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.....	167

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

STATE OF MARYLAND
Net Position by Component
Primary Government
Last Ten Fiscal Years
(accrual basis of accounting)
(Expressed in Thousands)

	Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
Net investment in capital assets	\$ 20,477,477	\$ 19,558,008	\$ 19,718,518	\$ 19,024,134	\$ 17,691,697	\$ 16,521,914	\$ 16,702,586	\$ 16,164,081	\$ 15,311,051	\$ 14,737,916
Restricted	855,004	652,802	292,305	302,009	329,089	223,982	255,515	248,519	299,288	233,403
Unrestricted (deficit)	(21,102,158)	(22,179,245)	(27,701,749)	(36,166,427)	(37,031,892)	(36,101,866)	(34,404,356)	(27,010,946)	(25,671,817)	(25,444,098)
Total governmental activities net position	\$ 230,322	\$ (1,968,435)	\$ (7,690,926)	\$ (16,840,284)	\$ (19,011,106)	\$ (19,355,970)	\$ (17,446,255)	\$ (10,598,346)	\$ (10,061,478)	\$ (10,472,779)
Business-type activities:										
Net investment in capital assets	\$ 5,163,659	\$ 4,899,688	\$ 4,617,485	\$ 4,121,054	\$ 4,357,278	\$ 4,682,501	\$ 4,360,412	\$ 3,465,391	\$ 3,278,343	\$ 3,070,913
Restricted	5,374,093	4,828,515	4,329,253	3,232,174	3,346,134	2,167,672	2,186,191	2,182,755	1,901,482	1,981,316
Unrestricted	1,721,416	1,720,861	1,295,725	1,473,941	1,180,158	2,261,575	1,989,288	2,442,849	2,457,957	2,213,139
Total business-type activities net position	\$ 12,259,167	\$ 11,449,064	\$ 10,242,463	\$ 8,827,169	\$ 8,883,570	\$ 9,111,748	\$ 8,535,891	\$ 8,090,995	\$ 7,637,782	\$ 7,265,368
Primary government:										
Net investment in capital assets	\$ 25,641,136	\$ 24,457,696	\$ 24,336,003	\$ 23,145,188	\$ 22,048,975	\$ 21,204,415	\$ 21,062,998	\$ 19,629,472	\$ 18,589,394	\$ 17,808,829
Restricted	6,229,097	5,481,317	4,621,557	3,534,183	3,675,223	2,391,654	2,441,706	2,431,274	2,200,770	2,214,719
Unrestricted (deficit)	(19,380,742)	(20,458,383)	(26,406,024)	(34,692,486)	(35,851,734)	(33,840,291)	(32,415,068)	(24,568,097)	(23,213,860)	(23,230,959)
Total primary government net position	\$ 12,489,489	\$ 9,480,630	\$ 2,551,537	\$ (8,013,115)	\$ (10,127,536)	\$ (10,244,222)	\$ (8,910,364)	\$ (2,507,351)	\$ (2,423,696)	\$ (3,207,411)

STATE OF MARYLAND
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Expressed in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities: ⁽¹⁾										
Expenses	\$ 54,755,049	\$ 49,193,996	\$ 49,689,393	\$ 47,678,283	\$ 42,004,134	\$ 41,545,755	\$ 37,109,957	\$ 36,672,888	\$ 34,595,952	\$ 33,955,678
Program revenues	24,331,017	24,519,176	27,499,031	23,764,776	18,419,852	16,251,366	15,273,365	15,313,142	14,422,414	14,239,658
Net expense, governmental activities	(30,424,032)	(24,674,820)	(22,190,362)	(23,913,507)	(23,584,282)	(25,294,389)	(21,836,592)	(21,359,746)	(20,173,538)	(19,716,020)
General revenues and other changes, governmental activities	32,622,789	30,397,311	31,339,720	26,080,717	23,929,145	23,384,676	21,964,499	20,822,878	20,584,839	19,853,048
Change in net position (deficit) governmental activities	2,198,757	5,722,491	9,149,357	2,167,210	344,863	(1,909,713)	127,907	(536,868)	411,301	137,028
Net position (deficit), beginning	(1,968,436)	(7,690,927)	(16,840,284)	(19,011,107)	(19,355,970)	(17,446,254)	(10,598,346)	(10,061,478)	(10,472,779)	2,440,392
Restatement ⁽²⁾	—	—	—	3,614	—	—	(6,975,816)	—	—	(13,050,199)
Net position, ending, governmental activities	\$ 230,322	\$ (1,968,436)	\$ (7,690,927)	\$ (16,840,283)	\$ (19,011,107)	\$ (19,355,967)	\$ (17,446,255)	\$ (10,598,346)	\$ (10,061,478)	\$ (10,472,779)
Business-type activities: ⁽¹⁾										
Expenses	\$ 5,052,264	\$ 4,899,601	\$ 6,100,957	\$ 13,378,428	\$ 8,509,301	\$ 4,060,172	\$ 3,953,255	\$ 3,762,859	\$ 3,576,982	\$ 3,519,427
Program revenues	7,135,593	6,995,681	8,902,009	14,714,898	9,253,578	5,797,773	5,558,670	5,248,348	5,025,995	4,847,349
Net (expense)/revenue, business- type activities	2,083,329	2,096,080	2,801,052	1,336,470	744,277	1,737,601	1,605,415	1,485,489	1,449,013	1,327,922
General revenues and other changes, business-type activities	(1,273,226)	(1,376,208)	(1,385,601)	(1,278,871)	(972,456)	(1,161,744)	(1,160,519)	(1,032,276)	(973,165)	(935,046)
Special item -Transfer of operations	—	—	—	—	—	—	—	(103,434)	(103,434)	—
Change in net position, business- type activities	810,103	719,872	1,415,451	57,599	(228,179)	575,857	444,896	349,779	372,414	392,876
Net position, beginning	11,449,064	10,242,463	8,827,012	8,883,569	9,111,748	8,535,891	8,090,995	7,637,782	7,265,368	7,063,179
Restatement ⁽²⁾	—	486,729	—	(114,156)	—	—	—	—	—	(190,687)
Net position, ending, business- type activities	\$ 12,259,167	\$ 11,449,064	\$ 10,242,463	\$ 8,827,012	\$ 8,883,569	\$ 9,111,748	\$ 8,535,891	\$ 7,987,561	\$ 7,637,782	\$ 7,265,368
Primary government										
Expenses	\$ 59,807,313	\$ 54,093,596	\$ 55,790,350	\$ 61,056,711	\$ 50,513,435	\$ 45,605,927	\$ 41,063,212	\$ 40,435,747	\$ 38,172,934	\$ 37,475,105
Program revenues	31,466,610	31,514,857	36,401,040	38,479,674	27,673,430	22,049,139	20,832,035	20,561,490	19,448,409	19,087,007
Net expense, primary government	(28,340,703)	(22,578,740)	(19,389,310)	(22,577,037)	(22,840,005)	(23,556,788)	(20,231,177)	(19,874,257)	(18,724,525)	(18,388,098)
General revenues and other changes, primary government	31,349,563	29,021,103	29,954,119	24,801,846	22,956,689	22,222,932	20,803,980	19,790,602	19,611,674	18,918,002

STATE OF MARYLAND
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Expressed in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Special item -Transfer of operations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (103,434)	\$ (103,434)	\$ —
Change in net position, primary government	3,008,860	6,442,364	10,564,809	2,224,809	116,684	(1,333,856)	572,803	(187,089)	783,715	529,904
Net position (deficit), beginning	9,480,629	2,551,536	(8,013,272)	(10,127,538)	(10,244,222)	(8,910,363)	(2,507,351)	(2,423,696)	(3,207,411)	9,503,571
Restatement	—	486,729	—	(110,542)	—	—	(6,975,816)	—	—	(13,240,886)
Net position (deficit) ending, primary government	\$ 12,489,489	\$ 9,480,629	\$ 2,551,537	\$ (8,013,271)	\$ (10,127,538)	\$ (10,244,219)	\$ (8,910,364)	\$ (2,610,785)	\$ (2,423,696)	\$ (3,207,411)

⁽¹⁾ See the Expenses by Function, Primary Government and Revenues, Primary Government schedules for detailed information on expenses and revenues.

⁽²⁾ Beginning net position was restated for fiscal year 2014, 2015, 2018, 2021 and 2023 due to implementation of GASB Statements No. 53, 65, 68, 75 and 84, respectively. The restatement for 2021 Business-type activities was due to the reclassification of Economic Development programs.

STATE OF MARYLAND
Expenses by Function, Primary Government
Last Ten Fiscal Years
(accrual basis of accounting)
(Expressed in Thousands)

Functions/Programs	Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Government activities:										
General government	\$ 3,641,410	\$ 2,755,355	\$ 1,949,051	\$ 2,230,133	\$ 1,095,641	\$ 1,402,851	\$ 965,904	\$ 946,670	\$ 880,414	\$ 861,601
Health and mental hygiene	19,686,902	19,800,159	18,560,765	17,485,780	15,686,858	14,698,350	13,526,404	13,414,334	12,215,519	11,995,583
Education	12,066,264	10,619,488	9,737,647	9,413,234	9,089,923	8,447,548	8,493,967	8,486,468	7,860,472	7,765,925
Aid for higher education	3,775,516	3,535,033	2,858,194	2,559,219	2,506,028	2,471,292	2,331,498	2,323,284	2,351,057	2,200,669
Human resources	3,488,091	3,543,958	4,428,523	4,102,038	2,879,690	2,611,404	2,336,614	2,446,063	2,510,369	2,544,917
Public safety	2,756,840	1,715,798	1,872,950	2,804,767	2,505,069	2,897,054	2,107,790	2,278,563	2,031,359	2,034,175
Transportation	4,775,337	4,209,629	4,991,932	4,984,506	4,219,315	5,074,650	4,068,118	3,478,387	3,706,904	3,610,810
Judicial	1,094,790	674,007	777,218	985,588	890,411	1,055,281	779,043	803,668	733,794	699,116
Labor, licensing and regulation	587,849	482,294	1,452,925	535,412	382,458	427,255	373,815	349,394	312,850	325,179
Natural resources and recreation	796,248	563,337	443,399	435,084	421,749	500,645	367,266	360,187	255,076	275,936
Housing and community development	772,574	75,649	1,534,517	1,064,052	380,719	369,919	329,330	321,792	283,046	266,523
Environment	159,916	115,868	104,280	110,906	121,926	151,101	108,218	110,577	111,686	109,349
Agriculture	185,330	76,822	98,739	107,578	106,492	114,191	97,966	111,321	94,561	89,464
Commerce	294,952	283,533	71,831	175,888	109,814	99,882	101,475	109,054	83,664	100,264
Intergovernmental grants	590,310	653,709	666,750	595,084	639,760	612,968	599,408	649,794	662,629	600,362
Interest	82,721	89,356	140,673	89,013	968,281	611,365	523,141	483,332	502,553	475,805
Total governmental activities expenses	54,755,049	49,193,996	49,689,394	47,678,283	42,004,134	41,545,755	37,109,957	36,672,890	34,595,953	33,955,678
Business-type activities:										
Economic development-insurance programs	900	2,130	1,974	1,612	2,320	1,029	1,380	1,227	3,372	2,838
Economic development-water quality loan programs	107,888	125,788	115,477	108,860	117,257	110,750	138,369	168,631	221,101	251,636
Economic development-housing loan programs	273,074	178,238	252,978	185,334	203,236	201,748	171,443	163,267	175,706	179,393
Unemployment insurance program	437,121	403,146	1,825,444	9,441,939	5,126,359	447,927	518,190	546,415	571,259	680,420
Maryland Lottery and Gaming Control Agency	3,540,551	3,425,853	3,195,824	2,981,071	2,385,775	2,656,397	2,490,823	2,264,581	1,993,732	1,845,837
Maryland Transportation Authority	472,698	694,102	656,267	609,736	545,964	563,623	558,553	537,773	538,560	489,859
Maryland Prepaid College Trust (529)	155,535	20,328	—	—	—	—	—	—	—	—
Maryland Correctional Enterprises	64,497	50,016	49,370	49,876	55,694	51,362	51,158	57,467	58,190	52,627
Total business-type activities expenses	5,052,264	4,899,601	6,097,335	13,378,428	8,436,607	4,032,836	3,929,916	3,739,361	3,561,920	3,502,610
Total primary government expenses	\$ 59,807,313	\$ 54,093,596	\$ 55,786,729	\$ 61,056,711	\$ 50,440,741	\$ 45,578,591	\$ 41,039,873	\$ 40,412,251	\$ 38,157,873	\$ 37,458,288

