Anne Arundel County, Maryland

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

County Executive

John R. Leopold

County Council

Derek Fink – Chairman
Richard B. Ladd
Daryl Jones
John J. Grasso
G. James Benoit, Jr.
Chris Trumbauer
Jerry Walker

Prepared by: Office of Finance – Richard K. Drain, Controller

Anne Arundel County, Maryland
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For the Fiscal Year Ended June 30, 2011

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OFFICE OF FINANCE

John R. Leopold,
County Executive

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Richard K. Drain,
Controller

December 22, 2011

The Honorable County Executive,
The Members of the County Council,
Chief Administrative Officer and
Citizens of Anne Arundel County, Maryland

I am pleased to submit to you the Comprehensive Annual Financial Report of the County for the fiscal year ended June 30, 2011 in compliance with the Anne Arundel County Charter Section 513. The purpose of this report is to provide you and the taxpayers of Anne Arundel County with sufficient information to evaluate the County's financial performance during fiscal year 2011.

This report was prepared by the Office of Finance of Anne Arundel County. The basic financial statements have been audited by the County's independent public accountants, Clifton Gunderson LLP, and their opinion is included in this report.

The responsibility for the accuracy and fairness of the presentation, including all disclosures, rests with the County. We believe the data as presented to be accurate in all material respects and to reflect fairly the financial position and results of operations for the various funds. Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

GAAP 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 compliment the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the auditors' reports.

About Anne Arundel County

Anne Arundel County was named for England's Lady Anne of Arundell, beloved wife of Cecil Calvert, second Baron Baltimore. Married at 13 and the mother of many, her intellect was legend, and her love of the arts strong. The expedition to St. Mary's in Maryland was planned in her sitting room in Tisbury, England. History records that both she and Cecil Calvert longed to voyage to the New World, although neither made it. Her son Charles, the third Lord Baltimore, and Cecil's younger brother Leonard Calvert, who later became Maryland's first proprietary governor, were the first family members to step on Maryland soil. Anne of Arundell died at the age of 34. Her husband had engraved on her tombstone, “Farewell, you most lovely of earthly beauties”. The following year, in 1650, the General Assembly of the Maryland Colony named this county in her honor.

The County is located thirteen miles east of Washington, D. C. with Baltimore City and Baltimore County as its northern boundary and the Chesapeake Bay as its entire eastern boundary. The State’s capital, Annapolis, is an incorporated municipality located within the County.

Government

Under a home rule charter, the County’s executive functions are vested in the elected County Executive, who is the chief executive officer of the County and is generally responsible for the proper and efficient administration of the affairs of the County. The County Council, which consists of seven members, is the County’s legislative body. The Council members are elected by election district and the County Executive is elected at-large to serve four-year terms; the County Council members and the County Executive are limited to two consecutive four-year terms.

Economic Condition and Outlook

Anne Arundel County has once again proven itself to be one of the strongest economies in Maryland with the eighth lowest unemployment rate in the state and positive job growth. The County’s diverse economic base ranges from defense contractors, to manufacturing/distribution, and hospitality/tourism. The County is fortunate to have a strong Federal presence with Ft. George G. Meade Federal Campus a dominant economic force, the epicenter of the Cybersecurity and Information Assurance industries and the largest employer in the State. Fort Meade is home to the National Security Agency (NSA), Defense Information Systems Agency (DISA) and U.S. Cyber Command. The County is also home to one of the State’s most important economic engines, the Baltimore/Washington International Thurgood Marshall Airport (BWI).

One key driver of the County's sustained economic performance is federal procurement spending. Anne Arundel County ranks number three in Maryland for defense procurement contracts as defense procurement contracts in the county have grown over 240% over the last ten years from $550 million in fiscal year 2000 to $1.9 billion in fiscal year 2010. The Base Realignment and Closure process (BRAC) was completed in fall 2011 adding 5,695 personnel to Fort Meade with the location of the Defense Information Systems Agency (DISA), Defense Media Activity and Defense Military Adjudication. Additional growth is anticipated on Fort Meade as U.S. Cyber Command expands with 1,075,000,000 square feet of new facilities to house 2,840 personnel by fiscal year 2016; NSA expands their facilities 1,800,000 square feet adding 6,500 additional personnel by 2015. Additional contractor growth to support NSA, DISA and other government agencies located on the base is anticipated. It is estimated that Fort Meade contributes over $17 billion a year to the state, regional and local economy and is host to over 80 Department of Defense agencies with collective employment in excess of 56,000.

Anne Arundel County continues to sustain a healthy tourism sector as people visit the County to enjoy the 534 miles of shoreline, historic Annapolis, the annual boat shows and many festivals, and the myriad of shopping choices the County has to offer. Travelers spent $2.9 billion in Anne Arundel County in 2010, a 2.8% growth rate when compared to 2009. These visitors generated $379.3 million in state and local tax revenue. The tourism sector will be expanding in summer 2012 with the opening of Maryland Live at Arundel Mills, a 300,000 square foot gaming and entertainment facility in northern Anne Arundel County. The facility will be the largest gaming facility in the State and is projected to generate $400 million in revenue for the State of Maryland with $30 million of that revenue allocated to Anne Arundel County. The project will create 1,500 permanent jobs and 2,500 temporary construction jobs in the County.

The Baltimore/Washington International Thurgood Marshall Airport is another important economic driver for Anne Arundel County. The airport supports 11,000 direct jobs and generates in excess of $5 billion in business revenues for Maryland and $153 million in state and local tax revenue. The BWI District is home to regional and international headquarters and top international corporations who depend upon BWI for doing business on a global scale. The airport continues to expand with the announcement of a $100 million expansion over the next two years that includes a new terminal connecting concourse B and C to accommodate the growth resulting from the Southwest-AirTran merger. The airport broke its all-time passenger records with 22.5 million passengers using BWI Thurgood Marshall in fiscal year 2011.

Anne Arundel County's unemployment rate continues to be lower than both the State of Maryland and the United States. During fiscal year 2011, Anne Arundel County's unemployment rate averaged 6.6%, which is below the State of Maryland at 7.2% and well below the national average of 9.3%. The County's in-place job numbers are improving with a second quarter 2010 increase of 2,757 jobs when compared to same period in 2009. In 2011, twenty-seven Anne Arundel County companies were ranked among the fastest growing in the nation by Inc. Magazine. Over one-third of the Anne Arundel County workforce have a Bachelor's degree or higher. This position of strength is reinforced with the economic priority for this administration of attracting new businesses to the county and helping our existing businesses to create new jobs.

While the economic challenges experienced nationally during the past few years have been formidable, the Anne Arundel County economy is strong, balanced, and will continue to grow in the coming year. Anne Arundel County has the 2nd lowest property tax rate in the Baltimore Metropolitan area and 3rd lowest income tax rate in the state, making Anne Arundel County attractive to both businesses and families. A strong defense and technology industry, a business community with global reach, a highly educated and skilled workforce, key transportation assets and a strategic location in the Baltimore/Washington DC corridor, the nation's 4th largest marketplace, create a solid foundation for economic stability for the future.

Long Term Financial Planning

Funds and Component Units

The County's accounting system is organized and operated on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations. All funds of the County are included in this Comprehensive Annual Financial Report.

In addition to general government activities, the governing body has financial accountability for the Anne Arundel County Board of Education and the Public Schools, the Anne Arundel Community College and its Foundation**,** the Public Library of Annapolis and Anne Arundel County, the Anne Arundel County Economic Development Corporation, the Tipton Airport Authority, and Anne Arundel Workforce Development Corporation. These agencies are included in the financial report as discretely presented component units.

Budgetary Controls

The annual budget serves as the foundation for the County's financial and budgetary controls to ensure compliance with legal provisions embodied in the annual appropriation ordinance approved by the County Council. The County budget is comprised of the budget message, current expense budget and the capital budget and capital program. Activities of the general fund (annually appropriated major governmental fund) and certain special revenue funds (annually appropriated non-major governmental funds) are included in the current expense budget.

The operating budget includes an appropriation for the full range of basic services as articulated in its Charter. These services include public safety, education, public works, community services, general government, legislative and judicial, and capital, debt and reserves. The capital budget includes funds to construct major governmental facilities such as roads, bridges, schools, libraries, water and sewer infrastructure and fire stations. Capital projects usually take more than a year to complete, unlike the operating budget which usually covers only a year.

The budget process begins each fall when the County departments receive budget preparation instructions for the capital budget. The capital budget preparation is directed by the Chief Administrative Officer and the Budget Office. For the current expense budget, the County departments receive budget preparation guidance from the Chief Administrative Officer in early December. A Spending Affordability Committee is appointed by the County Executive and confirmed by the County Council and makes advisory recommendations relating to County spending levels to reflect the ability of the taxpayer to finance County services and long-term debt. A Planning Advisory Board, appointed by the County Executive, reviews the itemized list of capital projects which agency propose to undertake in the ensuing fiscal year and the next succeeding five fiscal years and makes interim recommendations.

After a thorough review of the departmental requests, the comprehensive budget document is submitted to the County Council by April 15th. The County Council then conducts a series of public hearings and work sessions in May to review the proposed budget. The County Council cannot change the budget as submitted by the County Executive to alter the revenue estimates or to increase any expenditure for current or capital purposes, unless expressly provided in state law and to correct mathematical errors. The County Council can reduce the Executive's budget, but not increase it, except in the case of the Board of Education's budget. After its review, the County Council finalizes the budget and sets tax rates, fees and charges needed to generate enough revenue to balance the budget. The budget must be adopted by the County Council on or before the first day of the last month of the fiscal year currently ending.

The Office of Finance is responsible for budgetary control. Expenditure authority for the operating budget is at the fund and department level in major categories including personnel costs, operating expenses, and capital costs. Appropriations in the capital budget are at the project level on an annual basis. Management cannot overspend the budget without the approval of the governing body through supplemental budget appropriations. The County maintains an encumbrance system for budgetary control. All unencumbered appropriations of the operating budget lapse at year-end. Unencumbered capital appropriations continue until the specific capital project is closed.

Revenue Stabilization Fund

In September 2002, legislation was enacted to change the maximum amount that may be retained in the Revenue Stabilization Fund (Fund) as a percentage of the total general fund appropriation. The legislation provides that the amount of the annual appropriation to the Fund may not cause the sum of the balance of the Fund plus the appropriation to exceed an amount equal to 10% of the estimated average aggregate annual revenue derived from the income tax, real property transfer tax, recordation tax, and investment income of the General Fund in the three fiscal years preceding the fiscal year for which the appropriation is made. If credited interest earnings cause the total amount of the fund to exceed an amount equal to 10% of the estimated average aggregate annual revenue derived from the income tax, real property transfer tax, recordation tax, and investment income of the General Fund in the three fiscal years preceding the fiscal year for which the appropriation is made, the Controller may credit interest earnings of the Fund to the General Fund. This Fund may only be used upon request of the County Executive, with the approval of the County Council, to cover existing appropriations when revenues are not attained. The County used $16 million of the Fund during fiscal year 2010 due to declining revenues. The Fund balance is $17,212,100 at June 30, 2011 and an additional $5 million has been appropriated in fiscal year 2012 to be returned to this Fund.

Cash Management

County funds, excluding component units, held for operation and capital purposes are managed by the Office of Finance with strict guidelines as to investment vehicles. Investments are restricted by State of Maryland law, with which the County complies. The County's investment policy provides for the safety and liquidity of public funds by minimizing credit and market risks while providing for the highest yield on the investment portfolio. All deposits at June 30, 2011 were either insured by federal depository insurance or collateralized with the collateral held by an independent third party. The County does not invest in derivatives or reverse repurchase agreements. It does no borrowing or lending of securities. It invests primarily in obligations of the United States Government, its agencies or instrumentalities, and repurchase agreements with primary dealers. The repurchase agreements are collateralized by United States Government treasuries, agencies, and instrumentalities held by the County's custodian bank and marked to market daily.

The County's four pension funds are separately administered by the Anne Arundel County Retirement and Pension System. These funds are managed separately through contracts with professional money managers. The pension funds establish asset allocation targets, investment manager selection and investment performance (benchmarks) guidelines.

Debt Management

The County funds its capital program based on the requirements of the General Plan and supporting master plans for schools, recreation and parks, human services, water and sewer, solid waste, libraries, fire stations and public facilities. The County plans long and short-term debt issuance to finance its capital budget on cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The County finances its capital needs on a regular basis dictated by its capital spending pattern. External financial specialists assist the County in developing a bond issuance strategy, preparing bond documents and marketing bonds to investors. Bonds issued to the County mature over a term that does not exceed the economic life of the improvements that they finance. In prior years, the County initially provided pay-go funding for capital projects using excess revenues from property recordation and transfer taxes; however, more recently capital projects have been funded with a greater percentage of bonds due to the decline in this revenue source.

The County adopted a debt management policy that establishes the processes employed to manage its debt. The policy set the parameters for issuing debt and managing outstanding debt. It provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. By establishing a debt policy, the County has recognized the binding commitment to full and timely repayment of all debt. The policy ensures that the County maintains a sound debt position and that credit quality is protected.

The financial policies and management practices of Anne Arundel County have been recognized by the rating agencies and the Standard & Poor's Rating Group has assigned the County a rating of AAA (highest possible rating).

Risk Management

It is the policy of the County to retain risks of losses in those areas where it believes it is more economical to manage its risks internally and set aside assets for claims settlement in its internal service fund. The County purchases insurance for real and personal property, boilers and machinery, and faithful performance bonds, as well as school bus insurance for the bus contractors of the Board of Education.

The County maintains the self-insurance fund to provide workers' compensation and directors and officers' coverage for the County government, the Board of Education, and the Community College, and general liability and vehicle liability coverage for the County government and the Board of Education.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to Anne Arundel County, Maryland for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the thirtieth consecutive year that the County has received this prestigious award.

In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards.

This report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

On behalf of the Office of Finance, I would like to thank the County Executive and the Chief Administrative Officer for their leadership and support in planning and conducting the financial operations of the County in a responsible and progressive manner. I would like to express my appreciation to the entire accounting staff in the Office of Finance for their dedication and hard work, and especially to Laureen Toney, Assistant Controller.

Sincerely,

Richard K. Drain,
Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Anne Arundel County Maryland

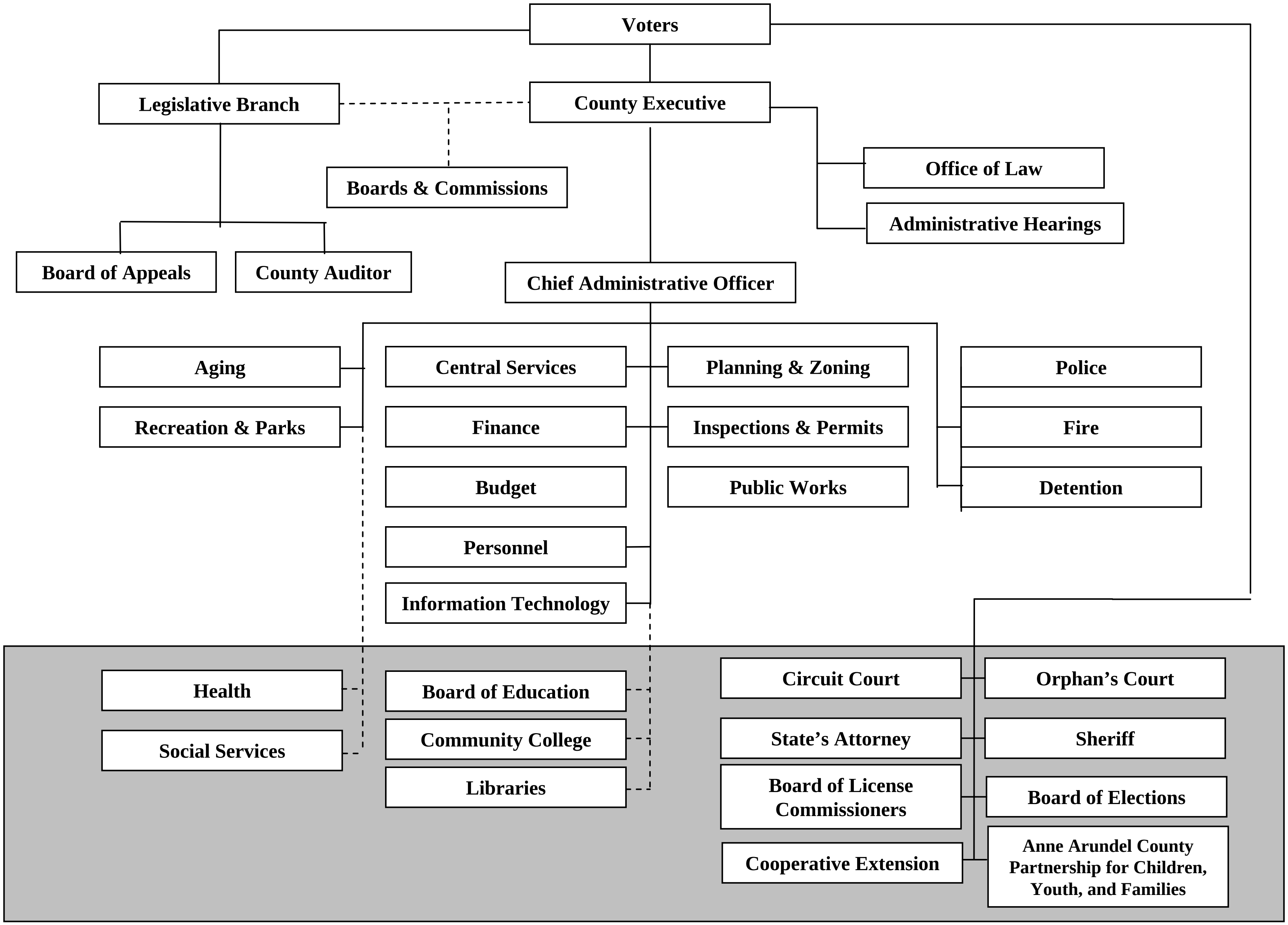
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Anne Arundel County, Maryland



Clifton Gunderson LLP
Certified Public Accountants & Consultants

Independent Auditor's Report

The Honorable County Executive and
the Honorable Members of the County Council
Anne Arundel County, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison of the General Fund and the aggregate remaining fund information of Anne Arundel County, Maryland (the County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the component unit financial statements of the Anne Arundel Community College, the Anne Arundel Economic Development Corporation, the Tipton Airport Authority and the Anne Arundel Workforce Development Corporation, which represent 13 percent, 12 percent, and 21 percent, respectively, of the assets, net assets and revenues of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued a report dated December 22, 2011 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and Schedules of Funding Progress, as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying introductory section and combining fund statements, budgetary statements, and other supporting schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining fund statements, budgetary statements, and other supporting schedules section have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gunderson LLP

Baltimore, Maryland
December 22, 2011

As Management of Anne Arundel County, Maryland (the County), we have prepared the following discussion and analysis to inform readers of the County's annual financial report about the financial information that the enclosed statements present. We encourage readers to consider the discussion and analysis along with the other information in this report, including the transmittal letter and notes to the basic financial statements. In this section we have provided an overview of the basic financial statements, selected condensed financial data and highlights, and analysis of the County's financial position and changes in financial position. Comparable amounts from the fiscal year ended June 30, 2010 have been provided.

Overview of Basic Financial Statements

The basic financial statements consist of the government-wide financial statements, fund financial statements, budgetary statements, and notes to the basic financial statements. Each component intends to provide a different perspective of the County's financial results. These components are discussed below.

Government-wide Financial Statements – These statements are designed to provide a broad, entity-wide perspective of the County's financial position and changes in financial position. These statements are prepared using a full-accrual accounting method that measures changes when the underlying economic activity occurs regardless of the timing of the related cash flows. This method is consistent with that used in the private sector.

The government-wide statements have consolidated the Primary government's operations into two columns, governmental activities and business-type activities. In addition, the component units' entity-wide statements are presented. The governmental activities are those functions of the Primary government principally supported by taxes and other general revenue sources. Such activities include education, public safety, general government, health and human services, public works, recreation and community services, judicial, code enforcement, and land use and development. The business-type activities include the Primary government's functions which are primarily supported by user-fees and charges, such as utility services, waste collection, and child care services.

Statement of Net Assets – The statement of net assets presents the composition of the County's assets, liabilities, and net asset position at the end of the fiscal year. This statement includes long-term capital assets and long-term liabilities. In addition, capital assets are shown at their depreciated value. Net assets are divided into three components: capital assets, net of related debt; restricted net assets; and unrestricted net assets. These components highlight the composition of the County's net asset position. Changes in these net asset categories over time may indicate an improvement in, or deterioration of, the County's financial condition.

Statement of Activities - The statement of activities summarizes the transactions that resulted in changes to net assets during the fiscal year. The statement presents these results of operations in a net expense format. The total expenses are presented first and grouped on a functional basis. Program revenues, which represent charges for services, grants, and contributions from outside parties, are subtracted from the functional expenses to derive the County's net expenses. Finally, the general revenue sources, such as taxes, investment earnings, and other general revenues, are applied to net expenses to derive the change in net assets for the year.

Both statements include the Primary government's component units, including the Board of Education, Community College, Library, Economic Development Corporation, Tipton Airport, and Workforce Development. These entities are included because the County provides a substantial amount of their funding or the County Executive appoints a majority of the Board members, implying a substantial degree of control over their management. In addition, the County approves the budgets of these entities.

Fund Financial Statements – The Primary government segregates its financial operations into several funds to account separately for funding sources and activities that the government undertakes. This provides better control over resources designated for specific activities or objectives. These funds are grouped into three different types: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – The governmental funds of the Primary government include the General Fund; the General County Capital Projects Fund, which is used to accumulate and spend resources to construct capital assets; the special revenue funds, which segregate revenue sources to ensure these funds are spent on the intended purpose;

and the debt service funds, which accumulate resources to pay certain long-term debt issued by the County or separate districts.

The perspective of these statements is narrower than the government-wide statements discussed previously. These statements present the financial position and changes in financial position resulting from currently available resources and currently due liabilities. Therefore, revenues are not recorded until available, and expenses are recorded primarily when the underlying economic activity occurs. In addition, because these statements focus on current resources, long-term assets and liabilities are not included.

The statements focus on the Primary government's major funds. Major governmental funds include the General Fund, the Impact Fee Fund and the General County Capital Projects Fund. Separate columns are presented for those funds considered major either by size or by importance. The other funds are aggregated into one column called "other nonmajor funds."

Proprietary Funds – The proprietary funds include those activities within the Primary government that are self-supporting. These funds include enterprise funds, which provide services to citizens in exchange for user fees, and internal service funds, which provide services to the Primary government and its component units, in exchange for fees. Transactions for these funds are recorded using the full-accrual basis of accounting whereby transactions are recorded when the underlying economic event takes place, regardless of the timing of cash flows. Moreover, long-term assets and liabilities are recorded on the statements.

The enterprise funds include the Water and Wastewater Utilities Fund, the Solid Waste Fund, and the Child Care Fund. Internal service funds include the Self Insurance, Health Insurance, Central Garage and Transportation, and Garage Replacement Funds. These statements also focus on major funds, therefore, include separate columns for the Water and Wastewater and Solid Waste Funds.

Fiduciary Funds – The fiduciary funds accumulate assets that are managed, but not owned, by the Primary government. The County's four defined benefit pension plans that form the Retirement System Pension Trust Fund are included in this category. In addition, this category includes agency funds used to accumulate temporary deposits and other funds collected from outside parties in order to be returned to the payer or passed on to a third party. The Pension Trust Fund follows the full-accrual method of accounting. The agency funds are presented as balances only and do not record revenues or expenses.

***Budgetary Statements* –** A budgetary statement of revenue and expenditures for the General Fund has been presented in the basic financial statements. This statement provides the results of the County's General Fund operations compared to the legally adopted budget. The statement uses the budgetary method when accounting for transactions. Revenues are generally recognized when available, and expenditures are recognized when a commitment, in the form of a purchase order or contract has been issued to a vendor.

***Notes to the Basic Financial Statements* -** The notes follow the basic financial statements and provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

***Required Supplementary Information* -** There are two required supplementary schedules that provide trend data about the Pension Trust Fund and other post-employment benefits.

Financial Highlights

Overall Financial Position – During fiscal year 2011, the County's net assets resulting from governmental activities decreased by $123.9 million or 54.3%. This decline was related to a decrease in the unrestricted net assets of $112.5 million and a decrease of $18.9 million in capital assets net of debt, offset by an increase in restricted net assets of $7.4 million. In fiscal year 2011, results for the County's business-type activities increased by $31.6 million or 3%. This increase was primarily generated by additional restricted net assets of $13.7 million and increases in capital assets net of debt of $18.6 million.

Changes to the Statement of Net Assets' Components - In governmental activities, total assets increased by $59.4 million and total liabilities increased by $185.7 million. The current unrestricted assets increased by $42.9 million (12.6%) and current restricted assets decreased by $6.3 million (6.8%), while the capital assets increased by $22.8 million or 2.2%. The increase in the current asset categories was primarily in cash and temporary investments, and taxes and other receivables, offset by a decline in prepaid and other assets. The current restricted assets decrease was primarily due to a reduction in cash and temporary investments, and amounts due from other governmental agencies.

While the assets increased by 4%, the liabilities also increased by 14.6%. Noncurrent liabilities and current liabilities increased by $165.1 million (15.6%) and $27.2 million (15.9%), respectively; yet restricted liabilities deceased by $9 million (42.1%). The increase in noncurrent liabilities was primarily caused by increases in long-term bonded debt, recording the other post-employment benefits (OPEB) obligation and an increase in deferred revenue. The current liabilities' increases were the result of an increase in the current portion of the liabilities primarily due to the issuance of additional debt and an increase in amounts due to the component units for capital projects expenditures. The decline in restricted liabilities was caused by reduction in accounts payable and accrued liabilities and recognition of deferred revenue.

Net assets related to business-type activities increased $31.6 million or 3% in fiscal year 2011. Assets increased by $93.7 million and liabilities increased by $62.1 million. Increases were noted in current unrestricted assets of $20.6 million, current restricted assets of $27.2 million and capital assets of $47.1 million. This fluctuation is due to a $43.3 million increase in cash and investments reserved for debt service and capital projects, as unspent proceeds from the bond issues increased and planned increases in the connection charges resulted in prepayments of these fees by the developers.

The $62.1 million increase in business-type liabilities was caused by increases in current liabilities of $6.1 million, restricted liabilities of $13.5 million and noncurrent liabilities of $42.5 million. The increase in noncurrent liabilities was again caused primarily by additional net debt in fiscal year 2011 and the fiscal year 2011 recording of the OPEB obligation.

Significant changes in revenues and expenses – Fiscal year 2011 showed continuing growth in property taxes and local income taxes as significant Federal defense and intelligence presence help support this growth. However, the downturn in the economy caused a continued slow down in the recordation and transfer taxes. General revenues in governmental activities increased $53.5 million or 5.3%, from fiscal year 2010. The majority of the increase is due to growth in property taxes of $20.1 million (3.6%), increased local income taxes of $22.2 million (6.4%) and transfer of $10.4 million from the Community College for return of pay go funds and contribution to the County General Fund. Due to the reduction in interest rates**,** investment income decreased by $1 million or 43.4%.

During fiscal year 2011, the governmental activities' program revenues increased by $24 million. Increases in charges for services of $8.2 million and capital grants and contributions of $17.6 million, respectively primarily accounted for this change.

The business-type activities show an increase in total program revenue of $12.6 million (7.4%). Increases in charges for services of $3.4 million (2.7%) and capital grants and contributions of $9.3 million (20.8%), respectively, contributed to this increase. General revenue sources have increased by $2.5 million, a 22.2% increase from 2010. Increases in other revenues of $4.1 million or 60.4% were offset by declines in investment income of $1.6 million or 35.8%. This was as a result of an increase in the solid waste recycling revenue.

Business-type expenses increased by $2.6 million (1.6%) from the previous year primarily as a result of an increase in waste collection expenses.

Changes to debt – The County's total bonded debt balance increased by $144.2 million in fiscal year 2011. The County issued $117.5 million of bonds for governmental activities including education, public safety, infrastructure improvements, libraries, community college, recreation and parks, and general government improvements. The County also issued 55.8 million for business-type activities which will be used for utility and waste collection improvements. Of the issue of $173.3 million, $66.7 million was used to liquidate BANS issued in

November 2010. Finally, the County issued new tax incremental debt totaling $46 million related to two capital projects during fiscal year 2011.

Financial Data and Management's Analysis - Government-wide Statements

Below is a condensed statement of net assets with comparative amounts from the previous fiscal year. We have also provided an analysis of the contents and fluctuations noted in the schedule.

Anne Arundel County, Maryland
Condensed Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets:						
Current	$ 383,389,416	$ 340,475,022	$ 124,972,591	$ 104,391,092	$ 508,362,007	$ 444,866,114
Restricted - Current	86,191,481	92,451,403	212,741,295	185,499,740	298,932,776	277,951,143
Restricted - Noncurrent	-	-	54,280,149	55,558,558	54,280,149	55,558,558
Capital	1,071,381,597	1,048,617,869	1,197,627,804	1,150,478,302	2,269,009,401	2,199,096,171
Total	1,540,962,494	1,481,544,294	1,589,621,839	1,495,927,692	3,130,584,333	2,977,471,986
Liabilities:						
Current	198,570,063	171,400,477	53,015,326	46,873,884	251,585,389	218,274,361
Restricted - current	12,336,278	21,289,366	30,926,384	17,466,366	43,262,662	38,755,732
Noncurrent	1,225,596,901	1,060,510,854	437,174,430	394,697,938	1,662,771,331	1,455,208,792
Total	1,436,503,242	1,253,200,697	521,116,140	459,038,188	1,957,619,382	1,712,238,885
Net Assets:						
Invested in capital assets, net of related debt	622,238,204	641,108,437	822,218,634	803,603,097	1,444,456,838	1,444,711,534
Restricted	76,640,011	69,196,624	224,738,592	211,003,894	301,378,603	280,200,518
Unrestricted	(594,418,963)	(481,961,464)	21,548,473	22,282,513	(572,870,490)	(459,678,951)
Total (restated)	$ 104,459,252	$ 228,343,597	$ 1,068,505,699	$ 1,036,889,504	$ 1,172,964,951	1,265,233,101

Discussion of components – This statement condenses the statement of net assets into broad categories. Current assets are unrestricted assets that are readily convertible to cash and available to pay the liabilities of the County. Current restricted assets are those readily convertible to cash, but legally restricted for a specific use. Noncurrent restricted assets are also limited as to use, but are due to the County over several years. Restrictions can originate from Federal, State, grant agreements, or other contracts. Capital assets are those with an extended useful life that are not readily convertible to cash. These assets depreciate in value over the respective useful lives of the assets.

Current liabilities are those obligations that will be paid with currently available resources within a year, while the current restricted liabilities will be paid with restricted assets. Noncurrent liabilities are those not expected to be paid within a year, including long-term debt balances, OPEB, accrued liabilities for annual and sick leave, estimates for long-term insurance claims, long term escrow deposits, and revenue recorded but not yet earned.

Net assets represent equity remaining once amounts due are subtracted from assets available. There are three categories: capital assets, net of any related debt which are amounts related to construct or buy assets net of the related debt, restricted net assets which are the amounts remaining after restricted liabilities are covered by restricted assets, and unrestricted net assets.

Management's Analysis – Unrestricted current assets of governmental activities are $42.9 million more in fiscal year 2011 due primarily to increases in cash and temporary investments, and taxes and State revenue receivables of $21.5 million and $25.1 million, respectively; and a decline in prepaids and other receivables of $4 million. The business-type activities current assets increased by $20.6 million primarily due to increases in cash and temporary investments as certain assets were no longer considered restricted.

Restricted assets in governmental activities decreased by $6.3 million (6.8%) as cash in the capital projects fund was used to fund capital construction projects due to a reduction in pay-as-you-go funding. The increase in current restricted assets in business-type activities is $27.2 million or 14.7%.

Restricted noncurrent assets in business-type activities decreased by $1.3 million from fiscal year 2010 or 2.3%. These assets result from long-term receivables for front foot benefit charges and capital connection charges. Additionally, legislation enacted in 2008 increased the deferral period for certain capital connection fees to 5 years and the corresponding fees were increased which resulted in this increase in deferred assessment and connection charges. Newer developments are generally required to pay front foot and capital connection fees in advance. With the expiration of the deferral period for certain charges, the revenue has been recognized resulting in a reduction of this asset.

The governmental net capital assets balance increased by $22.8 million from the previous year or 2.1% as a result of an increase in long term debt. Capital assets in the business-type activities increased by $47.1 million or 4.1%, as a result of the completion of certain capital projects.

Current unrestricted liabilities for governmental activities increased by $27.2 million or 15.9%, from the previous fiscal year. This occurred primarily due to increases in debt, and amounts due to component units of $13.7 million and $15.2 million, respectively. The current unrestricted liabilities in business-type activities increased by $6.1 million or 13.1%, from fiscal year 2010. This increase was primarily caused by an increase in outstanding BANS of $2.2 million and an increase in accrued liabilities of $1.8 million.

Restricted current liabilities for governmental activities decreased by $9 million or 42.1%, from fiscal year 2010. The decline was primarily caused a decrease of $6.5 million in accrued liabilities for General County, highways, and recreation capital projects and the recognition of deferred revenues of $2.4 million. Restricted current liabilities for business-type activities increased by $13.5 million or 77.1% primarily due to an increase in deferred revenues from an increase in prepaid wastewater connection fees.

Noncurrent liabilities consist of bonded debt, OPEB obligation, self insurance reserves, loans, capital leases, and other liabilities. These liabilities increased $165.1 million or 15.6%, in governmental activities, and increased by $42.5 million or 10.8%, in business-type activities. For governmental activities the increase resulted from an increase in net bonded debt of $96.5 million, the recording of the OPEB obligation of $62.6 million and $4.6 million in deferred revenue. The increase noted in the noncurrent liabilities in business-type activities for fiscal year 2011 was caused primarily by an increase in the net bonded debt of $33.6 million, the recording of the OPEB obligation of $6.4 million and an increase in deferred revenue of $2.1 million.

The components of governmental and business-type net assets were discussed in the financial highlights above. It should be noted the negative unrestricted net assets in governmental activities have decreased from $482 million to $594.4 million, a decrease of 23.3%. It is important to note that although counties in the State of Maryland issue debt for the construction of schools, the schools are owned by the local Boards of Education. Ownership reverts to the County if the building is no longer needed. The County also funds projects for the Community College and others that do not result in County assets. Therefore, while the County's statements include this outstanding debt, there are no capital assets recorded on the Primary Government's statements. The negative unrestricted governmental activities fund balance of $594.4 million reflects this treatment. The Board of Education and Community College capital net assets of approximately $800.8 million and $79.1 million, respectively, are evidence of the significant level of capital assets constructed primarily from County incurred debt.

As previously mentioned, a negative balance in unrestricted net assets does not constitute concern. However, the trend of the negative amount should be analyzed. The table below shows the fluctuations in this balance over the past six years. The decrease is the result of excess net assets funneled to capital improvements classified in the capital assets and restricted net assets categories and the recording of the OPEB obligation.

Fiscal year	Balance (in millions)	Fiscal year	Balance (in millions)
2006	$ (106.9)	2009	$ (380.7)
2007	(100.5)	2010	(482.0)
2008	(189.6)	2011	(594.4)

The following schedule is a condensed version of the Statement of Activities; however, the revenues are listed first with the functional expenses presented last. The schedule includes comparative amounts from the previous fiscal year.

Anne Arundel County, Maryland

Statement of Activities

	Governmental Activities		Business type Activities		Total	
	2011	2010	2011	2010	2011	2010
Program revenues:						
Charges for services	$ 111,282,262	$ 103,055,105	$ 129,228,992	$ 125,877,947	$ 240,511,254	$ 228,933,052
Operating grants & contributions	45,356,772	47,152,967	-	-	45,356,772	47,152,967
Capital grants & contributions	43,292,951	25,737,806	54,092,991	44,797,489	97,385,942	70,535,295
	199,931,985	175,945,878	183,321,983	170,675,436	383,253,968	346,621,314
General revenue:						
General property taxes	577,936,586	557,795,984	-	-	577,936,586	557,795,984
Local income taxes	371,490,759	349,283,087	-	-	371,490,759	349,283,087
State shared taxes	8,664,658	7,521,384	-	-	8,664,658	7,521,384
Recordation & transfer taxes	58,000,447	59,727,498	-	-	58,000,447	59,727,498
Local sales taxes	32,405,559	31,681,511	-	-	32,405,559	31,681,511
Investment income	1,322,176	2,334,695	2,896,386	4,509,396	4,218,562	6,844,091
Other revenue	4,387,204	2,810,571	10,956,808	6,830,273	15,344,012	9,640,844
County Transfer	10,426,000	-	-		10,426,000	-
Extraordinary Item- Due to State	-	-	-	-	-	-
	1,064,633,389	1,011,154,730	13,853,194	11,339,669	1,078,486,583	1,022,494,399
Total revenues	1,264,565,374	1,187,100,608	197,175,177	182,015,105	1,461,740,551	1,369,115,713
Expenses:						
Education	697,647,300	663,562,741	-	-	697,647,300	663,562,741
Public safety	282,484,421	285,294,716	-	-	282,484,421	285,294,716
General government	115,262,229	121,426,982	-	-	115,262,229	121,426,982
Health & human services	72,095,603	72,731,119	-	-	72,095,603	72,731,119
Public works	66,553,279	83,999,982	-	-	66,553,279	83,999,982
Recreation & community services	61,004,602	63,687,644	-	-	61,004,602	63,687,644
Judicial	27,103,335	26,925,038	-	-	27,103,335	26,925,038
Code enforcement	13,304,845	13,905,214	-	-	13,304,845	13,905,214
Land use & development	14,428,483	11,010,436	-	-	14,428,483	11,010,436
Economic development	-	-	-	-	-	-
Interest expense on debt	38,565,622	34,407,340	-	-	38,565,622	34,407,340
Water & wastewater	-	-	112,708,927	112,693,569	112,708,927	112,693,569
Waste collection	-	-	49,078,454	46,538,979	49,078,454	46,538,979
Child care	-	-	3,771,601	3,703,238	3,771,601	3,703,238
Total expenses	1,388,449,719	1,376,951,212	165,558,982	162,935,786	1,554,008,701	1,539,886,998
Change in net assets	(123,884,345)	(189,850,604)	31,616,195	19,079,319	(92,268,150)	(170,771,285)
Net assets, beg of year, restated	228,343,597	418,194,201	1,036,889,504	1,017,810,185	1,265,233,101	1,436,004,386
Net assets, end of year	$ 104,459,252	$ 228,343,597	$ 1,068,505,699	$ 1,036,889,504	$ 1,172,964,951	$ 1,265,233,101

The Statement of Activities presents some significant changes in revenues. These fluctuations were explained in the financial highlights section. Governmental activities' overall revenue has increased by $77.5 million, which is 6.5% increase from the previous year. The majority of the increase is due to growth in property taxes of $20.1 million, local income taxes of $22.2 million, and capital grants and contributions of $17.6 million. There were also increases in charges for services of $8.2 million and a transfer in of $10.4 million from the Community College to the County's General Fund. Nominal declines were noted in operating grants, recordation and transfer tax, due to the economy, and investment income as a result of lower interest rates. Due to an increase in the assessable property tax base, the Charter-imposed property tax cap calculation resulted in the property tax rates remaining at the same rate in fiscal year 2011.

The governmental activities' expenses had an increase of $11.5 million or 1% from fiscal year 2010. Certain functional categories of expenditures had significant fluctuations during fiscal year 2011. The more notable fluctuations were in education which increased by $34.1 million (5.1%). This increase was offset by reductions in public works of $17.5 million (20.8%).. The increase in education was as a result of an increase in the amounts budgeted for the payment of debt service for the Board of Education. .

In business-type activities there was an increase in charges for services of $3.4 million or 2.7%, in fiscal year 2011. Capital grants and contributions increased by $9.3 million or 20.8%, from the previous year. Additional water service utilization and a rate increase caused the increase in charges for services and an increase in additional developer-built assets transferred to County ownership contributed to the capital grant increase. In general revenue, other revenue increased $4.1 million or 60.4% as a result of the County's efforts to encourage additional recycling. Investment income decreased $1.6 million or 35.8%, from fiscal year 2010 to 2011 due to the decline in interest rates.

Business-type expenses had an overall increase of $2.6 million or 1.6% from the previous year which was primarily caused by increases in the waste collection charges due to increased fuel costs.

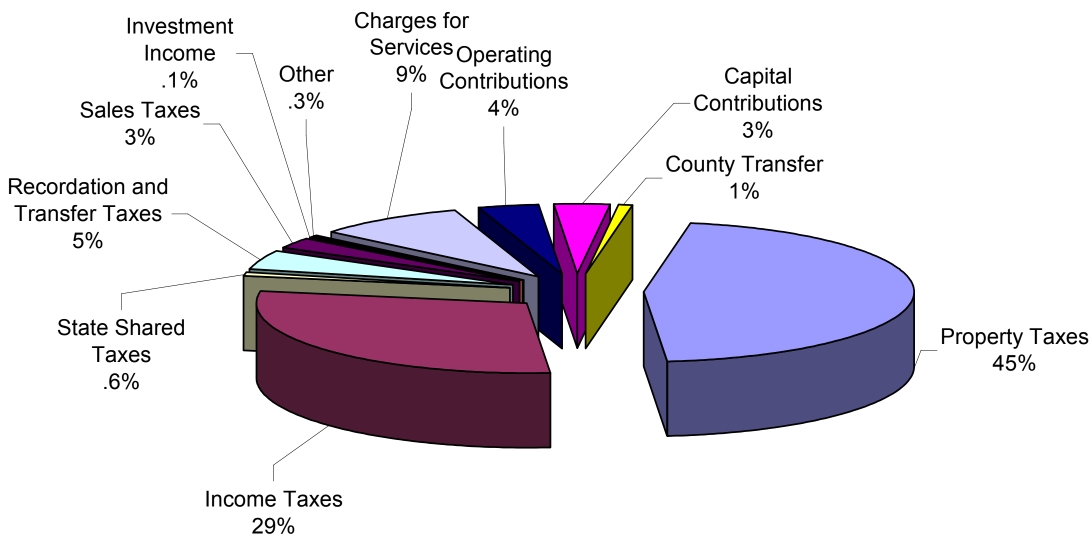
Distribution of Revenues and Expenses

The two charts on the next page show the percentage distribution of revenues from governmental activities and the percentage expended on each function, respectively. Discussion of the 2011 distribution and significant changes since 2010 follows.

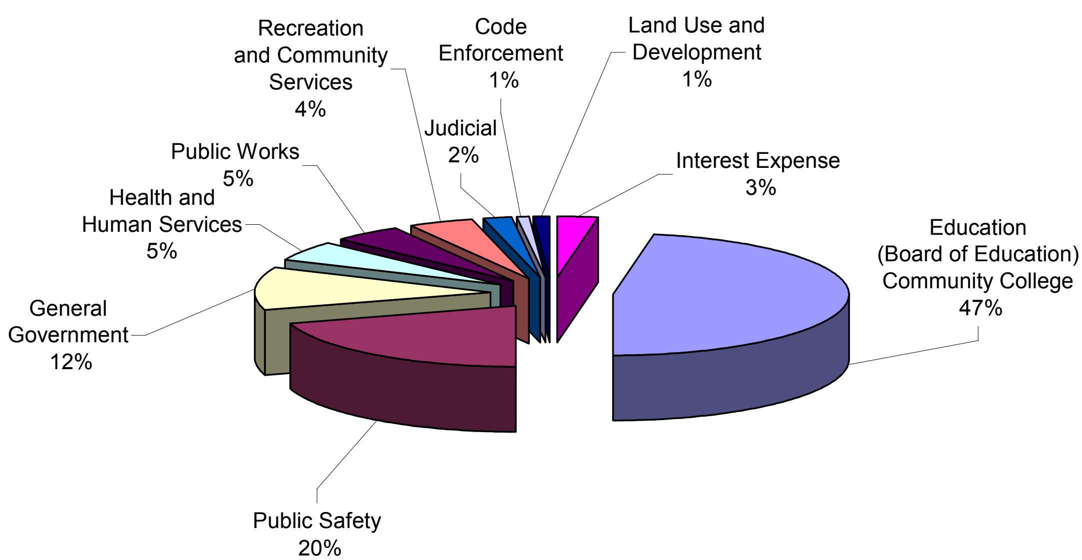
General revenue sources continue to provide the vast majority of the County's revenue. Tax revenues from property assessments, income, State shared sources, recordation and transfer, and sales of certain goods provided about 83% of our revenue base, which is consistent with prior fiscal years. Charges for services, in which the users pay the County for services obtained, remained at the same percentage (9%) from fiscal year 2010.

An analysis of the percentage distribution of expenses by function revealed that there was only one significant change in any of the functions as a percent of the total from 2010. General government increased from 9% to 12%. The increase is as a result of the budget being increased in the General Government, Office of Finance (non-departmental) category. Education expenses represented 47% of total expenses. Education expenses represent those for the Anne Arundel County Board of Education and Anne Arundel Community College.

Governmental Revenues Fiscal Year 2011



Governmental Expenses Fiscal Year 2011



Fund Statements

Although tables have not been included herein, certain elements of the major fund statements presented in the basic financial statements are discussed below.

Governmental Funds:

Total assets in the General Fund increased from $169.7 million to $179.9 million or $10.2 million, from fiscal year 2010. The increase primarily occurred in the amount of local income taxes and property taxes due of $13.2 million and $7.7 million, respectively. The increases were primarily offset by declines in cash and investments of $4.7 million and other assets of $4.4 million. Total fund balance increased from $51.5 million to $61 million or an increase of $9.5 million. The increase in the cash and fund balance resulted from increases in property and income taxes during fiscal year 2011.

General Fund expenditures decreased from $1,144.9 million to $1,143.4 million or $1.5 million. The expenditures outpaced the revenue; however, other sources and uses brought a net to the General Fund of $58.3 million in fiscal year 2011, compared to a net inflow of $89.5 million in 2010. This change was primarily caused by a net decrease in general obligation bonds issued of $57.9 million and an increase in the amount of transfers between funds of $25.5 million from fiscal year 2010.

The County has a Revenue Stabilization Fund (rainy day fund) which is included in the assigned category of General fund balance. At the end of fiscal year 2011, a balance of $17.2 million remained in this Fund which had a slight increase from fiscal year 2010 due to investment earnings. This reserve may only be used when revenues fall below budget expectations and legislative action is required. This fund has been in existence since fiscal year 1994 and has only been drawn on by Management twice; however, the fiscal year 2012 budget includes $5 million appropriated to be returned to this Fund.

The Impact Fees Fund retains developer impact fees until needed for the construction of capital assets. The total assets within this fund have increased from $51.3 million in fiscal year 2010 to $54.7 million in 2011. The fund balance increased by $8.7 million as a result of a decrease in accounts payable and accrued liabilities at June 30, 2011 of $5.4 million and an increase in cash and investments of $3.2 million. Impact fees recognized increased $5.4 million, from $4.1 million in fiscal year 2010 to $9.5 million in 2011. This fluctuation resulted from an increase in the impact fee rates. The transfers to other funds decreased as $3.7 million was transferred in fiscal year 2011 compared to $4.9 million in 2010.

The General County Capital Projects Fund's total assets increased from $57.9 million in fiscal year 2010 to $93.9 million in 2011, or $36 million. This increase is primarily due to an increase in cash and investments in the fund at the end of the fiscal year resulting from debt issued related to two tax increment projects during fiscal year 2011. Liabilities increased by $20.1 million, primarily due to an increase in the amount due to the Board of Education and Community Colleges for its capital improvement projects of $15.3 million and increases in deferred revenue of $3.1 million. The increase of the cash offset by the increase in liabilities is the cause of the increase in fund balance from $38.6 million in fiscal year 2010 to $54.5 million in 2011.

Revenues in the General County Capital Projects Fund increased from $11.7 million in fiscal year 2010 to $14.7 million in fiscal year 2011, or $3 million. Expenditures in this fund increased by $37.3 million which is attributed to an increase of $11.1 million in capital outlays, and amounts paid to the Board of Education and Community College in the amount of $26.1 million.

Proprietary Funds:

The Water and Wastewater Fund's assets, totaled $1.5 billion at the end of fiscal year 2011, increased by $83.1 million during fiscal year 2011. The increase primarily occurred as a result of a net increase of $43.8 million in capital assets and an increase in cash and investments of $36.2. Capital assets increase each year as capital projects are completed and developer donated water and sewer facilities are added. The cash and investment increases were the result of increased connection charges and prepayment of these charges by developers prior to scheduled increases. Liabilities have increased by $50.4 million. The increase resulted primarily from increased deferred revenue of $14.9 million, additional long-term bonded debt of $27.4 million, and the recording of the liability for OPEB benefits of $5.1 million. As a result of the changes in assets and liabilities, the Water and Wastewater Fund's net assets increased $32.7 million or 3.2%.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets shows an increase in operating revenues of $2.6 million or 3.2% due to a rate increase that occurred in January 2011. Water rates increased from $2.44 per thousand gallons to $2.56 per thousand and wastewater rates increased from $4.28 per thousand gallons to $4.49 per thousand. Operating expenses decreased by $1 million or 1%. Nonoperating components declined from the previous year by $2 million due to a decrease in investment income and other revenues. Capital contributions, fees and grants, increased by $9.3 million due to the completion of capital projects. These contributions represent the capital assets built by developers and fees collected from properties connecting to the County's water and wastewater systems.

The Solid Waste Fund's assets increased by $10.3 million due to increases in cash and temporary investments and net capital assets in the amount of $7 million and $3.3 million, respectively. Liabilities increased by $11.2 million or 17.7% from fiscal year 2010 to 2011, resulting from increases in long term debt and bond anticipation notes (BANS) of $5.9 million, recording an increased liability of $1.3 million for OPEB and other modest increases in other liability categories.

Operating revenue increased by $3.8 million as a result of an increase in recycling. The user fee for household pick-up has remained at $275 for fiscal years 2011. Expenses increased by $2.6 million (5.7%) due to increased costs for trash pick-up as result of increased fuel costs.

Fiduciary Funds:

Fiduciary funds include the Pension Trust Funds and the Agency Funds. The Pension Trust Funds are presented for the calendar year ended December 31, 2010. Investment growth increased from calendar year 2009 to 2010 as net assets increased from $1,169 billion to $1.327 billion or $157.7 million. Contributions increased from $55.2 million in 2009 to $61.3 million during 2010 and investment activity remained at a similar level to 2009. Agency funds decreased from $17.4 million to $16.9 million. The decrease resulted from a refunding of tax sale escrow deposits received during fiscal year 2011.

Budgetary Variations

The budgetary statements of the General Fund show actual revenues of $1.167 billion compared to budgeted amounts of $1.168 billion, resulting in $1.3 million decrease in revenue than anticipated. The most significant budgetary variation within components of revenue was general property taxes, which underperformed budgetary expectation by $3.9 million or 1%.

Total expenditures on a budgetary basis were $1.162 billion compared to appropriation authority of $1.174 billion, resulting in $12.5 million or 1%, less than planned. Only modest variances were noted in the various expenditures categories which were attributed to a hiring and spending freeze implemented during fiscal year 2011.

In reviewing the changes from the original budget to the final budget, budgeted revenue remained the same. The only expenditure categories with decreases from the original budget to the final budget were; public safety; general government; judicial and code enforcement. Nominal increases were noted in several categories. Management is not aware of any reasons why these and other budgetary variations would have a significant effect on future liquidity or services.

Capital Assets

The next table presents the asset values of the capital asset categories in governmental and business-type activities, net of accumulated depreciation. A discussion of the fluctuations follows.

Governmental capital assets - Total governmental capital assets show an increase from the prior year of $22.7 million or 2.1%. The table below shows an increase in land and easements and land improvements of $10.6million (5.6%) and $5.6 million (4.8%), respectively. Construction in progress has increased by $9 million or 6% and increases were also noted in storm drains and culverts of $5.7 million or 5%. The continued progress on capital projects and the significant amount of expenditures related to those projects that reached substantial completion during fiscal year 2011 contributed to these increases. A decline was noted in furniture and equipment of $4.3 million as a result of continued depreciation of these assets.

Business-type capital assets – The capital assets in business-type activities increased by $47.2 million or 4%, from fiscal year 2010. Construction in progress increased by $19.2 million or 7.6%. An increase was noted in water and sewer improvements of $27 million or 3.2%. Construction on major water projects caused this increase. The remaining categories of assets show modest variations since new additions are negated by the continued depreciation of existing assets.

Anne Arundel County, Maryland
Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land and easements	$ 200,198,916	$ 189,515,434	$ 12,109,239	$ 11,977,110	$ 212,308,155	$ 201,492,544
Historical property						
and works of art	4,166,465	4,166,465			4,166,465	4,166,465
Land improvements	120,873,290	115,321,454			120,873,290	115,321,454
Landfills	-	-	8,373,165	7,625,111	8,373,165	7,625,111
Buildings	216,502,386	216,708,880	23,167,400	21,717,521	239,669,786	238,426,401
Roads, bridges and signals	173,112,739	174,698,307	-	-	173,112,739	174,698,307
Sidewalks, curbs and gutters	23,792,160	24,438,935	-	-	23,792,160	24,438,935
Storm drains and culverts	120,483,380	114,751,057	-	-	120,483,380	114,751,057
Water and sewer plants and lines			874,139,949	847,121,748	874,139,949	847,121,748
Automobiles and rolling stock	20,598,937	22,275,038	1,559,210	1,930,005	22,158,147	24,205,043
Furniture and equipment	32,778,056	37,125,625	6,061,389	7,073,829	38,839,445	44,199,454
Software	1,212,340	934,780	-	-	1,212,340	934,780
Construction in progress	157,662,928	148,681,894	272,217,452	253,032,978	429,880,380	401,714,872
Total	$ 1,071,381,597	$ 1,048,617,869	$ 1,197,627,804	$ 1,150,478,302	$ 2,269,009,401	$ 2,199,096,171

The statement of net assets presents the gross asset balances and total accumulated depreciation. The following table summarizes this information for depreciable assets and presents accumulated depreciation as a percentage of the gross depreciable assets.

Anne Arundel County, Maryland
Analysis of Depreciable Assets

	Total depreciable capital assets	Accumulated depreciation	Net depreciable capital assets	Accumulated depreciation as a percent of total
Governmental				
2011	$ 1,350,208,675	$ (640,855,387)	$ 709,353,288	(47%)
2010	1,309,691,255	(603,437,179)	706,254,076	(46%)
2009	1,246,657,859	(563,355,211)	683,302,648	(45%)
2008	1,216,718,686	(526,660,068)	690,058,618	(43%)
2007	1,162,004,520	(498,221,156)	663,783,364	(43%)
2006	1,074,620,715	(465,599,471)	609,021,244	(43%)
Business-type				
2011	1,512,942,554	(599,641,441)	913,301,113	(40%)
2010	1,450,293,037	(564,824,823)	885,468,214	(39%)
2009	1,403,968,594	(529,293,347)	874,675,247	(38%)
2008	1,366,755,548	(483,446,657)	883,308,891	(35%)
2007	1,331,455,400	(450,402,593)	881,052,807	(34%)
2006	1,295,633,930	(422,779,490)	872,854,440	(33%)

This analysis shows that the governmental capital assets remained virtually the same percent depreciated in fiscal years 2006 through 2008; however, the percent has increased in recent years to 47% in fiscal year 2011. The business-type capital assets show a continual increase in the total depreciation as a percent of the asset values. The percent has increased from 33% in fiscal year 2006 to 40% in fiscal year 2011.

The comparison of these fiscal years does not provide any definite conclusion about the County's replacement of aging assets; however, an upward trend in accumulated depreciation as a percent of gross assets over several years might indicate that the asset base is aging. Management will continue to monitor these trends. Additional information about the County's capital assets and changes therein is provided in the Note 5 to the basic financial statements.

Debt Administration

The County's outstanding debt at the end of fiscal years 2011 and 2010 is presented in the table on the next page. The County had been using short-term BANS to fund capital project expenditures and converting this debt to long-term after the funds had been spent. The County issued general obligation bonds of $173.3 million in April 2011**,** including $117.5 million for governmental activities and $55.8 million for business-type activities. The proceeds were used to pay off $66.7 million of bond anticipation notes issued in November 2010, and the net amount of $106.6 million was used to fund $56.8 million of improvements for general county projects and $49.8 million for water and sewer and landfill capital projects. As a result of cash available for the capital projects from the bonds sold in April 2011, BANS will not be issued until fiscal year 2012 to fund capital project expenditures at that time.

The changes to the Federal and State loans were not significant as new loans in fiscal year 2011 of $1,022,164 were offset by the principal payments of $657,220 on existing loans. No new capital leases where added in 2011 and payments totaling $25,140 where made which resulted in a decrease in the capital lease balance to $34,377. The County did initiate new agricultural easements through installment purchase agreements during fiscal year 2011 in the amount of $1,487,000. Other changes to debt balances resulted from principal payments during fiscal year 2011. Additional information about the County's debt and changes therein is provided in Note 8 to the basic financial statements.

Anne Arundel County, Maryland
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Bond anticipation notes	$	$ -	$ 2,200,000	$ -	$ 2,200,000	$ -
General obligation bonds	805,196,897	741,762,428	399,234,000	362,890,226	1,204,430,897	1,104,652,654
Special assessment debt	95,330,000	51,020,000	-	-	95,330,000	51,020,000
HUD Section 108 Loan	410,000	820,000	-	-	410,000	820,000
State loans	4,393,593	3,618,649	-	-	4,393,593	3,618,649
Capital leases	34,377	59,517	-	-	34,377	59,517
Installment purchase agreements	13,665,000	12,218,000	-	-	13,665,000	12,218,000
Total	$ 919,029,867	$ 809,498,594	$ 401,434,000	$ 362,890,226	$ 1,320,463,867	$ 1,172,388,820

Fiscal Year 2011 and Beyond

Promulgations by the Governmental Accounting Standards Board (GASB) require Management to include descriptions of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position (net assets) or results of operations (revenues, expenses, or other changes in net assets.) Accordingly, the County adopted the provision of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. During the year ended June 30, 2011, GASB has continued to issue various Statements and the County is analyzing the effects of these pronouncements and plans to adopt them as applicable by their effective date.

The County continues to see growth in certain revenue sources; such as property taxes and local income taxes, as new residents move into the area. Federal government and supporting industries are expected to expand over the next few years as current Base Realignment and Closure (BRAC) plans are implemented. However, the County expects certain revenue (recordation and transfer taxes) in fiscal year 2012 to be lower than expectations due to the downturn in the economy. This differs from recent years when actual revenues, significantly exceeded budget estimates. Finally, the County's revenue base will be expanding in summer 2012 with the opening of video lottery (slots) facility. The facility will be the largest gaming facility in the State and is projected to generate $30 million of annual revenue to the County when fully operational.

This financial report is designed to provide a general overview of the County's finances for all those interested. Questions concerning any information provided in this report or requests for additional finance information should be addressed to the Office of Finance, 44 Calvert Street, Annapolis, Maryland 21401.

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Basic
Financial
Statements

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Anne Arundel County, Maryland

Statement of Net Assets

June 30, 2011

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Nonmajor
ASSETS						
Current Assets						
Cash and temporary investments	$ 210,580,402	$ 99,379,734	$ 309,960,136	$ 138,316,022	$ 16,891,008	$ 4,883,976
Taxes and other revenue receivable	141,654,465	-	141,654,465	34,220,763	2,006,050	-
Service billings receivable	-	23,702,149	23,702,149	-	-	85,386
Prepaids and other assets	28,454,486	-	28,454,486	13,753,492	11,208,632	1,881,892
Inventories	2,659,730	1,890,708	4,550,438	1,807,919	1,286,809	57,240
Receivables	-	-	-	-	-	2,031
Due from primary government	-	-	-	23,623,492	1,942,781	1,021,421
Due from component units	40,333	-	40,333	-	-	-
Restricted assets						
Cash and temporary investments	78,198,413	42,932,743	121,131,156	-	-	36,330
Investments	-	151,537,451	151,537,451	-	-	-
Receivables						
Due from other governmental agencies	7,504,240	3,735,620	11,239,860	-	-	-
Other, net	488,828	14,535,481	15,024,309	-	-	-
Total current assets	469,580,897	337,713,886	807,294,783	211,721,688	33,335,280	7,968,276
Noncurrent Assets						
Restricted assets						
Deferred assessment and connection charges	-	54,280,149	54,280,149	-	-	-
Total noncurrent restricted assets	-	54,280,149	54,280,149	-	-	-
Loans receivable and other assets	-	-	-	-	8,937,427	1,759,953
Capital assets not being depreciated	362,028,309	284,326,691	646,355,000	192,476,761	7,541,150	-
Capital assets being depreciated	1,350,208,675	1,512,942,554	2,863,151,229	1,168,217,246	153,266,932	27,693,488
Less accumulated depreciation	(640,855,387)	(599,641,441)	(1,240,496,828)	(559,907,791)	(71,331,139)	(11,032,985)
	709,353,288	913,301,113	1,622,654,401	608,309,455	81,935,793	16,660,503
Total capital assets	1,071,381,597	1,197,627,804	2,269,009,401	800,786,216	89,476,943	16,660,503
Total noncurrent assets	1,071,381,597	1,251,907,953	2,323,289,550	800,786,216	98,414,370	18,420,456
Total assets	1,540,962,494	1,589,621,839	3,130,584,333	1,012,507,904	131,749,650	26,388,732

Anne Arundel County, Maryland

Statement of Net Assets

June 30, 2011

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Nonmajor
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	57,768,149	23,881,967	81,650,116	116,915,827	8,402,186	1,216,686
Current portion of non-current liabilities	112,720,684	26,661,482	139,382,166	20,127,844	-	834,716
Notes payable	-	-	-	-	440,735	1,729,168
Bond anticipation notes	-	2,200,000	2,200,000	-	-	-
Internal balances	608,605	(608,605)	-	-	-	-
Due to primary government	-	-	-	40,333	-	-
Due to component units	26,587,694	-	26,587,694	-	-	-
Escrow deposits	884,931	880,482	1,765,413	-	-	13,678
Unearned/deferred revenue	-	-	-	17,681,755	9,348,021	411,833
Liabilities related to restricted assets						
Accounts payable and accrued liabilities	6,360,501	4,450,464	10,810,965	-	-	894,524
Escrow and other deposits	4,914,804	-	4,914,804	-	-	-
Unearned revenue	1,060,973	26,475,920	27,536,893	-	-	-
Total current liabilities	210,906,341	83,941,710	294,848,051	154,765,759	18,190,942	5,100,605
Noncurrent liabilities						
Compensated absences and other obligations	26,641	-	26,641	20,426,968	1,694,814	-
Accrued liability for other post-employment benefits	239,372,214	22,055,600	261,427,814	185,518,000	17,422,000	9,001,450
Unpaid insurance claims	60,197,000	-	60,197,000	-	-	-
Estimated landfill closure and postclosure	-	35,009,849	35,009,849	-	-	-
Long-term debt, net of deferred refunding gain/loss	889,544,640	375,767,810	1,265,312,450	5,163,114	13,315,423	259,890
Unearned revenue	36,456,406	4,341,171	40,797,577	-	-	-
Total noncurrent liabilities	1,225,596,901	437,174,430	1,662,771,331	211,108,082	32,432,237	9,261,340
Total liabilities	1,436,503,242	521,116,140	1,957,619,382	365,873,841	50,623,179	14,361,945
NET ASSETS						
Invested in capital assets, net of related debt	622,238,204	822,218,634	1,444,456,838	800,786,216	79,098,861	16,317,023
Restricted for:						
Debt service	3,996,203	220,812,854	224,809,057	-	-	-
Capital improvements	61,469,121	-	61,469,121	-	-	-
Scholarships/endowments	-	-	-	-	7,673,407	-
Reforestation	7,766,138	-	7,766,138	-	-	-
Other purposes	3,408,549	3,925,738	7,334,287	13,862,185	-	35,104
Unrestricted	(594,418,963)	21,548,473	(572,870,490)	(168,014,338)	(5,645,797)	(4,325,340)
Total net assets	$ 104,459,252	$ 1,068,505,699	$ 1,172,964,951	$ 646,634,063	$ 81,126,471	$ 12,026,787

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

Anne Arundel County, Maryland

Statement of Activities

Year Ended June 30, 2011

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities				
Education	$ 697,647,300	$ -	$ -	$ 2,995,719
Public safety	282,484,421	20,115,719	4,987,645	612,335
General government	115,262,229	44,866,797	755,944	8,690,610
Health and human services	72,095,603	4,206,590	34,321,602	-
Public works	66,553,279	4,352,482	2,708,821	23,804,668
Recreation and community services	61,004,602	16,095,242	560	6,795,534
Judicial	27,103,335	2,908,291	2,032,272	-
Code enforcement	13,304,845	13,604,642	-	-
Land use and development	14,428,483	5,132,499	479,036	394,085
Interest on debt and leases	38,565,622	-	70,892	-
	1,388,449,719	111,282,262	45,356,772	43,292,951
Business-type activities				
Water and wastewater	112,708,927	81,554,794	-	54,092,991
Waste collection	49,078,454	44,105,827	-	-
Child care	3,771,601	3,568,371	-	-
	165,558,982	129,228,992	-	54,092,991
Total primary government	$ 1,554,008,701	$ 240,511,254	$ 45,356,772	$ 97,385,942
Component units				
Board of Education	$ 1,133,660,579	$ 14,096,609	$ 192,521,389	$ 121,810,192
Community College	143,887,046	46,492,658	24,814,591	7,528,133
Library System	21,527,822	832,643	3,848,402	2,337,038
Economic Development Corp	2,702,027	254,187	594,652	-
Tipton Airport Authority	1,890,753	1,548,365	-	10,259
Workforce Development	5,670,316	-	5,634,966	-
Total component units	$ 1,309,338,543	$ 63,224,462	$ 227,414,000	$ 131,685,622

General revenues
- General property taxes
- Local income taxes
- State shared taxes - unrestricted
- Recordation and transfer taxes
- Local sales taxes
- Unrestricted contributions
- Investment income
- Other revenue
- County transfer
  - Total general revenues

Changes in net assets

Net assets, July 1

Net assets, June 30

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

Net (Expense) Revenues and Changes in Net Assets					
Primary Government			Discretely Presented Component Units		
Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Nonmajor
$ (694,651,581)	$ -	$ (694,651,581)	$ -	$ -	$ -
(256,768,722)	-	(256,768,722)	-	-	-
(60,948,878)	-	(60,948,878)	-	-	-
(33,567,411)	-	(33,567,411)	-	-	-
(35,687,308)	-	(35,687,308)	-	-	-
(38,113,266)	-	(38,113,266)	-	-	-
(22,162,772)	-	(22,162,772)	-	-	-
299,797	-	299,797	-	-	-
(8,422,863)	-	(8,422,863)	-	-	-
(38,494,730)	-	(38,494,730)	-	-	-
(1,188,517,734)	-	(1,188,517,734)	-	-	-
-	22,938,858	22,938,858	-	-	-
-	(4,972,627)	(4,972,627)	-	-	-
-	(203,230)	(203,230)	-	-	-
-	17,763,001	17,763,001	-	-	-
(1,188,517,734)	17,763,001	(1,170,754,733)	-	-	-
-	-	-	(805,232,389)	-	-
-	-	-	-	(65,051,664)	-
-	-	-	-	-	(14,509,739)
-	-	-	-	-	(1,853,188)
-	-	-	-	-	(332,129)
-	-	-	-	-	(35,350)
-	-	-	(805,232,389)	(65,051,664)	(16,730,406)
577,936,586	-	577,936,586	-	-	-
371,490,759	-	371,490,759	-	-	-
8,664,658	-	8,664,658	-	-	1,000,000
58,000,447	-	58,000,447	-	-	-
32,405,559	-	32,405,559	-	-	-
-	-	-	810,159,281	66,705,244	12,085,811
1,322,176	2,896,386	4,218,562	156,771	1,269,205	28,506
4,387,204	10,956,808	15,344,012	5,980,256	409,147	63,434
10,426,000	-	10,426,000	-	(10,426,000)	-
1,064,633,389	13,853,194	1,078,486,583	816,296,308	57,957,596	13,177,751
(123,884,345)	31,616,195	(92,268,150)	11,063,919	(7,094,068)	(3,552,655)
228,343,597	1,036,889,504	1,265,233,101	635,570,144	88,220,539	15,579,442
$ 104,459,252	$ 1,068,505,699	$ 1,172,964,951	$ 646,634,063	$ 81,126,471	$ 12,026,787

Anne Arundel County, Maryland

Balance Sheet

Governmental Funds

June 30, 2011

		Major Funds			Nonmajor				
		General		Impact Fees Capital Projects		General County Capital Projects		Governmental Funds		Totals
ASSETS										
Cash and investments	$	32,105,285	$	54,572,913	$	86,983,233	$	35,756,176	$	209,417,607
Receivables										
Property taxes										
(net of $1,663,236 allowance)		14,000,934		-		-		-		14,000,934
Local sales taxes		3,922,297		-		-		-		3,922,297
State shared revenues		3,681,652		-		-		-		3,681,652
Due from other governmental agencies		1,976,416		-		6,869,489		7,504,240		16,350,145
Due from other funds		3,981,581		-		-		-		3,981,581
Due from Board of Education		7,015		-		-		-		7,015
Local income tax		108,827,623		-		-		-		108,827,623
Other, net		9,464,670		79,491		51,406		409,337		10,004,904
Inventories		1,952,362		-		-		-		1,952,362
Other assets		-		-		-		-		-
Total assets	$	179,919,835	$	54,652,404	$	93,904,128	$	43,669,753	$	372,146,120
LIABILITIES										
Accounts payable and accrued liabilities	$	34,437,256	$	2,735,578	$	9,950,885	$	3,629,923	$	50,753,642
Due to other funds		2,410,256		-		-		3,981,581		6,391,837
Due to component units										
Board of Education		155,803		-		23,467,689		-		23,623,492
Community College		-		-		1,942,781		-		1,942,781
Library		1,021,421		-		-		-		1,021,421
Escrow and other deposits		854,931		-		30,000		4,910,354		5,795,285
Deferred revenue		79,998,432		-		3,984,039		3,369,736		87,352,207
Total liabilities		118,878,099		2,735,578		39,375,394		15,891,594		176,880,665
FUND BALANCES										
Non spendable										
Inventories		1,952,362		-		-		-		1,952,362
Restricted										
Impact fees capital projects		-		51,916,826		-		-		51,916,826
Forfeiture and asset seizure team		-		-		-		919,028		919,028
Reforestation		-		-		-		7,766,138		7,766,138
Laurel racetrack community benefit		-		-		-		766,255		766,255
Grants		-		-		-		1,535,657		1,535,657
Bond Premium		-		-		-		9,191,684		9,191,684
Other purposes		-		-		-		60,801		60,801
Debt service		-		-		-		1,094,519		1,094,519
Committed										
Roads and special benefits		-		-		-		135,148		135,148
Storm drain fees		-		-		-		376,727		376,727
Erosion districts		-		-		-		893,164		893,164
Recreation and land fees		-		-		-		555,469		555,469
Assigned										
Street lights		-		-		-		2,330,099		2,330,099
Installment purchase agreements		-		-		-		5,835,676		5,835,676
General County capital projects		-		-		54,528,734		-		54,528,734
General County		31,313,766		-		-		-		31,313,766
Unassigned		27,775,608		-		-		(3,682,206)		24,093,402
Total fund balances		61,041,736		51,916,826		54,528,734		27,778,159		195,265,455
Total liabilities and fund balances	$	179,919,835	$	54,652,404	$	93,904,128	$	43,669,753	$	372,146,120

Anne Arundel County, Maryland

Reconciliation of Governmental Fund Balance to Governmental Net Assets

Governmental Funds

June 30, 2011

Total fund balance for governmental funds as shown on the Balance Sheet	$ 195,265,455
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on governmental funds balance sheet.	
Capital assets	1,647,261,100
Accumulated depreciation	(592,488,676)
Certain liabilities are not due and payable in the current period and, therefore, are not included on governmental funds balance sheet.	
Long-term bonded debt	(914,522,565)
Federal and state loans	(4,803,593)
Local tax reserve - due to State of Maryland	(32,663,346)
Unamortized loss on refunding	330,668
Long-term - Due to Self Insurance Fund	(7,230,767)
Other post-employment benefits	(235,603,632)
Compensated absences	(22,362,646)
Long-term leases	(34,377)
Accrued interest payable on debt is recorded in governmental activities.	(12,038,958)
Deferred and unearned revenues:	
Revenues not available for use in the current fiscal year have been deferred until future periods on the governmental funds balance sheet.	86,763,173
Premiums received on certain bond issues have been deferred on the Statement of Net Assets.	(36,928,345)
The assets and liabilities recorded in the internal service funds have been added to governmental net assets because these funds are used to provide services to other funds.	
Net assets of the Internal Service Funds	28,593,876
Business-type activities allocation of Internal Service Funds net assets	(608,605)
Certain expenditures paid with current resources have been deferred to future periods on the Statement of Net Assets.	5,530,490
Total net assets for governmental activities as shown on Statement of Net Assets	$ 104,459,252