STATE OF MARYLAND
Revenues, Primary Government
Last Ten Fiscal Years
(accrual based accounting)
(Expressed in Thousands)

Source	Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
Program revenues:										
Charges for services:										
General government	\$ 364,011	\$ 1,081,866	\$ 1,570,042	\$ 476,595	\$ 894,555	\$ 1,052,239	\$ 618,153	\$ 778,578	\$ 817,528	\$ 657,548
Health and mental hygiene	1,441,327	771,500	1,397,585	2,743,026	1,043,917	1,176,854	1,022,439	1,082,744	1,156,098	1,223,465
Transportation	505,355	518,983	604,385	904,983	908,103	746,239	865,512	625,103	618,334	652,820
Judicial	340,276	319,890	275,610	299,817	247,419	284,302	260,136	305,700	278,514	277,001
Other activities	1,537,087	890,995	589,547	579,371	612,308	576,580	556,702	529,020	467,989	391,082
Operating grants and contributions	19,077,691	19,652,267	22,018,888	17,858,400	13,646,235	11,546,991	11,046,827	11,120,269	10,342,983	10,263,139
Capital grants and contributions	1,065,269	1,283,674	1,042,974	902,584	1,067,316	868,160	903,595	871,728	740,968	774,605
Total program revenues	24,331,017	24,519,176	27,499,032	23,764,776	18,419,851	16,251,365	15,273,364	15,313,144	14,422,414	14,239,660
General revenues:										
Taxes:										
Income Taxes	16,748,231	15,185,609	17,397,994	13,787,067	12,372,494	11,495,536	10,676,428	9,828,434	9,797,055	9,445,934
Sales and use taxes	6,861,211	6,786,382	6,684,540	5,478,226	4,943,349	4,889,889	4,720,311	4,612,619	4,506,092	4,412,308
Motor vehicle taxes	3,136,104	3,021,737	2,834,090	2,695,951	2,127,096	2,758,744	2,631,645	2,657,696	2,554,740	2,383,505
Tobacco taxes	405,071	448,657	479,132	388,243	362,901	356,684	372,724	386,965	395,266	391,452
Insurance company taxes	745,978	711,898	660,423	633,860	615,196	556,409	541,758	512,033	491,226	505,991
Property taxes	1,195,314	1,175,561	1,288,183	1,162,588	1,159,199	1,149,200	1,153,640	1,099,731	1,053,103	1,002,787
Estate inheritance taxes	207,092	302,888	271,432	238,580	224,012	209,343	241,226	252,118	288,833	266,809
Other taxes	748,206	715,124	411,164	383,856	779,798	324,712	323,472	312,867	311,694	306,505
Unrestricted investment earnings	1,157,484	599,807	(54,894)	31,570	342,936	453,966	136,427	120,657	197,411	186,926
Transfers	1,418,098	1,449,648	1,367,658	1,280,775	1,002,170	1,190,192	1,166,868	1,039,758	989,420	950,831
Total general revenues and transfers	32,622,789	30,397,311	31,339,726	26,080,716	23,929,151	23,384,676	21,964,499	20,822,878	20,584,840	19,853,048
Total revenues and transfers - governmental activities	56,953,806	54,916,486	58,838,756	49,845,491	42,349,003	39,636,041	37,237,863	36,136,022	35,007,254	34,092,708
Business-type activities:										
Program revenues:										
Charges for services:										
Unemployment insurance program	462,669	586,692	1,524,328	748,270	454,267	484,130	520,163	565,671	627,998	679,346
Maryland Lottery and Gaming Control Agency	5,127,334	5,034,417	4,728,602	4,370,639	3,484,033	3,975,521	3,740,610	3,384,334	3,078,920	2,877,945
Maryland Transportation Authority	902,273	861,833	841,965	727,296	742,654	862,534	862,395	869,605	836,079	827,759
Other activities	328,968	329,067	309,010	290,233	376,915	318,624	326,924	331,113	351,511	337,580
Operating grants and contributions	314,349	183,672	1,498,104	8,578,460	4,195,709	156,964	108,578	97,625	131,487	124,719
Capital grants and contributions	—	—	—	—	—	—	—	—	—	—
Total program revenues	7,135,593	6,995,681	8,902,009	14,714,898	9,253,578	5,797,773	5,558,670	5,248,348	5,025,995	4,847,349
General revenues:										
InvestMD tax credits	—	—	—	—	—	—	—	—	—	—
Unrestricted investment earnings	144,872	73,440	(17,943)	1,904	29,714	28,448	6,349	7,482	16,255	15,785
Transfers	(1,418,098)	(1,449,648)	(1,367,658)	(1,280,775)	(1,002,170)	(1,190,192)	(1,166,868)	(1,039,758)	(989,420)	(950,831)
Total general revenues and transfers	(1,273,226)	(1,376,208)	(1,385,601)	(1,278,871)	(972,456)	(1,161,744)	(1,160,519)	(1,032,276)	(973,165)	(935,046)
Special item - Transfer of operations	—	—	—	—	—	—	—	—	(103,434)	—
Total revenues, transfers, and special items - business-type activities	5,862,367	5,619,473	7,516,408	13,436,027	8,281,122	4,636,029	4,398,151	4,216,072	3,949,396	3,912,303
Total primary government revenues and transfers	\$ 62,816,173	\$ 60,535,955	\$ 66,355,168	\$ 63,281,518	\$ 50,630,125	\$ 44,272,070	\$ 41,636,014	\$ 40,352,094	\$ 38,956,650	\$ 38,005,011

STATE OF MARYLAND
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual based accounting)
(Expressed in Thousands)

	Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Nonspendable	\$ 425,184	\$ 661,660	\$ 1,201,141	\$ 1,586,342	\$ 2,021,279	\$ 610,281	\$ 598,754	\$ 571,891	\$ 618,563	\$ 514,051
Restricted	169,233	165,002	97,270	27,982	18,638	8,186	8,259	10,459	11,403	16,487
Committed	10,235,944	7,447,892	4,646,083	2,914,281	2,389,927	2,094,213	1,633,323	1,564,668	1,675,674	1,519,539
Unassigned	838,851	2,986,274	4,839,807	1,001,906	(1,410,135)	(19,312)	(507,376)	(788,832)	(509,187)	(766,124)
Total general fund	11,669,211	11,260,829	10,784,301	5,530,510	3,019,709	2,693,368	1,732,960	1,358,186	1,796,453	1,283,953
All other governmental funds:										
Nonspendable	108,785	303,014	92,706	89,366	92,795	257,039	240,924	103,510	211,726	197,847
Restricted	685,771	487,800	197,905	292,830	310,451	215,796	247,256	243,829	287,885	216,916
Committed	1,465,800	980,044	983,207	801,662	702,427	627,153	583,117	578,790	685,348	800,158
Assigned	33,723	1,069,276	1,419,030	178,819	—	—	—	—	—	—
Unassigned ⁽¹⁾	(2,320)	(47)	—	(108,072)	(194,349)	(243,901)	(469,780)	(264,367)	(273,530)	(511,961)
Total all other governmental funds	3,220,791	2,840,088	2,692,848	1,254,605	911,324	856,087	601,517	661,762	911,429	702,960
Total governmental funds	\$ 14,890,003	\$ 14,100,917	\$ 13,477,149	\$ 6,785,115	\$ 3,931,033	\$ 3,549,455	\$ 2,334,477	\$ 2,019,948	\$ 2,707,882	\$ 1,986,913

⁽¹⁾ The unassigned fund balance deficit of the capital projects fund will be funded by future bond proceeds and capital appropriations of the general fund.

STATE OF MARYLAND
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual based accounting)
(Expressed in Thousands)

	Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Income taxes	\$ 16,720,294	\$ 15,202,834	\$ 16,909,762	\$ 13,481,354	\$ 12,309,248	\$ 11,475,949	\$ 10,740,942	\$ 9,786,505	\$ 9,832,668	\$ 9,418,584
Retail sales and use taxes	6,853,984	6,790,832	6,639,153	5,458,775	4,937,256	4,888,811	4,716,515	4,609,782	4,504,417	4,410,080
Motor vehicle taxes and fees	3,136,104	3,021,737	2,834,090	2,695,951	2,566,668	2,758,744	2,631,645	2,657,696	2,554,740	2,383,505
Tobacco taxes	405,071	448,657	479,132	388,243	362,901	356,684	372,724	386,965	395,266	391,452
Insurance company taxes	745,978	711,898	660,423	633,860	615,196	556,409	541,758	512,033	491,226	505,991
Property taxes	1,195,314	1,175,561	1,288,183	1,162,587	1,159,198	1,149,200	1,153,639	1,099,731	1,053,102	1,002,786
Estate inheritance taxes	207,093	302,888	271,432	238,580	224,012	209,343	241,226	252,118	288,833	266,809
Other taxes	421,551	403,451	411,164	383,856	340,225	324,712	323,472	312,867	311,694	306,505
Other licenses and fees	1,087,751	854,077	1,386,019	999,055	733,714	870,084	561,410	604,004	646,622	641,478
Charges for services	2,637,804	1,846,135	2,543,659	2,502,636	2,111,040	2,253,364	2,206,187	2,115,409	2,191,464	2,132,893
Interest and other investment income	1,046,374	402,092	(272,530)	15,699	140,173	263,706	(36,350)	(59,874)	57,549	66,067
Federal	19,713,138	20,350,783	23,091,252	18,692,216	14,266,916	12,378,980	11,762,012	11,970,737	10,999,638	11,033,156
Other	1,410,179	1,522,456	434,119	1,616,723	671,004	728,234	438,336	574,784	477,526	439,015
Total revenues	55,580,635	53,033,401	56,675,856	48,269,536	40,437,551	38,214,220	35,653,516	34,822,757	33,804,745	32,998,321
Expenditures:										
Current:										
General government	3,488,953	2,522,305	1,959,275	2,119,029	1,017,282	1,019,605	914,344	878,805	887,127	860,009
Education	15,754,015	14,865,780	13,611,386	11,785,033	11,443,407	10,915,201	10,510,656	10,403,553	10,231,349	10,079,813
Commerce	294,130	292,028	81,151	178,207	107,355	92,348	100,377	106,959	83,389	100,030
Labor, licensing and regulation	583,369	545,680	1,480,476	517,926	362,992	366,086	364,276	334,642	315,758	322,158
Human resources	3,505,499	3,855,235	4,523,669	4,015,730	2,770,891	2,325,457	2,324,795	2,391,286	2,501,100	2,543,937
Health and mental hygiene	20,015,553	20,095,093	18,887,299	17,412,157	15,565,135	14,295,022	13,483,142	13,334,642	12,206,406	12,007,975
Environment	158,368	160,985	124,807	99,859	109,987	109,268	102,623	108,702	108,548	107,103
Transportation	2,510,056	2,054,174	2,217,795	2,167,839	1,676,932	2,457,431	1,925,329	1,533,532	1,737,964	1,719,153
Public safety	2,636,413	2,414,929	2,170,739	2,568,167	2,249,138	2,075,392	1,989,791	2,076,945	1,983,864	1,972,570
Judicial	1,071,966	977,999	893,343	916,262	801,765	760,493	742,851	740,041	715,230	689,975
Housing and community development	775,519	89,673	1,541,236	1,058,392	377,920	360,319	327,564	319,809	282,414	266,912
Natural resources and recreation	726,907	542,913	427,397	400,215	390,665	406,571	353,728	306,062	236,959	232,514
Agriculture	173,042	119,884	130,257	118,016	109,899	94,104	82,600	71,000	69,105	75,226
Intergovernmental	1,839,566	1,736,664	1,791,238	1,629,814	1,803,475	1,489,761	1,384,498	1,379,988	1,352,665	1,344,034