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

Anne Arundel County, Maryland

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2011

	Major Funds			Nonmajor	
	General	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	Totals
REVENUES					
General property taxes	$ 549,850,967	$ -	$ -	$ 27,357,047	$ 577,208,014
Local income taxes	369,341,731	-	-	-	369,341,731
State shared taxes	10,637,730	-	-	-	10,637,730
Grants and aid	-	-	12,441,850	40,320,565	52,762,415
Recordation and transfer taxes	58,000,447	-	-	-	58,000,447
Local sales taxes	32,405,559	-	-	-	32,405,559
License and permit fees	17,589,449	-	-	-	17,589,449
Impact fees	-	9,469,099	-	-	9,469,099
Special community benefit taxes	-	-	-	6,259,372	6,259,372
Investment income	616,134	219,735	-	73,957	909,826
Fees for services and other revenue	55,778,546	-	2,266,679	7,363,728	65,408,953
Total revenues	1,094,220,563	9,688,834	14,708,529	81,374,669	1,199,992,595
EXPENDITURES					
Current					
Education	596,174,741	-	101,473,791	-	697,648,532
Public safety	229,721,772	-	-	4,281,829	234,003,601
General government	79,281,182	-	125,498	2,397,027	81,803,707
Health and human services	42,157,247	-	-	25,996,373	68,153,620
Public works	35,685,235	2,696,378	-	392,117	38,773,730
Recreation and community services	32,190,599	-	-	15,644,885	47,835,484
Judicial	19,913,781	-	-	2,474,676	22,388,457
Code enforcement	11,360,912	-	-	-	11,360,912
Land use and development	8,133,765	-	-	1,366,464	9,500,229
Capital outlay	-	-	66,502,560	135,107	66,637,667
Debt service					
Interest payments on debt	34,254,864	-	-	3,125,836	37,380,700
Principal payments on debt	54,514,056	-	-	1,954,723	56,468,779
Interest payments on leases	4,950	-	-	-	4,950
Principal payments on leases	25,140	-	-	-	25,140
Total expenditures	1,143,418,244	2,696,378	168,101,849	57,769,037	1,371,985,508
Revenues over (under) expenditures	(49,197,681)	6,992,456	(153,393,320)	23,605,632	(171,992,913)
OTHER FINANCING SOURCES (USES)					
Transfers in	30,393,473	-	61,764,697	2,311,843	94,470,013
Transfers out	(59,044,728)	(3,689,771)	(1,710,000)	(30,025,514)	(94,470,013)
General obligation bonds issued	117,500,000	-	-	-	117,500,000
Bond anticipation notes issued	-	-	60,720,000	-	60,720,000
Payment of bond anticipation notes	(60,720,000)	-	-	-	(60,720,000)
National Business Park North bonds issued	-	-	30,000,000	-	30,000,000
Village South Waugh Chapel bonds issued	-	-	16,000,000	-	16,000,000
Installment purchase contracts issued	-	-	1,487,000	-	1,487,000
Issuance of debt - Federal and State Loans	-	-	1,022,164	-	1,022,164
Premiums from sale of bonds	-	-	-	9,361,054	9,361,054
Transfers from component units	10,426,000	-	-	-	10,426,000
Transfers from internal service funds	18,625,000	-	-	-	18,625,000
Transfers to internal service funds	-	-	-	(4,293,603)	(4,293,603)
Transfers from enterprise fund	1,115,000	-	-	-	1,115,000
Reduction in lawsuit liability	-	5,386,644	-	-	5,386,644
Total other financing sources (uses)	58,294,745	1,696,873	169,283,861	(22,646,220)	206,629,259
Net change in fund balances	9,097,064	8,689,329	15,890,541	959,412	34,636,346
Fund balances, July 1 (as restated)	51,944,672	43,227,497	38,638,193	26,818,747	160,629,109
Fund balances, June 30	$ 61,041,736	$ 51,916,826	$ 54,528,734	$ 27,778,159	$ 195,265,455

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

Anne Arundel County, Maryland

Reconciliation of Changes in Fund Balances to Changes in Net Assets

Governmental Funds

Year Ended June 30, 2011

Changes in fund balances as shown on Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds	$	34,636,346
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over the estimated useful lives of those assets through an annual depreciation charge. The differences are as follows:		
Current year additions of capital assets		50,476,309
Current year donations of capital assets		13,365,023
Current year disposals of capital assets		(192,447)
Depreciation expense recorded in the Statement of Activities		(39,524,600)
Governmental funds report the additions and payments of long term liabilities in the period that current resources are provided or used. However, in the Statement of Activities, new debt is recorded as a liability and payments of principal are charged against that liability. In addition, interest payable must be accrued from the date of the last interest payment to the end of the fiscal year. Debt related differences are as follows:		
New debt issued in current year (including refunding debt)		(226,729,164)
Principal payments on debt		117,191,275
Increase in amount due to Self Insurance Fund		117,108
Lease Payments		25,140
Change in accrued interest payable		(1,179,972)
Amortization of prior year refunding gain/loss		(38,524)
Accrual of compensated absences		(945,268)
Accrual of other post-employment benefit liability		(61,495,206)
Certain charges paid with current financial resources are deferred and amortized over one or more periods on the Statement of Activities. The differences are as follows:		
Expense was deferred to future periods		1,839,212
Amortization of expenditures deferred in previous years		(1,785,970)
Premiums received on bond issues have been deferred in the government-wide statements. The revenue will be recognized over the life of the related bonds. The differences are as follows:		
Deferred revenue		(9,361,054)
Amortization of amounts deferred		4,178,705
Certain revenue was deferred on the governmental fund statements because it was not available to pay expenditures of the current period. These deferred amounts are recognized as revenue in the Statement of Activities.		7,172,856
The current year activity in the internal service funds has been combined and eliminated against the governmental activities in the Statement of Activities. However, the net activity in the internal service funds that resulted from provision of services to business-type activities, component units, and outside agencies must be recognized in the Statement of Activities.		(11,634,114)
Changes in net assets as shown in governmental activities on the Statement of Activities	$	(123,884,345)

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

Anne Arundel County, Maryland

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

General Fund

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General property taxes	$ 553,800,000	$ 553,800,000	$ 549,850,967	$ (3,949,033)
Local income taxes	363,000,000	363,000,000	363,798,661	798,661
State shared taxes	9,305,000	9,305,000	10,637,730	1,332,730
Recordation and transfer taxes	60,000,000	60,000,000	58,000,447	(1,999,553)
Local sales taxes	31,795,000	31,795,000	32,405,559	610,559
Licenses and permits	16,071,900	16,071,900	17,589,449	1,517,549
Investment income	850,000	850,000	383,525	(466,475)
Interfund recoveries	81,724,700	81,724,700	79,509,397	(2,215,303)
Fees for services and other revenues	51,723,000	51,723,000	54,826,560	3,103,560
Total revenues	1,168,269,600	1,168,269,600	1,167,002,295	(1,267,305)
EXPENDITURES				
Current				
Education	603,260,000	603,260,000	603,260,000	-
Higher education	37,822,700	37,822,700	37,822,700	-
Public safety	234,327,500	233,027,500	229,338,102	3,689,398
General government	99,440,100	96,811,600	94,290,720	2,520,880
Health and human services	45,089,000	45,091,500	43,332,762	1,758,738
Public works	33,605,800	37,605,800	37,075,569	530,231
Recreation and community services	35,089,100	35,089,100	34,175,023	914,077
Judicial	20,370,100	20,396,100	20,243,611	152,489
Land use and development	8,421,900	8,421,900	8,306,006	115,894
Code enforcement	11,507,100	11,407,100	11,338,874	68,226
Debt service	45,400,200	45,400,200	42,682,043	2,718,157
Total expenditures	1,174,333,500	1,174,333,500	1,161,865,410	12,468,090
Revenues over (under) expenditures	(6,063,900)	(6,063,900)	5,136,885	$ 11,200,785
Fund balances, budgetary, July 1	33,121,332	33,121,332	33,121,332	
Fund balances, budgetary, June 30	$ 27,057,432	$ 27,057,432	$ 38,258,217	

Fund balances - Unreserved	
Undesignated - GAAP basis	$ 27,775,608
Effect of Rainy Day Fund	(17,212,100)
Budgetary Fund Balance Inmate Benefits	(379,047)
Self Insurance Fund	2,410,256
State income tax adjustment - reduction to GAAP revenue	-
Undesignated - Non-GAAP basis	12,594,717
Designated for subsequent years	25,663,500
	$ 38,258,217

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

Anne Arundel County, Maryland

Statement of Net Assets

Proprietary Funds

June 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund		
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
ASSETS					
Current assets					
Cash and temporary investments	$ 69,768,778	$ 28,386,680	$ 1,224,276	$ 99,379,734	$ 16,581,559
Investments	-	-	-	-	62,779,649
Service billings receivable, net	22,787,607	816,967	97,575	23,702,149	4,385,619
Due from other funds	-	-	-	-	2,410,256
Inventories	1,766,525	124,183	-	1,890,708	707,368
Other	-	-	-	-	1,790,650
Restricted assets					
Cash and temporary investments	22,961,595	19,971,148	-	42,932,743	-
Investments	151,537,451	-	-	151,537,451	-
Receivables					
Due from other governmental agencies	3,735,620	-	-	3,735,620	-
Other, net	14,535,481	-	-	14,535,481	-
Total current assets	287,093,057	49,298,978	1,321,851	337,713,886	88,655,101
Noncurrent assets					
Due from other funds	-	-	-	-	7,230,767
Restricted assets					
Deferred connection and assessment charges	54,280,149	-	-	54,280,149	-
Capital assets	1,718,641,570	78,627,675	-	1,797,269,245	64,975,884
Less accumulated depreciation	(556,457,367)	(43,184,074)	-	(599,641,441)	(48,366,711)
Total capital assets, net of depreciation	1,162,184,203	35,443,601	-	1,197,627,804	16,609,173
Total noncurrent assets	1,216,464,352	35,443,601	-	1,251,907,953	23,839,940
Total assets	1,503,557,409	84,742,579	1,321,851	1,589,621,839	112,495,041
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	20,076,065	3,658,245	147,657	23,881,967	1,336,050
Current portion of long-term debt and obligations	23,218,466	3,411,476	31,540	26,661,482	18,576,257
Bond anticipation notes	-	2,200,000	-	2,200,000	-
Escrow deposits	764,700	115,782	-	880,482	4,450
Liabilities related to restricted assets					
Accounts payable and accrued liabilities	4,450,464	-	-	4,450,464	-
Deferred revenue	26,475,920	-	-	26,475,920	-
Total current liabilities	74,985,615	9,385,503	179,197	84,550,315	19,916,757
Noncurrent liabilities					
Unpaid insurance claims	-	-	-	-	60,197,000
Accrued liability for compensated absences	-	-	-	-	18,826
Accrued liability for other post-employment benefits	17,694,530	4,038,002	323,068	22,055,600	3,768,582
Estimated landfill closure and postclosure	-	35,009,849	-	35,009,849	-
Long-term debt, net of deferred refunding gain/loss	349,860,568	25,907,242	-	375,767,810	-
Deferred revenue	3,836,941	-	504,230	4,341,171	-
Total noncurrent liabilities	371,392,039	64,955,093	827,298	437,174,430	63,984,408
Total liabilities	446,377,654	74,340,596	1,006,495	521,724,745	83,901,165
NET ASSETS					
Invested in capital assets, net of related debt	806,455,150	15,763,484	-	822,218,634	16,609,173
Restricted for debt service	220,812,854	-	-	220,812,854	-
Restricted for other purposes	3,735,620	190,118	-	3,925,738	-
Unrestricted	26,176,131	(5,551,619)	315,356	20,939,868	11,984,703
Total net assets	$ 1,057,179,755	$ 10,401,983	$ 315,356	$ 1,067,897,094	$ 28,593,876

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

Anne Arundel County, Maryland

Reconciliation of Enterprise Funds Net Assets to Business-type Net Assets

Proprietary Funds

June 30, 2011

Net assets as shown on Statement of Net Assets - Proprietary Funds	$ 1,067,897,094
The allocation of the net deficit in the Internal Service Funds to various activities, funds, etc. as it relates to business-type activities.	608,605
Net assets shown on government wide Statement of Net Assets	$ 1,068,505,699

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

Anne Arundel County, Maryland

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund		
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
OPERATING REVENUES					
Charges for services	$ 81,554,794	$ 41,362,893	$ 3,568,371	$ 126,486,058	$ 36,590,485
Landfill charges	-	2,742,934	-	2,742,934	-
Medical premiums	-	-	-	-	86,422,128
Other revenues	4,896,080	3,811,941	-	8,708,021	125,988
Total operating revenues	86,450,874	47,917,768	3,568,371	137,937,013	123,138,601
OPERATING EXPENSES					
Personnel services	31,136,291	7,528,962	2,813,057	41,478,310	6,510,131
Contractual services	26,777,500	32,720,688	190,392	59,688,580	1,051,824
Supplies and materials	5,399,316	1,671,827	319,017	7,390,160	154,535
Business and travel	89,878	3,246	17,552	110,676	15,555
Cost of goods issued	-	-	-	-	8,306,743
Depreciation	32,894,376	2,453,196	-	35,347,572	5,289,276
Provision for claims and estimated losses	-	-	-	-	98,927,421
Landfill closure and postclosure costs	-	322,463	-	322,463	-
Other	8,198,614	4,019,900	430,599	12,649,113	1,230,500
Total operating expenses	104,495,975	48,720,282	3,770,617	156,986,874	121,485,985
Operating income (loss)	(18,045,101)	(802,514)	(202,246)	(19,049,861)	1,652,616
NONOPERATING REVENUES (EXPENSES)					
Investment income	1,512,333	165,447	-	1,677,780	937,293
Interest earned on long-term receivables	1,218,606	-	-	1,218,606	-
Other revenues (expenses)	1,327,349	(92,191)	-	1,235,158	-
Interest expense	(7,433,026)	(253,171)	-	(7,686,197)	-
Gain on disposal of assets	35,500	135,430	-	170,930	64,162
Income (loss) before contributions and transfers	(21,384,339)	(846,999)	(202,246)	(22,433,584)	2,654,071
Capital contributions, fees, and grants	54,092,991	-	-	54,092,991	-
Net equity transfers between funds	-	-	-	-	(14,331,397)
Change in net assets	32,708,652	(846,999)	(202,246)	31,659,407	(11,677,326)
Net assets, July 1	1,024,471,103	11,248,982	517,602	1,036,237,687	40,271,202
Net assets, June 30	$ 1,057,179,755	$ 10,401,983	$ 315,356	$ 1,067,897,094	$ 28,593,876

Reconciliation of changes in net assets per statement above to change in net assets business-type activities:

Change in net assets shown above	$ 31,659,407
The portion of internal service funds' current year activity related to enterprise funds has been allocated to the business-type activities on the government-wide statement of activities.	(43,212)
Increase in net assets as shown on the government-wide statement of activities	$ 31,616,195

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

Anne Arundel County, Maryland

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund		
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received for services	$ 86,731,866	$ 47,944,524	$ 3,918,958	$ 138,595,348	$ 122,641,565
Cash received for expense reimbursement	-	-	-	-	511,817
Cash payments to suppliers for goods and services	(41,940,551)	(33,943,989)	(957,132)	(76,841,672)	(9,504,690)
Cash payments for insurance claims	-	-	-	-	(100,786,853)
Cash payments to employees for services	(25,762,100)	(6,086,969)	(2,747,589)	(34,596,658)	(5,371,750)
Contributions to other funds	-	(4,019,900)	-	(4,019,900)	-
Escrow deposits received	-	1,000	-	1,000	-
Other operating revenues	-	-	-	-	91,252
Other operating expenses	-	-	-	-	(1,230,500)
Net cash provided by operating activities	19,029,215	3,894,666	214,237	23,138,118	6,350,841
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Payments of long-term debt related to closure activities	-	(436,560)	-	(436,560)	-
Interest payments related to closure activities	-	(152,796)	-	(152,796)	-
Asset transfers between funds	-	-	-	-	(14,331,397)
Net cash used for noncapital financing activities	-	(589,356)	-	(589,356)	(14,331,397)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of bonds and bond anticipation notes	47,600,000	10,400,000	-	58,000,000	-
Proceeds from grant funds	5,874,686	-	-	5,874,686	-
Proceeds from loan	1,214,584	-	-	1,214,584	-
Proceeds from developers' contributions	354,552	-	-	354,552	-
Refunds to developers	(165,782)	-	-	(165,782)	-
Assessments and connection charges	36,717,311	-	-	36,717,311	-
Environmental protection fees for capital assets	15,243,231	-	-	15,243,231	-
Payments of long-term debt	(19,567,546)	(1,019,386)	-	(20,586,932)	-
Interest payments	(14,618,351)	(868,549)	-	(15,486,900)	-
Acquisition and construction of capital assets	(60,575,660)	(5,004,069)	-	(65,579,729)	(3,968,727)
Payments of debt issuance costs	(212,587)	-	-	(212,587)	-
Premium on sale of bonds	2,746,291	-	-	2,746,291	-
Proceeds for payment of debt	1,610,619	-	-	1,610,619	-
Proceeds from sale of equipment	-	-	-	-	76,740
Payment of capital related fees	(648,833)	-	-	(648,833)	-
Net cash provided by (used for) capital and related financing activities	15,572,515	3,507,996	-	19,080,511	(3,891,987)

Anne Arundel County, Maryland

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund		
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
CASH FLOW FROM INVESTING ACTIVITIES:					
Purchase of investment securities	(274,818,710)	-	-	(274,818,710)	(139,351,707)
Sale of investment securities	262,953,514	-	-	262,953,514	139,705,134
Interest on investments	1,226,402	165,447	-	1,391,849	1,076,026
Net cash provided by (used for) investing activities	(10,638,794)	165,447	-	(10,473,347)	1,429,453
Net increase (decrease) in cash and cash equivalents	23,962,936	6,978,753	214,237	31,155,926	(10,443,090)
Cash and temporary investments, July 1	68,767,437	41,379,075	1,010,039	111,156,551	27,024,649
Cash and temporary investments, June 30	$ 92,730,373	$ 48,357,828	$ 1,224,276	$ 142,312,477	$ 16,581,559

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
Operating income (loss)	$ (18,045,101)	$ (802,514)	$ (202,246)	$ (19,049,861)	$ 1,652,616
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	32,894,376	2,453,196	-	35,347,572	5,225,332
Noncapital construction costs	1,072,840	-	-	1,072,840	-
Effect of changes in operating assets and liabilities:					
Accounts receivable	262,667	26,755	(59,652)	229,770	(264,199)
Deposit with provider	-	-	-	-	-
Inventories	84,957	(25,991)	-	58,966	(173,058)
Accounts payable and accrued liabilities	(1,449,904)	525,649	(11,635)	(935,890)	180,587
Deferred revenue	-	-	410,239	410,239	-
Unpaid claims	-	-	-	-	(1,247,497)
Landfill closure and postclosure costs	-	322,463	-	322,463	-
Due to other funds	(1,060,377)	-	-	(1,060,377)	-
Escrow deposits	18,325	1,000	-	19,325	(157,171)
Accrued liability for compensated absences	169,863	122,236	3,530	295,629	24,575
Accrued liability for OPEB benefits	5,081,569	1,271,872	74,001	6,427,442	1,109,656
Net cash provided by operating activities	$ 19,029,215	$ 3,894,666	$ 214,237	$ 23,138,118	$ 6,350,841

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
Contributions of capital assets from developers	$ 4,828,145	$ -	$ -	$ 4,828,145	$ -
Increase (decrease) in fair value of investments	(882,442)	-	-	(882,442)	(201,037)
Amortization of refunding gains (losses)	(351,924)	-	-	(351,924)	-
	$ 3,593,779	$ -	$ -	$ 3,593,779	$ (201,037)

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

Anne Arundel County, Maryland

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2011

	Pension Trust Funds (December 31, 2010)	Agency Funds
ASSETS		
Investments, at fair value:		
Cash and temporary investments	$ 30,215,464	$ 16,942,150
U. S. government obligations	22,450,821	-
Corporate obligations	130,409,518	-
Domestic fixed income mutual funds	105,908,324	-
International fixed income mutual funds	31,912,957	-
Global asset pools	257,808,823	-
Domestic equity	293,754,134	-
International equity investment pools	189,559,209	-
Private markets	39,300,367	-
Portable Alpha	68,779,403	-
Real estate investment pools	43,528,250	-
Aetna insurance pooled fixed income	33,872,727	-
Absolute return funds	90,427,401	-
Total investments	1,337,927,398	16,942,150
Collateral from securities lending transactions	74,253,956	-
Receivables:		
Employer contributions	4,352,452	-
Participant contributions	1,290,092	-
Accrued interest and dividends	1,894,143	-
Investment sales proceeds	30,529,095	-
Total receivables	38,065,782	-
Deposits on hand	226,223	-
Total assets	1,450,473,359	16,942,150
LIABILITIES		
Accounts payable	1,474,326	-
Escrow and other deposits	-	16,942,150
Investment commitments payable	47,487,237	-
Obligation for collateral received under securities lending transactions	74,253,956	-
Total liabilities	123,215,519	16,942,150
Net asets held in trust for pension benefits	$ 1,327,257,840	$ -

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

Anne Arundel County, Maryland

Statement of Changes in Fiduciary Net Assets

Pension Trust Funds

Year Ended June 30, 2011

		Pension Trust Funds (December 31, 2010)
ADDITIONS		
Contributions:		
Employer	$	50,895,450
Participant		10,433,064
Total contributions		61,328,514
Investment income:		
Net appreciation in fair value of investments		152,942,044
Interest income		14,868,251
Dividend income		8,713,264
Total investment income		176,523,559
Less investment expense		(6,695,994)
Net income from investing activities		169,827,565
Securities lending activities:		
Securities lending income		343,485
Securities lending expenses:		
Borrower rebates		121,492
Management fees		66,649
Securities lending expense		188,141
Securities lending net income		155,344
Total net investment income		169,982,909
Total additions		231,311,423
DEDUCTIONS		
Participant benefit payments and refunds		72,241,126
Administrative expenses		1,393,523
Total deductions		73,634,649
Net increase		157,676,774
Net assets, beginning of year		1,169,581,066
Net assets, end of year	$	1,327,257,840

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

1 Summary of Significant Accounting Policies

The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental units as prescribed by the Governmental Accounting Standards Board (GASB). This note summarizes the significant accounting policies.

A ***Reporting Entity*** – The County's basic financial statements include various departments, agencies, and other organizational units governed directly by the County Executive and the County Council, herein referred to as the primary government. These statements also include other entities, which by the entities' relationships with the primary government are considered component units of the County. Accounting principles dictate that those entities that are financially accountable to the primary government or where exclusion would cause the financial statements to be misleading or incomplete should be included in the County's basic financial statements. The County's component units and the reasons for the entities' inclusion are as follows:

- **Anne Arundel County Board of Education** (Board of Education) - The Board of Education and the Anne Arundel County Public School System provide public education for the County's students in grades kindergarten through twelve.
- **Anne Arundel Community College** (Community College) – The Community College and its Foundation operate an institution of higher education within the County.
- **Public Library of Annapolis and Anne Arundel County** (Library) – The Library operates the public library system within the County.
- **Anne Arundel Economic Development Corporation** (Economic Development) – Economic Development provides services and programs that promote economic development within the County.
- **Tipton Airport Authority** (Tipton Airport) – Tipton Airport operates a general aviation airport in the western area of the County.
- **Anne Arundel Workforce Development Corporation** (Workforce Development) – Workforce Development provides jobs training and placement services to County citizens.

All of these entities are component units because the primary government approves the entities' respective budgets and/or provides a substantial amount of funding. In addition, the County Executive appoints a majority of the members of the governing bodies for Economic Development, Tipton Airport, and Workforce Development.

All of these entities are discretely presented in the government-wide statements. The Board of Education and the Community College are considered major component units and have been presented in separate columns on the face of the government-wide statements.

Separately issued financial statements for the Board of Education, the Community College, Economic Development, Tipton Airport, and Workforce Development may be obtained from the respective administrative offices. The addresses are provided as follows. The Library does not issue separate financial statements, and all of its required financial statements have been included in the County's comprehensive annual financial report.

Anne Arundel County Board of Education
2644 Riva Road
Annapolis, MD 21401

Anne Arundel Community College
101 College Parkway
Arnold, MD 21012

Anne Arundel Economic Development Corp.
2660 Riva Road, Suite 200
Annapolis, MD 21401

Tipton Airport Authority
P. O. Box 155
Odenton, MD 21113-0155

Anne Arundel Workforce Development Corp.
401 Headquarters Drive, Suite 205
Millersville, MD 21108

B Financial Statement Presentation, Measurement Focus, and Basis of Accounting – The basic financial statements are divided into three categories: government–wide financial statements, fund financial statements, and budgetary statements.

Government-Wide Financial Statements

The government-wide financial statements, consisting of the Statement of Net Assets and the Statement of Activities, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year levied, and grants and similar revenues are recognized when all eligibility requirements imposed by the provider have been met.

The government-wide statements present governmental activities, which are supported primarily by taxes and intergovernmental revenues, separately from business-type activities, which are funded primarily by user fees. In addition, the primary government's activity is presented separately from its discretely presented component units. The government-wide statements do not include the net assets or activities of the fiduciary funds, which include the pension trust funds and the agency funds, because these funds account for assets that are not owned by the County.

Interfund activity within the primary government's governmental activities and business-type activities has been eliminated from the government-wide statements. Residual balances between the governmental and business-type categories are presented on the Statement of Net Assets as "Internal balances." In addition, transactions between these activities and the internal service funds, which primarily serve the primary government, have been eliminated. Residual assets, liabilities, and net assets of the internal service funds have been added to governmental activities. In addition, transactions between the internal service funds and component units or other non-County agencies have been included in governmental activities.

Fund Financial Statements

The fund financial statements include statements for the governmental funds, the proprietary funds, and the fiduciary funds. Major funds within each category have been presented in separate columns, while all nonmajor funds are combined in one column.

Governmental fund financial statements - The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered available if those revenues are collectible within the current period or shortly thereafter to pay liabilities of the current period. Expenditures are generally recorded when incurred; however, expenditures for debt service, compensated absences, claims, and judgments are recorded when payments are due.

The County considers revenue collected within ninety days of the end of the year as available, except for property taxes, which must be collected within sixty days. Therefore, property taxes, income taxes, certain shared taxes, and grants that have not been received within the availability period have been deferred to future periods. However, a significant personal property tax collection of $11,547,706 was received on September 29, 2011 and recognized as fiscal year 2011 revenue. The billing of the taxes and receipt of these funds were delayed due to a late certification of an assessment to Anne Arundel County, by The Maryland Department of Assessments and Taxation for a tax return that was timely filed by the taxpayer.

The governmental fund financial statements separately present the following major funds:

- **General Fund** – This fund is the primary operating fund. It accounts for all financial resources of the primary government, except those accounted for in another fund.
- **Impact Fee Fund** – This special revenue fund accounts for impact fees collected from developers to pay a share of the cost of additional school capacity, road improvements, and public safety facilities necessitated by the development.
- **General County Capital Projects Fund** – This fund accounts for all resources that are received and used for the acquisition or development of major capital improvements. Resources received are applied in the following order: bonds, dedicated revenues such as developer contributions, pay-as-you-go, and grants.

Proprietary fund financial statements - The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of cash flows. These funds account for County services that operate as self-supporting activities. Those who benefit from these services bear the cost through the payment of user fees. The proprietary fund financial statements separately present the following major enterprise funds:

- **Water and Wastewater** – This fund accounts for the operating, debt service, and capital improvement activities of the water and wastewater utility services provided to County residents and businesses.
- **Solid Waste** – This fund accounts for the costs associated with the collection and disposal of refuse for County residents and businesses. This includes the cost of operations, debt service, capital improvements, and landfill restoration.

The proprietary fund statements also include a column that presents totals for internal service funds. These funds operate as self-supporting activities that primarily serve the primary government and its component units. The internal service funds of the County are:

- **Self Insurance** – The County is self-insured for workers' compensation, auto liability, and general liability insurance. This fund accounts for this self-insured activity and the purchase of policies from commercial insurers for certain specific exposures. These services, provided to the primary government and certain component units, are funded through charges to the users.
- **Health Insurance** – The County is self-insured for employee and retiree medical benefits. This fund accounts for this health insurance activity and the payment to outside administrators and medical service providers. These services are provided to the primary government and certain component units and other agencies and are funded through premiums charged to the users.
- **Central Garage and Transportation –** This fund accounts for activity in the County's Central Garage, which provides the primary government and certain component units with vehicle maintenance, fuel usage, and motor pool vehicles. Costs are recovered through fees to users for maintenance, fuel use, and vehicle lease charges.
- **Garage Replacement –** This fund accounts for the collection of replacement fees from participating funds within the primary government and certain component units. The fees are used to replace motor pool vehicles as needed.

Fiduciary fund financial statements - The fiduciary fund statements include columns for the following:

- **Pension Trust Funds** – This column includes the activities of the Anne Arundel County Retirement and Pension System (Retirement System). The Retirement System accounts for the activity in the primary government's four defined-benefit pension plans and reports on a calendar-year basis. The Pension Trust Funds are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. These plans accumulate employer and employee contributions and invest these funds to provide guaranteed pension benefits after retirement. Employer contributions are based on actuarial recommendations.
- **Agency Funds** – This column includes the balances of assets and liabilities maintained in the primary government's agency funds. Since agency funds report only assets and liabilities, these funds do not use a measurement focus. Transactions in these funds are recorded using the accrual basis of accounting. These funds account for deposits that are collected and held on behalf of individuals, organizations, or other governments. These monies include escrow deposits for developer subdivisions, sediment control, recreation land, tax sale, and other miscellaneous purposes; monies held in trust on behalf of the Special Assessment Districts or other agreements; and taxes collected for other governments.

Budgetary Statements

The basic financial statements include a Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the General Fund. This statement is prepared using the budgetary basis of accounting in which revenues are recognized when available. This non-GAAP basis of accounting recognizes that the County's budget is adopted in accordance with legal requirements regarding appropriation authority and the certification of the availability of funds to support these appropriations. Pursuant to the County Charter, the capital and operating budgets are presented by the County Executive to the County Council during April. The County Council holds public hearings regarding the budget. The annual appropriation ordinance must be approved by June 1st and provides the spending authority at the department level for the operations of the County. Unexpended or unencumbered appropriations in the operating budget expire the following June 30th. The County also recognizes revenue collected within ninety days of the end of the fiscal year as available for the prior year's appropriation, except for property taxes, which must be collected within sixty days, and grant revenue when the County Controller has determined that sufficient documentation exists to support that revenues not yet collected within ninety days of the end of the year are available to support appropriations in that fiscal year. Budgetary expenditures are recognized when encumbered. The Impact Fee Fund, a major governmental fund, does not have a legally adopted budget as the fees are expended through the Capital Projects Fund. The General County Capital Projects Fund has a legally adopted budget and unspent appropriations at year-end carry forward to the subsequent year. All non-major governmental funds have legally adopted budgets except the Storm Drain Fees Fund and the Recreation Land Fees Fund, which are expended through the Capital Projects Fund.

Combining and Other Supplementary Schedules

For all columns in the basic financial statements that accumulate the data for nonmajor funds or component units, we have provided combining statements that present the individual funds included in these nonmajor categories. In addition, we have provided budgetary statements of revenue and expenditures for all primary government funds for which budgets are adopted. Separate financial statements for the Library, a nonmajor component unit, are also presented because the Library does not issue separate financial statements.

C ***Cash, Investments, and Related Income*** – Cash includes bank deposits in checking and savings accounts. Investments are external pools and fixed income issues which generally mature within one year. Investments may extend longer than one year to facilitate the specific purpose of a fund. Details on investment types and terms are displayed in Note 3, "Cash and Investments."

Investments are recorded at fair value. Available cash from the primary government and Library is pooled in the General Fund and invested in overnight or other investments. To facilitate the pooling, cash belonging to other funds is transferred to and from the General Fund. On the Statement of Cash Flows for the proprietary funds, cash and cash equivalents include bank deposits and liquid investments readily convertible to cash.

Investment income earned on investments is generally allocated to each fund based on its proportionate share of the average daily cash balance each month. However, investment income earned on the balances in certain special revenue funds, certain internal service funds, agency funds, and the Library Fund is retained in the General Fund. In addition, investment earnings recognized in the General County Capital Projects Fund are transferred to the General Fund.

Investments of the Retirement System are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on periodic independent appraisals. Investments that do not have an established market, such as Private Markets, are reported at estimated fair values. The fair value of private equities are based on management's valuation of estimates and assumptions from information and representations provided by the respective general partners, in absence of readily ascertainable market values. There are no investments with parties or in entities related to the County.

D ***Inventories and Prepaid Expenses*** – Inventories of parts and supplies recorded in the General Fund and certain proprietary funds are valued at cost assuming a first-in, first-out consumption pattern. The government-wide and the fund statements record the cost of inventory as it is consumed, while the budgetary statements record the cost when the inventory is purchased. For the government-wide statements only, prepaid expenses are recognized as the services are consumed.

E ***Program Revenues*** – The government-wide Statement of Activities is presented using a net-cost format. Total costs are presented on a functional basis. Some of these functional activities are financed in whole or in part by program revenues received from parties outside the County government. These program revenues are subtracted from the functional costs to arrive at net costs. General County revenues are then applied against the net costs to arrive at changes in net assets for the fiscal year.

Program revenues include amounts received from those who purchase, use, or directly benefit from a program; amounts received from outside parties that are restricted to one or more specific programs; and earnings on investments that are legally restricted for a specific purpose. Program revenues include user fees and charges, impact fees, fines, license and permit fees, special community benefit assessments, grants and contributions, and restricted investment income.

F ***Capital Assets*** – Capital assets of the primary government are recorded in the applicable governmental or business-type activities columns on the government-wide Statement of Net Assets. These asset balances include all constructed, purchased, or developer-donated public domain infrastructure (roads, bridges, and similar items). Infrastructure with a value of $50,000 or more, intangible assets and software with a value of $50,000 or more, and other assets with an individual value of $5,000 or more are capitalized. Capital assets are valued at historical cost or estimated historical cost. Donated assets are valued at the estimated fair value on the date donated. Depreciable assets are depreciated on a straight-line basis over the respective useful lives. The estimated useful lives of the capital assets are determined by the category. They are listed as follows:

Category	Years	Category	Years
Buildings, structures, sidewalks, curbs, gutters and water / sewer lines	50	Heavy machinery and other equipment	5 – 10
Water / sewer structures	35	Library collection	10
Land improvements	30	Furniture and fixtures	5 – 10
Culverts and storm drains	25 – 50	Office equipment, intangible assets, software, and telecommunications systems	5 – 7
Roads and bridges	17 – 30	Automobiles and small rolling stock	5
Landfills	15 – 20		

G ***Operating and Nonoperating Revenues and Expenses and Capital Contributions*** – The Statement of Revenues, Expenses, and Changes in Fund Net Assets for proprietary funds categorizes revenue sources into operating, nonoperating, and capital contributions. Operating revenues include charges for water, wastewater, landfill usage, child care and other revenue used to fund the ongoing provision of utility, waste collection, and child care services to citizens. The statement also presents combined totals for the internal service funds. These funds collect charges from other funds and component units for insurance and the primary government's motor pool maintenance and replacement. Nonoperating revenues include all other sources, such as interest earned and other revenue. Capital contributions include developer-contributed assets and grants, capital connection fees, capital facility assessments, and front foot benefit fees restricted for the construction of capital assets or the payment of debt issued for capital construction.

Operating expenses in the proprietary funds include the costs of operating the County's water and wastewater system, waste collection activities, and school-based child care services. Expenses consist of personnel and non-personnel services, cost of goods issued, depreciation, landfill closure and post-closure costs, indirect costs, and other miscellaneous allocated expenses. Nonoperating expenses include interest on debt and other miscellaneous expenses.

H ***Bond premiums and refunding gain or loss –*** The primary government typically receives premiums as a result of the sale of general obligation bonds. The treatment of the premiums differs depending on the basis of accounting used on the related statements. Premiums earned on debt in governmental activities are recognized as revenue in the year of the bond sale on the fund statement, amortized over the life of the bonds on the government-wide presentation, and applied against interest expense and the purchase of capital assets in the subsequent fiscal years on the budgetary statement. Premiums earned on the bonds in business-type activities are amortized over the life of the bonds in fund level and government-wide presentations; however, premiums are applied against interest expense in the current and subsequent years on the budgetary statements. The refunding gain or loss is applied against the shorter life of the old debt or the new debt.

I ***Capitalized interest*** – The primary government's Statement of Net Assets for business-type activities includes capitalized interest. Management estimates the fiscal year interest expensed on debt used for the construction of capital assets. This interest is added to the value of the capital assets and is depreciated over the life of the related water and sewer lines, structures and capital assets constructed for Solid Waste bond-funded projects.

J ***Indirect costs*** – Administrative costs of the primary government are generally included in the general government function on the government-wide Statement of Activities and the fund financial statements. However, some allocations of administrative costs are made through an indirect cost allocation plan, resulting in charges to the proprietary funds, Pension Trust Fund, and General County Capital Projects Fund. These allocated costs are included in the functional expenses of these other funds.

K ***Encumbrances*** – The governmental funds utilize encumbrance accounting under which purchase orders, contracts, and other commitments are recorded in order to reserve budget appropriations for that purpose. Open encumbrances at fiscal year-end are shown as part of the restricted, committed or assigned fund balance in the governmental fund statements and are recorded as expenditures on the budgetary statements. Encumbrances as of June 30, 2011 totaled $44,275,373 in the governmental fund types, $37,210,078 of which is for construction activity. The proprietary funds utilize encumbrance accounting for budgetary purposes. As of June 30, 2011, the proprietary funds had encumbrances totaling $105,945,751, of which $99,470,894 is for construction activity.