STATE OF MARYLAND
Changes in Fund Balances, Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual based accounting)
(Expressed in Thousands)

	Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt service:										
Principal	\$ 1,411,985	\$ 1,403,598	\$ 1,245,698	\$ 1,106,458	\$ 1,110,102	\$ 1,071,908	\$ 1,057,156	\$ 993,324	\$ 926,719	\$ 810,783
Interest	583,466	620,112	581,442	576,415	570,016	556,310	510,154	496,946	468,169	440,063
Capital outlay	2,301,819	2,185,424	2,271,265	1,752,398	2,495,871	1,672,509	2,239,206	2,594,494	2,115,363	1,910,348
Total expenditures	57,830,624	54,482,476	53,938,473	48,421,918	42,962,832	40,067,785	38,413,090	38,070,730	36,222,129	35,482,603
Excess (deficiency) of revenues over expenditures	(2,249,989)	(1,449,075)	2,737,383	(152,382)	(2,525,282)	(1,853,565)	(2,759,574)	(3,247,973)	(2,417,384)	(2,484,282)
Other financing sources (uses):										
Financing agreement issuance	5,070	29,913	4,843	—	4,463	14,416	11,275	8,670	43,127	9,409
Proceeds from bond issues	1,353,917	487,445	2,800,749	1,941,303	1,899,980	1,863,934	1,893,666	1,513,598	2,105,806	1,662,385
Proceeds from refunding bonds	—	143,585	279,007	508,638	259,679	—	969,340	813,042	1,478,889	1,478,889
Advanced lease payments	—	124,162	—	—	—	—	—	—	—	—
Other financing source - SBITA and leases	261,991	—	—	—	—	—	—	—	—	—
Payments to escrow agents	—	(161,910)	(497,607)	(727,864)	(259,433)	—	(967,047)	(815,030)	(1,547,056)	(1,547,056)
Transfers in	3,947,578	3,926,387	2,970,691	2,564,306	2,253,978	2,442,409	2,313,026	2,104,547	1,993,776	1,766,489
Transfers out	(2,529,481)	(2,476,740)	(1,603,034)	(1,283,531)	(1,251,810)	(1,252,217)	(1,146,158)	(1,064,788)	(1,004,356)	(815,658)
Net other sources of financial resources	3,039,075	2,072,843	3,954,649	3,002,851	2,906,857	3,068,542	3,074,102	2,560,039	3,070,186	2,554,458
Net changes in fund balance	789,086	623,769	6,692,032	2,850,469	381,575	1,214,977	314,528	(687,934)	652,802	70,176
Fund balance, beginning of the year, as restated	14,100,916	13,477,149	6,785,116	3,934,645	3,549,455	2,019,949	2,707,882	1,986,912	1,916,736	2,093,604
Fund balance, end of the year	\$14,890,002	\$14,100,917	\$13,477,148	\$ 6,785,114	\$ 3,931,030	\$ 3,234,926	\$ 3,022,410	\$ 1,298,978	\$ 2,569,538	\$ 2,163,780
Debt service as a percentage of noncapital expenditures	3.6%	3.8%	3.5%	3.6%	4.2%	4.3%	4.3%	4.2%	4.0%	3.6%

STATE OF MARYLAND
Personal Income Tax Filers by Subdivision
Tax Year Ended December 31, 2023

Subdivision	Number of Filers	Adjusted Gross Income	Net Taxable Income	State Income Tax⁽¹⁾	Local Income Tax	State and Local Income Tax	Local Tax Rate
Allegany	21,386	\$ 1,478,463,449	\$ 1,250,966,589	\$ 52,657,337	\$ 36,834,076	\$ 89,491,414	2.98 %
Anne Arundel	240,595	30,087,122,402	26,697,790,364	1,165,186,048	729,478,379	1,894,664,426	2.76 %
Baltimore County	327,019	34,965,941,226	30,630,699,638	1,294,983,236	959,173,449	2,254,156,685	3.18 %
Baltimore City	193,554	15,471,774,628	13,326,022,692	575,535,168	398,131,413	991,041,100	3.20 %
Calvert	37,501	4,276,950,248	3,753,847,291	165,240,290	111,474,964	276,715,254	2.98 %
Caroline	12,174	917,991,149	775,561,322	30,191,776	23,844,705	54,036,481	3.16 %
Carroll	71,188	8,164,680,725	7,255,285,500	313,716,874	218,083,009	531,799,883	3.01 %
Cecil	39,320	3,542,855,402	3,099,154,702	109,199,881	81,685,822	190,885,703	2.77 %
Charles	69,165	6,595,211,916	5,494,003,033	244,571,721	164,005,328	408,577,049	3.01 %
Dorchester	11,879	876,725,424	739,228,615	28,794,925	22,754,949	51,549,874	3.15 %
Frederick	118,248	13,464,457,461	11,875,274,924	524,825,773	342,883,627	867,709,400	2.90 %
Garrett	10,541	855,169,073	737,740,618	29,470,785	19,155,406	48,626,191	2.61 %
Harford	107,171	11,404,744,175	10,083,463,283	430,254,674	304,009,369	734,264,043	3.04 %
Howard	134,134	20,607,390,683	18,597,963,575	825,595,681	587,850,055	1,413,445,736	3.19 %
Kent	7,386	743,957,244	643,872,848	24,717,280	19,865,935	44,583,215	3.17 %
Montgomery	432,964	68,513,089,032	61,672,759,547	2,736,128,873	1,912,747,237	4,648,876,110	3.19 %
Prince George's	366,760	29,975,629,839	24,404,178,830	1,080,102,050	761,450,242	1,841,552,292	3.17 %
Queen Anne's	21,575	2,765,659,246	2,470,695,337	100,215,719	77,878,754	178,094,473	3.18 %
St Mary's	44,772	4,692,837,338	4,142,916,081	183,406,406	122,941,314	306,347,721	2.98 %
Somerset	6,603	416,510,046	341,584,881	12,900,967	10,351,342	23,252,310	3.14 %
Talbot	15,627	2,056,023,580	1,821,934,771	71,605,204	42,553,733	114,158,937	2.38 %
Washington	58,241	4,677,794,986	4,002,103,456	167,483,771	115,372,077	282,855,847	2.91 %
Wicomico	37,723	2,783,033,908	2,363,198,594	88,747,724	72,116,353	160,864,077	3.15 %
Worcester	23,328	2,260,073,928	1,979,396,488	71,118,286	43,125,708	114,243,994	2.22 %
Non-resident	148,510	8,898,214,320	8,152,036,234	381,529,950	—	381,529,950	—
Total	2,557,364	\$280,492,301,429	\$246,311,679,212	\$ 10,708,180,399	\$ 7,191,305,270	\$ 17,899,485,669	

⁽¹⁾ See State personal income tax rates schedules for tax rate information.

Source: Revenue Administration Division, State Comptroller's Office

STATE OF MARYLAND
State Personal Income Tax and Sales Tax Rates
Calendar Year 2012 - 2024*

Filing Status, Single:		Married Filing Jointly:	
Taxable Income:	Rate:	Taxable Income:	Rate:
\$0 - \$1,000	2.00%	\$0 - \$1,000	2.00%
\$1,000 - \$2,000	3.00%	\$1,000 - \$2,000	3.00%
\$3,001 - \$100,000	4.75%	\$3,001 - \$150,000	4.75%
\$100,001 - \$125,000	5.00%	\$150,001 - \$175,000	5.00%
\$125,001 - \$150,000	5.25%	\$175,001 - \$225,000	5.25%
\$150,001 - \$250,000	5.50%	\$225,001 - \$300,000	5.50%
Over \$250,000	5.75%	Over \$300,000	5.75%

Sales Tax Rate: 6%

**Income Tax Rates effective January 1, 2012*

STATE OF MARYLAND
Personal Income Tax Filers and Liability by Income Level
Last Ten Tax Years Ended December 31st
(Dollars, except income level, Expressed in Thousands)

2023				
	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
Income Level				
\$500,000 and higher	43,944	1.72%	\$ 1,975,622	18.45%
\$100,000-\$499,999	789,041	30.85	6,219,715	58.08
\$70,000-\$99,999	360,571	14.10	1,108,284	10.35
\$50,000-\$69,999	358,159	14.01	706,983	6.60
\$25,000-\$49,999	618,029	24.17	571,291	5.34
\$10,000-\$24,999	296,279	11.59	114,628	1.07
Under \$10,000	91,341	3.57	11,647	0.11
Total	2,557,364	100.00%	\$ 10,708,170	100.00%

2021				
	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
Income Level				
\$500,000 and higher	29,979	1.25%	\$ 1,714,959	18.11%
\$100,000-\$499,999	661,219	27.63	5,169,078	54.57
\$70,000-\$99,999	326,526	13.64	1,047,809	11.06
\$50,000-\$69,999	332,038	13.87	722,186	7.62
\$25,000-\$49,999	608,072	25.41	673,701	7.11
\$10,000-\$24,999	345,279	14.43	130,393	1.38
Under \$10,000	90,361	3.78	14,015	0.15
Total	2,393,474	100.00%	\$ 9,472,141	100.00%

2019				
	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
Income Level				
\$500,000 and higher	32,631	1.31%	\$ 2,002,835	21.09%
\$100,000-\$499,999	636,715	25.48	4,778,572	50.33
\$70,000-\$99,999	334,668	13.39	1,056,502	11.13
\$50,000-\$69,999	346,255	13.86	744,632	7.84
\$25,000-\$49,999	663,054	26.54	723,019	7.61
\$10,000-\$24,999	384,873	15.40	175,476	1.85
Under \$10,000	100,331	4.02	14,242	0.15
Total	2,498,527	100.00%	\$ 9,495,279	100.00%

2022				
	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
Income Level				
\$500,000 and higher	43,307	1.70%	\$ 2,798,311	24.15%
\$100,000-\$499,999	744,735	29.18	5,980,154	51.62
\$70,000-\$99,999	352,607	13.82	1,146,397	9.89
\$50,000-\$69,999	353,891	13.87	781,016	6.74
\$25,000-\$49,999	631,585	24.75	706,046	6.09
\$10,000-\$24,999	329,227	12.90	157,084	1.36
Under \$10,000	96,753	3.79	16,659	0.14
Total	2,552,105	100.00%	\$ 11,585,667	100.00%