L ***Fund Balance Classification*** – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- ***Nonspendable***: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County has classified Inventories, and Prepaid Items as being Nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- ***Restricted***: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The County has classified Impact Fees for capital projects, Reforestation, Laurel Race Track Community Benefit and the Circuit Court fund as restricted based on State Enabling Legislation. Forfeitures are restricted since their use is restricted by Federal regulations for certain law enforcement activities. Debt service resources will be used for future servicing of General Obligation Bonds, Tax Increment Funds and Special Taxing Districts and are restricted through debt covenants. Grants are restricted based on various State and Federal laws and regulations which specify how funds will be spent.

- ***Committed***: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision making authority through the passing of ordinances. These amounts cannot be used for any other purpose unless the County removes or changes the ordinance that was employed when the funds were initially committed. Erosion Control District, Recreation Land Fees, Strom Drain Fees, and Roads and Special Benefits are committed based on legislation in the County code.

- ***Assigned:*** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Council and the County Executive or through the County delegating this responsibility to the County department heads. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Capital Projects and Street Lights are assigned for the repair and replacement of equipment. The Installment Purchase Agreement fund is assigned for the purchase of agricultural and woodland preservation programs.

- ***Unassigned***: This classification includes the residual fund balance for the General Fund

The County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

M Private sector guidance – As allowed by generally accepted accounting principles for business-type activities and enterprise funds, the County has chosen not to implement pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 unless those pronouncements are specifically adopted by GASB.

N Compensated absences - The primary government's Statements of Net Assets include an accrual for compensated absences. This accrual is an estimate of unused annual leave as of June 30, 2011. The annual leave accrual is calculated using unused annual leave hours as of June 30, 2011 and pay rates in place for each employee at fiscal year-end.

The compensated absences accrual also includes an estimate of sick leave payouts earned as of fiscal year-end. Certain employees are paid $25 per day for unused sick leave upon retirement. The estimate uses unused sick days at year-end multiplied by $25 per day. The accrual is then adjusted to reflect an estimate of the current employees that will ultimately retire with the primary government.

O New Pronouncements - The County adopted the provision of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

During the year ended June 30, 2011, GASB issued Statement No. 60, entitled *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, entitled *The Financial Reporting Entity: Omnibus-an amendment of GASB No. 14 and No. 34*; Statement No. 62, entitled *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1998 GASB and AICPA Pronouncements*; Statement No. 63, entitled *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and Statement No. 64, entitled *Derivative Instruments: Application of Hedge Accounting Termination Provisions (an Amendment of GASB Statement No. 53)*. The County is analyzing the effects of these pronouncements and plans to adopt or has adopted them as applicable by their effective date.

P Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the related notes. Actual results could differ from those estimates.

Q Restatement of Beginning Net Assets – As a result of the implementation of Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* the following funds and their related activity where reclassified to the general fund:

County Parking Garage – This fund accounted for the operation of the County's Whitmore Parking Garage located near the Arundel Center. It was established based on an agreement with the State of Maryland. The County owns the garage and the County and State pay for their respective spaces and share proportionately in any profit available at the end of each fiscal year.

Piney Orchard Wastewater Service – In accordance with the County's agreement with operator of the Piney Orchard Wastewater plant, this fund segregated 80% of the wastewater usage fees collected from the Piney Orchard wastewater service area. These funds are then disbursed to the plant operator. The County maintains 20% of the fees to offset administrative costs.

Inmate Benefit and Morale – This fund accumulated revenues designated for the benefit and morale of inmates at the County's two detention centers

The County Parking Garage fund balance of $7,542 and Inmate Benefit and Morale fund balance of $420,564 have been moved from the special revenue fund to the general fund. This transfer of funds has increased the beginning fund balance in the General Fund by $428,106. Piney Orchard Wastewater Service also moved to the general fund but the fund balance was zero.

2 Budgetary Information

A Supplemental Budgetary Appropriations **-** During the fiscal year, the County Council may adopt supplemental appropriations. For the year ended June 30, 2011, supplemental appropriations where adopted in the Grant Fund and the Water and Wastewater Sinking Fund in the amounts of $4,688,600 and $1,388,700, respectively. During the year, the County Executive has the authority to approve various interdepartmental transfers which require the County Councils approval.

B Excess Expenditures over Appropriation and Fund Deficits-. The County limits the spending of departments and funds by granting budgetary appropriation authority. These limits are established at the department level in the General Fund, separate funds are controlled at the fund level, and capital projects are controlled at the project level. Expenditures and encumbrances of the funds may not legally exceed appropriations at the department level. The Circuit Court expenditures exceeded budgeted appropriations by $159,712. This resulted from the Circuit Court not meeting expected turnover goals in personnel services. Their expense budget was not sufficiently increased in the fourth quarter transfer to match the actual costs. The Budget and Finance Offices will more closely monitor the fiscal year-end projections to avoid a recurrence.

C Reconciliation Between Fund Financial Statements and Budgetary Statements **-** Since the General Fund's Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual use different revenue and expenditure recognition policies, a reconciliation of these two statements is provided as follows:

Revenue (under) over expenditures - budgetary basis	$ 5,136,885
Net effect of encumbrances	536,646
Change in Revenue Reserve Fund Balance	105,754
Prior Year GASB 33 Revenue Recognition	5,543,070
Self Insurance Fund Deficit	(2,410,256)
Effects of Inmate Benefit Fund	102,519
Net inventory change	82,446
Change in fund balance - modified accrual basis	$ 9,097,064

3 Cash and Investments

The primary government pools available cash and centrally invests these funds to maximize earnings. The component units also pool available cash in this manner. The Retirement System cash is held separately. Significant accounting policies related to cash and investments are included in Note 1C.

A Policies – The primary government is authorized to invest available cash in obligations of the U.S. Government, its agencies and instrumentalities; repurchase agreements that are fully collateralized by direct U.S. Government obligations and U.S. Government agency and instrumentality obligations, including fixed rate Mortgage-Backed Securities; Bankers' Acceptances; mutual funds that are registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940 (the Act), are operating in accordance with Rule 2A-7 of the Act, and have received the highest possible rating from at least one Nationally Recognized Statistical Rating Organization as designated by the SEC; Certificates of Deposit; and Commercial Paper. In addition, the primary government can participate in the local government investment pool authorized and maintained by the State of Maryland. The fair value of the position in the pool is the same as the value of the shares. Finally, the primary government is authorized to invest bond proceeds that are subject to arbitrage rebate requirements in State and local government obligations.

Pooled cash is primarily used to purchase short-term investments. Policy requires that for repurchase agreement investments made by the County, the initial collateral securities underlying repurchase agreement investments have a market value of at least 102% of the cost of the repurchase agreement. The collateral is in the County's name and held by an independent third party or at the Federal Reserve. When the collateral falls under 101% or is $100,000 less than the 102%, additional collateral is required to bring the total to the required level.

The Retirement System is authorized to invest in U.S. Government securities, insurance company general accounts, commercial paper, money market mutual funds, corporate bonds, common and international stocks, limited partnerships, absolute return funds, private equity, mortgage participations, and real estate. The Retirement System lends its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Retirement System's custodian lends securities for collateral in the form of cash or other securities in an amount equal to 102% for domestic securities and 105% for international securities of the market value of the securities loaned.

Either the Retirement System or the borrower may terminate security loans on demand, although the average term of the loans is one week. Cash collateral is invested in the lending agent's money market mutual fund, which had a weighted average duration of 47 days at December 31, 2010, the year-end for the Retirement System. Because the loans were terminable at will, the loans' duration did not generally match the durations of the investments made with cash collateral. The Retirement System cannot pledge or sell collateral securities received unless the borrower defaults.

B ***Balances and Custodial Credit Risk*** – As of June 30, 2011, the carrying amount of the primary government's bank deposits was $3,417,186, bank balances were $8,967,366. All bank balances were fully secured by Federal Deposit insurance or fully collateralized.

Cash balances of the Board of Education are fully secured by Federal Deposit insurance and by collateral held in the Board's name at the Federal Reserve and by the financial institution's Trust Department. Deposits for Anne Arundel Community College are secured and properly protected. The cash balances of the other nonmajor component units are insured or collateralized except $1,320,317, which is neither insured nor collateralized.

Custodial credit risk is the risk that the primary government will not be able to recover deposits in the event of the failure of a depository financial institution or will not be able to recover 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 primary government, and are held by either a counterparty or the counterparty's trust department or agent, but not in the primary government's name. The primary government's Investment Policy requires that the Controller maintain a list of financial institutions authorized to provide investment services, including custodial services and collateral requirements. Internal procedures establish the methods for evaluating eligible institutions. Custodial credit risk for deposits is not addressed in the policy.

C ***Interest Rate Risk –*** Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The fair market value of fixed income (debt) securities is affected by increases and declines in interest rates. These investments may also have embedded call features allowing the issuer to redeem part or all of the issue prior to maturity at a pre-set price. In addition, debt issues may have interest rates that vary according to a predetermined external index (such as the London Inter-Bank Offered Rate) or a predetermined step-up in the interest rate at a predetermined date(s). The primary government's Investment Policy does not specifically address interest rate risk. However, term limits are established for certain investments to minimize interest rate risk. The Retirement System's Investment Policy Statement (IPS) sets limits on floating rates for mortgage backed securities and establishes limits on the average duration of some investment types.

The table that follows uses the *Segmented Time Distribution* method to display debt holdings by maturity for the primary government and the component units by term and investment type. Market values for issues within the primary government's agency/instrumentalities category include $51,121,500 of callable issues and $17,989,063 for issues that have both callable and variable rate features. The component units' issues have no variable rate securities.

Investment Type	Fair Value	Investment Maturities (in years) Less than 1	1 to 5	6 to 10	over 10
Primary Government					
Repurchase agreements	$ 80,623,125	$ 80,000,000	$ -	$ -	$ 623,125
U.S. Government securities	5,818,363	-	-	-	5,818,363
Agency / instrumentalities	172,810,358	117,665,358	55,145,000	-	-
Bankers' acceptances	18,805,224	18,805,224	-	-	-
Money market pools	182,191,329	182,191,329	-	-	-
Tax exempt municipals bonds	71,515,979	20,728,352	50,787,627	-	
	$ 531,764,378	$ 419,390,263	$ 105,932,627	$ -	$ 6,441,488
Board of Education					
Money market pools	130,915,215	130,915,215	-	-	-
	$ 130,915,215	$ 130,915,215	$ -	$	$
Community College					
Money market pools	$ 4,298,333	$ 4,298,333	$ -	$ -	$ -
Bond mutual funds	2,063,863	2,063,863	-	-	-
Guaranteed investment trusts	1,175,314	-	-	-	1,175,314
	$ 7,537,510	$ 6,362,196	$ -	$ -	$ 1,175,314
Other nonmajor component units					
Money market pools	12,783	12,783	-	-	-
	$ 12,783	$ 12,783	$ -	$ -	$ -

The following table uses *Segmented Time Distribution* to display the Retirement System's debt holdings by maturity term and investment type as of December 31, 2010. Some issues within the categories agencies/ instrumentalities, corporate bonds, collateralized mortgage obligations, and other asset-backed securities have variable rate features. The total fair value of these securities was $15,897,425 as of December 31, 2010.

The segmented time distribution table on the next page includes issues with call features and assumes that these issues will be held to maturity. The total fair market value of callable securities totals $77,528,294 with call dates ranging from January 1, 2011 for continuously callable issues to April 15, 2040. Stated call prices are generally at par. The callable holdings include issues with floating interest rates which have market value of $13,798,594.

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1 year	1 to 5	6 to 10	over 10
U.S. Treasuries	$ 22,450,821	$ 7,990,120	$ 10,053	$ 9,955,829	$ 4,494,819
Agency/Instrumentalities	31,636,112	3,993,625	675,087	723,723	26,243,677
Corporate Bonds	76,535,011	303,544	37,750,811	29,244,788	9,235,868
Bond Mutual Funds	137,821,280	-	104,255,311	1,653,013	31,912,956
Collateralized Mrtg Obligations	7,547,744	-	-	171,525	7,376,219
Other Asset-Backed Securities	6,811,976	-	608,180	77,721	6,126,075
Foreign and Yankee Bonds	7,878,677	98,000	3,874,780	3,252,079	653,818
Totals	$ 290,681,621	$ 12,385,289	$ 147,174,222	$ 45,078,678	$ 86,043,432

D ***Credit Risk*** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Debt securities are rated by Nationally Recognized Statistical Rating Organizations to provide purchasers with an opinion of the capability and willingness of a borrower to repay its debt. The primary government's Investment Policy does not address credit risk. The following table displays the County's debt holdings and quality ratings from Standard & Poor's and Moody's with the highest rating in each asset type listed first. Ratings for the component units and Retirement System are listed separately.

Investment Issuer or Type	S&P	Moody's	%	Investment Type	S&P	Moody's	%
Primary Government							
Federal Home Loan Bank	AAA	Aaa	14.17	Repurchase Agreements	NR	NR	13.67
Federal Home Loan Mortgage	AAA	Aaa	0.97	Certificates of Deposit	NR	NR	10.85
Federal Nat'l. Mortgage Assoc.	AAA	Aaa	9.75	Tax Exempt Municipal	AAA	Aaa	1.32
Federal Farm Credit	AAA	Aaa	3.72	Tax Exempt Municipal	AAA	Aa	1.30
Farmer Mac	NR	NR	0.68	Tax Exempt Municipal	AA	Aa	8.50
Bankers Acceptances	A-1	P-1	3.19	Tax Exempt Municipal	AA	NR	0.23
Money market pool	AAAm	Aaa	12.55	Tax Exempt Municipal	A	A	0.24
Money market pool	AAAm	NR	11.99	Tax Exempt Municipal	NR	Aa	0.48
Money market pool	NR	NR	6.34	Tax Exempt Municipal	NR	A	0.05
							100.00
Board of Education							
Money market pool	AAAm	NR	100.00				
			100.00				
Community College							
Money market pool	AAAm	NR	57.03	Bond Mutual Funds	NR	NR	27.38
				Guaranteed Invt Trust	NR	NR	15.59
							100.00
Nonmajor component units							
Money Market pool	AAAm	N/R	100.00				
			100.00				

The Retirement System's Investment Policy Statement (IPS) provides guidelines to all fixed income managers related to allowable quality ratings. Holdings as of December 31, 2010 are displayed next.

Investment Type	S&P	Moody's	%	Investment Type	S&P	Moody's	%
Agency/Instrumentalities	AAA	Aaa	9.44	Municipals	AAA	NR	0.08
"	NR	NR	0.08	"	A	A	0.04
Collateralized Mort. Oblig.	AAA	Aaa	0.19	"	NR	A	0.13
"	AAA	B	0.31	Yankee & Foreign Gov			
"	AAA	Caa	0.13	Issued Debt	AA	Aa	0.31
"	AAA	NR	0.23	"	AA	A	0.06
"	A	Aa	0.06	"	A	Aa	0.17
"	BBB	Baa	0.08	"	A	A	0.24
"	B	B	0.06	"	A	Baa	0.10
"	B	Caa	0.13	"	BBB	Baa	0.53
"	CCC	Caa	0.75	"	BB	B	0.63
"	CCC	C	0.09	"	NR	Aaa	0.30
"	CCC	NR	0.07	"	NR	NR	0.05
	CC	Caa	0.08	Corporate Bonds	AA	Aa	0.31
"	D	B	0.05	"	AA	A	0.16
"	NR	NR	0.05	"	A	Aa	0.20
Other Asset-backed	AAA	Aaa	0.29	"	A	A	1.93
Obligations	AAA	B	0.26	"	A	Baa	0.61
"	AAA	Baa	0.16	"	BBB	A	0.05
"	AAA	NR	0.09	"	BBB	Baa	1.27
"	AA	Aa	0.17	"	BBB	Ba	0.24
"	AA	B	0.06	"	BB	Baa	0.30
"	A	B	0.08	"	BB	Ba	1.73
"	BBB	Baa	0.07	"	BB	B	2.88
"	BB	Ba	0.14	"	B	Ba	0.71
"	BB	NR	0.06	"	B	B	9.82
"	B	Ca	0.08	"	B	Caa	1.17
"	CCC	Caa	0.23	"	CCC	B	1.32
"	CCC	Ca	0.05	"	NR	NR	0.08
"	CCC	NR	0.11	Mutual Funds	NR	NR	41.49
"	NR	Aaa	0.06	Guaranteed Invest Contracts	NR	NR	10.20
"	NR	B	0.06	Short Term Investment Pools	NR	NR	9.06
"	NR	Ca	0.06				100.00

E ***Concentration Risk*** - Concentration risk is the risk of loss attributed to the magnitude of the government's investment in a single issuer. As of June 30, 2011, Federal Home Loan Bank represented 15.0% of the primary government's investments and Federal National Mortgage Association represented 10.3%. Exposure to all other issuers was less than 5% each, excluding investment pools. The primary government's Investment Policy requires diversification of investments by security type and institution. Issuer limits are not addressed. There was no investment greater than 5% for the Board of Education or the Community College excluding pools. The Retirement System's IPS sets maximum concentration limits by asset type and manager style. As of December 31, 2010, there was no exposure to a single issuer greater than 5% of the Retirement System's plan net assets, excluding investment pools.

F ***Foreign Currency Risk*** – This risk relates to the potential, unfavorable fluctuation of exchange rates compared with the U.S. Dollar. Neither the primary government nor its component units had exposure to foreign currency as of June 30, 2011. The Retirement System recognizes the value of global diversification and retains six managers for global and international equity and fixed income investments. Global and international managers may also purchase or sell currency on a spot basis and may enter into forward exchange contracts on currency provided that the use of such contracts is designed to dampen portfolio volatility or to facilitate the settlement of securities transactions.

As of December 31, 2010, the Retirement System's had no direct exposure to fixed income foreign currency. International/global equities and fixed income assets totaled $479,280,989 in fair market value, managed in pooled funds as of December 31, 2010.

4 Receivables

A ***Property Taxes Receivable*** - The County's property tax is levied each July 1st based on values assessed and certified by the Maryland State Department of Assessments as of that date. Liens are placed on property at that time. A revaluation of each property is required to be completed every three years. For owner-occupied residential property, owners can choose to pay one payment due September 30th or two installments due on September 30th and December 31st. Property taxes are due from all other taxpayers on September 30th. After these dates, interest is charged each month on the unpaid balance. Property with delinquent taxes is sold at public auction each June.

B ***State Income Taxes Receivable*** – The State's distribution of the County's share of income taxes lags behind the County's fiscal year. Management estimates the amount of receivables for taxes earned in the fiscal year by analyzing the historical trends of distribution patterns and current year income tax activity.

C ***Long Term Receivables*** – The primary government has long-term receivables recorded in the Utility Fund consisting of deferred connection and assessment charges. The deferred charges are primarily for front foot benefit assessments, capital connections, and capital facility assessments. These receivables are collected over five to thirty years and include an interest charge that varies from 1.6% to 8.0%. The balance as of June 30, 2011 for the deferred charges is $54,280,149.

5 Capital Assets

The components of capital assets, changes in asset categories, and accumulated depreciation for the fiscal year ended June 30, 2011 are presented as follows.

Category	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Governmental activities:				
Capital assets not being depreciated:				
Land and easements	$ 189,515,434	$ 10,683,482	$ -	$ 200,198,916
Historical property/works of art	4,166,465	-	-	4,166,465
Construction in progress	148,681,894	47,912,942	(38,931,908)	157,662,928
Total assets not depreciated	342,363,793	58,596,424	(38,931,908)	362,028,309
Capital assets being depreciated:				
Land improvements	177,810,549	11,450,744	-	189,261,293
Buildings	304,207,484	4,890,995	-	309,098,479
Roads and bridges	346,130,962	9,604,186	(3,954,808)	351,780,340
Sidewalks, curbs, and gutters	39,399,612	189,508	(19,575)	39,569,545
Storm drains and culverts	267,773,753	14,838,294	(134,877)	282,477,170
Automobiles and rolling stock	78,076,530	5,020,940	(1,713,501)	81,383,969
Furniture, fixtures, and equipment	75,648,742	1,487,164	(1,256,176)	75,879,730
Software	20,643,623	579,341	(464,815)	20,758,149
Total assets depreciated	1,309,691,255	48,061,172	(7,543,752)	1,350,208,675

Category	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Governmental activities (continued):				
Less accumulated depreciation for:				
Land improvements	(62,489,095)	(5,898,908)	-	(68,388,003)
Buildings	(87,498,604)	(5,097,489)	-	(92,596,093)
Roads and bridges	(171,432,655)	(11,037,565)	3,802,619	(178,667,601)
Sidewalks, curbs, and gutters	(14,960,677)	(832,368)	15,660	(15,777,385)
Storm drains and culverts	(153,022,696)	(9,091,709)	120,615	(161,993,790)
Automobiles and rolling stock	(55,801,492)	(6,681,022)	1,697,482	(60,785,032)
Furniture, fixtures, and equipment	(38,523,117)	(5,814,551)	1,235,994	(43,101,674)
Software	(19,708,843)	(296,327)	459,361	(19,545,809)
Total accumulated depreciation	(603,437,179)	(44,749,939)	7,331,731	(640,855,387)
Total capital assets being depreciated, net	706,254,076	3,311,233	(212,021)	709,353,288
Total governmental activities, net	$ 1,048,617,869	$ 61,907,657	$ (39,143,929)	$ 1,071,381,597
Business-type activities:				
Capital assets not being depreciated:				
Land and easements	$ 11,977,110	$ 132,129	$ -	$ 12,109,239
Construction in progress	253,032,978	67,659,888	(48,475,414)	272,217,452
Total assets not depreciated	265,010,088	67,792,017	(48,475,414)	284,326,691
Capital assets being depreciated:				
Buildings	28,887,790	1,021,329	-	29,909,119
Landfills	38,909,727	3,045,205	-	41,954,932
Water and sewer plants and lines	1,358,791,176	58,033,030	-	1,416,824,206
Automobiles and rolling stock	8,212,180	349,531	(171,564)	8,390,147
Furniture, fixtures, and equipment	15,492,164	858,899	(486,913)	15,864,150
Total assets depreciated	1,450,293,037	63,307,994	(658,477)	1,512,942,554
Less accumulated depreciation (as restated) for:				
Buildings	(7,170,269)	428,550	-	(6,741,719)
Landfills	(31,284,616)	(2,297,151)	-	(33,581,767)
Water and sewer plants and lines	(511,669,428)	(31,014,829)	-	(542,684,257)
Automobiles and rolling stock	(6,282,175)	(720,328)	171,566	(6,830,937)
Furniture, fixtures, and equipment	(8,418,335)	(1,743,814)	359,388	(9,802,761)
Total accumulated depreciation	(564,824,823)	(35,347,572)	530,954	(599,641,441)
Total capital assets being depreciated, net	885,468,214	27,960,422	(127,523)	913,301,113
Total business-type activities, net	$ 1,150,478,302	$ 95,752,439	$ (48,602,937)	$ 1,197,627,804
Board of Education:				
Capital assets not being depreciated:				
Land and improvements	$ 55,354,737	$ -	$ -	$ 55,354,737
Construction in progress	106,914,518	101,055,700	(70,848,194)	137,122,024
Total assets not depreciated	162,269,255	101,055,700	(70,848,194)	192,476,761
Capital assets being depreciated:				
Buildings	1,050,970,547	70,131,530	-	1,121,102,077
Computer software	-	1,205,594	-	1,205,594
Furniture, fixtures, and equipment	46,151,716	2,044,510	(2,286,651)	45,909,575
Total assets depreciated	1,097,122,263	73,381,634	(2,286,651)	1,168,217,246
Less accumulated depreciation for:				
Buildings	(487,619,280)	(44,018,982)	-	(531,638,262)
Furniture, fixtures, and equipment	(27,906,880)	(2,564,662)	2,202,013	(28,269,529)
Total accumulated depreciation	(515,526,160)	(46,583,644)	2,202,013	(559,907,791)
Total capital assets being depreciated, net	581,596,103	26,797,990	(84,638)	608,309,455
Total Board of Education, net	$ 743,865,358	$ 127,853,690	$ (70,932,832)	$ 800,786,216

Category	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Community College:				
Capital assets not being depreciated:				
Land	$ 2,377,178	$ -	$ -	$ 2,377,178
Construction in progress	1,328,881	8,666,973	(4,831,882)	5,163,972
Total assets not depreciated	3,706,059	8,666,973	(4,831,882)	7,541,150
Capital assets being depreciated:				
Land improvements	5,528,716	1,748,075	-	7,276,791
Buildings and improvements	116,200,835	1,130,667	(5,000)	117,326,502
Furniture, fixtures, and equipment	26,931,625	2,226,844	(494,830)	28,663,639
Total assets depreciated	148,661,176	5,105,586	(499,830)	153,266,932
Less accumulated depreciation for:				
Land improvements	(3,774,335)	(249,310)	-	(4,023,645)
Buildings and improvements	(42,712,807)	(3,689,350)	1,666	(46,400,491)
Furniture, fixtures, and equipment	(19,403,758)	(1,975,574)	472,329	(20,907,003)
Total accumulated depreciation	(65,890,900)	(5,914,234)	473,995	(71,331,139)
Total capital assets being depreciated, net	82,770,276	(808,648)	(25,835)	81,935,793
Total Community College, net	$ 86,476,335	$ 7,858,325	$ (4,857,717)	$ 89,476,943
Other non-major:				
Capital assets not being depreciated:				
Construction in progress	$ -	$ -	$ -	$ -
Capital assets being depreciated:				
Airport improvements	9,621,789	-	-	9,621,789
Library collection	15,322,002	2,337,038	(2,779,297)	14,879,743
Automobiles and rolling stock	27,062	31,915	(27,062)	31,915
Furniture, fixtures, and equipment	3,124,856	59,687	(24,502)	3,160,041
Total assets depreciated	28,095,709	2,428,640	(2,830,861)	27,693,488
Less accumulated depreciation for:				
Airport improvements	(2,695,179)	(481,089)	-	(3,176,268)
Library collection	(5,739,074)	(935,564)	1,196,137	(5,478,501)
Automobiles and rolling stock	(27,062)	(2,129)	27,062	(2,129)
Furniture, fixtures, and equipment	(2,210,449)	(181,241)	15,603	(2,376,087)
Total accumulated depreciation	(10,671,764)	(1,600,023)	1,238,802	(11,032,985)
Total capital assets being depreciated, net	17,423,945	828,617	(1,592,059)	16,660,503
Total other non-major, net	$ 17,423,945	$ 828,617	$ (1,592,059)	$ 16,660,503

The County has established tax increment and special taxing districts to aid in development efforts within certain geographical areas. The proceeds of debt issued on behalf of the districts are primarily used for capital improvements. Expenditures related to the improvements are recorded in the County's capital projects and are included as construction in progress until the projects are completed. Upon project completion, the amounts recorded in construction in progress are expensed, and the related assets are capitalized when developer construction agreements are finalized and the assets inspected. The assets are depreciated over their estimated useful lives.

Depreciation expense has been included in the functional categories on the Statement of Activities based on the governmental department, business-type activity, or component unit responsible for the asset. The table that follows shows the depreciation expense for each functional category.

Governmental activities:			*Business-type activities:*		
Education	$	42,544	Water and wastewater	$	32,894,376
Public Safety		8,195,971	Waste collection		2,453,196
General government		7,424,998		$	35,347,572
Health and human services		367,360	*Component units:*		
Public works		21,523,528	Board of Education	$	46,583,644
Recreation and community services		5,828,314	Community College		5,914,234
Judicial		1,290,995	Library System		1,040,009
Land use and development		76,229	Economic Development Corp		35,150
	$	44,749,939	Tipton Airport Authority		489,514
			Workforce Development		35,350
				$	54,097,901

6 Restricted Assets and Liabilities

The following funds are shown as restricted on the Statement of Net Assets of the governmental funds; Impact Fees, Forfeiture and Asset Seizures, Roads and Special Benefits District, AA County Partnership for Children, Youth and Family, Storm Drain Fees, Reforestation, Laurel Racetrack, Grant Funds, Circuit Court, Erosion Districts, Street Lights, Recreation Land Fees, Bond Premium, Tax Increment Funds and Special Taxing Districts. In addition, fees collected by the Water and Wastewater proprietary fund, including capital connection, front foot benefit, and environmental protection fees are restricted for the payment of debt service incurred for the construction of capital facilities. Utilities capital grants are restricted and the Solid Waste Financial Assurance fund is restricted for the payment of closure and post-closure costs.

7 Interfund and Intra-Entity Balances and Transfers

The interfund balances of the primary government consist of the following as of June 30, 2011:

Fund With Receivable	Fund With Payable		Amount
General Fund	Special Revenue Funds	$	3,981,581
Internal Service Funds	General Fund		2,410,256
		$	6,391,837

Interfund balances between the General Fund and internal service funds have been eliminated on the government-wide Statement of Net Assets. The $2,410,256 balance represents the current portion of the amount due to the Self Insurance Fund as of June 30, 2011. The $3,981,581 balance represents special revenue funds' implicit borrowing from the General Fund as of June 30, 2011.

Transfers between the primary government's governmental funds presented as follows totaled $94,470,013 for fiscal year 2011. The purposes of these transfers are bond proceeds transferred for capital projects; investment losses on capital project investments retained by the General Fund; transfers from the General Fund to the Grants and Arundel Community Development Services funds for grants, and to the Installment Purchase Agreements fund for land preservation; transfers from the Bond Premium Fund to the General Fund and General County Capital Projects fund for debt service payments and the purchase of capital assets, transfers from the Erosion Districts special revenue fund to the Special Taxing Districts debt service fund for project maintenance; transfers from tax increment funds legally appropriated for transfer to the General Fund; transfers from the Street Light fund legally appropriated for transfer to the General Fund; transfers from the Storm Drain, Recreational Land Fees funds, and Reforestation funds for capital projects; impact fee funding for capital projects; impact fees transferred to the General Fund for debt service on impact fee bonds; and the return of capital projects pay-as-you-go funds to the General Fund.

Originating Fund	Recipient Fund	Amount
General	General County Capital Projects	$ 56,905,498
General	Nonmajor Governmental	2,139,230
Nonmajor Governmental	Nonmajor Governmental	172,613
Nonmajor Governmental	General	27,060,733
Nonmajor Governmental	General County Capital Projects	2,792,168
Impact Fees	General County Capital Projects	2,067,031
Impact Fees	General	1,622,740
General County Capital Projects	General	1,710,000
		$ 94,470,013

Transfers between the primary government's proprietary funds and governmental funds presented as follows totaled $24,033,603 for fiscal year 2011. The purposes of these transfers are transfers from the Health Insurance fund, Central Garage fund, and Garage Replacement fund legally appropriated for transfer to the General Fund; transfers from the Bond Premium Fund to the Garage Replacement fund for the purchase of capital assets.

Originating Fund	Recipient Fund	Amount
Internal Service Funds	General	$ 18,625,000
Enterprise Funds	General	1,115,000
Nonmajor Governmental	Internal Service Funds	4,293,603
		$ 24,033,603

As of June 30, 2011, receivable and payable balances remained between the primary government and the discretely presented component units. These balances and transactions are a result of the primary government's ongoing funding of the component units' capital and operating costs and a return of funding. Those balances and the payments from the primary government to or on behalf of these parties are presented as follows:

Receivables/Payables

Entity with Receivable	Entity with Payable	Amount
Board of Education	Primary Government	$ 23,623,492
Community College	Primary Government	1,942,781
Other Nonmajor	Primary Government	1,021,421
		$ 26,587,694

Primary Government Expenditures

Originating Entity	Recipient Entity	Amount
Primary Government	Board of Education	$ 656,211,924
Primary Government	Community College	41,444,567
Primary Government	Other Nonmajor	13,531,782
Community College	Primary Government	10,426,000
		$ 711,188,273

8 Bonded Debt and Other Obligations

The primary government's Statement of Net Assets includes short and long-term debt and obligations comprised of bond anticipation notes, general obligation bonds, special assessment debt, leases, installment purchase agreements, and liabilities related to State loans, unpaid insurance claims, compensated absences, and claims and judgments. Descriptions of certain of these obligations and the respective balances, debt service requirements, and changes during fiscal year 2011 are provided as follows.

A ***Bond Anticipation Notes*** **–** The County periodically incurs short-term debt by issuing bond anticipation notes in the form of commercial paper for the purchase of capital related assets. Notes are sold with an initial maturity from 1 to 270 days, and, on refinancing, at the notes' maturities, with additional notes marketed at then-current interest rates. This remarketing is backed for liquidity purposes by a letter of credit, the terms of which provide that no principal repayments are due by the County (if there is a call on the letter of credit) until the termination of the agreement, which is maintained at two years at all times. The original maturity date of this liquidity arrangement was November 22, 2013. The maturities of notes outstanding during fiscal year 2011 ranged from 13 to 118 days, and interest rates ranged from 0.18% to 0.32%. The County issued $68,920,000 of bond anticipation notes in November, 2010. The County paid off $66,720,000 bond anticipation notes on June 21, 2011 and has $2,200,000 of bond anticipation notes currently outstanding that will be paid off during fiscal year 2012.

B ***General County Debt –*** Substantially all long-term bonded debt is issued as general obligation bonds for the purchase of capital related assets and guaranteed by the full faith and credit of the County, subject to limitations set forth in section 710 (d) of the County Charter, which restricts the growth of revenue derived from property taxes. The following Governmental Debt table includes: General Obligation bonds, Tax Increment Bonds, Installment Purchase Agreements, and State and Federal Advances. Business Type Debt includes: Solid Waste Bonds and Water Wastewater Bonds. The debt service requirements for the bonds outstanding as of June 30, 2011 are presented as follows:

General County Debt

Year ending	Governmental		Business-type	
June 30,	Principal	Interest	Principal	Interest
2012	$ 69,329,922	$ 42,427,964	$ 23,788,968	$ 17,391,487
2013	67,740,121	39,777,199	24,131,529	16,819,426
2014	63,096,282	36,799,209	23,297,377	15,940,869
2015	59,456,507	34,002,295	22,349,913	14,985,031
2016	58,434,876	31,204,194	21,848,436	14,018,502
2017-2021	254,135,993	117,103,390	93,529,696	56,600,922
2022-2026	197,519,106	64,697,333	78,351,993	38,146,084
2027-2031	115,524,100	23,524,713	58,405,149	22,232,767
2032-2036	12,852,129	8,294,485	39,485,000	9,767,094
2037-2041	21,237,122	3,376,291	16,185,000	2,248,251
	$ 919,326,158	$ 401,207,073	$ 401,373,061	$ 208,150,433

C ***Tax Increment and Other Debt -*** As of June 30, 2011, there was $95,330,000 of Special Obligation Tax Increment Bonds payable from property tax revenue generated from assessment increases occurring since the formation of the tax increment districts. This debt is included in the primary government's long-term debt on the Statement of Net Assets. Except for the Parole Town Center issue with $2,000,000 outstanding, the County has pledged its full faith and credit for these bonds. During the fiscal year ended June 30, 2011, $27,357,047 of incremental property tax revenue was collected and available for debt service purposes as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances for the Nonmajor Governmental Funds. The table that follows outlines the debt service requirements for these bonds.

Year ending June 30,	Principal	Interest	Year ending June 30,	Principal	Interest
2012	$ 2,175,000	$ 5,192,942	2017-2021	$ 13,395,000	$ 22,681,454
2013	2,340,000	5,095,268	2022-2026	21,590,000	18,103,496
2014	1,430,000	5,010,210	2027-2031	20,515,000	11,702,592
2015	1,580,000	4,942,382	2032-2036	12,340,000	7,626,171
2016	1,720,000	4,868,807	2037-2041	18,245,000	2,971,994
				$ 95,330,000	$ 88,195,316

In addition, there were $5,286,000 and $15,442,331 of special tax district bonds related to the Farmington Village Project and the Villages of Dorchester outstanding as of June 30, 2011, respectively. The proceeds of these bonds were used to finance infrastructure improvements within the special districts. These bonds are payable solely from the proceeds of a special tax levied on parcels within the districts and are not backed by the County's full faith and credit. This debt does not appear on the Statement of Net Assets. The County acts only as a fiduciary in collecting the taxes and servicing the debt.