2020				
	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
Income Level				
\$500,000 and higher	30,335	1.22%	\$ 1,891,011	19.78%
\$100,000-\$499,999	647,267	25.95	4,959,364	51.86
\$70,000-\$99,999	331,379	13.29	1,062,267	11.11
\$50,000-\$69,999	342,726	13.74	748,159	7.82
\$25,000-\$49,999	651,680	26.13	711,507	7.44
\$10,000-\$24,999	381,341	15.29	174,610	1.83
Under \$10,000	109,206	4.38	15,352	0.16
Total	2,493,934	100.00%	\$ 9,562,270	100.00%

2018				
	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
Income Level				
\$500,000 and higher	31,569	1.28%	\$ 1,979,976	21.41%
\$100,000-\$499,999	618,134	25.07	4,607,154	49.82
\$70,000-\$99,999	328,407	13.32	1,037,468	11.22
\$50,000-\$69,999	336,832	13.66	723,607	7.82
\$25,000-\$49,999	652,084	26.45	709,058	7.67
\$10,000-\$24,999	395,208	16.03	176,292	1.91
Under \$10,000	103,303	4.19	14,461	0.16
Total	2,465,537	100.00%	\$ 9,248,016	100.00%

STATE OF MARYLAND
Personal Income Tax Filers and Liability by Income Level
Last Ten Tax Years Ended December 31st
(Dollars, except income level, Expressed in Thousands)

2017				
	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
Income Level				
\$500,000 and higher	29,053	1.17%	\$ 1,791,955	21.14%
\$100,000-\$499,999	590,844	23.77	4,197,129	49.52
\$70,000-\$99,999	325,479	13.10	970,305	11.45
\$50,000-\$69,999	334,540	13.46	673,911	7.95
\$25,000-\$49,999	644,074	25.91	657,865	7.76
\$10,000-\$24,999	457,559	18.41	170,442	2.01
Under \$10,000	103,941	4.18	13,429	0.16
Total	2,485,490	100.00%	\$ 8,475,036	100.00%

2015				
	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
Income Level				
\$500,000 and higher	25,747	1.08%	\$ 1,533,581	19.70%
\$100,000-\$499,999	552,401	23.09	3,858,612	49.56
\$75,000-\$99,999	317,167	13.25	940,026	12.07
\$50,000-\$74,999	320,708	13.40	640,008	8.22
\$25,000-\$49,999	623,249	26.05	634,477	8.15
\$10,000-\$24,999	453,975	18.97	166,838	2.14
Under \$10,000	99,564	4.16	12,631	0.16
Total	2,392,811	100.00%	\$ 7,786,173	100.00%

2016				
	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
Income Level				
\$500,000 and higher	26,496	1.09%	\$ 1,607,900	20.11%
\$100,000-\$499,999	562,683	23.05	3,948,852	49.40
\$70,000-\$99,999	321,207	13.16	954,063	11.94
\$50,000-\$69,999	326,819	13.39	653,878	8.18
\$25,000-\$49,999	639,012	26.17	646,421	8.09
\$10,000-\$24,999	463,348	18.98	169,317	2.12
Under \$10,000	101,955	4.18	13,008	0.16
Total	2,441,520	100.00%	\$ 7,993,441	100.00%

2014				
	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
Income Level				
\$500,000 and higher	24,432	1.03%	\$ 1,487,042	19.88%
\$100,000-\$499,999	527,543	22.14	3,648,239	48.76
\$75,000-\$99,999	312,138	13.10	919,952	12.30
\$50,000-\$74,999	315,473	13.24	626,493	8.37
\$25,000-\$49,999	623,459	26.16	623,584	8.33
\$10,000-\$24,999	476,740	20.01	163,914	2.19
Under \$10,000	103,143	4.33	12,749	0.17
Total	2,382,928	100.00%	\$ 7,481,973	100.00%

Source: Revenue Administration Division, Comptroller's Office

STATE OF MARYLAND
Sales and Use Tax Receipts by Principal Type of Business
Last Ten Fiscal Years
(Expressed in Thousands)

Year	Food and Beverage*	Apparel	General Merchandise	Automotive	Furniture and Appliances	Building & Industrial Supplies	Utilities & Transportation	Hardware, Machinery & Equipment	Miscellaneous	Assessment Collections	Total Collections
2024	\$ 1,511,684	\$ 308,732	\$ 1,197,421	\$ 392,659	\$ 540,186	\$ 884,294	\$ 361,102	\$ 163,103	\$ 1,365,666	\$ 3,503	\$ 6,728,350
2023	1,520,386	301,937	1,205,331	393,496	492,008	877,121	401,247	161,411	1,430,332	4,350	6,787,619
2022	1,580,267	331,311	1,250,729	411,897	615,980	936,677	339,419	173,133	1,370,820	2,836	7,013,069
2021	868,836	210,123	966,380	239,934	266,754	645,601	269,401	101,092	978,330	2,273	4,548,724
2020	1,136,593	210,975	979,148	304,762	284,537	692,183	334,979	119,355	875,164	11,739	4,949,435
2019	1,219,271	242,545	961,696	319,760	290,613	673,327	345,320	119,779	728,572	8,093	4,908,976
2018	1,178,939	228,454	914,792	298,681	287,656	643,121	361,281	113,453	699,355	8,100	4,733,832
2017	1,156,169	226,682	867,534	298,391	290,538	615,486	377,542	110,636	684,747	10,062	4,637,787
2016	1,134,386	214,016	861,937	295,298	295,776	589,726	350,722	111,102	683,872	11,718	4,548,553
2015	1,090,515	208,036	811,774	284,110	299,874	563,869	378,578	110,016	652,615	10,508	4,409,895

Source: Revenue Administration Division, Comptroller's Office

STATE OF MARYLAND
Schedule of Ratio of Outstanding Debt by Type
Last Ten Years
(Dollars Expressed in Thousands except Per Capita)

Fiscal Year	General Bonded Debt		Other Governmental Activities Debt				Debt Ratios, Governmental Activities			Business -Type Activities Debt				Debt Ratios, Primary Government			
	General Obligation Bonds ⁽²⁾	Transportation Bonds ⁽²⁾	Intergovernmental Financing Agreements	Lease Liability with Component Units	Lease Liability	SBITA liability ⁽⁴⁾	Total Governmental Activities Debt	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾	Revenue Bonds	Intergovernmental Financing Agreements	Lease Liability ⁽³⁾	SBITA liability ⁽⁴⁾	Business Type Activities Debt	Total Primary Government Debt	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
2024	\$ 11,679,561	\$ 3,686,347	\$ 356,818	\$ 110,384	\$ 648,953	\$ 65,246	\$ 16,547,308	3.63%	\$ 2,677	\$ 6,878,984	\$ —	\$ 26,472	\$ —	\$ 6,905,456	\$ 23,452,764	5.14%	\$ 3,795
2023	11,565,607	4,062,259	423,061	64,849	574,887	42,589	16,733,252	3.84	2,714	6,244,534	—	3,856	145	6,248,535	22,981,787	5.27	3,728
2022	12,321,223	4,469,844	431,781	73,666	555,220	—	17,851,734	4.15	2,896	5,679,562	—	—	—	5,679,562	23,531,296	5.47	3,817
2021	11,432,256	4,056,419	468,245	69,111	—	—	16,026,031	3.96	2,646	5,683,075	—	—	—	5,683,075	21,709,106	5.37	3,585
2020	11,201,906	3,978,852	710,831	59,512	—	—	15,951,101	4.08	2,638	5,520,096	—	—	—	5,520,096	21,471,197	5.49	3,551
2019	10,961,278	3,680,951	756,730	68,402	—	—	15,467,361	4.07	2,560	4,773,362	—	—	—	4,773,362	20,240,723	5.32	3,350
2018	10,849,313	3,241,095	787,303	83,933	—	—	14,961,644	4.15	2,472	4,451,025	—	—	—	4,451,025	19,412,669	5.39	3,208
2017	10,526,151	2,860,829	842,363	103,100	—	—	14,332,443	4.11	2,382	5,345,081	35,669	—	—	5,380,750	19,713,193	5.66	3,277
2016	10,672,349	2,359,453	907,425	121,543	—	—	14,060,770	4.17	2,341	5,630,773	48,285	—	—	5,679,058	19,739,828	5.85	3,286
2015	9,800,864	2,233,690	929,679	140,559	—	—	13,104,792	3.98	2,193	5,721,363	60,715	—	—	5,782,078	18,886,870	5.73	3,160

Source: General Accounting Division, State Comptroller's Office

⁽¹⁾ Population and personal income data can be found in the Schedule of Demographics Statistics.

⁽²⁾ General bonded debt and transportation bonds are net of related premiums, discounts and adjustments.

⁽³⁾ Lease liability, effective fiscal year 2022 through GASB 87, Leases implementation.

⁽⁴⁾ Lease liability, effective fiscal year 2023 through GASB 96, Subscription-Based Information Technology Arrangements implementation.

STATE OF MARYLAND
Ratio of General Bonded Debt
to Actual Value and General Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	<i>(Expressed in Thousands)</i>			Ratio of General Bonded Debt to Actual Property Value	General Bonded Debt per Capita
	Estimated Population ⁽¹⁾	Estimated Property Value	General Bonded Debt ⁽²⁾		
2024.....	6,180	\$ 946,074,375	\$ 11,679,561	1.23%	\$ 1,890
2023.....	6,165	888,520,078	11,565,607	1.30	1,876
2022.....	6,165	845,215,010	12,321,223	1.46	1,999
2021.....	6,056	816,872,019	11,432,256	1.40	1,853
2020.....	6,046	797,964,000	11,201,906	1.40	1,814
2019.....	6,043	770,707,774	10,961,278	1.42	1,793
2018.....	6,052	741,299,911	10,849,313	1.46	1,750
2017.....	6,016	714,873,503	10,526,151	1.47	1,777
2016.....	6,007	693,056,335	10,672,349	1.54	1,640
2015.....	5,976	664,447,412	9,800,864	1.48	1,561

Source: The Sixty-Seventh through Seventy-Sixth Report of the State Department of Assessments and Taxation and the State Comptroller's Office

⁽¹⁾ See Schedule of Demographic Statistics.

⁽²⁾ Includes general obligation bonds. The primary revenue source to pay the debt service for general obligation bonds is property taxes. The General bonded debt is net of related premiums, discounts, and adjustments.

STATE OF MARYLAND
Legal Debt Margin Information
Last Ten Fiscal Years
(Expressed in Thousands)

Legal Debt Margin Calculation for Fiscal Year 2024

Debt Limit ⁽¹⁾	<u>\$18,913,610</u>
Debt applicable to limit:	
General obligation bonds	10,195,239
Transportation bonds	3,004,910
Nontraditional Transportation debt ⁽²⁾	191,919
Less amounts set aside for replacement of:	
General obligation debt	587,023
Transportation debt	<u>(32,676)</u>
Total net debt applicable to limit	<u>12,837,721</u>
Legal debt margin	<u><u>\$ 6,075,889</u></u>

	Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt limit	\$18,913,610	\$17,868,961	\$17,796,591	\$17,562,912	\$16,979,120	\$16,411,679	\$15,781,124	\$15,123,970	\$15,021,257	\$14,493,789
Total net debt applicable to limit	<u>12,837,721</u>	<u>13,134,825</u>	<u>14,306,134</u>	<u>13,583,548</u>	<u>13,597,368</u>	<u>13,271,050</u>	<u>12,705,499</u>	<u>12,280,624</u>	<u>11,991,290</u>	<u>11,159,389</u>
Legal debt margin	<u>\$ 6,075,889</u>	<u>\$ 4,734,136</u>	<u>\$ 3,490,457</u>	<u>\$ 3,979,364</u>	<u>\$ 3,381,752</u>	<u>\$ 3,140,629</u>	<u>\$ 3,075,625</u>	<u>\$ 2,843,346</u>	<u>\$ 3,029,967</u>	<u>\$ 3,334,400</u>
Total net debt applicable to limit as a percentage of debt limit	<u>67.88%</u>	<u>73.51%</u>	<u>80.39%</u>	<u>77.34%</u>	<u>80.08%</u>	<u>80.86%</u>	<u>80.51%</u>	<u>81.20%</u>	<u>79.83%</u>	<u>76.99%</u>

Source: The Sixty-Seventh through Seventy-Sixth Report of the State Department of Assessments and Taxation and the State Comptroller's Office

(1) For general obligation bonds, the debt limit is based on separate enabling acts for particular objects or purposes that are enacted during each legislative session. There is no separately mandated maximum amount for the issuance of general obligation bonds. For transportation bonds, the General Assembly each year establishes a maximum aggregate outstanding amount that does not exceed \$4,500,000,000.