D ***State Loans*** – The County has interest free loans outstanding as of June 30, 2011 of $4,393,593. These loans were received from the State for waterway improvements. During fiscal year 2011, the County paid $244,724 for principal. The table that follows outlines the debt service requirements:

Year ended June 30,	Principal	Year ended June 30,	Principal
2012	$ 210,114	2017-2021	$ 1,029,730
2013	295,636	2022-2026	769,110
2014	295,635	2027-2031	638,543
2015	290,787	2032-2036	512,129
2016	290,787	2037-2041	61,122
			$ 4,393,593

Federal Loans – As of June 30, 2011, the County had one HUD Section 108 Loan outstanding for a community development capital improvement project. In September of 2006, the variable fixed rate loan was converted to a fixed rate long-term loan with scheduled principal payments of $410,000 due in August. The table that follows outlines the debt service requirements:

Year Ending June 30,	Principal	Interest
2012	$ 410,000	$ 10,291
Total	$ 410,000	$ 10,291

E ***Leases*** – The County has entered into lease agreements for assets that qualify as a capital lease for accounting purposes. These agreements have resulted in capital assets totaling $105,083 for computer equipment and a postage inserter, all of which are used for governmental activities. The net present value of these minimum lease payments as of June 30, 2011 and the future minimum lease obligations were as follows:

Year ending June 30,	Present Value of Minimum Lease Payments	Interest	Total Minimum Payments
2012	$ 26,563	$ 3,526	$ 30,089
2013	3,907	2,008	5,915
2014	3,907	2,009	5,916
	$ 34,377	$ 7,543	$ 41,920

The County has also entered into several operating lease arrangements for office space and equipment. All leases are cancelable at the option of the County. Many of the agreements contain renewal options, and some have rent escalation clauses. Total lease expenses for fiscal year 2011 were $3,104,915. Anne Arundel County has a fifty-year lease with the City of Annapolis for Eisenhower Golf Course. The lease terms state the rent shall be the sum of fifty percent (50%) of the annual net profits derived from the operation of the facilities. Because the amount varies, the future value of these lease payments is not included in the next table. The lease payments for fiscal years 2011 were $73,381. Minimum annual rental costs required by the leases are summarized as follows:

Year ending June 30,	Annual Rentals	Year ending June 30,	Annual Rentals
2012	$ 2,651,581	2017-2021	$ 1,943,707
2013	2,245,182	2022-2026	1,200,020
2014	1,921,609	2027-2031	1,200,016
2015	1,932,420	2032-2036	1,200,015
2016	1,064,496	2037-2041	380,146
			$ 15,739,192

F ***Installment Purchase Agreements*** – The County has instituted an Installment Purchase Program to facilitate County purchases of real property easements to maintain farmland and other open space. Under this program, the County signs long-term debt agreements with property holders with a minimal down payment, typically $1,000. Interest and nominal principal payments are made over the life of the agreement, and a balloon payment is due at the end of the term to pay off the remaining principal balance. To pay the balloon payment, the County purchases and reserves a zero coupon U.S. Treasury Strip. This investment matures when the agreement expires and effectively earns the same interest rate that the County pays on the debt. The debt requirements as of June 30, 2011 are presented as follows:

Year ended June 30,	Principal	Interest	Year ended June 30,	Principal	Interest
2012	$ 20,000	$ 723,578	2017-2021	$ 100,000	$ 3,613,615
2013	20,000	729,416	2022-2026	100,000	3,585,728
2014	20,000	728,300	2027-2031	10,434,000	2,007,761
2015	20,000	727,185	2032-2036	-	668,312
2016	20,000	726,070	2037-2041	2,931,000	404,297
				$ 13,665,000	$ 13,914,262

G ***Year-end Balances, Debt Limitations, and Authorized Debt*** - A summary of the debt issues currently outstanding is provided as follows:

	Due Dates	Interest Rates	Amount of Original Issue	Amount Outstanding
Governmental activities:				
General obligation bonds	2011-2031	1.00% to 6.50%	$ 1,136,925,152	$ 805,527,565
Tax increment district bonds	2011-2041	2.00% to 6.25%	102,875,000	95,330,000
Installment purchase agreements	2011-2041	4.55% to 6.00%	13,819,916	13,665,000
Loans payable	2011-2038	0% to 5.77%	7,626,301	4,803,593
Total governmental activities			1,261,246,369	919,326,158
Business-type activities:				
Water and wastewater serial bonds	2011-2041	1.00% to 6.00%	555,335,913	373,465,626
Solid waste serial bonds	2011-2031	1.50% to 6.00%	43,039,848	27,907,435
Total business-type activities			598,375,761	401,373,061
			$ 1,859,622,130	$ 1,320,699,219

The County Charter authorizes the County Council to approve the issuance of general obligation bonds and to set limits on bonds issued through ordinance. Based on the effective ordinance, bonds (other than water and sewer) are limited at 5.2% of the assessable basis of real property and 13% of the assessable base of personal property and certain operating real property of the County. In addition, general obligation water and sewer bonds are limited at 5.6% of the assessable basis of real property and 14% of the assessable base of personal property and certain operating real property within the County's sanitary district. As of June 30, 2011, a review of the legal debt limitations reveals the following:

	General Bonds (5.2%/13% Limitations)	Water and Wastewater (5.6%/14% Limitations)
Charter imposed limitation	$ 4,619,999,054	$ 4,572,420,967
Bonded debt outstanding		
Installment purchase agreements	13,665,000	-
General obligation-serial bonds	805,527,565	373,465,626
General obligation-serial bonds, Solid Waste	27,907,435	-
Tax increment bonds	95,330,000	-
Bond anticipation notes	2,200,000	
	944,630,000	373,465,626
Legal debt margin	$ 3,675,369,054	$ 4,198,955,341

As of June 30, 2011, the County had the authority to issue bonds in the amount of $710,135,331 more than bonds already issued, including $419,197,801 of water and wastewater series bonds and $7,736,398 of solid waste series bonds. This unused authority will be used to fund existing capital projects and those appropriated through the budgetary process.

H ***Loans Payable*** **–** On April 15, 2002, the Anne Arundel Community College Foundation finalized an agreement between Anne Arundel County, Maryland and The Bank of New York whereby the Foundation borrowed $16,090,000 from the issuance of revenue bonds by the County. The proceeds of the loan were used to finance the cost of the construction of educational facilities. Interest only payments were due semi-annually on September 1 and March 1 through March 2005. Principal payments began on September 1, 2005 with the final principal payment due on September 1, 2028. Interest on the bonds varies from 3.15% to 5.25%. The loan balance as of June 30, 2011 was $13,730,000. Scheduled principal payments due on the bonds payable for future years ending June 30 are shown as follows:

Year Ending June 30,	Principal Payments	Year Ending June 30,	Principal Payments	Year Ending June 30,	Principal Payments
2012	$ 450,000	2015	$ -	2022-2026	$ 3,460,000
2013	470,000	2016	-	2027-2031	6,645,000
2014	-	2017-2021	2,705,000		
					$ 13,730,000

I ***State Of Maryland Liability*** **–**Local income tax revenue in the amount of $32,663,346 is due to the State of Maryland to replenish the local income tax reserve fund.

J ***General County Due to Self insurance*** **–** The Government wide financial statements have recorded a liability in the amount of $9,641,023 that is due to the Self Insurance Fund. Of this amount, $2,309,677 is the unbilled portion of the allocation that is due from the Board of Education. The Board will reimburse the County over the next four years through the budgetary process. No amounts have been recorded by the Board since an apportionment has not yet been formalized.

K ***Changes in Debt and Obligations*** –The changes in the primary government's long-term liabilities are presented as follows:

	Balance June 30,2010	Additions	Reductions	Balance June 30,2011	Due Within One Year
Governmental activities:					
Bond anticipation notes	$ -	$ 60,720,000	$ 60,720,000	$ -	$ -
Bonds payable:					
General obligation bonds	742,131,620	117,500,000	54,104,055	805,527,565	66,514,808
Deferred refunding loss	(369,192)	-	(38,524)	(330,668)	15,041
Tax incremental and other debt	51,020,000	46,000,000	1,690,000	95,330,000	2,175,000
Total bonds payable	792,782,428	163,500,000	55,755,531	900,526,897	68,704,849
Federal and State loans	4,438,649	1,022,164	657,220	4,803,593	620,114
Capital leases	59,517	-	25,140	34,377	26,563
Installment purchase agreements	12,198,000	1,487,000	20,000	13,665,000	20,000
Unpaid insurance claims	79,648,857	99,422,935	100,670,432	78,401,360	18,204,360
OPEB obligation	176,767,352	62,604,862	-	239,372,214	-
State of Maryland liability	32,663,346	-	-	32,663,346	-
General County due to Self Insurance	7,347,875	2,318,957	25,809	9,641,023	2,410,256
Compensated absences	21,783,526	26,070,823	25,100,980	22,753,369	22,734,542
Total long-term	1,127,689,550	356,426,741	182,255,112	1,301,861,179	112,720,684
Total governmental activities	$ 1,127,689,550	$ 417,146,741	$ 242,975,112	$ 1,301,861,179	$ 112,720,684
Business-type activities:					
Bond anticipation notes	$ -	$ 8,200,000	$ 6,000,000	$ 2,200,000	$ 2,200,000
Bonds payable:					
General obligation bonds	365,381,967	57,014,587	21,023,493	401,373,061	23,788,968
Deferred refunding loss	(2,491,741)	-	(351,924)	(2,139,817)	(323,533)
Total bonds payable	362,890,226	57,014,587	20,671,569	399,233,244	23,465,435
OPEB obligation	15,628,158	6,427,442	-	22,055,600	-
Compensated absences	1,898,726	2,215,616	1,919,986	2,194,356	2,194,356
Total long-term	380,417,110	65,657,645	22,591,555	423,483,200	25,659,791
Total business-type activities	$ 380,417,110	$ 73,857,645	$ 28,591,555	$ 425,683,200	$ 27,859,791

L ***Advance Refundings*** – In prior years, the County in-substance defeased certain general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On June 30, 2011, $65,435,000 of governmental debt and $36,265,000 of business-type debt outstanding from prior years is considered defeased.

9 Governmental Fund Balance

The details of the fund balances are included in the Governmental Funds Balance Sheet. As discussed in Note 1, the County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

General Fund

The General Fund has Unassigned Fund Balance of $27,775,608 and an Assigned Fund Balance of $31,313,766 as of June 30, 2011. The Nonspendable Fund Balance of $1,952,362 is for inventory items. The Grants fund has a negative Unassigned Fund Balance in the amount of ($3,682,206). This is as a result of funds being expended in the current fiscal year and not being reimbursed by the grantor within 90 days for the modified accrual basis of accounting.

Other Major Funds

The Capital Projects Fund has Assigned Funds of $54,528,734 at June 30, 2011, consisting primarily of unspent bond funds. The Impact Fee Fund has Restricted Funds of $51,916,826 to be used for the construction of additional school capacity, road improvements and public safety facilities.

Other Funds

The following non-major funds have a Restricted Fund Balance designated for specific purposes:

Forfeiture and Asset Seizure Team: Law enforcement activities $919,028

Reforestation: Reforestation of County Properties $7,766,138

Laurel Racetrack Community benefit: Benefits services and facilities within three miles of Laurel Race Course $766,255

Circuit Court: Court House operations $60,801

The remaining Special Revenue Funds Restricted Fund Balances of $1,535,657, 9,191,684 and $1,094,519 relate to grants, capital projects and debt service, respectively. The restricted grant balance is comprised of the Grant Fund and Anne Arundel County Partnership for Children, Youth and Family. Committed Funds of $135,148 relates to Roads and Special Benefits; $376,727 relates to Storm Drain Fees: $893,164 relates to Erosion Districts; and $555,469 relates to Recreation and Land Fees.

The following funds have assigned fund balances; $2,330,099 relates to Street Lights and $5,835,676 relates to Installment Purchase Agreements.

Encumbrances

Encumbrance accounting is employed as part of the budgetary integration for the General Fund, special revenue funds, and capital projects funds. As of June 30, 2011, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances included in:	
	Restricted Fund Balance	Assigned Fund Balance
General Fund	$ -	$ 5,650,265
Grants Fund	1,344,929	-
Reforestation Fund	65,101	-
Street Light Fund	-	1,974,811
General County Capital Projects Fund	-	35,235,267
Intallment Purchase Agreements	-	5,000
Total	$ 1,410,030	$ 42,865,343

10 Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. In addition, governmental funds and governmental activities defer revenue recognition in connection with resources that have been received, but unearned. At the end of the current fiscal year, the components of unavailable revenue and unearned revenue were reported as follows:

Deferred Revenue Governmental Funds	Unavailable	Unearned	Total
General Fund			
Property Taxes	$ 2,018,288	$ -	$ 2,018,288
State Income Taxes	77,011,861	-	77,011,861
911 Fees	968,283	-	968,283
Grants			
General County Grants	2,780,702	-	2,780,702
Grant Drawdown's in excess of Expenditures	-	589,034	589,034
General Capital Projects Fund	3,984,039	-	3,984,039
Total	$ 86,763,173	$ 589,034	$ 87,352,207

11 Conduit Debt

The County has issued Industrial Revenue Bonds to provide financial assistance to third parties for the acquisition or construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on underlying mortgage loans. Upon repayment of the bonds, ownership of the facilities transfers to the private entity served by the bond issuance.

As of June 30, 2011, 154 Industrial Revenue Bonds series had been issued. The aggregate principal amounts payable for the six series issued after July 1, 1996 that are still outstanding was $24,058,071. The aggregate principal amounts payable for the 145 issued prior to July 1, 1996, could not be determined; however, the original issues totaled $582,700,000. The County is not obligated in any manner for payment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

12 Pension Plan

Most County employees participate in one of four single-employer defined benefit pension plans, which are in separate trust funds and administered by the Anne Arundel County Retirement and Pension System (Retirement System). The Retirement System issues a separate financial report for these plans. A copy of this report can be obtained from Anne Arundel County on the Personnel page of the County website at www.aacounty.org. Some County employees participate in two multi-employer cost sharing pension plans administered by the State. The County plans were established under authority created by County Charter and legislation, while the State plans were created by State legislation.

A ***Single Employer Defined Benefit Pension Plans -*** The Retirement System administers the Anne Arundel County Employees' Retirement Plan (Employees Plan), Anne Arundel County Police Service Retirement Plan (Police Plan), Anne Arundel County Fire Service Retirement Plan (Fire Plan), and Anne Arundel County Detention Officers' and Deputy Sheriffs' Pension Plan (Detention Plan). Although the assets of the plans are commingled for investment purposes, each plan's assets must be used for the payment of benefits to the participants within that plan, in accordance with the terms of the plan. All benefit provisions are established by County legislation. Each of the plans provides for cost of living adjustments to annual benefit payments.

Membership in each plan consisted of the following as of January 1, 2011, the date of the latest actuarial valuation:

	Employees Plan	Police Plan	Fire Plan	Detention Plan	Total
Retirees and beneficiaries receiving payments	1,325	583	427	164	2,499
Terminated plan members entitled to but not yet receiving payments	257	-	-	12	269
Deferred Retirement Option Program (DROP)	-	57	103	-	160
Active plan members	2,239	563	689	354	3,845
	3,821	1,203	1,219	530	6,773

Employees Plan - All permanent County employees not included in another pension plan and employees of Economic Development are eligible to participate in the Employees Plan. Benefits vest after five years of service. The normal retirement age is age 60 or when the employee has completed 30 years of service. Employees may elect one of two benefit structures. Tier One employees contribute 4% of their base salary to the plan. Tier Two employees make no employee contributions. At normal retirement, Tier One employees receive 2% of final average basic pay (defined as the participant's highest three annual basic pays out of the last five years) times the years and months of credited service, and 2% for unused disability leave and up to three years of pre-employment military service. The maximum benefit is 60% of final average basic pay, except participants may accrue benefits in excess of the 60% cap for credited disability leave and pre-employment military service. Tier Two employees receive 1% of final average earnings times the years and months of credited service. The plan also provides death and disability benefits.

Police Plan - Permanent County employees in police service are eligible to participate in the Police Plan. Benefits vest at 20 years of service or normal retirement age of 50 with five years of service for those hired on or after February 25, 2002, and 20 years of service or age 50 for those hired before that date. Employees who retire are entitled to an annual benefit in an amount equal to 2.5% of final basic pay (defined as the participant's highest three annual basic pays out of the last five years) for each year of service up to 20 years, plus 2% for each year of service between 20 and 30 years, and 2% for unused disability leave and up to three years of pre-employment military service. The maximum benefit is 70% of final average basic pay, except participants may accrue benefits in excess of the 70% cap for credited disability leave and pre-employment military service. Participants with 20 years service may elect normal retirement, regardless of age. The plan also provides death and disability benefits.

Participants in the Police Plan may participate in the deferred retirement option program (DROP) if they were actively employed by the County in a position covered by the plan and have completed 20 years of actual Plan service. The participant's initial DROP term is three years, but he or she may extend participation for two additional one-year terms. A DROP participant continues as an active employee of the County, but the participant no longer makes employee contributions to the plan and accrues no additional pension benefit. During the term of DROP participation, the participant's annual retirement benefit as of the date DROP participation begins is credited to the participant in an account earning 8% interest annually. Participants entering the DROP program subsequent to June 30, 2009 earn 4.25% annually. When the DROP participation ends and the employee terminates service to the County, the account balance is distributed to the participant.

Fire Plan - Permanent County employees in fire service are eligible to participate in the Fire Plan. Benefits vest at normal retirement age. Participants may retire when they have 20 years of service, regardless of age, or at age 50 with 5 years of actual service. Employees who retire are entitled to an annual benefit in an amount equal to 2.5% of final average basic pay (defined as the participant's highest three annual basic pays out of the last five years) for each year of service up to 20 years, plus 2% for each year of service between 20 and 30 years, and 2% for unused disability leave and up to three years of pre-employment military service. The maximum benefit is 70% of final earnings, except participants may accrue benefits in excess of the 70% cap for credited disability leave and pre-employment military service. The plan also provides death and disability benefits.

Through June 30, 2002, participants with 20 years of County service who are at least age 50 may participate in a DPOP with provisions similar to those described for the Police Plan, except that participants earn 8% on their account regardless of date of entry into the program. After June 30, 2002, any participant with 20 years of service may participate, regardless of age.

Detention Plan - Permanent County detention center officers and personnel and sheriff deputies are eligible to participate in the Detention Plan. Uniformed detention officers and deputy sheriffs are Category I participants, and other eligible employees are Category II participants. Category I participants hired on or after August 9, 2004 vest after 20 years of service. Category I participants hired before August 9, 2004 and Category II participants vest after five years of service. The normal retirement age for Category I participants is age 50 with five years of credited service or 20 years of credited service, regardless of age. The normal retirement age for Category II participants is age 50 with five years of credited service. Members are entitled to an annual benefit in the amount of 2.5% of final average basic pay (defined as the participant's highest three annual basic pays out of the last five years) for each year of service up to 20 years, plus 2% of final average basic pay for each additional year, and 2% for unused disability leave and up to three years of pre-employment military service. The maximum benefit is 70% of final earnings, except participants may accrue benefits in excess of the 70% cap for credited disability leave and pre-employment military service. The plan also provides death and disability benefits.

B Multiple-Employer Pension Plans - Primary government employees hired prior to July 1, 1969 who elected not to transfer to the Employees Plan and substantially all employees of the Board of Education, Library and Community College participate in plans of the State Retirement and Pension Systems of Maryland, which are multi-employer cost sharing defined benefit pension plans. The system plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

The State Retirement and Pension System of Maryland issues a financial report that includes financial statements and required supplementary information. That report may be obtained by writing to State Retirement Agency of Maryland, 120 East Baltimore Street, Baltimore, MD 21202.

C Funding Policy and Annual Pension Costs – The employee contribution requirements for each defined benefit plan in the Retirement System are set by County legislation. The County's annual contribution is based on annual actuarial valuations. The Required Supplementary Information following these notes presents multi-year trend information about whether the actuarial value of each plan's assets is increasing or decreasing relative to the actuarial accrued liability for benefits year to year over a three year period. It also discloses the funded status and funding progress of the defined benefit plans for the most recent valuation date. The following table provides the actuarial assumptions, funding methods and contributions related to the fiscal year 2011 financial statements.

	Employees Plan	**Police Plan**	**Fire Plan**	**Detention Plan**
Contribution rates:				
County	Legislated amount	Legislated amount	Legislated amount	Legislated amount
Plan members:				
Tier One	4.00%	5.00%	5.00%	5.00%
Tier Two	-	Not applicable	Not applicable	Not applicable
Annual Pension Cost (APC)	$17,490,119	$13,803,470	$14,209,656	$4,899,725
Contributions made	$17,490,119	$13,803,470	$14,209,656	$4,899,725
Actuarial valuation date	January 1, 2010	January 1, 2010	January 1, 2010	January 1, 2010
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll
Remaining amortization period	Range 24-30 yrs Average 27 yrs Closed	Range 24-30 yrs Average 27 yrs Closed	Range 23-30 yrs Average 27 yrs Closed	Range 24-30 yrs Average 27 yrs Closed
Asset valuation method	5-yr smoothed market	5-yr smoothed market	5-yr smoothed market	5-yr smoothed market
Actuarial assumptions:				
Investment rate of return	4.50%	4.50%	4.50%	4.50%
Inflation rate	3.50%	3.50%	3.50%	3.50%
Projected salary increases	Varies by age 4.0% to 7.0%	Varies by age 4.5% to 6.5%	Varies by age 4.5% to 7.0%	Varies by age 4.5% to 6.5%
Cost of living adjustments	3.0% pre 2/97 2.1% post 2/97	3.5% pre 2/97 2.1% post 2/97	3.5% pre 2/97 2.1% post 2/97	3.5% pre 2/97 2.1% post 2/97

The next table provides five-year trend data for contributions.

	Five Year Trend Information - Schedule of Employer Contributions Fiscal Year Ended June 30,				
	2007	2008	2009	2010	2011
Employees Plan					
Annual Pension Cost (APC)	$ 11,158,863	$ 12,399,400	$ 13,414,470	$ 17,078,045	$ 17,490,119
Percentage of APC Contributed	100.0%	100.0%	100.0%	100.0%	100.0%
Net Pension Obligation	$ -	$ -	$ -	$ -	$ -
Police Plan					
Annual Pension Cost (APC)	$ 10,217,584	$ 9,777,042	$ 11,268,277	$ 13,588,002	$ 13,803,470
Percentage of APC Contributed	100.0%	100.0%	100.0%	100.0%	100.0%
Net Pension Obligation	$ -	$ -	$ -	$ -	$ -
Fire Plan					
Annual Pension Cost (APC)	$ 10,725,662	$ 11,194,123	$ 11,185,312	$ 14,217,007	$ 14,209,656
Percentage of APC Contributed	100.0%	100.0%	100.0%	100.0%	100.0%
Net Pension Obligation	$ -	$ -	$ -	$ -	$ -
Detention Plan					
Annual Pension Cost (APC)	$ 3,644,678	$ 3,557,116	$ 4,019,403	$ 4,678,430	$ 4,899,725
Percentage of APC Contributed	100.0%	100.0%	100.0%	100.0%	100.0%
Net Pension Obligation	$ -	$ -	$ -	$ -	$ -

Certain participants in the State Retirement and Pension Systems (State plans) are required to contribute 2% to 7% of compensation to the plans. The County is required to contribute the remaining amounts necessary to fund the plans, except that the State pays the employer’s share of retirement costs on behalf of certain teachers, professional librarians, and related positions for the Board of Education, Library, and Community College, in accordance with State law. These amounts are shown as grant revenue and current expenses in the financial statements of these component units. County expenditures for those employees in the State plans for the years ended June 30, 2011, 2010, and 2009 equal the required contributions and are summarized as follows along with the State’s contribution on behalf on the employees discussed previously.

	Fiscal Year Ended June 30,		
	2011	**2010**	**2009**
County contributions:			
Primary Government	$ 1,525,610	$ 1,452,962	$ 1,383,773
Board of Education	8,676,048	7,154,856	6,314,840
Community College	334,674	316,825	262,863
State contributions on behalf of:			
Board of Education	71,593,291	62,628,729	50,559,262
Community College	3,619,650	3,105,354	2,473,590
Library	1,308,229	1,146,176	1,047,856
	$ 87,057,502	$ 75,804,902	$ 62,042,184

D ***Funded Status and Funding Progress -*** The funded status of each plan as of January 1, 2010, the actuarial valuation date related to the fiscal year 2011 contributions and financial statements, is as follows:

	(A) Actuarial Value of Assets	*(B) Actuarial Accrued Liability (AAL)*	*(B-A) Unfunded AAL (UAAL)*	(A/B) *Funded Ratio*	*(C) Covered Payroll*	**((A-B)/C)** *UAAL as a percentage of Covered Payroll*
Employee's Plan	$519,556,093	$598,841,131	$79,285,038	86.8%	$126,030,706	62.9%
Police Service Plan	432,176,036	487,458,733	55,282,697	88.7%	42,449,204	130.1%
Fire Service Plan	418,191,046	455,275,809	37,084,763	91.9%	49,064,454	75.6%
Det.Officers'& Sheriffs Plan	84,490,610	111,277,697	26,787,087	75.9%	20,203,895	132.5%

The schedules of funding progress, included as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

E ***Exposure to Derivatives*** - Derivative instruments are securities that derive value from another asset and are in the form of a contract between two or more parties. Common derivatives are futures contracts, forwards contracts, options, and swaps. The System has no direct exposure to derivative securities. There are, however, mutual funds, commingled funds, and other investment vehicles in which the System has a percentage ownership that have exposure to futures, currency forward contracts, commodity forward contracts, and total return swap contracts. These funds enter into derivative contracts as part of their investment strategies to mitigate risk and volatility.

A derivative policy statement is included in the Investment Policy Statement (IPS). Prohibited instruments include options, commodities, uncovered options or futures, uncovered short positions, short selling, and use of financial leverage. The derivative exposure as of 12/31/2010 within the mutual funds is comprised of allowable instruments based on the IPS.

F ***Commitments*** **-** The System has committed to fund various private equity investments totaling $90 million at December 31, 2010, of which $47.0 million remains unfunded. The expected funding dates for these commitments extend through 2021.

13 Other Post-employment Benefits

The primary government, the Board of Education, the Community College, and the Library administer single-employer defined benefit healthcare plans for retirees. The following provides a summary of the plans' descriptions and eligibility, funding policies and sources of authorization, annual cost and net obligations, and the actuarial methods and assumptions used in determining costs and liabilities. In addition, required supplementary information includes trend data about these plans. The Supplementary Information following these notes presents multi-year trend information about whether the actuarial value of each plan's assets is increasing or decreasing relative to the actuarial accrued liability for benefits year to year over a four year period. There is not a separate audited postemployment benefit report available.

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

A ***Plan Description, Eligibility, Authorization, and Funding Policy*** - The primary government provides a group health plan for employees and retirees under the authority of § 6-1-308 of the County Code. This health plan may be extended to other component units under § 6-1-309 of the County Code. The Community College and the Library provide retiree health insurance through participation in the County's health plans. The County collects premiums from these entities to offset the related costs. The County Code requires the County to pay 80% of the health coverage cost for County retirees and the Library pays 80% for Library retirees. County and Library retirees have the option of retaining dental and vision coverage, but must pay the full premium for these benefits.

Anne Arundel County Public Schools (AACPS) employees eligible to retire and receive Maryland State Retirement Agency (MSRA) benefits may be eligible for retiree healthcare benefits based on service criteria. In FY 2011, the Board funded 75% of the premiums for medical, prescription drug, and dental plans for employees hired on or before September 15, 2002. For employees hired after September 15, 2002, the Board funds a portion of the medical premium ranging from 25% with 10 years of service to 75% with 20 or more years of service, but no dental funding is available. No Board funding is provided for vision coverage regardless of service date. Active employees and retirees have the same medical, dental, and vision plans while retirees over 65 have three Medicare Supplemental Plans available. The retiree and active prescription plan co-payments differ. The retiree plan is evaluated separately based on claims experience however, a blended percentage increase has been applied to the retiree rates.

The Community College (the College) provides medical, dental, and vision benefits to eligible retirees who are enrolled in medical coverage at the time of retirement. The benefit levels, employee contributions, and employer contributions are governed by and may be amended by the College Board of Trustees. Retirees are eligible for these benefits if they have a minimum of 10 years of service and meet the eligibility requirement of their retirement plan, (Maryland State Retirement System or Optional plan). The College contributes to the cost of retirees' benefits at a rate of 2.5% for each year of service, and employees must have at least 10 years of service to qualify. The maximum paid by the College is 75%. Retirees have no vested rights to these benefits.

The number of individuals eligible to participate in the plans are presented as follows. Inactive individuals include both retirees and those who are terminated and vested.

	Active	Inactive	Total
Primary Government	3,996	2,236	6,232
Board of Education	8,489	3,924	12,413
College	260	247	507
Library	184	129	313
Total	12,929	6,536	19,465

***B* Funding Policy** - Neither the primary government nor the component units have established irrevocable trust funds and legally restricted any funds for these plans. The entities currently fund the retirees' healthcare costs on a pay-as-you-go basis. The County has established a Benefits Collaborative Study Group through resolution to review existing benefits, assess the impact of continued increases in the costs of these benefits on current and projected revenues and expenditures, determine the fair and equitable priorities in the reduction of the benefit costs and report to the County Executive and the County Council on these recommendations. The County anticipates utilizing a trust fund in the future to manage the retiree health care unfunded actuarial accrued liability.

***C* Annual OPEB Costs and Net OPEB Obligation** – The annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined using the projected unit credit cost method in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over an open period of thirty years. The net OPEB obligation has been recognized as a liability on the County's government-wide financial statements. The following table shows the primary government and the component units annual OPEB cost for the year and the amount actually contributed.

(Amounts shown in thousands)

		Primary Government		Board of Education		College		Library		Total
Actuarial accrued liability (AAL)	$	1,068,536	$	1,241,299	$	54,322	$	35,741	$	2,399,898
Actuarial value of plan assets		-		-		-		-		-
Unfunded actuarial accrued liability (end of year)	$	1,068,536	$	1,241,299	$	54,322	$	35,741	$	2,399,898
Annual Required Contribution	$	90,626	$	86,715	$	4,765	$	3,260	$	185,366
Interset on Net OPEB Obligations		7,696		3,469		543		264		11,972
Adjustment to ARC		(7,375)		533		(521)		(253)		(7,616)
Total Annual OPEB Cost		90,947		90,717		4,787		3,271		189,722
Less: Pay-As-You-Go Contribuitions		(21,915)		(29,558)		(945)		(865)		(53,283)
Increase in Net OPEB obligation		69,032		61,159		3,842		2,406		136,439
Net OPEB obligation beginning of year		192,396		124,359		13,580		6,605		336,940
Net OPEB obligation end of year	$	261,428	$	185,518	$	17,422	$	9,011	$	473,379
Percent of Annual OPEB Cost contributed		24.10%		32.58%		19.74%		26.44%		28.08%
Covered payroll	$	227,115	$	578,559	$	87,780	$	10,374	$	903,828

D ***Actuarial Methods and Assumptions*** - Projections of benefits for financial reporting purposes are based on the substantive plans (the plans as understood by the employers and plan members) and include the types of benefits provided at the time of the valuations and the historical pattern of sharing of benefit cost between the employer and plan member to that point. The actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Actuarial Assumptions for Primary Government

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Closed
Amortization Period	30 (as of July 1, 2009)
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions	
Discount Rate	4.00 %
Payroll Increase	3.50%
Medical Trend	Based on Society of Actuaries Long Term Medical Trend Model, the initial rate was 8 percent which is decreasing gradually. The rate in 2050 is 4.9 percent.

14 Risk Management

The County retains the risk of loss for workers' compensation and Directors and Officers coverage for the primary government, the Library, the Board of Education, and the Community College; general liability and vehicle liability coverage for the primary government, Library and the Board of Education; and health coverage for the primary government. The County purchases insurance coverage for real and personal property and money and security coverage, as well as school bus insurance for the bus contractors of the Board of Education. All insurance activities are recorded in the Self Insurance Fund, except for health activity, which is recorded in the Health Insurance Fund.

The Self Insurance Fund has recognized a liability at fiscal year-end for those claims where a loss has occurred and the amount of loss can be reasonably estimated. This estimate includes reserves for non-incremental claims adjustment expense. An actuarial review of all claims is used as the basis for determining the liability at the end of the year. Management, with the assistance of claims administrators, estimates the liabilities for the Health Insurance Fund. Both funds include estimated liabilities for claims that have been incurred but not reported. Claims are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. As of June 30, 2011 the Self Insurance Fund liability of $72,307,000 is discounted since discounting is more reflective of the nature of the claims. The Health Insurance Fund liability of $6,094,360 is undiscounted since claims will be paid within one year of the date incurred. Settlements have not exceeded coverage for each of the past three years. Changes in the balances of claims liabilities during fiscal years 2011 and 2010 were as follows:

	2011	2010
Liability balance, July 1	$ 79,648,857	$ 62,060,172
Current year claims and changes in estimates:		
Changes in estimates - prior periods	27,000	11,923,000
Changes in estimates - current year	99,395,935	94,533,171
Claims payments	(100,670,432)	(88,867,486)
Liability balance, June 30	$ 78,401,360	$ 79,648,857

15 Landfill Closure, Postclosure, and Remediation

The primary government has utilized three landfill sites; however, only one site, the Millersville Landfill, is still accepting trash. The others, Glen Burnie and Sudley, ceased accepting solid waste in 1983 and 1993, respectively. The Millersville site consists of nine individual cells. Cells 1 through 7 are closed, cell 8 is active and 84.4 % full, and cell 9 has not yet opened. Cells 8 and 9 have useful lives to at least 2014 and 2034, respectively. The table that follows presents the costs and liabilities related to all sites. The costs for cells 8 and 9 at the Millersville Landfill are determined by applying the percent of capacity used to the total estimated closure and postclosure costs.

	Millersville	Closed Sites	Total
Total costs:			
Closure	$ 53,149,948	$ 18,163,719	$ 71,313,667
Post closure	39,129,721	4,893,134	44,022,855
	92,279,669	23,056,853	115,336,522
Less:			
Amount recognized thru June 30, 2011	52,186,379	23,056,853	75,243,232
Costs remaining to be recognized	$ 40,093,290	$ -	$ 40,093,290
Liability recorded at June 30, 2011			
Closure	$ 10,602,306	$ -	$ 10,602,306
Current portion post closure	726,736	274,955	1,001,691
Post closure	19,789,364	4,618,179	24,407,543
	$ 31,118,406	$ 4,893,134	$ 36,011,540

The primary government accounts for landfill activities in the Solid Waste Fund. Management uses Federal and State regulations to estimate the costs of closure, remediation, and monitoring the landfills. These estimates are recorded at current costs and are management's best judgment of the minimum cost required to correct identified problems and close and remediate open cells. These estimates are subject to periodic reevaluation, and actual costs may differ due to inflation or deflation, changes in technology, or changes in applicable laws and regulations. Closure reserves increased by $827,422 and post closure reserves decreased by $504,959. These amounts include changes to the estimates in the reserves, payments, and other adjustments.

The primary government has financial assurance requirements that require the reservation of funds to pay landfill liabilities. The financial assurance reservation totaled $19,971,148 as of June 30, 2011.

16 Contingent Liabilities

A Impact Fees – As of June 30, 2011, the primary government held impact fees accumulated for construction of schools and roads in designated districts of the County. County legislation authorizes the collection of such fees. As of June 30, 2011, the County held $54,652,404 in impact fees. In addition, the County has entered into impact fee agreements with developers who provide offsite improvements designed to lessen the impact of development on the immediate community. Unredeemed impact fee credits totaled $6,433,293 as of June 30, 2011.

B Lawsuits – Certain current owners of property on which impact fees were paid in fiscal years 1988 through 1996 have pursued a class action suit against the County seeking refunds of development impact fees paid to the County during these fiscal years on grounds that they were not expended or encumbered in a timely manner under the County Code. The case was originally dismissed by the Circuit Court on July 26, 2001 but following an appeal, the Court of Special Appeals remanded the case to Circuit Court August 21, 2002. On December 15, 2006, the Circuit Court issued a judgment, finding that, without the consideration of encumbrances, impact fee refunds of $4,719,359, plus statutory interest, were due to the current owners of certain specified impact fee paying properties. On February 7, 2008, the Court of Special Appeals issued an opinion agreeing with the County's position regarding the use of encumbrances. After a clarifying opinion of the intermediate appellate court was issued on May 7, 2008 and a Court of Appeals decision on other issues was issued on May 6, 2009, the Court of Special Appeals remanded the case to the Circuit Court for a new determination of the amount of impact fee refunds with consideration of encumbrances. The Circuit Court held evidentiary hearings on various dates throughout 2010 and early 2011. On March 25, 2011, the Circuit Court issued a revised judgment finding that with consideration of encumbrance's impact fee refunds of $1,342,360 (subject to 5% interest from the date of payment of each impact fee) are due to the current owners of certain specified impact fee paying properties. At this time the County estimates that the interest will be approximately $1,400,000. This estimate was based on the assumptions that (1) every fee or portion of a fee that will be refunded was paid on January 1 of the fiscal year in which the fee was paid, and (2) the refunds will be paid on January 1, 2012. The actual dates of payment of the fees and the refunds have not yet been determined. Because of the significant reduction on remand of the award of impact fee refunds it is anticipated that the class plaintiffs will file another appeal.

In the opinion of the County Attorney, it is probable that the March 25, 2011 Circuit Court judgment will be affirmed, but the possibility that the loss might exceed $1,342,360 plus 5% interest from the date of payment of each impact fee as a result of an appeal by the class plaintiffs is remote. The County believes that its position is on solid legal grounds.

Two property owners have filed a class action complaint against the County seeking refunds of impact fees paid to the County in fiscal years subsequent to 1996 on grounds that they were not expended or encumbered in a timely manner under the County Code. The Circuit Court has declined to grant the requests of these two property owners that the case proceed as a class action. On November 4, 2011, four individuals moved to intervene as plaintiffs and seek to serve as class representatives in a class action. The County has opposed this motion to intervene on grounds that these four individuals do not have standing to intervene and proceed as additional plaintiffs because they are not the current owners of property on which impact fees were paid subsequent to fiscal year 1996 that are available for refund. At this juncture, however, the likelihood of a loss in any specified amount cannot be characterized as either probable or remote.