(2) The 2021 session of the General Assembly established a maximum outstanding principal amount of \$1,200,000,000 as of June 30, 2022, for all nontraditional debt of the Department. Nontraditional debt outstanding is defined as any debt instrument that is not a Consolidated Transportation Bond or GARVEE bond. This debt includes certificates of participation, debt backed by customer facility charges, passenger facility charges, or other revenues, and debt issued by the Maryland Economic Development Corporation or any other third party on behalf of the Department.

STATE OF MARYLAND
Schedule of Taxes Pledged to Consolidated Transportation Bonds and Net Revenues as
Defined for Purposes of Consolidated Transportation Bonds Coverage Tests
Last Ten Fiscal Years
(Expressed in Thousands)

	Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Taxes and fees:										
Taxes pledged to bonds ⁽¹⁾⁽²⁾	\$ 2,873,080	\$ 2,668,953	\$ 2,450,024	\$ 2,263,381	\$ 2,120,794	\$ 2,103,563	\$ 1,965,757	\$ 1,971,162	\$ 1,924,937	\$ 1,749,800
Other taxes and fees	627,673	640,968	650,560	635,877	587,652	624,750	605,153	623,230	611,259	603,700
Total taxes and fees	3,500,753	3,309,921	3,100,584	2,899,258	2,708,446	2,728,313	2,570,910	2,594,392	2,536,196	2,353,500
Operating revenues	417,606	413,142	389,569	283,621	394,338	453,306	459,912	441,420	436,571	414,290
Other ⁽¹⁾	31,693	80,653	112,255	122,454	49,418	56,543	60,566	69,012	59,609	47,307
Investment income	—	—	—	—	1,918	2,929	2,322	627	3,819	2,090
Total revenue	3,950,052	3,803,716	3,602,408	3,305,333	3,154,120	3,241,091	3,093,710	3,105,451	3,036,195	2,817,187
Administration, operation and maintenance expenditures	2,647,417	2,454,804	2,293,968	2,179,866	2,173,296	2,127,967	2,048,949	1,948,196	1,917,471	1,859,524
Less: Federal funds	(253,917)	(474,682)	(715,446)	(495,651)	(430,279)	(90,770)	(99,533)	(94,498)	(87,325)	(89,843)
Total	2,393,500	1,980,122	1,578,522	1,684,215	1,743,017	2,037,197	1,949,416	1,853,698	1,830,146	1,769,681
Net revenues	\$ 1,556,552	\$ 1,823,594	\$ 2,023,886	\$ 1,621,118	\$ 1,411,103	\$ 1,203,894	\$ 1,144,294	\$ 1,251,753	\$ 1,206,049	\$ 1,047,506
Maximum annual principal and interest requirements	\$ 429,707	\$ 480,461	\$ 479,510	\$ 469,477	\$ 457,080	\$ 415,245	\$ 358,739	\$ 331,345	\$ 305,197	\$ 292,327
Ratio of net revenues to maximum annual principal and interest requirements	6.21	5.10	4.72	3.45	3.09	5.07	3.19	3.78	3.95	3.58
Ratio of taxes pledged to bonds to maximum annual principal and interest requirements	4.24	4.21	3.38	4.82	4.64	2.90	5.48	5.95	6.31	5.99

Source: The Maryland Department of Transportation, The Secretary's Office, Office of Finance.

(1) The allocation of the corporate income tax to the Department was changed from 17.2% to 9.5% in fiscal year 2013, 19.5% through fiscal year 2016, and 17.2% thereafter.

(2) The motor fuel tax rate was increased based on growth of the Consumer Price Index and applies a sales and use tax equivalent to the price of motor fuel beginning in fiscal year 2014.

STATE OF MARYLAND
Ratio of Pledged Assets to
Revenue Bonds, Community Development Administration
Last Ten Fiscal Years
(Expressed in Thousands)

	Pledged Assets ⁽¹⁾	Revenue Bonds Payable	Ratio of Pledged Assets to Revenue Bonds
2024	\$ 4,733,622	\$ 4,099,614	1.15
2023	3,871,385	3,298,686	1.17
2022	3,410,337	2,830,257	1.20
2021	3,402,697	2,731,788	1.25
2020	3,390,322	2,733,062	1.24
2019	2,911,702	2,338,675	1.25
2018	2,489,743	1,948,457	1.28
2017	2,607,201	2,030,891	1.28
2016	2,721,570	2,158,680	1.26
2015	2,847,756	2,307,890	1.23

(1) Bonds and notes issued by the Community Development Administration (CDA) are special obligations of CDA and are payable solely from the revenues of the applicable mortgage loan programs. Assets, principally mortgage loans, and program revenues are pledged as collateral for the revenue bonds.

STATE OF MARYLAND
Schedule of Demographic Statistics
Last Ten Years

	Population ⁽¹⁾	Total Personal Income ⁽²⁾	Per Capita Personal Income	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2024	6,180,253	\$ 456,408,000	\$ 73,849	1,028,889	2.1%
2023	6,164,660	436,027,900	70,730	1,024,941	3.2%
2022	6,165,129	430,429,300	69,817	1,009,969	5.8%
2021	6,055,802	404,520,700	66,799	1,003,713	6.8%
2020	6,045,680	390,792,500	64,640	1,042,034	3.6%
2019	6,042,718	380,171,900	62,914	1,019,971	3.9%
2018	6,052,177	360,250,668	59,524	1,021,454	4.1%
2017	6,016,447	348,569,720	57,936	1,009,762	4.3%
2016	6,007,289	337,174,077	56,127	1,010,035	4.3%
2015	5,976,407	329,559,646	55,143	1,001,193	5.2%

Sources:

(1) U.S. Census Bureau, "Annual Estimates of the Resident Population: April 1, 2020 - July 1, 2023". Estimates for the calendar year except that the current year amount is a projected estimate for the year.

(2) U.S. Department of Commerce, Bureau of Economic Analysis. Data for all years based on revised statistics of state personal income released on September 30, 2023. All estimates of state personal income are subject to BEA's flexible annual revision schedule.

(3) Figures are as of September 30 of the prior calendar year from State Department of Education, grades pre-kindergarten through grade 12. Includes public and nonpublic schools. Data for nonpublic schools is incomplete.

(4) Figures are for the fiscal year from State Department of Labor.

STATE OF MARYLAND
Schedule of Employment by Sector
Prior Year and Nine Years Prior

	Calendar Year 2023 ⁽¹⁾			Calendar Year 2014 ⁽²⁾		
	Average Annual Employment	Total Wages (Expressed in Thousands)	Average Weekly Wage Per Worker	Average Annual Employment	Total Wages (Expressed in Thousands)	Average Weekly Wage Per Worker
Government:						
State and local	355,618	\$ 25,386,192	\$ 2,795	343,331	\$ 18,132,949	\$ 2,053
Federal	158,475	20,042,029	2,432	142,745	13,440,329	1,811
Total government	514,093	45,428,221	5,227	486,076	31,573,278	3,864
Manufacturing	113,656	10,936,553	1,850	103,431	7,276,759	1,353
Natural resources and mining	7,370	394,627	1,030	6,417	249,934	749
Construction	161,355	12,822,455	1,528	149,555	8,704,603	1,119
Trade, transportation, and utilities	466,180	26,764,852	1,104	449,125	19,109,276	818
Information services	35,047	4,522,829	2,482	38,927	3,234,737	1,598
Financial activities	126,675	14,652,729	2,224	137,238	11,425,978	1,601
Professional and business services	476,201	46,823,627	1,891	423,839	30,688,192	1,392
Education and health services	448,009	30,017,815	1,289	408,660	20,374,110	959
Leisure and hospitality	263,400	8,226,216	601	260,238	5,383,900	398
Unclassified and other services	88,955	5,038,708	1,089	89,117	3,367,093	727
Total of all sectors	2,700,941	\$ 205,628,632	\$ 1,464	2,552,623	\$ 141,387,860	\$ 1,065

⁽¹⁾ Source: DLLR Website - <https://www.labor.maryland.gov/lmi/emppay/annualmd.shtml>

⁽²⁾ Source: DLLR Website - <http://dllr.maryland.gov/lmi/emppay/md2014ep.shtml>

STATE OF MARYLAND
Maryland's Ten Largest Private Employers ⁽¹⁾

Calendar Years

Employer (Listed Alphabetically)

2024 ⁽²⁾	2023 ⁽²⁾	2022 ⁽²⁾	2021 ⁽²⁾
Ascension St Agnes Hospital	Clean Harbors Inc	Byk Gardner Inc	Byk Gardner Inc
Centric Business Systems Inc	College-Agriculture-Natrl	Clean Harbors Inc	Clean Harbors Inc
Clean Harbors Inc	Community College-Baltimore	Holy Cross Hospital	Holy Cross Hospital
First Data	Live! Casino & Hotel	The Johns Hopkins University Applied	
Geico Corp	Medstar Franklin Square Med	Physics Laboratory	Physics Laboratory
Live! Casino & Hotel	Northrop Grumman	Johns Hopkins Bayview Medical Center	Johns Hopkins Bayview Medical Center
Northrop Grumman	TidalHealth Peninsula Regional	Johns Hopkins University School of Medicine	Johns Hopkins University School of Medicine
Prometric LLC	UM Laurel Medical Ctr	Maryland Neuroimaging Center	Maryland Neuroimaging Center
UM Laurel Medical Ctr	University-Md Ofc-The Prsdnt	Northrop Grumman Electronic Systems	Northrop Grumman Electronic Systems
University of Maryland College Park	Walter Reed Natl Mltry Med Ctr	University of Maryland	University of Maryland
		University of Maryland Medical Center	University of Maryland Medical Center
2020 ⁽²⁾	2019 ⁽²⁾	2018	2017, 2016, and 2015
Anne Arundel Medical Center	Anne Arundel County Board of Education	Applied Physics Laboratory	Applied Physics
Arc Day Ctr	BYK Gardner Inc.	BYK Gardner	BYK Gardner Inc.
BYK Gardner Inc.	Care First Blue Cross Blue Shield	Care First Blue Cross Blue Shield	Clean Harbors Inc.
Clean Harbors Inc	The Johns Hopkins University Applied Physics Laboratory	F.H Furr Plumbing, HVAC & Electrical	Cristal USA
The Johns Hopkins University Applied Physics Laboratory	Johns Hopkins University School of Medicine	Johns Hopkins Hospital	Johns Hopkins Hospital
Johns Hopkins University School of Medicine	Northrop Grumman Electronic Systems	Johns Hopkins University	Johns Hopkins University
Northrop Grumman Electronic Systems	School of Medicine University of Maryland	Northrop Grumman Electronic Systems	Northrop Grumman Electronic Systems
School of Medicine University of Maryland	University of MD Marlene and Stewart Greenebaum Comprehensive Cancer Center	University of Maryland Biotechnology	Sap America Inc.
University of MD Marlene and Stewart Greenebaum Comprehensive Cancer Center	University of Maryland Medical Center	University of Maryland Medical Center	Sinai Hospital
University of Maryland Medical Center	Walter Reed National Military Medical Center	Sap America Inc.	University of Maryland Medical Center

Source: Department of Labor, Licensing and Regulation; Office of Market Labor
Analysis and Information - Major Employer List - March 2023

⁽¹⁾ Information such as the number of employees or the employers' percentage of total employment is not available for disclosure.

⁽²⁾ Beginning in 2015, the source for the State's largest employers is a private contractor rather than the agency's in-house system.

STATE OF MARYLAND
State Employees by Function/Program
Last Ten Fiscal Years

	Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
State Employees:										
Governmental activities:										
General government	6,970	6,332	6,430	5,383	5,947	5,855	5,605	5,770	5,841	5,464
Health and mental hygiene	11,091	10,752	11,369	9,818	10,590	10,495	9,868	9,878	10,187	9,629
Education	2,459	2,334	2,233	2,027	2,347	2,371	2,203	2,230	2,330	2,207
Human resources	5,877	5,662	5,830	5,452	5,825	5,943	5,901	5,970	6,122	6,122
Public safety	17,475	17,108	13,410	12,222	20,318	18,385	13,137	14,010	19,769	14,963
Transportation	6,257	5,962	5,982	5,894	6,055	6,504	6,075	5,977	6,213	6,130
Judicial	6,785	6,432	6,703	6,145	6,426	6,456	6,354	6,321	6,277	6,024
Labor, licensing and regulation	1,878	1,740	1,703	1,517	1,799	1,809	1,642	1,659	1,821	1,633
Natural resources and recreation	2,319	2,189	2,090	1,819	2,063	2,363	2,107	2,074	2,290	2,001
Housing and community development	284	278	251	190	223	235	216	195	199	194
Environment	997	944	915	815	873	907	868	881	904	901
Agriculture	479	498	484	423	391	437	431	447	439	424
Commerce	227	142	152	140	170	165	169	170	163	154
Total governmental activities employees	63,098	60,373	57,552	51,845	63,027	61,925	54,576	55,582	62,555	55,846
Business-type activities:										
Economic development - insurance programs	355	363	325	284	281	292	276	285	284	267
Maryland Lottery and Gaming Control Agency	342	329	348	308	319	325	326	326	321	298
Maryland Transportation Authority	1,534	1,446	1,417	1,454	1,600	1,669	1,662	1,578	1,667	1,666
Prepaid College Trust	1	22	21	22	31	36	27	30	25	15
Maryland Correctional Enterprises	162	165	169	149	168	158	146	157	171	177
Total business-type employees	2,394	2,325	2,280	2,217	2,399	2,480	2,437	2,376	2,468	2,423
Total primary government employees	65,492	62,698	59,832	54,062	65,426	64,405	57,013	57,958	65,023	58,269
Component Units:										
Higher Education	54,068	52,413	43,035	34,023	52,323	48,421	47,756	47,671	45,597	44,875
Stadium Authority	180	165	165	147	171	185	170	155	143	133
Other component units	26	26	28	23	30	29	27	25	28	27
Total component units employees	54,274	52,604	43,228	34,193	52,524	48,635	47,953	47,851	45,768	45,035

Source: Maryland Department of Transportation, Department of Budget and Management, and Central Payroll Bureau: State Comptroller's Office

STATE OF MARYLAND
Schedule of Miscellaneous, Operating and Capital Asset Statistics by Function
Last Ten Fiscal Years

Date of Ratification	1788									
Form of Government	Legislative - Executive - Judicial									
Land Area	9707 square miles									
Function/Program	2024⁽¹⁾	2023	2022	2021	2020	2019	2018	2017	2016	2015
Education, Public School Enrollment	890,137	889,971	881,471	882,538	909,414	896,845	893,689	886,221	879,601	874,514
Health and Human Resources:										
Medicaid Enrollment	1,537,093	1,588,030	1,498,241	1,384,969	1,255,576	1,083,592	1,141,995	1,098,887	1,081,526	1,138,532
Children's Health Program Enrollment	168,394	164,521	156,248	143,387	143,031	154,320	147,837	146,031	136,980	122,955
WIC Food Program Recipients	120,212	123,526	122,303	125,537	122,298	126,914	129,504	134,662	140,909	140,600
Behavioral Health Clients	328,061	314,048	297,288	285,754	288,231	340,479	326,249	201,005	199,138	185,181
Public Assistance Caseload (AFDC/TANF)	39,200	53,517	56,530	62,552	46,767	42,661	46,651	50,901	56,115	61,739
Foster Care and Subsidized Adoption Average Caseload	10,157	15,138	10,560	10,989	11,864	12,535	12,727	12,977	13,410	13,477
Public Safety:										
Correctional Institutions Average Daily Population	18,990	17,299	17,921	20,420	21,142	21,370	22,799	23,115	23,093	23,951
Parole and Probation, Active Cases under Supervision	79,500	73,000	71,836	71,311	71,232	70,293	69,878	40,402	42,368	50,968
Youth Residential Programs, Average Daily Population	378	305	220	584	721	742	739	782	852	998
Average Monthly number of Youths on Probation	902	815	1,069	1,606	1,964	2,204	2,292	2,296	2,446	2,761
Public Safety (State Police):										
Number of Police Stations	23	23	23	23	23	23	23	23	23	26
Number of State Police	1,425	1,450	1,451	1,442	1,476	1,464	1,428	1,452	1,456	1,443
Motor Vehicle Citations (calendar year)	191,181	239,048	265,805	282,589	339,657	338,806	336,950	330,153	355,061	363,134
Motor Vehicle - Number of Collisions (calendar year) ⁽⁷⁾	110,321	108,405	108,707	95,449	24,466	25,669	34,278	23,779	19,907	98,400
Judicial, Total Filings	1,296,138	1,162,069	1,180,714	1,619,225	1,575,439	1,867,147	1,902,579	1,886,882	1,931,138	1,946,586
Transportation:										
Miles of State Highway	5,218	5,212	5,210	5,208	5,206	5,284	5,274	5,270	5,274	5,271
Lane Miles Maintained	17,404	17,364	17,422	17,389	17,286	17,191	17,174	17,143	17,132	17,117
Expenditures per Lane Mile	\$ 11,692	\$ 11,594	\$ 10,000	\$ 9,495	\$ 9,691	\$ 9,320	\$ 9,423	\$ 9,373	\$ 9,199	\$ 8,430
Number of Bridges ⁽²⁾	2,623	2,621	2,617	2,608	1,437	1,483	1,483	1,484	1,483	1,499
Motor Vehicle Registrations	5.3 million	5.1 million	5.2 million	5.0 million	5.2 million	5.1 million	5.0 million	5.0 million	5 million	4.9 million
BWI Airport Passengers (calendar year)	26.2 million	22.8 million	18.9 million	11.2 million	27.0 million	27.1 million	24.8 million	25.7 million	24.7 million	22.8 million
Acres Agricultural Land Preserved - all programs ⁽⁸⁾	904,818	882,557	875,723	853,527	690,939	675,906	654,490	635,710	614,173	609,661
Department of Housing and Community Development:										
Active Single Family/Multifamily Bond Financed Loans ⁽⁴⁾	10,684	12,746	11,715	11,684	13,189	11,533	10,510	11,525	12,646	13,734
Department of Commerce:										
Number of businesses assisted ⁽³⁾	17	17	12	17	13	35	30	NA	4	7
Number of workers trained ⁽³⁾	453	979	538	583	242	1,619	1,210	NA	126	142

Higher Education (Universities, Colleges and Community Colleges):

STATE OF MARYLAND
Schedule of Miscellaneous, Operating and Capital Asset Statistics by Function
Last Ten Fiscal Years

Date of Ratification	1788									
Form of Government	Legislative - Executive - Judicial									
Land Area	9707 square miles									
Function/Program	2024⁽¹⁾	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of Campuses in State	29	29	29	29	29	29	29	29	29	29
Number of Educators ⁽⁵⁾	7,878	8,249	8,267	8,385	8,488	8,390	8,383	8,387	8,355	8,391
Number of Students	265,143	252,841	256,715	272,023	279,877	284,200	289,879	287,831	291,797	288,720
Number of State Scholarships Awarded ⁽⁶⁾	42,661	42,979	43,930	49,062	39,290	33,689	35,252	32,203	35,859	40,061
Recreation:										
Number of State Parks and Forests	91	77	75	75	62	62	62	60	60	60
State Parks Daily Visitors	18.2 million	17.8 million	20.6 million	19.7 million	17.5 million	13.6 million	13.8 million	14.0 million	12.9 million	11.3 million
Area of State Parks, Acres	142,739	142,412	98,196	97,784	97,446	97,368	97,195	94,762	95,314	95,196
Area of State Forests, Acres	234,866	229,788	149,843	149,225	148,764	148,539	147,863	147,810	147,521	145,761

Sources: State Comptroller's Office, General Accounting Division, Central Payroll Bureau, www.mdarchives.state.md.us/msa/mdmanual, Maryland Budget, Department of Budget and Management, Department of Natural Resources, and the State Highway Administration of Maryland

⁽¹⁾ These amounts are estimates.

⁽²⁾ Represents the number of bridges owned and maintained by SHA on the National Highway System (NHS). The large increase reported in 2013 resulted from an expansion of Maryland's portion of NHS by the Federal Highway Administration.

⁽³⁾ Restructuring of training programs in 2009 has led to reduced funding for the Partnership for Workforce Quality Program (PWQ) through 2017.

⁽⁴⁾ CDA relies completely on the reporting of two different Master Servicers on the underlying loans that comprise the Mortgage-backed securities held by CDA at fiscal year end.

⁽⁵⁾ Large reduction of faculty count is due to exclusion of faculty at Clinical Medicine at UMB, faculty at extension services, and continuing education faculty beginning in 2013.

⁽⁶⁾ Legislative scholarships are not included due to a change in awarding practices begun in FY 2012.

⁽⁷⁾ Crashes investigated by Maryland State Police; prior to 2016 included allied agencies.

⁽⁸⁾ Maryland has an official land preservation goal of 1,030,000 acres. This goal has changed to include 6 programs instead of the previous 4 programs. The two new easement programs enacted by House Bill 860 are: The Next Generation Farmland Acquisition Program run by the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), and easements managed by the Maryland Environmental Trust (MET). The bill also extended the deadline for reaching the preservation goal from 2022 to 2030.