On November 14, 2011, four individuals served a new class action complaint on the County seeking refunds of impact fees paid to the County in fiscal years subsequent to 1996 on grounds that they were not expended or encumbered in a timely manner under the County Code. The County believes that these individuals do not have standing to pursue an assumpsit claim or proceed as representatives of a putative class because they are not the current owners of property on which impact fees were paid subsequent to 1996 that are available for refund. At this juncture, however, the likelihood of a loss in any specified amount cannot be characterized as either probable or remote.

The County is a party to other legal proceedings that normally occur in governmental operations. Such proceedings include developer's claims, property damage, employee liability, and workers compensation. These proceedings are not, in the opinion of the County Attorney, likely to have a material, adverse impact on the financial position of the County as a whole, as reserves for losses have been established in the Self Insurance Fund.

C ***Federal Financial Assistance*** - The County 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. Any disallowances as a result of these audits become a liability of the fund that received the grants. As of June 30, 2011, the County estimates that no material liabilities will result from such audits.

D ***Open commitments on construction contracts and purchase orders -*** The County 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. Any disallowances as a result of these audits become a liability of the fund that received the grants. As of June 30, 2011, the County estimates that no material liabilities will result from such audits.

17 Subsequent Events

A ***Other Post-employment Benefits*** - A Benefits Collaborative Study Group was established by resolution 50-11 effective September 6, 2011. The purpose of the Study Group was to review existing benefits, assess the impact of continued increases in the costs of these benefits on current and projected revenues and expenditures, determine the fair and equitable priorities in the reduction of the benefit costs, and report to the County Executive and the County Council on these recommendations. An interim report was issued on October 31, 2011 and a final report is due on December 31, 2011.

B ***Income Taxes*** - For calendar year 2012, legislation was passed by the County Council that lowered the local income tax rate to 2.49%. The legislation will sunset at January 1, 2013 and the rate will revert to 2.56%. The anticipated revenue loss is $4,000,000 for both fiscal years 2012 and 2013 for a total of $8,000,000.

The information below is intended to help users assess pension plan funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems.

Schedule of Funding Progress

		(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL)	(B-A) Unfunded AAL (UAAL)	(A/B) Funded Ratio	(C) Covered Payroll	((A-B)/C) UAAL as a Percentage of Covered Payroll
Employees Retirement Plan:							
January 1,	2009	488,275,803	568,194,980	79,919,177	85.9%	124,803,488	64.0%
	2010	519,556,093	598,841,131	79,285,038	86.8%	126,030,706	62.9%
	2011	522,165,145	627,269,587	105,104,442	83.2%	123,498,129	85.1%
Police Service Retirement Plan:							
January 1,	2009	408,261,502	463,681,196	55,419,694	88.0%	41,508,547	133.5%
	2010	432,176,036	487,458,733	55,282,697	88.7%	42,499,380	130.1%
	2011	435,891,125	502,001,669	66,110,544	86.8%	42,449,204	155.7%
Fire Service Retirement Plan:							
January 1,	2009	390,551,359	436,520,858	45,969,499	89.5%	48,824,352	94.2%
	2010	418,191,046	455,275,809 [1]	37,084,763	91.9%	49,064,454	75.6%
	2011	425,830,155	464,489,607	38,659,452	91.7%	47,840,812	80.8%
Detention Officers' and Deputy Sheriffs' Pension Plan:							
January 1,	2009	76,525,847	98,485,152	21,959,305	77.7%	19,785,653	111.0%
	2010	84,490,610	111,255,025 [1]	26,764,415	75.9%	20,203,895	132.5%
	2011	87,911,133	119,767,203	31,856,070	73.4%	19,310,216	165.0%
State Retirement and Pension System of Maryland ***(dollar amounts in thousands):***							
June 30,	2008	39,504,284	50,244,047	10,739,763	78.6%	10,542,806	101.9%
	2009	34,284,569	50,729,171	18,444,603	65.0%	10,714,168	172.2%
	2010	34,688,345	54,085,081	19,396,735	64.1%	10,657,944	182.0%

Note 1 Revised for increased employee contribution levels negotiated subsequent to initial reporting.

Notes to Required Supplementary Information

A. Analysis of the dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of pension plan funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the pension plan.

B. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of pension plan progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the pension plan.

C. The actuarial value of assets is determined by spreading the asset gain or loss over a five year period and the results of prior year investment gains or losses could have an impact on the funding ratio for the current and future years.

The information below is intended to help users assess other post-retirement benefits funding status on a going-concern basis, and assess progress made in accumulating assets to pay benefits when due.

Schedule of Funding Progress

(Amounts shown in thousands)

		(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL)	(B - A) Unfunded AAL (UAAL)	(A / B) Funded Ratio	(C) Covered Payroll	(B - A/ C) UAAL as a % of Covered Payroll
Primary Government:							
June 30,	2008	$ -	$ 991,940	$ 991,940	0.0%	$ 219,048	453%
	2009	-	1,284,474	1,284,474	0.0%	233,637	550%
	2010	-	990,107	990,107	0.0%	233,947	423%
	2011	-	1,068,536	1,068,536	0.0%	227,115	470%
Board of Education:							
June 30,	2008	-	1,033,327	1,033,327	0.0%	513,254	201%
	2009	-	1,054,803	1,054,803	0.0%	577,427	183%
	2010	-	1,096,678	1,096,678	0.0%	578,530	190%
	2011	-	1,241,299	1,241,299	0.0%	578,559	215%
College:							
June 30,	2008	-	61,463	61,463	0.0%	72,571	85%
	2009	-	65,995	65,995	0.0%	83,530	79%
	2010	-	50,843	50,843	0.0%	84,569	60%
	2011	-	54,322	54,322	0.0%	87,780	62%
Library:							
June 30,	2008	-	35,932	35,932	0.0%	10,500	342%
	2009	-	45,426	45,426	0.0%	10,910	416%
	2010	-	32,999	32,999	0.0%	10,540	313%
	2011	-	35,741	35,741	0.0%	10,374	345%

Combining Fund Statements, Budgetary Schedules, and Other Supporting Schedules

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Anne Arundel County, Maryland

Detail Schedule of Revenues - Estimated and Actual (Non-GAAP Basis)

General Fund

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
GENERAL PROPERTY TAXES				
Real and personal taxes	$ 552,189,000	$ 552,189,000	$ 548,529,350	$ (3,659,650)
Interest and penalties	1,611,000	1,611,000	1,321,617	(289,383)
	553,800,000	553,800,000	549,850,967	(3,949,033)
LOCAL INCOME TAXES	363,000,000	363,000,000	363,798,661	798,661
STATE SHARED TAXES				
Highway user	800,000	800,000	1,973,072	1,173,072
Admissions	8,500,000	8,500,000	8,662,488	162,488
Auto-boat	5,000	5,000	2,170	(2,830)
	9,305,000	9,305,000	10,637,730	1,332,730
RECORDATION AND TRANSFER TAXES				
Recordation	30,000,000	30,000,000	28,416,385	(1,583,615)
Transfer	30,000,000	30,000,000	29,584,062	(415,938)
	60,000,000	60,000,000	58,000,447	(1,999,553)
LOCAL SALES TAXES				
Electricity	5,000,000	5,000,000	5,124,367	124,367
Gas	650,000	650,000	750,940	100,940
Telephone	6,000,000	6,000,000	6,328,677	328,677
Fuel	55,000	55,000	53,070	(1,930)
Hotel-motel	13,500,000	13,500,000	13,661,393	161,393
Parking	5,650,000	5,650,000	5,556,500	(93,500)
Trailer park rental pmts	940,000	940,000	930,612	(9,388)
	31,795,000	31,795,000	32,405,559	610,559

Anne Arundel County, Maryland

Detail Schedule of Revenues - Estimated and Actual (Non-GAAP Basis)

General Fund

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
LICENSES AND PERMITS				
Amusements	245,000	245,000	225,233	(19,767)
Special events	7,000	7,000	9,500	2,500
Beer, wine, liquor	832,000	832,000	823,477	(8,523)
Trade licenses	276,600	276,600	279,580	2,980
Traders	800,000	800,000	850,174	50,174
Permits	8,972,000	8,972,000	10,702,738	1,730,738
Fines	130,600	130,600	75,852	(54,748)
Mobile home parks	33,600	33,600	31,390	(2,210)
Taxicabs	114,000	114,000	112,191	(1,809)
Animal control	335,000	335,000	329,243	(5,757)
Other	2,210,600	2,210,600	2,319,939	109,339
Health department	1,247,500	1,247,500	1,039,922	(207,578)
Public space	868,000	868,000	790,210	(77,790)
	16,071,900	16,071,900	17,589,449	1,517,549
INVESTMENT INCOME	850,000	850,000	383,525	(466,475)
INTER-FUND RECOVERIES	81,724,700	81,724,700	79,509,397	(2,215,303)
OTHER REVENUES				
Sale of surplus property	50,000	50,000	23,331	(26,669)
Health department fees	1,687,100	1,687,100	1,924,237	237,137
Certification of liens	70,000	70,000	61,150	(8,850)
Recreation and parks	11,417,300	11,417,300	9,609,422	(1,807,878)
Developers fees - street lighting	50,000	50,000	42,726	(7,274)
Sheriff	90,000	90,000	92,175	2,175
Sub-division	1,000,000	1,000,000	1,159,276	159,276
Administrative fees	7,130,000	7,130,000	7,591,676	461,676
Rental income	973,000	973,000	1,164,394	191,394
Cable fees	7,840,000	7,840,000	8,951,457	1,111,457
Reimbursements	11,747,000	11,747,000	11,569,620	(177,380)
Fines and fees	600,000	600,000	804,011	204,011
Miscellaneous	9,068,600	9,068,600	11,833,085	2,764,485
	51,723,000	51,723,000	54,826,560	3,103,560
Total revenues	$ 1,168,269,600	$ 1,168,269,600	$ 1,167,002,295	$ (1,267,305)

Anne Arundel County, Maryland

Detail Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Basis)

General Fund

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)	
EDUCATION					
Board of Education	$ 603,260,000	$ 603,260,000	$ 603,260,000	$ -	
Community College	37,822,700	37,822,700	37,822,700	-	
	641,082,700	641,082,700	641,082,700	-	
PUBLIC SAFETY					
Police	100,814,700	100,214,700	98,521,981	1,692,719	
Fire	93,144,200	92,444,200	91,814,008	630,192	
Detention Facilities	40,368,600	40,368,600	39,002,113	1,366,487	
	234,327,500	233,027,500	229,338,102	3,689,398	
GENERAL GOVERNMENT					
County Executive	3,855,700	3,855,700	3,755,767	99,933	
Chief Administrative Officer	7,547,600	4,539,100	1,430,571	3,108,529	*
Office of Budget	867,900	867,900	860,128	7,772	
Office of Finance	6,807,500	7,057,500	6,839,898	217,602	
Office of Finance (non departmental)	28,765,500	28,765,500	31,303,643	(2,538,143)	**
Mandated Transfers	957,000	957,000	1,058,485	(101,485)	**
Central Services	18,269,300	18,069,300	17,647,696	421,604	
Personnel	5,754,900	6,054,900	5,953,407	101,493	
Information Technology	14,716,800	14,716,800	14,668,184	48,616	
Law	3,480,400	3,510,400	3,494,889	15,511	
Legislative Branch	3,470,700	3,470,700	3,147,033	323,667	
Ethics Commission	167,600	167,600	164,386	3,214	
Board of Election Supervisors	4,779,200	4,779,200	3,966,633	812,567	
	99,440,100	96,811,600	94,290,720	2,520,880	
HEALTH AND HUMAN SERVICES					
Health	30,289,100	30,289,100	29,035,565	1,253,535	
Social Services	4,949,300	4,949,300	4,548,542	400,758	
Services for the Aging	8,604,600	8,604,600	8,492,156	112,444	
Other Grants	1,246,000	1,248,500	1,256,499	(7,999)	*
	45,089,000	45,091,500	43,332,762	1,758,738	
PUBLIC WORKS	33,605,800	37,605,800	37,075,569	530,231	
RECREATION AND COMMUNITY SERVICES					
Recreation and Parks	23,630,000	23,630,000	22,715,923	914,077	
Public Library System	11,459,100	11,459,100	11,459,100	-	
	35,089,100	35,089,100	34,175,023	914,077	

Anne Arundel County, Maryland

Detail Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Basis)

General Fund

Year Ended June 30, 2011

		Original Budget		Final Budget		Actual		Variance Positive (Negative)	
JUDICIAL									
States Attorney		8,516,000		8,516,000		8,428,438		87,562	
Sheriffs Office		7,321,400		7,321,400		7,098,631		222,769	
Circuit Court		4,412,300		4,438,300		4,598,012		(159,712)	
Orphans Court		120,400		120,400		118,530		1,870	
Total Judicial		20,370,100		20,396,100		20,243,611		152,489	
LAND USE AND DEVELOPMENT									
Planning and Zoning		7,948,200		7,948,200		7,866,103		82,097	
Office of Administrative Hearings		249,900		249,900		248,943		957	
Cooperative Extension Service		223,800		223,800		190,960		32,840	
		8,421,900		8,421,900		8,306,006		115,894	
CODE ENFORCEMENT									
Inspections and Permits		10,864,000		10,764,000		10,731,579		32,421	
Board of License Commissioners		643,100		643,100		607,295		35,805	
		11,507,100		11,407,100		11,338,874		68,226	
DEBT SERVICE		45,400,200		45,400,200		42,682,043		2,718,157	**
Total expenditures and encumbrances	$	1,174,333,500	$	1,174,333,500	$	1,161,865,410	$	12,468,090	

** Chief Administrative Office and Other Grants are broken out on this statement but combined on the legally adopted budget.*

***Office of Finance (Non Departmental), Mandated Transfers and Debt Service are broken out on this statement but combined on the legally adopted budget.*

Nonmajor Governmental Funds

The Primary Government has three major governmental funds, the General Fund, the Impact Fee Fund, and the General County Capital Projects Fund. All of these funds have been fully described in the footnotes to the basic financial statements. The combining statements in this section include several nonmajor funds. Descriptions for these nonmajor governmental funds are provided below.

Special Revenue Funds

Forfeiture and Asset Seizure Team – This fund accounts for assets seized in narcotics investigations. The funds are used for County police and the State's Attorney's activities related to narcotics investigation and enforcement.

Road and Special Benefits Districts – The fund accounts for special community benefit taxes collected on behalf of special districts via County property tax collection. The County disburses the money to the community agency or acts as disbursing agent for the community, for the purposes established by the district.

Anne Arundel County Partnership for Children, Youth, and Families – This fund accounts for the grant funds received from the State to be used for various youth and family programs as established by the Anne Arundel County Partnership for Children, Youth and Families.

Reforestation – This fund segregates the funds collected from developers for reforestation of County properties. The fund collects fees in lieu of replanting and holds deposits until developer replanting is completed. Disbursements pay the costs of the program, including costs to replant, identification of properties for purchase and preservation, and administration of the program.

Laurel Racetrack Community Benefit - This fund accounts for special racing revenues received from the Maryland Racing Commission. The funds are used to help services and facilities within three miles of the Laurel Race Course.

Workforce Development – This fund accounts for grant monies collected by the County and passed through to the Workforce Development Corporation.

Arundel Community Development Services – This fund accounts for grant monies collected by the County and passed through to Arundel Community Development Services, Inc.

Grants – This fund accounts for grant monies collected by the County through the following departments: Chief Administrative Office, Circuit Court, Fire, Health, Police, Planning and Zoning, Sheriff's Office, Social Services, State's Attorney's Office, Aging, and Detention Facilities.

Circuit Court – This fund accounts for the proceeds of forfeitures and attorney appearance fees. State law dedicated these proceeds, funding a variety of court house operations.

Park Place Tax Increment – This fund accumulates the incremental property taxes related to the Park Place Tax Increment District, created in 2004. The funds are used to reimburse the City of Annapolis for its debt service related to capital improvements within the district.

Erosion Districts - This fund accounts for collections of assessments on certain communities for ongoing erosion control. The taxes are levied at the request of the community, and disbursements are made based on invoices approved by the community's representative.

Capital Projects Funds

Storm Drain Fees – This fund segregates storm drain fees collected from certain developers and restricted for use in construction and / or repair of storm drain systems throughout the County. The funds are typically used as a revenue source on storm drain capital projects.

Street Light – This fund is used to account for installation of street lights. The County collects fees from developers and pays a vendor to install and maintain the lights once development is complete.

Nonmajor Governmental Funds (continued)

Recreation Land Fees – This fund accounts for certain fees paid by developers in lieu of establishing recreation land in smaller subdivisions.

Bond Premium – This fund accounts for the balances reserved for Debt, Capital Projects, and the Garage fund.

Debt Service Funds

Nursery Road Tax Increment – This fund accumulates the incremental property tax revenues related the Nursery Road Tax Increment District created in 1983. The funds are used to pay the principal and interest on the original and the recent issues of debt, the proceeds of which funded capital improvements within the district. Any unused funds revert to the General Fund at the end of the fiscal year.

West County Tax Increment – This fund accumulates the incremental property tax revenues related to the West County Development District, created in 1997. The funds are being used to pay the debt service costs on debt issued to provide improvements within the district.

Arundel Mills Tax Increment – This fund accumulates the incremental property taxes related to the Arundel Mills Tax District, created in 1999. The funds are being used to pay the debt service on debt issued to provide capital improvements within the district.

Parole Tax Increment – This fund accumulates the incremental property taxes related to the Parole Tax Increment District, created in 2000. The funds are used to pay debt service or construction costs related to capital improvements within the district.

National Business Park North Tax Increment – This fund accumulates the incremental property tax revenues related to the National Business Park North Development District, created in 2011. The funds are being used to pay the debt service costs on debt issued to provide improvements within the district.

Village South at Waugh Chapel Tax Increment – This fund accumulates the incremental property tax revenues related to the Village South at Waugh Chapel Development District, created in 2011. The funds are being used to pay the debt service costs on debt issued to provide improvements within the district.

Special Taxing Districts – This fund accounts for the accumulation of resources and the payment of principal on non-interest bearing loans from the State Department of Natural Resources. These loan proceeds are used for district improvements to waterways.

Installment Purchase Agreements – This fund accumulates County funds dedicated to the purchase of easements for the Agricultural and Woodland Preservation Programs.

Anne Arundel County, Maryland

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2011

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF	Reforestation	Laurel Racetrack Community Benefit
ASSETS					
Cash and investments	$ 838,113	$ 136,270	$ 436,994	$ 12,539,582	$ 592,111
Receivables					
Due from other governmental agencies (net of allowances)	-	-	118,674	-	-
Other, net	95,500	768	-	-	174,144
Total assets	$ 933,613	$ 137,038	$ 555,668	$ 12,539,582	$ 766,255
LIABILITIES					
Accounts payable and accrued liabilities	$ 14,585	$ 1,890	$ 337,847	$ 18,027	$ -
Due to General Fund	-	-	-	-	-
Escrow and other deposits	-	-	-	4,755,417	-
Deferred revenue	-	-	27,093	-	-
Total liabilities	14,585	1,890	364,940	4,773,444	-
FUND BALANCES					
Non spendable	-	-	-	-	-
Restricted	919,028	-	190,728	7,766,138	766,255
Committed	-	135,148	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	919,028	135,148	190,728	7,766,138	766,255
Total liabilities and fund balances	$ 933,613	$ 137,038	$ 555,668	$ 12,539,582	$ 766,255

	Special Revenue Funds						Capital Projects Funds
	Workforce Development	Arundel Community Development Services	Grants	Circuit Court	Park Place Tax Increment	Erosion Districts	Storm Drain Fees
	$ -	$ -	$ 494,946	$ 205,564	$ 60,903	$ 930,058	$ 376,727
	45,042	1,939,092	5,401,432	-	-	-	-
	88,071	-	38,867	10,174	-	1,097	-
	$ 133,113	$ 1,939,092	$ 5,935,245	$ 215,738	$ 60,903	$ 931,155	$ 376,727
	$ -	$ 1,570,821	$ 1,449,682	$ -	$ 60,903	$ 37,991	$ -
	133,113	368,271	3,480,197	-	-	-	-
	-	-	-	154,937	-	-	-
	-	-	3,342,643	-	-	-	-
	133,113	1,939,092	8,272,522	154,937	60,903	37,991	-
	-	-	-	-	-	-	-
	-	-	1,344,929	60,801	-	-	-
	-	-	-	-	-	893,164	376,727
	-	-	-	-	-	-	-
	-	-	(3,682,206)	-	-	-	-
	-	-	(2,337,277)	60,801	-	893,164	376,727
	$ 133,113	$ 1,939,092	$ 5,935,245	$ 215,738	$ 60,903	$ 931,155	$ 376,727

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2011

	Capital Projects Funds			Debt Service Funds	
	Street Light	Recreational Land Fees	Bond Premium	Nursery Road Tax Increment	West County Tax Increment
ASSETS					
Cash and investments	$ 2,463,058	$ 555,469	$ 9,191,684	$ -	$ 90
Receivables					
Due from other governmental agencies (net of allowances)	-	-	-	-	-
Other, net	-	-	-	-	-
Total assets	$ 2,463,058	$ 555,469	$ 9,191,684	$ -	$ 90
LIABILITIES					
Accounts payable and accrued liabilities	$ 132,959	$ -	$ -	$ -	$ 90
Due to General Fund	-	-	-	-	-
Escrow and other deposits	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	132,959	-	-	-	90
FUND BALANCES					
Non spendable	-	-	-	-	-
Restricted	-	-	9,191,684	-	-
Committed	-	555,469	-	-	-
Assigned	2,330,099	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	2,330,099	555,469	9,191,684	-	-
Total liabilities and fund balances	$ 2,463,058	$ 555,469	$ 9,191,684	$ -	$ 90

Debt Service Funds							
Arundel Mills Tax Increment	Parole Tax Increment	NBP North Tax Increment	Village South Tax Increment	Special Taxing Districts	Installment Purchase Agreements	Totals
$ 128	$ 102,720	$ 13,539	$ 309,951	$ 667,593	$ 5,840,676	$ 35,756,176
-	-	-	-	-	-	7,504,240
-	-	-	-	716	-	409,337
$ 128	$ 102,720	$ 13,539	$ 309,951	$ 668,309	$ 5,840,676	$ 43,669,753
$ 128	$ -	$ -	$ -	$ -	$ 5,000	$ 3,629,923
-	-	-	-	-	-	3,981,581
-	-	-	-	-	-	4,910,354
-	-	-	-	-	-	3,369,736
128	-	-	-	-	5,000	15,891,594
-	-	-	-	-	-	-
-	102,720	13,539	309,951	668,309	-	21,334,082
-	-	-	-	-	-	1,960,508
-	-	-	-	-	5,835,676	8,165,775
-	-	-	-	-	-	(3,682,206)
-	102,720	13,539	309,951	668,309	5,835,676	27,778,159
$ 128	$ 102,720	$ 13,539	$ 309,951	$ 668,309	$ 5,840,676	$ 43,669,753

Anne Arundel County, Maryland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2011

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF	Reforestation	Laurel Racetrack Community Benefit
REVENUES					
General property taxes	$ -	$ -	$ -	$ -	$ -
Grants and aid	-	-	1,414,465	-	-
Local sales taxes	-	-	-	-	-
Commissary sales	-	-	-	-	-
Seized / forfeited funds	812,619	-	-	-	-
Special community benefit taxes	-	5,605,657	-	-	-
Fees and commissions	-	-	-	4,028,331	174,144
Investment income	1,180	-	1,325	-	560
Other	-	-	800	-	-
Total revenues	813,799	5,605,657	1,416,590	4,028,331	174,704
EXPENDITURES					
Current					
Public safety	189,626	-	-	-	-
General government	-	-	-	-	-
Health and human services	-	-	1,516,618	-	-
Public works	-	-	-	-	-
Recreation and community services	-	5,605,257	-	-	573,100
Judicial	-	-	-	-	-
Land use and development	-	-	-	649,462	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Interest payments on debt	-	-	-	-	-
Principal payments on debt	-	-	-	-	-
Total expenditures	189,626	5,605,257	1,516,618	649,462	573,100
Revenues over (under) expenditures	624,173	400	(100,028)	3,378,869	(398,396)
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Transfers out					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	(1,011,890)	-
Erosion Districts Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Issuance of refunding issue	-	-	-	-	-
Issuance of bonds	-	-	-	-	-
Premiums from sale of bonds	-	-	-	-	-
Transfers to internal service fund	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(1,011,890)	-
Net change in fund balances	624,173	400	(100,028)	2,366,979	(398,396)
Fund balances, July 1	294,855	134,748	290,756	5,399,159	1,164,651
Fund balances, June 30	$ 919,028	$ 135,148	$ 190,728	$ 7,766,138	$ 766,255

	Special Revenue Funds						Capital Projects Funds
	Workforce Development	Arundel Community Development Services	Grants	Circuit Court	Park Place Tax Increment	Erosion Districts	Storm Drain Fees
	$ -	$ -	$ -	$ -	$ 989,471	$ -	$ -
	1,263,395	9,021,640	28,621,065	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	237,109	-
	-	-	-	-	-	-	362,465
	-	-	-	-	3,336	-	-
	-	-	1,334,847	156,343	-	-	-
	1,263,395	9,021,640	29,955,912	156,343	992,807	237,109	362,465
	-	-	4,092,203	-	-	-	-
	-	-	524,693	-	1,036,376	-	-
	1,263,395	-	23,216,360	-	-	-	-
	-	-	-	-	-	-	-
	-	9,291,640	5,000	-	-	-	-
	-	-	2,318,005	156,671	-	-	-
	-	-	523,035	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	135,107	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,263,395	9,291,640	30,679,296	156,671	1,036,376	135,107	-
	-	(270,000)	(723,384)	(328)	(43,569)	102,002	362,465
	-	270,000	908,230	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	(750,000)
	-	-	-	-	-	-	-
	-	-	-	-	-	(172,613)	-
	-	-	-	-	-	-	-
	-	-	-	-		-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	270,000	908,230	-	-	(172,613)	(750,000)
	-	-	184,846	(328)	(43,569)	(70,611)	(387,535)
	-	-	(2,522,123)	61,129	43,569	963,775	764,262
	$ -	$ -	$ (2,337,277)	$ 60,801	$ -	$ 893,164	$ 376,727

(continued)

Anne Arundel County, Maryland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)

Nonmajor Governmental Funds

Year Ended June 30, 2011

	Capital Projects Funds			Debt Service Funds	
	Street Light	Recreation Land Fees	Bond Premium	Nursery Road Tax Increment	West County Tax Increment
REVENUES					
General property taxes	$ -	$ -	$ -	$ 4,581,694	$ 4,687,889
Grants and aid	-	-	-	-	-
Local sales taxes	-	-	-	-	-
Commissary sales	-	-	-	-	-
Seized / forfeited funds	-	-	-	-	-
Special community benefit taxes	-	-	-	-	-
Other fees and commissions	438,923	52,303	-	-	-
Investment income	-	-	-	15,686	10,903
Other	2,953	-	-	-	-
Total revenues	441,876	52,303	-	4,597,380	4,698,792
EXPENDITURES					
Current					
Public safety	-	-	-	-	-
General government	-	-	798,195	3,640	16,316
Health and human services	-	-	-	-	-
Public works	392,117	-	-	-	-
Recreation and community services	-	-	-	-	-
Judicial	-	-	-	-	-
Land use and development	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Interest payments on debt	-	-	-	95,117	746,025
Principal payments on debt	-	-	-	80,000	380,000
Total expenditures	392,117	-	798,195	178,757	1,142,341
Revenues over (under) expenditures	49,759	52,303	(798,195)	4,418,623	3,556,451
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Transfers out					
General Fund	(400,000)	-	(4,785,530)	(4,418,623)	(3,612,343)
General County Capital Projects Fund	-	(30,278)	(1,000,000)	-	-
Erosion Districts Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Proceeds from refunding issue	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	
Premiums from sale of bonds	-	-	9,361,054	-	-
Garage Replacement Fund	-	-	(4,293,603)	-	-
Payments to escrow agent	-	-	-	-	-
Total other financing sources (uses)	(400,000)	(30,278)	(718,079)	(4,418,623)	(3,612,343)
Change in fund balances	(350,241)	22,025	(1,516,274)	-	(55,892)
Fund balances, July 1	2,680,340	533,444	10,707,958	-	55,892
Fund balances, June 30	$ 2,330,099	$ 555,469	$ 9,191,684	$ -	$ -

Arundel Mills Tax Increment	Parole Tax Increment	NBP North Tax Increment	Village South Tax Increment	Special Taxing Districts	Installment Purchase Agreements	Totals
		Debt Service Funds				
$ 4,647,953	$ 12,127,464	$ 13,493	$ 309,083	$ -	$ -	$ 27,357,047
-	-	-	-	-	-	40,320,565
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	812,619
-	-	-	-	416,606	-	6,259,372
-	-	-	-	-	-	5,056,166
10,797	29,256	46	868	-	-	73,957
-	-	-	-	-	-	1,494,943
4,658,750	12,156,720	13,539	309,951	416,606	-	81,374,669
-	-	-	-	-	-	4,281,829
12,607	5,200	-	-	-	-	2,397,027
-	-	-	-	-	-	25,996,373
-	-	-	-	-	-	392,117
-	-	-	-	169,888	-	15,644,885
-	-	-	-	-	-	2,474,676
-	-	-	-	-	193,967	1,366,464
-	-	-	-	-	-	-
-	-	-	-	-	-	135,107
1,497,456	123,250	-	-	-	663,988	3,125,836
300,000	930,000	-	-	244,723	20,000	1,954,723
1,810,063	1,058,450	-	-	414,611	877,955	57,769,037
2,848,687	11,098,270	13,539	309,951	1,995	(877,955)	23,605,632
-	-	-	-	-	961,000	2,139,230
-	-	-	-	172,613	-	172,613
-	-	-	-	-	-	-
-	-	-	-	-	-	-
						-
(2,848,687)	(10,995,550)	-	-	-	-	(27,060,733)
-	-	-	-	-	-	(2,792,168)
-	-	-	-	-	-	-
-	-	-	-	-	-	(172,613)
-	-	-	-	-	-	-
						-
-	-	-	-	-	-	9,361,054
-	-	-	-	-	-	(4,293,603)
-	-	-	-	-	-	-
(2,848,687)	(10,995,550)	-	-	172,613	961,000	(22,646,220)
-	102,720	13,539	309,951	174,608	83,045	959,412
-	-	-	-	493,701	5,752,631	26,818,747
$ -	$ 102,720	$ 13,539	$ 309,951	$ 668,309	$ 5,835,676	$ 27,778,159

Anne Arundel County, Maryland

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Special Revenue Funds

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
FORFEITURE AND ASSET SEIZURE TEAM				
Revenues				
Seized and forfeited funds	$ 191,000	$ 191,000	$ 812,619	$ 621,619
Investment income			1,180	1,180
	191,000	191,000	813,799	622,799
Expenditures				
Public safety	191,000	191,000	189,626	1,374
	191,000	191,000	189,626	1,374
Revenues over (under) expenditures	-	-	624,173	$ 624,173
Fund balance, budgetary, July 1	294,855	294,855	294,855	
Fund balance, budgetary, June 30	$ 294,855	$ 294,855	$ 919,028	
ROADS AND SPECIAL BENEFITS				
Revenues				
Special community benefit taxes	$ 5,587,319	$ 5,587,319	$ 5,605,657	$ 18,338
Expenditures				
Recreation and community services	8,483,229	8,513,129	5,605,257	2,907,872
Revenues over (under) expenditures	(2,895,910)	(2,925,810)	400	$ 2,926,210
Fund balance, budgetary, July 1	134,748	134,748	134,748	
Fund balance, budgetary, June 30	$ (2,761,162)	$ (2,791,062)	$ 135,148	
ANNE ARUNDEL COUNTY PARTNERSHIP FOR CHILDREN, YOUTH & FAMILIES				
Revenues				
Grants and aid	$ 3,057,300	$ 3,057,300	$ 1,414,465	$ (1,642,835)
Investment income	-	-	1,325	1,325
Other	-	-	800	800
	3,057,300	3,057,300	1,416,590	(1,640,710)
Expenditures				
Health and human services	3,257,300	3,257,300	1,516,618	1,740,682
Revenues over (under) expenditures	(200,000)	(200,000)	(100,028)	$ 99,972
Fund balance, budgetary, July 1	290,756	290,756	290,756	
Fund balance, budgetary, June 30	$ 90,756	$ 90,756	$ 190,728	

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Special Revenue Funds

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REFORESTATION				
Revenues				
Commissions and fees	$ 1,350,000	$ 1,350,000	$ 4,028,331	$ 2,678,331
Expenditures				
Land use and development	3,661,300	3,661,300	1,669,430	1,991,870
Revenues over (under) expenditures	(2,311,300)	(2,311,300)	2,358,901	$ 4,670,201
Fund balance, budgetary, July 1	5,342,136	5,342,136	5,342,136	
Fund balance, budgetary, June 30	$ 3,030,836	$ 3,030,836	$ 7,701,037	
LAUREL RACETRACK COMMUNITY BENEFIT				
Revenues				
Fees and commissions	$ 250,000	$ 250,000	$ 174,144	$ (75,856)
Other	-	-	560	560
	250,000	250,000	174,704	(75,296)
Expenditures				
Recreation and community services	1,573,100	1,573,100	573,100	1,000,000
Revenues over (under) expenditures	(1,323,100)	(1,323,100)	(398,396)	$ 924,704
Fund balance, budgetary, July 1	1,164,651	1,164,651	1,164,651	
Fund balance, budgetary, June 30	$ (158,449)	$ (158,449)	$ 766,255	
WORKFORCE DEVELOPMENT				
Revenues				
Grants and aid	$ 906,000	$ 1,600,000	$ 1,263,395	$ (336,605)
Expenditures				
Health and human services	906,000	1,600,000	1,263,395	336,605
Revenues over (under) expenditures	-	-	-	$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	$ -	$ -	$ -	

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Special Revenue Funds

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
ARUNDEL COMMUNITY DEVELOPMENT SERVICES				
Revenues				
Grants and aid	$ 6,140,800	$ 6,254,100	$ 6,253,882	$ (218)
Expenditures				
Recreation and community services	6,140,800	6,254,100	6,253,882	218
Revenues over (under) expenditures	-	-	-	$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	$ -	$ -	$ -	
GRANTS				
Revenues				
Grants and aid	$ 30,951,100	$ 35,510,700	$ 28,686,984	$ (6,823,716)
Fees, General Fund contributions and other	2,237,600	2,598,900	2,458,113	(140,787)
	33,188,700	38,109,600	31,145,097	(6,964,503)
Expenditures				
Public safety	4,308,900	6,997,900	3,496,021	3,501,879
General government	271,500	762,900	524,693	238,207
Health and human services	24,521,900	25,894,900	23,684,393	2,210,507
Recreation and community services	10,000	15,000	5,000	10,000
Judicial	2,730,900	2,814,500	2,318,005	496,495
Land use and development	1,393,100	1,404,700	627,350	777,350
Code enforcement	-	35,000	-	35,000
	33,236,300	37,924,900	30,655,462	7,269,438
Revenues over (under) expenditures	(47,600)	184,700	489,635	$ 304,935
Fund balance, budgetary, July 1	(1,145,322)	(1,145,322)	(1,145,322)	
Fund balance, budgetary, June 30	$ (1,192,922)	$ (960,622)	$ (655,687)	
CIRCUIT COURT				
Revenues				
Bond Forfeited Funds	$ 181,000	$ 181,000	$ 156,343	$ (24,657)
Expenditures				
Circuit Court	181,000	181,000	156,671	24,329
Revenues over (under) expenditures	-	-	(328)	$ (328)
Fund balance, budgetary, July 1	61,129	61,129	61,129	
Fund balance, budgetary, June 30	$ 61,129	$ 61,129	$ 60,801	

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Special Revenue Funds

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
PARK PLACE TAX INCREMENT DISTRICT				
Revenues				
General property taxes	$ 1,097,000	$ 1,097,000	$ 989,471	$ (107,529)
Investment income	3,000	3,000	3,336	336
	1,100,000	1,100,000	992,807	(107,193)
Expenditures				
Other	1,100,000	1,100,000	1,036,376	63,624
Revenues over (under) expenditures	-	-	(43,569)	$ (43,569)
Fund balance, budgetary, July 1	43,569	43,569	43,569	
Fund balance, budgetary, June 30	$ 43,569	$ 43,569	$ -	
EROSION DISTRICTS				
Revenues				
Special community benefit taxes	$ 239,114	$ 239,114	$ 237,109	$ (2,005)
Expenditures				
Capital outlay	677,271	677,271	135,107	542,164
Revenues over (under) expenditures	(438,157)	(438,157)	102,002	$ 540,159
Fund balance, budgetary, July 1	791,162	791,162	791,162	
Fund balance, budgetary, June 30	$ 353,005	$ 353,005	$ 893,164	

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)