Financial Schedules Required by Law

THESE SCHEDULES ARE REQUIRED TO BE SUBMITTED BY THE COMPTROLLER BY TITLE 2,
SECTION 102 OF THE STATE FINANCE AND PROCUREMENT ARTICLE OF THE ANNOTATED
CODE OF MARYLAND



STATE OF MARYLAND
Schedule of Estimated and Actual Revenues By Source, Budgetary Basis, for the Year Ended June 30, 2024
(Expressed in Thousands)

	Annual Budgeted Funds										Capital Projects Fund Actual Revenues	Total Actual Revenues	
	General Fund		Special Fund		Federal Fund		Higher Education Funds						
	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Current Unrestricted Fund		Current Restricted Fund				
	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues			
Taxes:													
Property tax	\$ —	\$ 2,101	\$ 1,175,340	\$ 1,198,682	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,200,783
Franchise and corporation tax	271,376	151,423	—	—	—	—	—	—	—	—	—	—	151,423
Death taxes	247,617	213,407	—	—	—	—	—	—	—	—	—	—	213,407
Admission and amusement tax	—	—	22,910	20,813	—	—	—	—	—	—	—	—	20,813
Alcohol beverages tax	36,553	34,102	100	—	—	—	—	—	—	—	—	—	34,102
Motor vehicle fuel taxes	—	—	1,302,675	1,397,184	—	—	—	—	—	—	—	—	1,397,184
Income taxes	15,469,816	15,670,642	1,274,250	570,906	—	—	—	—	—	—	—	—	16,241,549
Sales and use taxes	5,909,681	5,896,606	790,000	956,608	—	—	—	—	—	—	—	—	6,853,213
Tobacco taxes	416,570	405,071	—	—	—	—	—	—	—	—	—	—	405,071
Motor vehicle titling taxes	—	—	1,050,000	1,052,512	—	—	—	—	—	—	—	—	1,052,512
Insurance company taxes	710,325	744,222	18,337	142,984	—	—	—	—	—	—	—	—	887,206
Horse racing taxes	—	—	—	31,927	—	—	—	—	—	—	—	—	31,927
Shellfish taxes	—	—	900	1,155	—	—	—	—	—	—	—	—	1,155
Boxing, wrestling or sparring taxes	—	15	—	13	—	—	—	—	—	—	—	—	28
Boat titling tax	—	—	30,400	26,034	—	—	—	—	—	—	—	—	26,034
Energy generation tax	—	—	42,000	41,401	—	—	—	—	—	—	—	—	41,401
Emergency telephone system tax	—	—	125,000	145,500	—	—	—	—	—	—	—	—	145,500
Total taxes	23,061,938	23,117,590	5,831,912	5,585,719	—	—	—	—	—	—	—	—	28,703,310
Other:													
Licenses and permits	54,332	41,989	676,779	652,115	—	—	—	—	—	—	—	—	694,104
Fees for services	140,261	185,934	908,271	864,133	—	—	—	—	—	—	—	—	1,050,067
Fines and costs	80,728	94,319	220,687	601,571	—	—	—	—	—	—	—	—	695,890
Sales to the public	111,677	7,822	138,792	151,173	—	—	—	—	—	—	—	—	158,996
Commissions and royalties	10,000	—	143,927	91,889	—	—	—	—	—	—	—	—	91,890
Rentals	—	71	144,724	151,321	—	24	—	—	—	—	—	—	151,416
Interest on investments	302,430	398,905	72,159	170,269	—	—	—	—	—	—	—	—	569,174
Interest on loan repayments	—	158,489	1,100	679	—	—	—	—	—	—	—	—	159,169
Miscellaneous	130,523	199,435	465,742	299,508	—	—	—	—	—	—	—	—	498,943
Colleges and universities	—	—	—	—	—	—	3,885,621	3,864,791	2,040,099	1,957,818	—	—	5,822,609
Federal reimbursements and grants	—	—	980	19,945	20,658,029	19,559,240	—	—	—	—	—	—	19,579,185
Other reimbursements	93,113	30,952	1,420,696	1,337,267	—	—	—	—	—	—	—	—	1,368,219

STATE OF MARYLAND
Schedule of Estimated and Actual Revenues By Source, Budgetary Basis, for the Year Ended June 30, 2024 (Continued)
(Expressed in Thousands)

	Annual Budgeted Funds												Capital Projects Fund Actual Revenues	Total Actual Revenues										
	General Fund		Special Fund		Federal Fund		Higher Education Funds																	
	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Current Unrestricted Fund		Current Restricted Fund															
	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Actual Revenues	Total Actual Revenues										
Bonds issues:																								
State - general purpose	\$	—	\$	—	\$	—	\$	1	\$	—	\$	—	\$	—	\$	—	\$	1,199,787	\$	1,199,787				
Premiums		—		—	139,083	303,506		—		—		—		—		—		13,057		316,562				
State reimbursements		647,350		2,050,852	1,032,809	911,938		—		—		—		—		—		636,890		3,599,680				
Appropriated from other funds		—		—		—		—		2,333,704		2,333,704		—		—		—		2,333,704				
Trust funds		—		—	28	380		—		—		—		—		—		—		380				
Revolving accounts		13,280		49,575	9,300	8,291		—		—		—		—		—		—		57,867				
Total revenues	\$	24,645,631	\$	26,335,934	\$	11,206,990	\$	11,149,706	\$	20,658,029	\$	19,559,264	\$	6,219,326	\$	6,198,495	\$	2,040,099	\$	1,957,818	\$	1,849,734	\$	67,050,951

STATE OF MARYLAND
Schedule of Budget and Actual Expenditures and Encumbrances By Major Function, Budgetary Basis
For the Year Ended June 30, 2024
(Expressed in Thousands)

Expenditures and Encumbrances by Major Function*	Annual Budgeted Funds										Capital Projects Fund	Total	
	General Fund		Special Fund		Federal Fund		Higher Education Funds						
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Current Unrestricted Fund		Current Restricted Fund				Actual
							Final Budget	Actual	Final Budget	Actual			
Payments of revenue to civil divisions of the State	\$ 258,063	\$ 258,063	\$ 1,600	\$ 1,600	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 259,663	
Public debt	425,100	425,100	1,016,700	1,001,185	7,500	6,369	—	—	—	—	—	1,432,654	
Legislative	155,160	155,160	—	—	—	—	—	—	—	—	—	155,160	
Judicial review and legal	851,236	850,849	201,765	176,224	11,890	8,593	—	—	—	—	—	1,035,666	
Executive and administrative control	985,519	964,453	1,174,917	1,053,120	1,444,686	1,409,582	—	—	—	—	—	3,427,155	
Financial and revenue administration	298,844	293,352	232,377	224,291	—	—	—	—	—	—	—	517,643	
Budget management	179,182	157,553	123,077	67,771	14,582	—	—	—	—	—	—	225,324	
Retirement and pension	—	—	25,006	24,685	—	—	—	—	—	—	—	24,685	
General services	401,518	401,438	66,318	66,106	1,599	1,575	—	—	—	—	—	469,119	
Service and civic innovation	16,862	16,685	11,247	9,544	—	—	—	—	—	—	—	26,229	
Transportation and highways	1,150	350	4,699,428	4,445,375	1,513,434	1,319,187	—	—	—	—	—	5,764,912	
Natural resource and recreation	239,640	237,996	495,056	461,998	62,565	43,373	—	—	—	—	—	743,367	
Agriculture	81,063	78,433	120,359	118,867	12,442	10,347	—	—	—	—	—	207,647	
Health, hospital and mental hygiene	7,495,648	7,491,581	1,448,601	1,353,591	11,742,459	11,493,752	—	—	—	—	—	20,338,923	
Human resources	901,175	832,497	195,040	183,765	3,002,668	2,608,392	—	—	—	—	—	3,624,654	
Labor, licensing and regulation	63,222	62,130	356,659	300,185	280,716	232,075	—	—	—	—	—	594,389	
Public safety and correctional services	1,548,831	1,548,817	116,926	111,776	38,533	28,345	—	—	—	—	—	1,688,938	
Public education	10,925,518	10,915,352	1,911,601	1,885,957	1,742,346	1,595,729	6,219,326	6,081,094	2,040,099	1,954,607	—	22,432,740	
Housing and community development	236,535	235,929	132,339	120,849	568,672	560,376	—	—	—	—	—	917,153	
Commerce	198,497	198,492	149,748	113,471	19,221	10,023	—	—	—	—	—	321,986	
Maryland technology development corporation	54,716	54,716	—	—	4,046	—	—	—	—	—	—	54,716	
Environment	71,596	70,211	384,570	381,931	159,371	150,700	—	—	—	—	—	602,843	
Juvenile services	322,911	321,422	4,196	2,534	13,722	9,393	—	—	—	—	—	333,349	
State police	434,318	432,507	147,923	145,809	10,511	7,797	—	—	—	—	—	586,113	
State reserve fund	1,393,904	1,393,904	—	—	—	—	—	—	—	—	—	1,393,904	
Loan accounts	—	—	—	—	—	—	—	—	—	—	1,092,216	1,092,216	
Reversions:													
Current year reversions	(75,000)	—	—	—	—	—	—	—	—	—	—	—	
Prior reversions	—	(183,679)	—	(825,520)	—	(1,288,770)	—	(138,652)	—	(85,509)	—	(2,522,130)	
Total expenditures and encumbrances	\$ 27,465,208	\$ 27,213,310	\$ 13,015,455	\$ 11,425,114	\$ 20,650,964	\$ 18,206,838	\$ 6,219,326	\$ 5,942,443	\$ 2,040,099	\$ 1,869,098	\$ 1,092,216	\$ 65,749,018	

*Appropriation and expenditure differences between this statement and the "Statement of Revenues, Expenditures and Encumbrances and Changes in Fund Balances - Budget and Actual - Budgetary General, Special, and Federal Funds" included in the RSI Section, result from differences in the classification of prior year encumbrances and expenditures.

STATE OF MARYLAND
Schedule of Changes in Fund Equities - Budgetary Basis
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Annual Budgeted Funds								
	General Fund		Special Fund			Higher Education Funds		Capital Projects Fund	Total
	General	State Reserve	Special	Debt Service	Federal Fund	Current Unrestricted Fund	Current Restricted Fund		
Fund equities, June 30, 2023	\$ 4,135,776	\$ 2,706,055	\$ 5,782,746	\$ 118,130	\$ (2,918,166)	\$ 1,571,618	\$ 11,603	\$ 1,875,434	\$ 13,283,196
Increase:									
Revenues	24,783,541	1,552,393	10,017,129	1,132,577	19,559,264	6,198,495	1,957,818	1,863,234	67,064,451
Decrease:									
Appropriations	27,220,960	—	11,998,755	1,016,700	20,658,029	6,219,326	2,040,099	1,092,216	70,246,084
Less: Current year reversions	(117,385)	—	(54,584)	—	(260,513)	(3,447)	(419)	—	(436,348)
Prior year reversions	(183,679)	—	(810,004)	—	(1,288,770)	(138,652)	(85,509)	—	(2,506,614)
Expenditures and encumbrances*	26,919,896	—	11,134,166	1,016,700	19,108,746	6,077,227	1,954,171	1,092,216	67,303,122
Changes to encumbrances during fiscal year 2024	(48,528)	—	(569,772)	—	667,806	(1,097)	1,560	—	49,968
Expenditures	26,871,368	—	10,564,395	1,016,700	19,776,552	6,076,129	1,955,730	1,092,216	67,353,091
Transfers in (out)	933,164	(2,138,785)	2,166,778	6,980	217,711	(3,128)	—	51,026	1,233,746
Fund equities, June 30, 2024	\$ 2,981,113	\$ 2,119,663	\$ 7,402,258	\$ 240,987	\$ (2,917,743)	\$ 1,690,856	\$ 13,691	\$ 2,697,477	\$ 14,228,302
Fund Balance:									
Reserved:									
Encumbrances	\$ 787,728	\$ —	\$ 2,003,138	\$ —	\$ 2,141,842	\$ 4,032	\$ 2,089	\$ 1,465,800	\$ 6,404,631
State reserve fund	—	2,119,663	—	—	—	—	—	—	2,119,663
Loans and notes receivable	—	—	—	848	—	—	—	—	848
Shore erosion loan program	—	—	5,047	—	—	—	—	—	5,047
Unreserved:									
Designated for:									
General long-term debt service	—	—	—	240,140	—	—	—	—	240,140
2025 operations	698,137	—	—	—	—	—	—	—	698,137
Undesignated surplus (deficit)	1,495,247	—	5,394,073	—	(2,141,842)	1,686,824	11,602	1,231,677	7,677,580
Total	\$ 2,981,113	\$ 2,119,663	\$ 7,402,258	\$ 240,987	\$ —	\$ 1,690,856	\$ 13,691	\$ 2,697,477	\$ 17,146,045

*Appropriations and expenditure differences between this statement and the "Statement of Revenues, Expenditures and Encumbrances and Changes in Fund Balances – Budget and Actual - Budgetary General, Special, and Federal Funds" included in the RSI Section, result from differences in the classification of prior year encumbrances and expenditures.