Erosion Districts Fund

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Cedarhurst	$ 53,440	$ 53,440	$ 55,011	$ 1,571
Columbia Beach	42,195	42,195	42,743	548
Franklin Manor	49,200	49,200	49,554	354
Idlewilde	-	-	-	-
Riviera Beach	90,144	90,144	85,666	(4,478)
Snug Harbor	4,135	4,135	4,135	-
Total revenues	$ 239,114	$ 239,114	$ 237,109	$ (2,005)
EXPENDITURES				
Cedarhurst	$ 80,840	$ 80,840	$ 33,201	$ 47,639
Columbia Beach	246,837	246,837	21,410	225,427
Franklin Manor	145,959	145,959	27,210	118,749
Idlewilde	21,000	21,000	-	21,000
Riviera Beach	176,500	176,500	53,079	123,421
Snug Harbor	6,135	6,135	207	5,928
Total expenditures	$ 677,271	$ 677,271	$ 135,107	$ 542,164

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

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Anne Arundel County, Maryland

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)

Roads and Special Benefit Districts

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Amberly	$ 10,000	$ 10,000	$ 10,056	$ 56
Annapolis Roads - Roads	328,146	328,146	330,108	1,962
Arundel on the Bay-Special Benefits	134,100	134,100	134,581	481
Avalon Shores - Special Benefits	29,902	29,902	29,851	(51)
Bay Highlands - Roads	62,200	62,200	63,576	1,376
Bay Ridge - Special Officer	231,742	231,742	231,742	-
Beverly Beach - Special Benefits	-	-	-	-
Bittersweet	5,500	5,500	5,500	-
Cape Anne - Special Benefits	7,700	7,700	7,550	(150)
Cape St. Claire-Special Benefits	218,215	218,215	218,120	(95)
Capetown	44,004	44,004	44,004	-
Carrolton Manor	80,100	80,100	80,700	600
Cedarhurst-Special Benefits	126,920	126,920	130,652	3,732
Chartwell-Special Benefits	44,286	44,286	44,286	-
Columbia Beach - Roads	39,431	39,431	39,943	512
Crofton - Special Benefits	765,870	765,870	773,413	7,543
Deale Beach - Special Benefits	6,322	6,322	6,288	(34)
Eden Woods - Special Benefits	4,800	4,800	4,800	-
Epping Forest - Special Benefits	245,760	245,760	261,465	15,705
Fairhaven Cliffs - Special Benefits	3,500	3,500	3,500	-
Felicity Cove - Special Benefits	12,600	12,600	12,600	-
Franklin Manor - Special Benefits	49,200	49,200	49,554	354
Gibson Island - Roads	311,600	311,600	287,042	(24,558)
Greenbriar Gardens	9,095	9,095	9,095	-
Greenbriar II	21,000	21,000	21,000	-
Heritage Pool	38,760	38,760	38,760	-
Hillsmere Estates - Roads	219,449	219,449	222,579	3,130
Holland Point - Special Officer	-	-	58	58
Hunters Harbor - Roads	16,200	16,200	16,200	-
Idlewild	9,775	9,775	9,775	-
Indian Hills (Winchester)-Special Benefits	90,900	90,900	91,162	262
Landhaven - Special Benefits	4,213	4,213	4,213	-
Little Magothy River	35,350	35,350	35,700	350
Long Point on the Severn - Roads	13,750	13,750	13,750	-
Magothy Beach	4,000	4,000	4,000	-
Magothy Forge	4,859	4,859	4,859	-
Manhattan Beach - Roads	74,875	74,875	74,750	(125)
Owings Beach - Roads	10,395	10,395	10,515	120
Oyster Harbor - Roads	321,280	321,280	327,348	6,068
Parke West-Special Benefits	44,205	44,205	44,205	-
Pine Grove Village Special Benefits	11,040	11,040	11,040	-
Pines on the Severn	42,584	42,584	42,584	-
Provinces - Special Benefits	10,560	10,560	10,548	(12)
Queen's Park - Special Benefits	35,818	35,818	35,898	80
Rockview Beach / Riviera Isles	8,970	8,970	8,931	(39)
Selby on the Bay - Roads	77,490	77,490	77,580	90
Severn Grove	7,706	7,706	7,263	(443)
Severndale - Special Benefits	6,549	6,549	6,549	-
Sherwood Forest - Special Benefits	998,789	998,789	995,860	(2,929)
Shoreham Beach - Roads	32,200	32,200	32,200	-
South River Heights - Roads	11,078	11,078	11,078	-
South River Manor-Special Benefits	4,500	4,500	4,500	-
South River Park - Roads	33,900	33,900	33,900	-
Steedman Point - Roads	3,750	3,750	3,750	-
Stone Haven	813	813	813	-
Sylvan View on the Magothy	12,762	12,762	12,762	-
Upper Magothy Beach	14,750	14,750	14,750	-
Venice Beach - Roads	25,480	25,480	25,664	184
Venice on the Bay	6,090	6,090	6,090	-
Warthen Knolls	34,106	34,106	34,105	(1)
Wilenor	22,800	22,800	22,800	-
Woodland Beach / Londontowne	499,280	499,280	503,392	4,112
Woodland Beach / Pasadena	6,300	6,300	6,300	-
Total revenues	$ 5,587,319	$ 5,587,319	$ 5,605,657	$ 18,338

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)

Roads and Special Benefit Districts

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
Amberly	$ 49,972	$ 49,972	$ 10,053	$ 39,919
Annapolis Roads - Roads	426,257	426,257	330,074	96,183
Arundel on the Bay-Special Benefits	215,223	215,223	133,900	81,323
Avalon Shores - Special Benefits	55,588	55,588	29,841	25,747
Bay Highlands - Roads	110,400	110,400	63,850	46,550
Bay Ridge - Special Officer	231,743	231,743	231,743	-
Beverly Beach - Special Benefits	-	29,900	29,900	-
Bittersweet	8,327	8,327	5,490	2,837
Cape Anne - Special Benefits	12,350	12,350	7,516	4,834
Cape St. Claire-Special Benefits	263,461	263,461	218,333	45,128
Capetown	44,004	44,004	43,989	15
Carrolton Manor	85,395	85,395	81,830	3,565
Cedarhurst-Special Benefits	129,920	129,920	131,555	(1,635)
Chartwell-Special Benefits	84,611	84,611	44,360	40,251
Columbia Beach - Roads	62,698	62,698	39,974	22,724
Crofton - Special Benefits	1,308,653	1,308,653	772,975	535,678
Deale Beach - Special Benefits	7,161	7,161	6,377	784
Eden Woods - Special Benefits	14,898	14,898	4,800	10,098
Epping Forest - Special Benefits	581,087	581,087	261,560	319,527
Fairhaven Cliffs - Special Benefits	11,873	11,873	550	11,323
Felicity Cove - Special Benefits	28,130	28,130	12,600	15,530
Franklin Manor - Special Benefits	109,200	109,200	49,550	59,650
Gibson Island - Roads	431,682	431,682	296,700	134,982
Greenbriar Gardens	20,279	20,279	9,096	11,183
Greenbriar II	21,000	21,000	20,969	31
Heritage Pool	48,856	48,856	38,763	10,093
Hillsmere Estates - Roads	269,848	269,848	222,640	47,208
Holland Point - Special Officer	27,245	27,245	-	27,245
Hunters Harbor - Roads	17,825	17,825	16,197	1,628
Idlewild	9,789	9,789	9,774	15
Indian Hills (Winchester)-Special Benefits	128,026	128,026	91,165	36,861
Landhaven - Special Benefits	11,211	11,211	4,211	7,000
Little Magothy River	129,350	129,350	35,695	93,655
Long Point on the Severn - Roads	15,059	15,059	13,748	1,311
Magothy Beach	5,130	5,130	4,000	1,130
Magothy Forge	5,212	5,212	4,827	385
Manhattan Beach - Roads	89,898	89,898	74,800	15,098
Owings Beach - Roads	46,142	46,142	20,858	25,284
Oyster Harbor - Roads	945,200	945,200	327,668	617,532
Parke West-Special Benefits	75,861	75,861	2,000	73,861
Pine Grove Village Special Benefits	12,105	12,105	10,948	1,157
Pines on the Severn	54,932	54,932	42,590	12,342
Provinces - Special Benefits	28,368	28,368	10,552	17,816
Queen's Park - Special Benefits	41,818	41,818	35,761	6,057
Rockview Beach / Riviera Isles	11,179	11,179	8,917	2,262
Selby on the Bay - Roads	164,271	164,271	76,450	87,821
Severn Grove	7,706	7,706	7,233	473
Severndale - Special Benefits	31,357	31,357	6,548	24,809
Sherwood Forest - Special Benefits	998,789	998,789	993,225	5,564
Shoreham Beach - Roads	32,410	32,410	32,200	210
South River Heights - Roads	15,854	15,854	11,058	4,796
South River Manor-Special Benefits	14,532	14,532	4,815	9,717
South River Park - Roads	40,898	40,898	33,895	7,003
Steedman Point - Roads	5,455	5,455	187	5,268
Stone Haven	2,400	2,400	809	1,591
Sylvan View on the Magothy	41,388	41,388	12,758	28,630
Upper Magothy Beach	27,892	27,892	14,748	13,144
Venice Beach - Roads	100,859	100,859	25,658	75,201
Venice on the Bay	15,095	15,095	6,084	9,011
Warthen Knolls	34,106	34,106	34,105	1
Wilenor	67,371	67,371	22,800	44,571
Woodland Beach / Londontowne	588,580	588,580	503,700	84,880
Woodland Beach / Pasadena	7,300	7,300	6,285	1,015
Total expenditures	$ 8,483,229	$ 8,513,129	$ 5,605,257	$ 2,907,872

Anne Arundel County, Maryland

Schedule of Funding Sources Authorized and Realized (Non-GAAP Basis)

General County Capital Projects

Year Ended June 30, 2011

	Total	School Construction	Higher Education	Storm Drains	Recreation
AUTHORIZED PER ORIGINAL BUDGET					
County bonds	$ 851,860,212	$ 446,316,141	$ 30,038,000	$ 17,014,645	$ 35,116,346
Grants and aid	294,498,965	152,762,431	18,981,000	410,000	63,947,095
Contributions from other funds	220,097,773	120,347,189	9,148,667	1,875,606	15,579,524
Special fees	24,446,728	46,000	-	-	-
Impact fees	67,007,150	36,073,400	-	-	-
Other sources	18,501,948	300,000	-	530,800	2,423,455
Total	$ 1,476,412,776	$ 755,845,161	$ 58,167,667	$ 19,831,051	$ 117,066,420
AUTHORIZED PER FINAL BUDGET					
County bonds	$ 717,117,862	$ 435,252,141	$ 18,905,000	$ 15,282,154	$ 30,064,176
Grants and aid	254,884,272	146,090,431	6,766,000	410,000	50,759,222
Contributions from other funds	204,135,550	120,347,189	4,116,000	1,646,492	9,814,751
Special fees	131,446,728	46,000	-	-	-
Impact fees	61,411,150	29,637,400	-	-	-
Other sources	17,502,820	300,000	-	530,800	2,423,455
Total	1,386,498,382	731,673,161	29,787,000	17,869,446	93,061,604
Less: Completed projects	167,056,120	100,569,708	-	2,208,385	12,555,006
	1,219,442,262	631,103,453	29,787,000	15,661,061	80,506,598
REALIZED					
Current year					
Bonds and bond anticipation notes	118,987,000	76,540,000	6,900,000	1,700,000	1,600,000
Grants and aid	15,541,177	-	347,499	-	6,705,466
Contributions from the general fund	(1,710,000)	2,265,500	(386,000)	100,000	480,000
Special fees	47,819,900	-	-	-	-
Impact fees	2,067,031	(226,000)	-	-	-
Other sources	4,261,111	300,000	-	-	1,042,168
Total	186,966,219	78,879,500	6,861,499	1,800,000	9,827,634
Prior years	723,715,582	387,133,570	7,299,413	9,892,951	64,222,801
Total realized funding sources	910,681,801	466,013,070	14,160,912	11,692,951	74,050,435
Less: Completed projects and adjustments	159,540,415	93,204,811	-	2,180,216	12,532,124
	751,141,386	372,808,259	14,160,912	9,512,735	61,518,311
Funding sources authorized - June 30, 2011	$ 468,300,876	$ 258,295,194	$ 15,626,088	$ 6,148,326	$ 18,988,287

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Libraries	Roads and Bridges	Police and Fire	Waterway Improvements	Other
$ 828,131	$ 117,853,889	$ 19,036,200	$ 28,772,743	$ 156,884,117
204,000	13,212,983	8,376,000	18,396,364	18,209,092
8,507,872	2,573,869	3,532,319	6,547,359	51,985,368
-	16,000,728	-	-	8,400,000
-	30,183,750	750,000	-	-
-	6,061,505	-	6,776,675	2,409,513
$ 9,540,003	$ 185,886,724	$ 31,694,519	$ 60,493,141	$ 237,888,090
$ 828,131	$ 111,241,559	$ 18,272,200	$ 25,676,866	$ 61,595,635
149,560	13,019,291	8,376,000	15,931,257	13,382,511
5,201,016	2,416,635	3,037,319	6,332,848	51,223,300
-	728	-	-	131,400,000
-	31,023,750	750,000	-	-
-	6,051,505	-	6,100,047	2,097,013
6,178,707	163,753,468	30,435,519	54,041,018	259,698,459
1,801,577	28,113,825	11,898,188	5,089,986	4,819,445
4,377,130	135,639,643	18,537,331	48,951,032	254,879,014
250,000	22,700,000	1,360,000	2,800,000	5,137,000
90,069	3,291,188	186,610	480,916	4,439,429
1,856,000	(539,000)	(864,000)	(2,780,725)	(1,841,775)
-	-	-	-	47,819,900
-	2,293,031	-	-	-
-	12,301	-	1,772,164	1,134,478
2,196,069	27,757,520	682,610	2,272,355	56,689,032
3,895,106	80,395,507	25,433,871	31,542,669	113,899,694
6,091,175	108,153,027	26,116,481	33,815,024	170,588,726
1,801,578	28,090,200	11,884,862	5,035,474	4,811,150
4,289,597	80,062,827	14,231,619	28,779,550	165,777,576
$ 87,533	$ 55,576,816	$ 4,305,712	$ 20,171,482	$ 89,101,438

Anne Arundel County, Maryland

Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Basis)

General County Capital Projects

Year Ended June 30, 2011

APPROPRIATIONS	Total	School Construction	Higher Education	Storm Drains
Original Budget	$ 1,476,412,776	$ 755,845,161	$ 58,167,667	$ 19,831,051
Final Budget				
Prior years	$ 1,155,282,340	$ 619,266,461	$ 17,555,000	$ 14,743,446
Current year	231,216,042	112,406,700	12,232,000	3,126,000
	1,386,498,382	731,673,161	29,787,000	17,869,446
Less: Completed projects	167,056,120	100,569,708	-	2,208,385
Total appropriations	1,219,442,262	631,103,453	29,787,000	15,661,061
EXPENDITURES AND ENCUMBRANCES				
Prior years expenditures and transfers	684,442,226	367,979,049	7,672,201	9,826,236
Current year expenditures	66,502,560	-	-	1,899,260
Operating transfers	101,473,791	93,851,924	7,621,867	-
	852,418,577	461,830,973	15,294,068	11,725,496
Less: Completed projects	159,579,475	93,224,846	-	2,208,385
Total	692,839,102	368,606,127	15,294,068	9,517,111
Encumbrances outstanding	35,235,267	-	-	1,148,192
Total expenditures and encumbrances	728,074,369	368,606,127	15,294,068	10,665,303
Unencumbered appropriations - June 30, 2011	$ 491,367,893	$ 262,497,326	$ 14,492,932	$ 4,995,758

Recreation		Libraries		Roads and Bridges		Police and Fire		Waterway Improvements		Other
$ 117,066,420	$	9,540,003	$	185,886,724	$	31,694,519	$	60,493,141	$	237,888,090
$ 84,870,604	$	4,322,707	$	159,118,464	$	31,480,519	$	52,317,689	$	171,607,450
8,191,000		1,856,000		4,635,004		(1,045,000)		1,723,329		88,091,009
93,061,604		6,178,707		163,753,468		30,435,519		54,041,018		259,698,459
12,555,006		1,801,577		28,113,825		11,898,188		5,089,986		4,819,445
80,506,598		4,377,130		135,639,643		18,537,331		48,951,032		254,879,014
60,422,593		3,016,114		81,038,955		24,288,993		25,777,083		104,421,002
11,144,972		2,725,921		22,968,898		799,838		4,495,264		22,468,407
-		-		-		-		-		-
71,567,565		5,742,035		104,007,853		25,088,831		30,272,347		126,889,409
12,545,836		1,801,577		28,089,858		11,884,862		5,007,305		4,816,806
59,021,729		3,940,458		75,917,995		13,203,969		25,265,042		122,072,603
3,325,263		28,995		17,104,937		3,456,175		2,884,151		7,287,554
62,346,992		3,969,453		93,022,932		16,660,144		28,149,193		129,360,157
$ 18,159,606	$	407,677	$	42,616,711	$	1,877,187	$	20,801,839	$	125,518,857

Anne Arundel County, Maryland

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Non Major Capital Projects

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
STREET LIGHT				
Revenues				
Developer fees	$ 1,000,000	$ 1,000,000	$ 438,923	$ (561,077)
Other	-	-	4,896	4,896
	1,000,000	1,000,000	443,819	(556,181)
Expenditures				
Public works	1,400,000	1,400,000	1,186,397	213,603
Revenues over (under) expenditures	(400,000)	(400,000)	(742,578)	$ (342,578)
Fund balance, budgetary, July 1	1,097,866	1,097,866	1,097,866	
Fund balance, budgetary, June 30	$ 697,866	$ 697,866	$ 355,288	
BOND PREMIUM				
Revenues				
Misc Income - Premium	$ 11,769,000	$ 11,769,000	$ 9,361,054	$ (2,407,946)
	11,769,000	11,769,000	9,361,054	(2,407,946)
Expenditures				
Capital expenditures	6,185,275	6,185,275	5,293,603	891,672
Interest payments on debt	4,785,530	4,785,530	4,785,530	-
Other	798,195	798,195	798,195	-
	11,769,000	11,769,000	10,877,328	891,672
Revenues over (under) expenditures	-	-	(1,516,274)	$ (1,516,274)
Fund balance, budgetary, July 1	-	-	-	
Amount not previously budgeted	-	-	10,707,958	
Fund balance, budgetary, June 30	$ -	$ -	$ 9,191,684	

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Debt Service Funds

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
NURSERY ROAD TAX INCREMENT DISTRICT				
Revenues				
General property taxes	$ 5,224,000	$ 5,224,000	$ 4,581,694	$ (642,306)
Investment income	15,000	15,000	15,686	686
	5,239,000	5,239,000	4,597,380	(641,620)
Expenditures				
Contractual services	10,000	10,000	3,640	6,360
Interest payments on debt	96,000	96,000	95,117	883
Principal payments on debt	80,000	80,000	80,000	-
Other	5,053,000	5,053,000	4,418,623	634,377
	5,239,000	5,239,000	4,597,380	641,620
Revenues over (under) expenditures	-	-	-	$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	$ -	$ -	$ -	
WEST COUNTY TAX INCREMENT DISTRICT				
Revenues				
General property taxes	$ 4,829,000	$ 4,829,000	$ 4,687,889	$ (141,111)
Investment income	10,000	10,000	10,903	903
	4,839,000	4,839,000	4,698,792	(140,208)
Expenditures				
Contractual services	46,000	46,000	16,316	29,684
Interest payments on debt	747,000	747,000	746,025	975
Principal payments on debt	380,000	380,000	380,000	-
Other	3,666,000	3,666,000	3,612,343	53,657
	4,839,000	4,839,000	4,754,684	84,316
Revenues over (under) expenditures	-	-	(55,892)	$ (55,892)
Fund balance, budgetary, July 1	55,892	55,892	55,892	
Fund balance, budgetary, June 30	$ 55,892	$ 55,892	$ -	
ARUNDEL MILLS TAX INCREMENT DISTRICT				
Revenues				
General property taxes	$ 4,685,000	$ 4,685,000	$ 4,647,953	$ (37,047)
Investment income	10,000	10,000	10,797	797
	4,695,000	4,695,000	4,658,750	(36,250)
Expenditures				
Contractual services	66,000	66,000	12,607	53,393
Interest payments on debt	1,497,500	1,497,500	1,497,456	44
Principal payments on debt	300,000	300,000	300,000	-
Other	2,831,500	2,831,500	2,848,687	(17,187)
	4,695,000	4,695,000	4,658,750	36,250
Revenues over (under) expenditures	-	-	-	$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	$ -	$ -	$ -	

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Debt Service Funds

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
PAROLE TAX INCREMENT DISTRICT				
Revenues				
General property taxes	$ 12,039,000	$ 12,039,000	$ 12,127,464	$ 88,464
Investment income	15,000	15,000	29,256	14,256
	12,054,000	12,054,000	12,156,720	102,720
Expenditures				
Contractual services	5,000	5,000	5,200	(200)
Interest payments on debt	123,000	123,000	123,250	(250)
Principal payments on debt	930,000	930,000	930,000	-
Other	10,996,000	10,996,000	10,995,550	450
	12,054,000	12,054,000	12,054,000	-
Revenues over (under) expenditures	-	-	102,720	$ 102,720
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	$ -	$ -	$ 102,720	
NATIONAL BUSINESS PARK NORTH TAX INCREMENT DISTRICT				
Revenues				
General property taxes	$ -	$ -	$ 13,493	$ 13,493
Investment income	20,000	20,000	46	(19,954)
	20,000	20,000	13,539	(6,461)
Expenditures				
Other	20,000	20,000	-	20,000
	20,000	20,000	-	20,000
Revenues over (under) expenditures	-	-	13,539	$ 13,539
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	$ -	$ -	$ 13,539	
VILLAGE SOUTH AT WAUGH CHAPEL TAX INCREMENT DISTRICT				
Revenues				
General property taxes	$ -	$ -	$ 309,083	$ 309,083
Investment income	20,000	20,000	868	(19,132)
	20,000	20,000	309,951	289,951
Expenditures				
Other	20,000	20,000	-	20,000
Revenues over (under) expenditures	-	-	309,951	$ 309,951
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	$ -	$ -	$ 309,951	

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Debt Service Funds

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
SPECIAL TAXING DISTRICTS				
Revenues				
Special assessments	$ 411,220	$ 411,220	$ 416,606	$ 5,386
Expenditures				
Principal payments on debt	244,723	244,723	244,723	-
Other	801,668	801,668	169,888	631,780
	1,046,391	1,046,391	414,611	631,780
Revenues over (under) expenditures	(635,171)	(635,171)	1,995	$ 5,386
Fund balance, budgetary, July 1 (as restated)	666,314	666,314	666,314	
Fund balance, budgetary, June 30	$ 31,143	$ 31,143	$ 668,309	
INSTALLMENT PURCHASE AGREEMENTS				
Revenues				
Investment income	$ 15,000	$ 15,000	$ (188,967)	$ (203,967)
Other	961,000	961,000	961,000	-
	976,000	976,000	772,033	(203,967)
Expenditures				
Contractual services	10,000	10,000	10,000	-
Interest payments on debt	685,300	685,300	663,988	21,312
Principal payments on debt	-	-	20,000	(20,000)
Other	604,000	604,000	-	604,000
	1,299,300	1,299,300	693,988	605,312
Revenues over (under) expenditures	(323,300)	(323,300)	78,045	$ 401,345
Fund balance, budgetary, July 1	5,752,631	5,752,631	5,752,631	
Fund balance, budgetary, June 30	$ 5,429,331	$ 5,429,331	$ 5,830,676	

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)

Special Taxing Districts

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Amberly - Waterway	$ 5,789	$ 5,789	$ 5,789	$ -
Annapolis Cove	5,460	5,460	5,460	-
Annapolis Landing	8,184	8,184	8,118	(66)
Arundel on the Bay	33,525	33,525	33,646	121
Bay Ridge	125,384	125,384	127,022	1,638
Browns Pond - Waterway	10,478	10,478	11,264	786
Buckingham Cove	9,000	9,000	9,000	-
Cape Anne	10,002	10,002	10,121	119
Cattail Creek	5,400	5,400	4,785	(615)
Elizabeths Landing	5,434	5,434	5,175	(259)
Holland Point	70,080	70,080	73,741	3,661
John's Creek - Waterway	7,650	7,650	7,650	-
Lake Hillsmere II - Waterway	8,050	8,050	8,050	-
Masons Beach	-	-	-	-
Pine Grove Village	2,645	2,645	2,646	1
Romar Estates	12,875	12,875	12,875	-
Snug Harbor - Special Benefits	12,126	12,126	12,126	-
Snug Harbor - Waterway	57,200	57,200	57,200	-
Spriggs Pond - Waterway	14,850	14,850	14,850	-
Whitehall	7,088	7,088	7,088	-
Total revenues	$ 411,220	$ 411,220	$ 416,606	$ 5,386
EXPENDITURES				
Amberly - Waterway	$ 5,789	$ 5,789	$ 5,689	$ 100
Annapolis Cove	5,760	5,760	5,121	639
Annapolis Landing	8,384	8,384	8,087	297
Arundel on the Bay	55,425	55,425	4,643	50,782
Bay Ridge	244,931	244,931	63,880	181,051
Browns Pond - Waterway	37,878	37,878	7,968	29,910
Buckingham Cove	9,200	9,200	9,153	47
Cape Anne	35,214	35,214	8,604	26,610
Cattail Creek	5,400	5,400	5,362	38
Elizabeths Landing	11,923	11,923	23,104	(11,181)
Holland Point	251,080	251,080	77,310	173,770
John's Creek - Waterway	7,950	7,950	7,302	648
Lake Hillsmere II - Waterway	8,050	8,050	7,948	102
Masons Beach	153,800	153,800	78,855	74,945
Pine Grove Village	2,645	2,645	2,644	1
Romar Estates	12,975	12,975	12,843	132
Snug Harbor - Special Benefits	80,859	80,859	12,122	68,737
Snug Harbor - Waterway	77,200	77,200	54,377	22,823
Spriggs Pond - Waterway	23,640	23,640	12,679	10,961
Whitehall	8,288	8,288	6,920	1,368
Total expenditures	$ 1,046,391	$ 1,046,391	$ 414,611	$ 631,780

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Proprietary Funds

The primary government has two major proprietary funds, the Water and Wastewater Fund and the Solid Waste Fund. Both of these funds have been fully described in the footnotes to the basic financial statements. The statements in this section include columns for components of the Water and Wastewater Fund, the Internal Service Funds, which are considered to be non-major, and the budgetary statements for all proprietary funds. Descriptions for all proprietary funds and related components are provided below.

Enterprise Funds

Water and Wastewater Enterprise – This fund consists of three component funds, operating, debt service, and capital projects.

Operating – This fund accounts for the operation of public water supply systems and sewage collection and treatment systems in the County. Revenues consist mainly of user fees, and developer and grant contributions.

Debt Service – This fund accounts for the collection of front foot, user connections, and capital connection fees and the use of these funds to pay the principal and interest on water and wastewater debt.

Capital Projects – This fund accounts for the construction of water and wastewater plants and lines used to provide services to County residents. Funding sources and costs are accumulated by individual project and, when completed, the assets are capitalized in the Operating Fund.

Solid Waste Enterprise – This fund accounts for the costs associated with the collection and disposal of refuse at the County landfills. Revenues originate primarily from annual service charges to customers and tipping fees from commercial trash haulers, which are intended to cover all operating expenses, including interest on long-term debt. The Solid Waste Enterprise Fund also includes capital project accounts for landfill construction and closure costs. Funding sources are primarily from the sale of County General Obligation Bonds, Federal and State grants, and pay-as-you-go monies provided by the Solid Waste Operating Fund.

Child Care – This fund accounts for the school age child care program provided by the County's Recreation and Parks Department. Revenues consist of child care fees collected from those participating in the program. Costs of the fund include operations at several child care sites as well as administrative expenses.

Internal Service Funds

Self Insurance – This fund accounts for insurance activity of the County, including self-insured workmen's compensation, auto liability, and general liability. The revenues herein are premiums paid by other County funds and the Board of Education. The disbursements relate to payments of claims and the purchase of insurance policies for property insurance and bonding.

Health Insurance – This fund accounts for the health insurance activity of the County, which is primarily self-insured for medical benefits. Premiums are received from County funds and some component units and disbursements are made to claims administrators or insurers.

Central Garage and Transportation – This fund accounts for the operation of the County's garages and motor pool. Revenues consist of charges to County funds for lease charges, vehicle repair, and gasoline usage.

Garage Replacements – This fund accounts for a replacement reserve for of the County's motor pool. Revenues consist of charges to County funds for replacement of vehicles, and gasoline usage.

Anne Arundel County, Maryland

Combining Statement of Net Assets

Water and Wastewater Fund

June 30, 2011

	Operating	Debt Service	Capital Projects	Total
ASSETS				
Current assets				
Cash and investments	$ 5,999,315	$ -	$ 63,769,463	$ 69,768,778
Service billings receivable	22,787,607	-	-	22,787,607
Inventories	1,766,525	-	-	1,766,525
Restricted for debt service and capital projects				
Cash and temporary investments	-	22,961,595	-	22,961,595
Investments	-	151,537,451	-	151,537,451
Receivables				
Due from other governmental agencies	-	-	3,735,620	3,735,620
Other, net	-	14,535,481	-	14,535,481
Total current assets	30,553,447	189,034,527	67,505,083	287,093,057
Noncurrent assets				
Restricted assets				
Deferred connection and assessment charges	-	54,280,149	-	54,280,149
Capital assets				
Land and buildings	22,556,875	-	-	22,556,875
Water and sewer plants	500,954,272	-	-	500,954,272
Water and sewer lines	915,869,938	-	-	915,869,938
Machinery and equipment	12,289,310	-	-	12,289,310
	1,451,670,395	-	-	1,451,670,395
Less accumulated depreciation	(556,457,367)	-	-	(556,457,367)
	895,213,028	-	-	895,213,028
Construction work in progress	15,133,446	-	251,837,729	266,971,175
Total capital assets, net of depreciation	910,346,474	-	251,837,729	1,162,184,203
Total noncurrent assets	910,346,474	54,280,149	251,837,729	1,216,464,352
Total assets	940,899,921	243,314,676	319,342,812	1,503,557,409
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	5,982,889	-	14,093,176	20,076,065
Current portion of long-term debt and obligations	23,541,999	(323,533)	-	23,218,466
Escrow deposits	158,445	-	606,255	764,700
Liabilities related to restricted assets				
Accounts payable and accrued liabilities	-	4,450,464	-	4,450,464
Deferred revenue	-	26,243,926	231,994	26,475,920
Total current liabilities	29,683,333	30,370,857	14,931,425	74,985,615
Noncurrent liabilities				
Accrued liability for other post-employment benefits	17,694,530	-	-	17,694,530
Long-term debt, net of deferred refunding loss	138,900,166	(1,816,284)	212,776,686	349,860,568
Deferred revenue	3,836,941	-	-	3,836,941
Total noncurrent liabilities	160,431,637	(1,816,284)	212,776,686	371,392,039
Total liabilities	190,114,970	28,554,573	227,708,111	446,377,654
NET ASSETS				
Invested in capital assets, net of related debt	749,657,532	(6,052,751)	62,850,369	806,455,150
Restricted	-	220,812,854	3,735,620	224,548,474
Unrestricted	1,127,419	-	25,048,712	26,176,131
Total net assets	$ 750,784,951	$ 214,760,103	$ 91,634,701	$ 1,057,179,755

Anne Arundel County, Maryland

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Water and Wastewater Fund

Year Ended June 30, 2011

	Operating	Debt Service	Capital Projects	Total
OPERATING REVENUES				
Charges for services	$ 81,554,794	$ -	$ -	$ 81,554,794
Other revenues	4,896,080	-	-	4,896,080
Total operating revenues	86,450,874	-	-	86,450,874
OPERATING EXPENSES				
Personnel services	31,136,291	-	-	31,136,291
Contractual services	26,777,500	-	-	26,777,500
Supplies and materials	5,399,316	-	-	5,399,316
Business and travel	89,878	-	-	89,878
Depreciation	32,894,376	-	-	32,894,376
Other	8,198,614	-	-	8,198,614
Total operating expenses	104,495,975	-	-	104,495,975
Operating loss	(18,045,101)	-	-	(18,045,101)
NONOPERATING REVENUES (EXPENSES)				
Investment income	(3,373)	1,515,706	-	1,512,333
Interest on long-term receivables	-	1,218,606	-	1,218,606
Other revenues (expenses)	-	1,327,349	-	1,327,349
Interest expense	-	(7,433,026)	-	(7,433,026)
Gain on the disposal of assets	35,500	-	-	35,500
Loss before contributions and transfers	(18,012,974)	(3,371,365)	-	(21,384,339)
Capital contributions and grants	5,635,757	27,078,636	6,756,932	39,471,325
Environmental protection fees	-	14,621,666	-	14,621,666
Net equity transfers between funds	19,637,077	(27,339,658)	7,702,581	-
Change in net assets	7,259,860	10,989,279	14,459,513	32,708,652
Net assets, July 1	743,525,091	203,770,824	77,175,188	1,024,471,103
Net assets, June 30	$ 750,784,951	$ 214,760,103	$ 91,634,701	$ 1,057,179,755

Anne Arundel County, Maryland

Combining Statement of Cash Flows

Water and Wastewater Fund

Year Ended June 30, 2011

	Operating	Debt Service	Capital Projects	Total Water and Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	$ 86,731,866	$ -	$ -	$ 86,731,866
Cash payments to suppliers for goods and services	(41,940,551)	-	-	(41,940,551)
Cash payments to employees for services	(25,762,100)	-	-	(25,762,100)
Net cash provided by operating activities	19,029,215	-	-	19,029,215
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of County bonds and bond anticipation notes	-	-	47,600,000	47,600,000
Proceeds from grant funds	-	-	5,874,686	5,874,686
Proceeds from loan	-	-	1,214,584	1,214,584
Proceeds from developers' contributions	-	-	354,552	354,552
Refunds to developers	-	-	(165,782)	(165,782)
Assessment and connection charges	773,548	35,943,763	-	36,717,311
Environmental protection fees for capital assets	-	15,243,231	-	15,243,231
Payments of long-term debt	-	(19,567,546)	-	(19,567,546)
Interest payments	-	(14,618,351)	-	(14,618,351)
Operating funds used in construction	(13,547,000)	-	13,547,000	-
Acquisition and construction of capital assets	(253,075)	-	(60,322,585)	(60,575,660)
Payments of debt issuance costs	-	(212,587)	-	(212,587)
Premium on sale of bonds	-	2,746,291	-	2,746,291
Proceeds for payment of debt	-	1,160,619	450,000	1,610,619
Payment of capital related fees	-	(648,833)	-	(648,833)
Net cash provided by (used for) capital and related financing activities	(13,026,527)	20,046,587	8,552,455	15,572,515
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investment securities	-	(274,818,710)	-	(274,818,710)
Sale of investment securities	-	262,953,514	-	262,953,514
Interest on investments	(3,373)	1,229,775	-	1,226,402
Net cash used for investing activities	(3,373)	(10,635,421)	-	(10,638,794)
Net increase in cash and cash equivalents	5,999,315	9,411,166	8,552,455	23,962,936
Cash and temporary investments, July 1	-	13,550,429	55,217,008	68,767,437
Cash and temporary investments, June 30	$ 5,999,315	$ 22,961,595	$ 63,769,463	$ 92,730,373

Anne Arundel County, Maryland

Combining Statement of Cash Flows

Water and Wastewater Fund

Year Ended June 30, 2011

	Operating	Debt Service	Capital Projects	Total Water and Wastewater
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating loss	$ (18,045,101)	$ -	$ -	$ (18,045,101)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	32,894,376	-	-	32,894,376
Noncapital construction costs	1,072,840	-	-	1,072,840
Effect of changes in assets and liabilities:				
Accounts receivable	262,667	-	-	262,667
Inventories	84,957	-	-	84,957
Accounts payable and accrued liabilities	(1,449,904)	-	-	(1,449,904)
Due to other funds	(1,060,377)	-	-	(1,060,377)
Escrow deposits	18,325	-	-	18,325
Accrued liability for compensated absences	169,863	-	-	169,863
Accrued liability for OPEB benefits	5,081,569	-	-	5,081,569
Net cash provided by operating activities	$ 19,029,215	$ -	$ -	$ 19,029,215
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributions of capital assets from developers	$ 4,828,145	$ -	$ -	4,828,145
Decrease in fair value of investments	-	(882,442)	-	(882,442)
Amortization of refunding losses	-	(351,924)	-	(351,924)
Total Noncash investing, capital, and financing activates	$ 4,828,145	$ (1,234,366)	$ -	$ 3,593,779