STATE OF MARYLAND
Schedule of Funds Transferred to Political Subdivisions
For the Year Ended June 30, 2024 ⁽¹⁾
(Expressed in Thousands)

Subdivision	State Sources			Total	Other Sources		Total	Assessed Value of Real and Personal Property (2)	Amount Per \$100 of Assessed Value
	Shared Revenues	Direct Grants and Appropriations	Debt Service		Federal Local	State Administered Local Revenue			
Allegany.....	\$ 1,379	\$ 149,096	\$ 3,272	\$ 153,747	\$ 22,845	\$ 38,341	\$ 214,933	\$ 4,410,947	\$ 4.87
Anne Arundel.....	8,338	761,484	7,326	777,148	91,159	854,926	1,723,233	105,454,538	1.63
Baltimore County.....	11,584	1,258,117	19,539	1,289,240	173,240	1,124,537	2,587,018	102,091,509	2.53
Calvert.....	1,846	149,517	800	152,163	18,858	122,108	293,128	14,178,063	2.07
Caroline.....	1,142	99,461	2,016	102,619	15,579	24,621	142,819	3,176,501	4.50
Carroll.....	3,190	255,293	7,457	265,941	26,623	214,364	506,928	24,020,725	2.11
Cecil.....	1,866	200,670	608	203,143	31,322	87,810	322,275	12,548,041	2.57
Charles.....	2,883	351,466	23,128	377,477	31,592	171,064	580,134	23,046,728	2.52
Dorchester.....	1,259	80,359	212	81,829	18,020	27,937	127,786	3,461,295	3.69
Frederick.....	4,068	481,409	6,726	492,203	49,774	353,777	895,754	41,646,233	2.15
Garrett.....	1,505	62,784	1,456	65,744	13,997	24,367	104,107	5,539,153	1.88
Harford.....	4,024	418,637	363	423,025	57,705	305,330	786,060	33,673,621	2.33
Howard.....	4,682	539,264	6,802	550,748	45,968	630,106	1,226,822	63,670,289	1.93
Kent.....	649	26,877	14	27,540	7,567	21,303	56,410	3,231,531	1.75
Montgomery.....	10,670	1,344,893	28,140	1,383,702	150,406	2,033,684	3,567,791	223,334,788	1.60
Prince George's.....	8,750	1,863,188	31,774	1,903,711	149,373	817,993	2,871,077	123,898,174	2.32
Queen Anne's.....	1,533	76,219	2,365	80,117	11,193	91,812	183,122	9,769,749	1.87
St Mary's.....	2,312	192,770	1,881	196,963	25,673	135,823	358,459	14,945,904	2.40
Somerset.....	802	63,555	19	64,376	13,501	11,833	89,710	1,714,623	5.23
Talbot.....	919	41,667	326	42,912	14,500	52,278	109,690	9,342,360	1.17
Washington.....	2,541	322,523	2,242	327,306	48,529	123,930	499,765	15,807,316	3.16
Wicomico.....	1,881	296,829	2,885	301,595	45,201	72,789	419,585	7,997,919	5.25
Worcester.....	1,496	55,782	—	57,278	14,921	60,508	132,707	18,494,070	0.72
Baltimore City.....	194,533	1,489,591	17,362	1,701,486	229,992	511,559	2,443,037	48,300,536	5.06
Total.....	\$ 273,850	\$ 10,581,450	\$ 166,713	\$ 11,022,014	\$ 1,307,539	\$ 7,912,798	\$ 20,242,351	\$ 913,754,613	

(1) In addition to the amounts shown for the counties and Baltimore City, \$267,327,000 was distributed to municipalities within the counties.

(2) Source: State Department of Assessments and Taxation

STATE OF MARYLAND
Schedule of Taxes Receivable from
Collectors of State Property Taxes
June 30, 2024
(Expressed in Thousands)

Political Subdivision	Taxes Receivable		
	Current Year	Prior Year	Total
Allegany	\$ 390	\$ 347	\$ 736
Anne Arundel	112	242	354
Baltimore County	2,690	23,274	25,964
Calvert	1,594	1,348	2,942
Caroline	5	8	13
Carroll	35	9	44
Cecil	39	17	56
Charles	15	228	244
Dorchester	(44)	130	86
Frederick	(234)	839	604
Garrett	155	9	163
Harford	36	9	45
Howard	(336)	1,045	709
Kent	121	53	174
Montgomery	538	(1,067)	(529)
Prince George's	252	726	978
Queen Anne's	(12)	151	139
St Mary's	174	(28)	147
Somerset	124	324	448
Talbot	4	1	5
Washington	(313)	(57)	(370)
Wicomico	633	724	1,357
Worcester	371	2	373
Baltimore City	2,280	35,752	38,032
Total	\$ 8,628	\$ 64,089	\$ 72,718

STATE OF MARYLAND
Schedule of Estimated Revenues – Budgetary Basis
For the Year Ending June 30, 2025
(Expressed in Thousands)

	General Fund	Special Fund	Federal Fund	Current Unrestricted Fund	Current Restricted Fund	Total
Income Taxes	\$ 16,044,887	\$ 408,545	\$ —	\$ —	\$ —	\$ 16,453,432
Retail sales and use tax and licenses	6,094,553	107,808	—	—	—	6,202,361
Motor vehicle taxes and fees	—	3,552,064	—	—	—	3,552,064
Property taxes	—	1,128,527	—	—	—	1,128,527
Insurance company taxes, licenses and fees	727,362	52,344	—	—	—	779,706
Franchise and corporation taxes	290,773	—	—	—	—	290,773
State tobacco tax and licenses	402,866	—	—	—	—	402,866
Alcoholic beverages taxes and licenses	38,556	—	—	—	—	38,556
Death taxes	275,927	—	—	—	—	275,927
Miscellaneous taxes, fees and other revenues	173,050	73,946	4,900 ⁽¹⁾	—	—	251,896
Budgeted tobacco settlement recoveries	—	136,677	—	—	—	136,677
Horse racing taxes and licenses	—	1,797	—	—	—	1,797
District courts fines and costs	34,813	—	—	—	—	34,813
Interest on investments	128,462	2,000	—	—	—	130,462
Hospital patient recoveries	80,036	—	—	—	—	80,036
Legislative	7	—	—	—	—	7
Judicial review and legal	54,790	188,500	10,849	—	—	254,139
Executive and administrative control	4,037	920,989	1,447,682	—	—	2,372,709
Financial and revenue administration	19,460	100,671	—	—	—	120,131
Budget and management	1,000	83,377	46,426	—	—	130,803
Maryland lottery and gaming control	534,970	111,430	—	—	—	646,400
Information technology development	—	15,103	—	—	—	15,103
Retirement and pension	—	28,220	—	—	—	28,220
General services	—	9,272	1,622	—	—	10,894
Department of Service and Civic Innovation	—	19,221	6,869	—	—	26,089
Transportation and highways	—	915,493	1,575,940	—	—	2,491,433
Natural resources and recreation	124	142,057	58,000	—	—	200,181
Agriculture	158	47,652	12,944	—	—	60,754
Health, hospitals and mental hygiene	25,402	1,125,473	10,510,957	—	—	11,661,831
Human resources	1,511	164,570	2,817,116	—	—	2,983,197
Labor, licensing and regulation	3,842	259,540	251,550	—	—	514,932
Public safety and correctional services	6,328	88,389	27,438	—	—	122,155
Public education	9,258	2,125,436	1,569,799	6,090,406	1,872,407	11,667,306
Housing and community development	—	174,933	556,883	—	—	731,817
Commerce	112	111,244	19,385	—	—	130,742
Maryland technology development corporation	—	—	4,646	—	—	4,646
Environment	521	330,695	216,167	—	—	547,382
Juvenile services	100	3,399	6,314	—	—	9,814
State police	15,984	143,347	10,170	—	—	169,500
Payments to Civil Divisions of the State	—	1,600	—	—	—	1,600
Total estimated revenues ⁽²⁾	\$ 24,968,890	\$ 12,574,317	\$ 19,155,658	\$ 6,090,406	\$ 1,872,407	\$ 64,661,677

(1) Recorded in the Debt Service Fund for accounting purposes.

(2) Amounts are reported as of July 1, 2024, and do not reflect revisions, if any, subsequent to that date.

STATE OF MARYLAND
Schedule of General, Special, Federal, Current Unrestricted
and Current Restricted Fund Appropriations - Budgetary Basis
For the Year Ending June 30, 2025
(Expressed in Thousands)

	General Fund	Special Fund	Federal Fund	Current Unrestricted Fund	Current Restricted Fund	Total
Payments of revenue to civil divisions of the State	\$ 216,198	\$ 1,600	\$ —	\$ —	\$ —	\$ 217,798
Public debt	397,100	1,124,700	4,900	—	—	1,526,700
Legislative	160,777	—	—	—	—	160,777
Judicial review and legal	878,023	190,146	10,849	—	—	1,079,018
Executive and administrative control	654,627	959,001	1,447,682	—	—	3,061,311
Financial and revenue administration	297,089	212,101	—	—	—	509,190
Budget and management	539,796	98,480	46,426	—	—	684,702
Retirement and pension	—	28,220	—	—	—	28,220
General services	152,672	9,888	1,622	—	—	164,182
Service and Civic Innovation	27,067	19,221	6,869	—	—	53,156
Transportation and highways	1,200	4,762,275	1,575,940	—	—	6,339,415
Natural resources and recreation	122,176	322,360	58,000	—	—	502,536
Agriculture	53,479	74,505	12,944	—	—	140,928
Health, hospitals and mental hygiene	7,603,317	1,306,260	10,510,957	—	—	19,420,533
Human resources	902,406	164,570	2,817,116	—	—	3,884,092
Labor, licensing and regulation	86,953	260,561	251,550	—	—	599,064
Public safety and correctional services	1,524,435	88,389	27,438	—	—	1,640,263
Public education	11,032,582	2,098,424	1,569,799	6,090,406	1,872,407	22,663,618
Housing and community development	156,749	174,933	556,883	—	—	888,565
Commerce	147,554	111,244	19,385	—	—	278,183
Maryland technology development corporation	52,936	—	4,646	—	—	57,582
Environment	54,884	330,695	216,167	—	—	601,745
Juvenile justice	339,143	3,399	6,314	—	—	348,856
State police	454,267	143,347	10,170	—	—	607,784
State reserve fund	168,500	90,000	—	—	—	258,500
Total appropriations ⁽²⁾	\$ 26,023,931	\$ 12,574,317	\$ 19,155,658	\$ 6,090,406	\$ 1,872,407	\$ 65,716,718

(1) Recorded in the Debt Service Fund for accounting purposes.

(2) Amounts are reported as of July 1, 2024 and do not reflect revisions, if any, subsequent to that date.



TAX PREPARATION Approximately 189,000 paper returns are filed each year. Paper returns take approximately 30 days to process by hand.

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