Anne Arundel County, Maryland

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Enterprise Funds

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
WATER AND WASTEWATER OPERATIONS				
Revenues				
Charges for services	$ 80,373,100	$ 80,373,100	$ 82,362,406	$ 1,989,306
Investment income	13,000	13,000	(3,373)	(16,373)
Other	3,954,900	3,954,900	6,392,814	2,437,914
	84,341,000	84,341,000	88,751,847	4,410,847
Expenses				
Personal services	27,503,900	27,503,900	26,066,051	1,437,849
Contractual services	29,412,200	29,412,200	26,490,139	2,922,061
Supplies and materials	5,208,900	5,208,900	5,407,193	(198,293)
Business and travel	170,900	170,900	89,878	81,022
Capital outlay	780,200	780,200	644,448	135,752
Administrative costs	8,802,000	8,802,000	8,287,000	515,000
Pay-as-you-go	14,047,000	14,047,000	13,547,000	500,000
	85,925,100	85,925,100	80,531,709	5,393,391
Revenues over (under) expenditures	$ (1,584,100)	$ (1,584,100)	$ 8,220,138	$ 9,804,238

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
WATER AND WASTEWATER DEBT SERVICE				
Revenues				
Water and sewer assessments	$ 4,950,400	$ 6,339,100	$ 5,157,913	$ (1,181,187)
Capital connection charges	11,592,600	11,592,600	37,076,882	25,484,282
Environmental protection fees	14,913,300	14,913,300	14,621,666	(291,634)
Investment income	2,465,000	2,465,000	1,563,937	(901,063)
Other	843,000	843,000	969,356	126,356
	34,764,300	36,153,000	59,389,754	23,236,754
Expenses				
Principal payments on debt	20,317,500	20,317,500	19,567,546	749,954
Interest expense	14,920,600	16,309,300	14,781,238	1,528,062
Other	592,000	592,000	505,000	87,000
	35,830,100	37,218,800	34,853,784	2,365,016
Revenues over (under) expenditures	$ (1,065,800)	$ (1,065,800)	$ 24,535,970	$ 25,601,770

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Enterprise Funds

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
SOLID WASTE				
Revenues				
Charges for services	$ 41,395,800	$ 41,395,800	$ 41,362,893	$ (32,907)
Landfill charges	2,418,300	2,418,300	2,742,934	324,634
Other	2,189,100	2,189,100	4,150,544	1,961,444
	46,003,200	46,003,200	48,256,371	2,253,171
Expenses				
Personal services	6,562,600	6,562,600	6,257,090	305,510
Contractual services	34,972,100	34,972,100	32,199,596	2,772,504
Supplies and materials	1,633,900	1,633,900	1,404,014	229,886
Business and travel	21,900	21,900	3,246	18,654
Capital outlay	1,238,400	1,238,400	1,202,261	36,139
Principal payments on debt	1,455,900	1,455,900	1,455,945	(45)
Interest expense	1,269,400	1,269,400	1,070,066	199,334
Administrative costs	2,682,900	2,682,900	2,682,900	-
Contributions/Solid Waste Assurance Fund	793,300	793,300	793,300	-
Contributions/Self Insurance Fund	147,000	147,000	147,000	-
Contributions/Northeast Maryland Solid	75,000	75,000	75,000	-
Other	325,500	325,500	-	325,500
	51,177,900	51,177,900	47,290,418	3,887,482
Revenues over (under) expenditures	$ (5,174,700)	$ (5,174,700)	$ 965,953	$ 6,140,653
SOLID WASTE FINANCIAL ASSURANCE				
Revenues				
Payments from other funds	$ 793,300	$ 793,300	$ 793,300	$ -
Other	195,000	195,000	81,225	(113,775)
	988,300	988,300	874,525	(113,775)
Expenses				
Other	-	-	-	-
	-	-	-	-
Revenues over (under) expenditures	$ 988,300	$ 988,300	$ 874,525	$ (113,775)
CHILD CARE				
Revenues				
Child care fees	$ 4,108,000	$ 4,108,000	$ 3,568,371	$ (539,629)
Other	-	-	293	293
	4,108,000	4,108,000	3,568,664	(539,336)
Expenses				
Personal services	3,156,400	3,156,400	2,739,056	417,344
Contractual services	207,300	207,300	187,714	19,586
Supplies and materials	393,900	393,900	319,017	74,883
Business and travel	31,100	31,100	17,552	13,548
Capital outlay	2,200	2,200	-	2,200
Other	420,600	420,600	420,600	-
	4,211,500	4,211,500	3,683,939	527,561
Revenues over (under) expenditures	$ (103,500)	$ (103,500)	$ (115,275)	$ (11,775)

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Funding Sources Authorized and Realized (Non-GAAP Basis)

Enterprise Funds Capital Projects

Year Ended June 30, 2011

	Total Water and Wastewater	Water and Water Capital Projects	Water Normal Extensions	Water Total
AUTHORIZED PER ORIGINAL BUDGET				
County bonds	$ 702,680,184	$ 307,675,092	$ 1,466,692	$ 309,141,784
Maryland Water Quality Loan	-	-	-	-
Grants and aid	198,348,500	-	-	-
Pay-as-you-go	89,688,456	9,672,946	-	9,672,946
Contributions by developers	3,794,177	430,000	-	430,000
Other sources	2,557,123	1,000,000	-	1,000,000
Total	$ 997,068,440	$ 318,778,038	$ 1,466,692	$ 320,244,730
AUTHORIZED PER FINAL BUDGET				
County bonds	$ 653,644,062	$ 307,301,140	$ 1,446,178	$ 308,747,318
Maryland Water Quality Loan	17,836,000	-	-	-
Grants and aid	197,548,500	-	-	-
Pay-as-you-go	84,529,989	9,294,356	-	9,294,356
Contributions by developers	3,794,177	430,000	-	430,000
Other sources	2,532,000	1,000,000	-	1,000,000
Total	959,884,728	318,025,496	1,446,178	319,471,674
Less: Completed projects	47,925,687	31,484,778	95,353	31,580,131
	911,959,041	286,540,718	1,350,825	287,891,543
REALIZED				
Current year				
Bonds and bond anticipation notes	47,600,000	24,745,912	52,748	24,798,660
Proceeds from State loan	2,073,361	-	-	-
Grants and aid	6,162,086	-	-	-
Pay-as-you-go	13,547,000	3,366,997	-	3,366,997
Developer contributions	144,846	-	-	-
Other source	450,000	-	-	-
Total	69,977,293	28,112,909	52,748	28,165,657
Prior years	284,099,465	118,617,066	350,467	118,967,533
Total realized funding sources	354,076,758	146,729,975	403,215	147,133,190
Less: Completed projects	47,353,020	31,017,955	95,353	31,113,308
	306,723,738	115,712,020	307,862	116,019,882
Funding sources authorized - June 30, 2011	$ 605,235,303	$ 170,828,698	$ 1,042,963	$ 171,871,661

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Wastewater									
			Wastewater						
	Capital Projects		Normal Extension		Total		Oversize Connections		Solid Waste
$	364,311,448	$	1,983,383	$	366,294,831	$	27,243,569	$	32,921,000
	-		-		-		-		-
	198,348,500		-		198,348,500		-		-
	37,697,141		-		37,697,141		42,318,369		4,740,785
	-		-		-		3,364,177		-
	1,532,000		-		1,532,000		25,123		750,000
$	601,889,089	$	1,983,383	$	603,872,472	$	72,951,238	$	38,411,785
$	320,333,094	$	1,746,525	$	322,079,619	$	22,817,125	$	31,682,980
	17,836,000		-		17,836,000		-		-
	197,548,500		-		197,548,500		-		-
	36,097,141		-		36,097,141		39,138,492		4,740,785
	-		-		-		3,364,177		-
	1,532,000		-		1,532,000		-		750,000
	573,346,735		1,746,525		575,093,260		65,319,794		37,173,765
	11,425,737		322,380		11,748,117		4,597,439		958,946
	561,920,998		1,424,145		563,345,143		60,722,355		36,214,819
	16,630,073		(231,460)		16,398,613		6,402,727		10,400,000
	2,073,361		-		2,073,361		-		-
	6,162,086		-		6,162,086		-		-
	6,818,472		-		6,818,472		3,361,531		(1,115,000)
	20,000		-		20,000		124,846		-
	450,000		-		450,000		-		-
	32,153,992		(231,460)		31,922,532		9,889,104		9,285,000
	140,051,991		701,241		140,753,232		24,378,700		21,602,368
	172,205,983		469,781		172,675,764		34,267,804		30,887,368
	11,319,892		322,380		11,642,272		4,597,440		867,694
	160,886,091		147,401		161,033,492		29,670,364		30,019,674
$	401,034,907	$	1,276,744	$	402,311,651	$	31,051,991	$	6,195,145

Anne Arundel County, Maryland

Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Basis)

Enterprise Funds Capital Projects

Year Ended June 30, 2011

	Water and			
	Total	Water		
	Water and Wastewater	Capital Projects	Normal Extensions	Total
APPROPRIATIONS				
Original Budget	$ 997,068,440	$ 318,778,038	$ 1,466,692	$ 320,244,730
Final Budget:				
Prior years	$ 837,874,727	$ 280,126,495	$ 1,446,178	$ 281,572,673
Current year	122,010,001	37,899,001	-	37,899,001
	959,884,728	318,025,496	1,446,178	319,471,674
Less: Completed projects	47,925,687	31,484,778	95,353	31,580,131
Total appropriations	911,959,041	286,540,718	1,350,825	287,891,543
EXPENDITURES AND ENCUMBRANCES				
Prior years expenditures	236,073,709	99,480,274	351,555	99,831,829
Current year expenditures	63,117,036	17,757,025	51,660	17,808,685
	299,190,745	117,237,299	403,215	117,640,514
Less: Completed projects	47,353,016	31,017,953	95,353	31,113,306
Total	251,837,729	86,219,346	307,862	86,527,208
Encumbrances outstanding	93,415,914	26,974,007	285,916	27,259,923
Total expenditures and encumbrances	345,253,643	113,193,353	593,778	113,787,131
Unencumbered appropriations - June 30, 2011	$ 566,705,398	$ 173,347,365	$ 757,047	$ 174,104,412

Wastewater				
Wastewater				
Capital Projects	Normal Extension	Total	Oversize Connections	Solid Waste
$ 601,889,089	$ 1,983,383	$ 603,872,472	$ 72,951,238	$ 38,411,785
$ 502,856,735	$ 1,746,525	$ 504,603,260	$ 51,698,794	$ 31,698,765
70,490,000	-	70,490,000	13,621,000	5,475,000
573,346,735	1,746,525	575,093,260	65,319,794	37,173,765
11,425,737	322,380	11,748,117	4,597,439	958,946
561,920,998	1,424,145	563,345,143	60,722,355	36,214,819
111,419,985	384,767	111,804,752	24,437,128	16,989,506
35,470,438	85,924	35,556,362	9,751,989	4,273,231
146,890,423	470,691	147,361,114	34,189,117	21,262,737
11,319,891	322,380	11,642,271	4,597,439	867,693
135,570,532	148,311	135,718,843	29,591,678	20,395,044
56,931,693	334,428	57,266,121	8,889,870	6,054,980
192,502,225	482,739	192,984,964	38,481,548	26,450,024
$ 369,418,773	$ 941,406	$ 370,360,179	$ 22,240,807	$ 9,764,795

Anne Arundel County, Maryland

Combining Statement of Net Assets

Internal Service Funds

June 30, 2011

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Replacement	Totals
ASSETS					
Current assets					
Cash and temporary investments	$ 554,736	$ 11,430,580	$ 2,282,365	$ 2,313,878	$ 16,581,559
Investments	62,779,649	-	-	-	62,779,649
Service billings receivable	315,590	4,028,945	41,084	-	4,385,619
Due from other funds	2,410,256	-	-	-	2,410,256
Inventories	-	-	707,368	-	707,368
Other assets	-	1,374,400	-	416,250	1,790,650
Total current assets	66,060,231	16,833,925	3,030,817	2,730,128	88,655,101
Noncurrent assets					
Due from other funds	7,230,767	-	-	-	7,230,767
Capital assets					
Land and buildings	-	-	2,073,990	-	2,073,990
Machinery and equipment	-	-	429,290	62,472,604	62,901,894
	-	-	2,503,280	62,472,604	64,975,884
Less accumulated depreciation	-	-	(1,802,631)	(46,564,080)	(48,366,711)
Total capital assets, net of depreciation	-	-	700,649	15,908,524	16,609,173
Total noncurrent assets	7,230,767	-	700,649	15,908,524	23,839,940
Total assets	73,290,998	16,833,925	3,731,466	18,638,652	112,495,041
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	251,621	128,050	631,503	324,876	1,336,050
Current portion of long-term obligations	12,162,411	6,094,360	319,486	-	18,576,257
Escrow deposits	4,450	-	-	-	4,450
Total current liabilities	12,418,482	6,222,410	950,989	324,876	19,916,757
Noncurrent liabilities					
Unpaid claims	60,197,000	-	-	-	60,197,000
Accrued liability for compensated absences	12,946	-	5,880	-	18,826
Accrued liability for other post-employment benefits	662,570	-	3,106,012	-	3,768,582
Total noncurrent liabilities	60,872,516	-	3,111,892	-	63,984,408
Total liabilities	73,290,998	6,222,410	4,062,881	324,876	83,901,165
NET ASSETS					
Invested in capital assets, net of related debt	-	-	700,649	15,908,524	16,609,173
Unrestricted	-	10,611,515	(1,032,064)	2,405,252	11,984,703
Total net assets	$ -	$ 10,611,515	$ (331,415)	$ 18,313,776	$ 28,593,876

Anne Arundel County, Maryland

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Internal Service Funds

Year Ended June 30, 2011

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Replacement	Totals
OPERATING REVENUES					
Charges for services	$ 17,958,399	$ -	$ 13,798,186	$ 4,833,900	$ 36,590,485
Medical premiums	-	86,422,128	-	-	86,422,128
Contributions for other post employment benefits	-	-	-	-	-
Other	-	12,389	98,550	15,049	125,988
Total operating revenues	17,958,399	86,434,517	13,896,736	4,848,949	123,138,601
OPERATING EXPENSES					
Personnel services	1,242,438	-	5,267,693	-	6,510,131
Contractual services	122,988	178,765	742,067	8,004	1,051,824
Supplies and materials	40,456	22,782	91,297	-	154,535
Business and travel	9,798	528	5,229	-	15,555
Cost of goods issued	-	-	8,306,743	-	8,306,743
Depreciation	-	-	41,359	5,247,917	5,289,276
Provision for claims and estimated losses	17,188,084	81,739,337	-	-	98,927,421
Other	275,000	510,000	407,600	37,900	1,230,500
Total operating expenses	18,878,764	82,451,412	14,861,988	5,293,821	121,485,985
Operating income (loss)	(920,365)	3,983,105	(965,252)	(444,872)	1,652,616
NONOPERATING REVENUES (EXPENSES)					
Investment income	920,365	16,928	-	-	937,293
Gain (loss) on disposal of assets	-	-	(3,559)	67,721	64,162
Gain (loss) before transfers	-	4,000,033	(968,811)	(377,151)	2,654,071
Net equity transfers between funds	-	(8,000,000)	(400,000)	(5,931,397)	(14,331,397)
Change in net assets	-	(3,999,967)	(1,368,811)	(6,308,548)	(11,677,326)
Net assets, July 1	-	14,611,482	1,037,396	24,622,324	40,271,202
Net assets, June 30	$ -	$ 10,611,515	$ (331,415)	$ 18,313,776	$ 28,593,876

Anne Arundel County, Maryland

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2011

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 17,984,208	$ 86,013,078	$ 13,795,330	$ 4,848,949	$ 122,641,565
Cash received for expense reimbursement	511,817	-	-	-	511,817
Cash payments to suppliers for goods and services	(173,138)	(195,307)	(9,128,241)	(8,004)	(9,504,690)
Cash payments for insurance claims	(18,412,901)	(82,373,952)	-	-	(100,786,853)
Cash payments to employees for services	(1,061,103)	-	(4,310,647)	-	(5,371,750)
Other operating revenues	(157,171)	213,817	34,606	-	91,252
Other operating expenses	(275,000)	(510,000)	(407,600)	(37,900)	(1,230,500)
Net cash provided by operating activities	(1,583,288)	3,147,636	(16,552)	4,803,045	6,350,841
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Asset transfers between funds	-	(8,000,000)	(400,000)	(5,931,397)	(14,331,397)
Net cash used for non-capital financing activities	-	(8,000,000)	(400,000)	(5,931,397)	(14,331,397)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	-	-	(3,968,727)	(3,968,727)
Proceeds from sale of equipment	-	-	-	76,740	76,740
Net cash used for capital and related financing activities	-	-	-	(3,891,987)	(3,891,987)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(139,351,707)	-	-	-	(139,351,707)
Sale of investment securities	139,705,134	-	-	-	139,705,134
Investment income	1,038,241	37,785	-	-	1,076,026
Net cash provided by investing activities	1,391,668	37,785	-	-	1,429,453
Net decrease in cash and cash equivalents	(191,620)	(4,814,579)	(416,552)	(5,020,339)	(10,443,090)
Cash and temporary investments, July 1	746,356	16,245,159	2,698,917	7,334,217	27,024,649
Cash and temporary investments, June 30	$ 554,736	$ 11,430,580	$ 2,282,365	$ 2,313,878	$ 16,581,559
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	$ (920,365)	$ 3,983,105	$ (965,252)	$ (444,872)	$ 1,652,616
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	-	-	(22,585)	5,247,917	5,225,332
Effect of changes in assets and liabilities					
Accounts receivable	25,809	(287,152)	(2,856)	-	(264,199)
Inventories	-	-	(173,058)	-	(173,058)
Accounts payable and accrued expenses	(12,301)	(13,820)	206,708	-	180,587
Unpaid claims	(713,000)	(534,497)	-	-	(1,247,497)
Escrow deposits	(157,171)	-	-	-	(157,171)
Accrued liability for compensated absences	(14,173)	-	38,748	-	24,575
Accrued liability for OPEB benefits	207,913	-	901,743	-	1,109,656
Net cash provided by (used for) operating activities	$ (1,583,288)	$ 3,147,636	$ (16,552)	$ 4,803,045	$ 6,350,841
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Decrease in fair value of investments	$ (201,037)	$ -	$ -	$ -	$ (201,037)
Total Noncash investing, capital, and financing activates	$ (201,037)	$ -	$ -	$ -	$ (201,037)

Anne Arundel County, Maryland

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Internal Service Funds

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
SELF INSURANCE				
Revenues				
Charges for services	$ 17,987,600	$ 17,987,600	$ 17,984,208	$ (3,392)
Investment income	1,200,000	1,200,000	920,365	(279,635)
Reimbursements	200,000	200,000	511,817	311,817
Other	-	-	9,885	9,885
	19,387,600	19,387,600	19,426,275	38,675
Expenses				
Personal services	946,300	946,300	1,034,525	(88,225)
Contractual services	17,964,200	17,964,200	14,301,580	3,662,620
Supplies and materials	27,500	27,500	35,038	(7,538)
Business and travel	11,100	11,100	9,798	1,302
Capital outlay	10,000	10,000	5,418	4,582
Administrative costs	275,000	275,000	275,000	-
	19,234,100	19,234,100	15,661,359	3,572,741
Revenues over (under) expenditures	$ 153,500	$ 153,500	$ 3,764,916	$ 3,611,416
HEALTH INSURANCE				
Revenues				
Charges for services	$ 88,118,000	$ 88,118,000	$ 86,422,128	$ (1,695,872)
Investment income	-	-	16,928	16,928
Other	-	-	292,392	292,392
	88,118,000	88,118,000	86,731,448	(1,386,552)
Expenses				
Medical claim costs	87,123,000	87,123,000	81,739,337	5,383,663
Contractual services	448,000	448,000	270,542	177,458
Supplies and materials	33,500	33,500	22,782	10,718
Business and travel	3,500	3,500	528	2,972
Other	8,510,000	8,510,000	8,510,000	-
	96,118,000	96,118,000	90,543,189	5,574,811
Revenues over (under) expenditures	$ (8,000,000)	$ (8,000,000)	$ (3,811,741)	$ 4,188,259

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Anne Arundel County, Maryland

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Internal Service Funds

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
CENTRAL GARAGE AND TRANSPORTATION				
Revenues				
Charges for services	$ 13,640,000	$ 13,640,000	$ 13,798,186	$ 158,186
Other	10,500	10,500	34,971	24,471
	13,650,500	13,650,500	13,833,157	182,657
Expenses				
Personal services	4,283,800	4,283,800	4,365,950	(82,150)
Contractual services	636,100	636,100	727,018	(90,918)
Supplies and materials	7,694,900	7,694,900	8,564,143	(869,243)
Business and travel	11,400	11,400	5,229	6,171
Capital outlay	15,000	15,000	6,954	8,046
Other	1,907,600	1,907,600	807,600	1,100,000
	14,548,800	14,548,800	14,476,894	71,906
Revenues over (under) expenditures	$ (898,300)	$ (898,300)	$ (643,737)	$ 254,563
GARAGE REPLACEMENT FUND				
Revenues				
Charges for services	$ 4,880,000	$ 4,880,000	$ 4,833,900	$ (46,100)
Other	5,225,000	5,225,000	4,385,392	(839,608)
	10,105,000	10,105,000	9,219,292	(885,708)
Expenses				
Contractual services	4,000	4,000	8,004	(4,004)
Capital outlay	5,400,000	5,400,000	5,060,258	339,742
Other	10,262,900	10,262,900	10,262,900	-
	15,666,900	15,666,900	15,331,162	335,738
Revenues over (under) expenditures	$ (5,561,900)	$ (5,561,900)	$ (6,111,870)	$ (549,970)

Budgeted revenues exclude fund balance appropriated to fund expenditures in the current fiscal year.

Fiduciary

Pension Trust Funds

Defined Benefit Pensions Plans – These funds account for pension investments for the four County single employer pension plans. The four plans are the *Employees' Retirement Plan*, *Police Service Retirement Plan*, *Fire Service Retirement Plan*, and *Detention Officers' and Deputy Sheriffs' Retirement Plan*. The nature of each plan and the respective terms are described in detail in the footnotes to the basic financial statements.

Agency Funds

Subdivision Deposits – This fund accounts for amounts placed on deposit from contractors and developers pertaining primarily to road maintenance.

Sediment Control – This fund accounts for amounts received from developers as deposits in lieu of performance bonds for construction site sediment control.

Recreation – This fund accounts for lease payments from Arundel Golf Park.

City and State Tax Collection – This fund accounts for taxes collected for the City of Annapolis and the State of Maryland. These taxes are collected by the County along with County taxes, and are then remitted to the proper jurisdiction.

Tax Sale Escrow Deposits – This fund accounts for payments made during the annual tax sale process. Payments received for delinquent property taxes are deposited in the fund and subsequently distributed to the appropriate revenue accounts.

Farmington Special Assessment – This fund accounts for the transactions of a special taxing district. Taxes are collected and used to pay the debt for the infrastructure improvements within the district.

Dorchester Special Assessment – This fund accounts for the transactions of a special taxing district. Taxes are collected and used to pay the debt for the infrastructure improvements within the district.

Conference and Visitors – The County dedicates 7% of its hotel / motel tax revenue to the promotion of tourism within the County. This fund accumulates the dedicated revenue and disburses the funds directly to the Annapolis and Anne Arundel County Conference and Visitors Bureau.

Miscellaneous Escrow Deposits – This fund accounts for any other escrow deposits collected by County departments or agencies that are not in one of the other agency funds. The deposits are held until the depositor meets certain requirements at which time the funds are returned.

Anne Arundel County, Maryland

Combining Statement of Plan Net Assets

Pension Trust Funds

June 30, 2011

	Defined Benefit Pension Plans (December 31, 2010)				
	Employees' Retirement	Police Service Retirement	Fire Service Retirement	Detention Officers' & Deputy Sheriffs' Retirement	Totals
ASSETS					
Investments, at fair value:					
Cash and temporary investments	$ 10,750,474	$ 8,925,047	$ 8,737,735	$ 1,802,208	$ 30,215,464
U. S. Government obligations	7,982,868	6,635,315	6,496,606	1,336,032	22,450,821
Corporate obligations	46,369,884	38,542,389	37,736,670	7,760,575	130,409,518
Domestic fixed income mutual funds	37,657,962	31,301,088	30,646,747	6,302,527	105,908,324
International fixed income mutual funds	11,347,332	9,431,839	9,234,669	1,899,117	31,912,957
Global assets and pools	91,669,423	76,195,112	74,602,273	15,342,015	257,808,823
Domestic equity	104,450,544	86,818,709	85,003,787	17,481,094	293,754,134
International equity investment pools	67,401,818	56,024,014	54,852,847	11,280,530	189,559,209
Private markets	13,974,083	11,615,180	11,372,368	2,338,736	39,300,367
Portable Alpha	24,455,983	20,327,676	19,902,732	4,093,012	68,779,403
Real estate investment pools	15,477,397	12,864,726	12,595,793	2,590,334	43,528,250
Aetna insurance pooled fixed income	12,044,170	10,011,047	9,801,769	2,015,741	33,872,727
Absolute return funds	32,153,390	26,725,718	26,167,024	5,381,269	90,427,401
Total investments	475,735,328	395,417,860	387,151,020	79,623,190	1,337,927,398
Collateral from securities lending transactions	26,402,577	21,945,674	21,486,906	4,418,799	74,253,956
Receivables:					
Employer contributions	1,457,510	1,210,277	1,256,679	427,986	4,352,452
Participant contributions	516,395	309,091	326,427	138,179	1,290,092
Accrued interest and dividends	673,499	559,811	548,112	112,721	1,894,143
Investment sales proceeds	10,855,270	9,022,840	8,834,220	1,816,765	30,529,095
Total receivables	13,502,674	11,102,019	10,965,438	2,495,651	38,065,782
Deposits on hand	14,149	150,508	61,566	-	226,223
Total assets	515,654,728	428,616,061	419,664,930	86,537,640	1,450,473,359
LIABILITIES					
Accounts payable	524,228	435,736	426,626	87,736	1,474,326
Investment commitments payable	16,885,099	14,034,801	13,741,407	2,825,930	47,487,237
Obligation for collateral received under securities lending transactions	26,402,577	21,945,674	21,486,906	4,418,799	74,253,956
Total liabilities	43,811,904	36,416,211	35,654,939	7,332,465	123,215,519
Net assets held in trust for pension benefits	$ 471,842,824	$ 392,199,850	$ 384,009,991	$ 79,205,175	$ 1,327,257,840

Anne Arundel County, Maryland

Combining Statement of Changes in Net Assets

Pension Trust Funds

Year Ended June 30, 2011

	Defined Benefit Pension Trust (December 31, 2010)				
	Employees' Retirement	Police Service Retirement	Fire Service Retirement	Detention Officers' & Deputy Sheriffs' Retirement	Totals
ADDITIONS					
Contributions:					
Employer	$ 17,284,080	$ 14,055,660	$ 14,648,580	$ 4,907,130	$ 50,895,450
Participant	4,556,815	2,297,386	2,494,043	1,084,820	10,433,064
Total contributions	21,840,895	16,353,046	17,142,623	5,991,950	61,328,514
Investment income:					
Net appreciation (depreciation) in fair value of investments	54,477,412	45,271,725	44,173,332	9,019,575	152,942,044
Interest income	6,194,010	3,787,923	4,138,504	747,814	14,868,251
Dividend income	3,107,280	2,582,034	2,513,453	510,497	8,713,264
Total investment income	63,778,702	51,641,682	50,825,289	10,277,886	176,523,559
Less investment expense	(2,394,540)	(2,002,664)	(1,912,877)	(385,913)	(6,695,994)
Net income from investing activities	61,384,162	49,639,018	48,912,412	9,891,973	169,827,565
Securities lending activities:					
Securities lending income	122,450	101,754	99,120	20,161	343,485
Securities lending expenses:					
Borrower rebates	43,311	35,991	35,059	7,131	121,492
Management fees	23,760	19,744	19,233	3,912	66,649
Securities lending expense	67,071	55,735	54,292	11,043	188,141
Securities lending net income	55,379	46,019	44,828	9,118	155,344
Total net investment income	61,439,541	49,685,037	48,957,240	9,901,091	169,982,909
Total additions	83,280,436	66,038,083	66,099,863	15,893,041	231,311,423
DEDUCTIONS					
Participant benefit payments and refunds	29,520,937	21,449,672	17,432,953	3,837,564	72,241,126
Administrative expenses	504,442	410,184	398,463	80,434	1,393,523
Total deductions	30,025,379	21,859,856	17,831,416	3,917,998	73,634,649
Net increases	53,255,057	44,178,227	48,268,447	11,975,043	157,676,774
Net assets, beginning of year	418,587,767	348,021,623	335,741,544	67,230,132	1,169,581,066
Net assets, end of year	$ 471,842,824	$ 392,199,850	$ 384,009,991	$ 79,205,175	$ 1,327,257,840

Anne Arundel County, Maryland

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
SUBDIVISION DEPOSITS				
Assets				
Cash	$ 1,204,328	$ 690,945	$ 575,136	$ 1,320,137
Total Assets	$ 1,204,328	$ 690,945	$ 575,136	$ 1,320,137
Liabilities				
Escrow Deposits	$ 1,204,328	$ 690,945	$ 575,136	$ 1,320,137
Total Liabilities	$ 1,204,328	$ 690,945	$ 575,136	$ 1,320,137
SEDIMENT CONTROL				
Assets				
Cash	$ 3,545,527	$ 1,639,777	$ 1,982,927	$ 3,202,377
Total Assets	$ 3,545,527	$ 1,639,777	$ 1,982,927	$ 3,202,377
Liabilities				
Escrow and other deposits	$ 3,545,527	$ 1,639,777	$ 1,982,927	$ 3,202,377
Total Liabilities	$ 3,545,527	$ 1,639,777	$ 1,982,927	$ 3,202,377
RECREATION				
Assets				
Cash	$ 733,274	$ 122,203	$ 76,133	$ 779,344
Total Assets	$ 733,274	$ 122,203	$ 76,133	$ 779,344
Liabilities				
Deposits	$ 733,274	$ 122,203	$ 76,133	$ 779,344
Total Liabilities	$ 733,274	$ 122,203	$ 76,133	$ 779,344
CITY AND STATE TAX COLLECTION				
Assets				
Cash	$ 2,865,000	$ 25,865,184	$ 25,903,933	$ 2,826,251
Total Assets	$ 2,865,000	$ 25,865,184	$ 25,903,933	$ 2,826,251
Liabilities				
Escrow Deposits	$ 2,865,000	$ 25,865,184	$ 25,903,933	$ 2,826,251
Total Liabilities	$ 2,865,000	$ 25,865,184	$ 25,903,933	$ 2,826,251
TAX SALE ESCROW DEPOSITS				
Assets				
Cash	$ 5,571,603	$ 13,677,486	$ 14,236,445	$ 5,012,644
Total Assets	$ 5,571,603	$ 13,677,486	$ 14,236,445	$ 5,012,644
Liabilities				
Escrow Deposits	$ 5,571,603	$ 13,677,486	$ 14,236,445	$ 5,012,644
Total Liabilities	$ 5,571,603	$ 13,677,486	$ 14,236,445	$ 5,012,644

Anne Arundel County, Maryland

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2011

		Balance June 30, 2010		Additions		Deductions		Balance June 30, 2011
FARMINGTON SPECIAL ASSESSMENT								
Assets								
Investments	$	761,993	$	6,447,903	$	6,459,964	$	749,932
Total Assets	$	761,993	$	6,447,903	$	6,459,964	$	749,932
Liabilities								
Escrow Deposits	$	761,993	$	6,447,903	$	6,459,964	$	749,932
Total Liabilities	$	761,993	$	6,447,903	$	6,459,964	$	749,932
DORCHESTER SPECIAL TAX DISTRICT								
Assets								
Investments	$	2,274,340	$	3,566,189	$	3,549,892	$	2,290,637
Total Assets	$	2,274,340	$	3,566,189	$	3,549,892	$	2,290,637
Liabilities								
Escrow Deposits	$	2,274,340	$	3,566,189	$	3,549,892	$	2,290,637
Total Liabilities	$	2,274,340	$	3,566,189	$	3,549,892	$	2,290,637
MISCELLANEOUS ESCROW DEPOSITS								
Assets								
Cash	$	461,260	$	2,658,406	$	2,358,838	$	760,828
Total Assets	$	461,260	$	2,658,406	$	2,358,838	$	760,828
Liabilities								
Escrow and other deposits	$	461,260	$	2,658,406	$	2,358,838	$	760,828
Total Liabilities	$	461,260	$	2,658,406	$	2,358,838	$	760,828
TOTALS - ALL FUNDS								
Assets								
Cash and investments	$	17,417,325	$	54,668,093	$	55,143,268	$	16,942,150
Total Assets	$	17,417,325	$	54,668,093	$	55,143,268	$	16,942,150
Liabilities								
Escrow and other deposits	$	17,417,325	$	54,668,093	$	55,143,268	$	16,942,150
Total Liabilities	$	17,417,325	$	54,668,093	$	55,143,268	$	16,942,150

Anne Arundel County, Maryland

Combining Statement of Net Assets

Nonmajor Component Units

June 30, 2011

	Library	Economic Development	Tipton Airport	Workforce Development	Totals
ASSETS					
Current Assets					
Cash and investments	$ 24,249	$ 4,292,815	$ 188,480	$ 378,432	$ 4,883,976
Service billings receivable	-	-	85,386	-	85,386
Prepaids and other assets	56,448	195,291	45,626	1,584,527	1,881,892
Inventories	-	-	57,240	-	57,240
Receivables	-	-	2,031	-	2,031
Due from primary government	1,021,421	-	-		1,021,421
Restricted assets					
Cash and temporary investments	-	36,330	-	-	36,330
Total current assets	1,102,118	4,524,436	378,763	1,962,959	7,968,276
Noncurrent Assets					
Loans receivable and other assets	-	1,759,953	-	-	1,759,953
Capital assets being depreciated	16,654,821	947,703	9,712,377	378,587	27,693,488
Less accumulated depreciation	(6,837,918)	(757,137)	(3,242,510)	(195,420)	(11,032,985)
Total capital assets	9,816,903	190,566	6,469,867	183,167	16,660,503
Total assets	10,919,021	6,474,955	6,848,630	2,146,126	26,388,732
LIABILITIES					
Current Liabilities					
Accrued liabilities	$ 523,400	$ 195,413	$ 229,768	$ 268,105	$ 1,216,686
Current portion on non-current liabilities	703,232	11,355	72,235	47,894	834,716
Notes payable	-	1,679,168	-	50,000	1,729,168
Escrow and other deposits	-	13,678	-	-	13,678
Deferred revenue	-	222,320	40,701	148,812	411,833
Liabilities related to restricted assets					
Accrued liabilities	-	1,226	-	893,298	894,524
Total current liabilties	1,226,632	2,123,160	342,704	1,408,109	5,100,605
Noncurrent liabilties					
Accrued liability for OPEB benefits	9,001,450	-	-	-	9,001,450
Long-term debt, net of deferred refunding gain/loss	-	32,805	227,085	-	259,890
Total noncurrent liabilities	9,001,450	32,805	227,085	-	9,261,340
Total liabilities	10,228,082	2,155,965	569,789	1,408,109	14,361,945
NET ASSETS					
Capital assets, net of related debt	9,816,903	146,406	6,170,547	183,167	16,317,023
Restricted for:					
Other purposes	-	35,104	-	-	35,104
Unrestricted	(9,125,964)	4,137,480	108,294	554,850	(4,325,340)
Total net assets	$ 690,939	$ 4,318,990	$ 6,278,841	$ 738,017	$ 12,026,787

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Anne Arundel County, Maryland

Combining Statement of Activities

Nonmajor Component Units

Year Ended June 30, 2011

		Program Revenues		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Library				
Community services	$ 21,527,822	$ 832,643	$ 3,848,402	$ 2,337,038
Economic Development				
Arundel Business Loan Program	417,591	70,393	-	-
Training and other grants	157,539	-	107,652	-
Chesapeake Innovation Center	480,867	183,794	487,000	-
Administrative	1,610,880	-	-	-
Unallocated depreciation	35,150	-	-	-
	2,702,027	254,187	594,652	-
Tipton Airport Authority				
Airport operations	1,890,753	1,548,365	-	10,259
Workforce Development				
Workforce development programs				
Other WIA programs	5,329,076	-	5,329,076	-
Administration	35,350	-	-	-
Other grants, projects, initiatives	305,890	-	305,890	-
	$ 5,670,316	$ -	$ 5,634,966	$ -

General revenues:

Unrestricted contributions

Hotel tax

Interest earnings

Miscellaneous

Total general revenues

Changes in net assets

Net assets, July 1

Net assets, June 30

Net (Expense) Revenues and Changes in Net Assets				
Library	Economic Development	Tipton Airport	Workforce Development	Total
$ (14,509,739)	$ -	$ -	$ -	$ (14,509,739)
-	(347,198)	-	-	(347,198)
-	(49,887)	-	-	(49,887)
-	189,927	-	-	189,927
-	(1,610,880)	-	-	(1,610,880)
-	(35,150)	-	-	(35,150)
-	(1,853,188)	-	-	(1,853,188)
-	-	(332,129)	-	(332,129)
-	-	-	-	-
-	-	-	(35,350)	(35,350)
-	-	-	-	-
-	-	-	(35,350)	(35,350)
11,459,100	626,187	-	524	12,085,811
-	1,000,000	-	-	1,000,000
-	21,734	635	6,137	28,506
14,543	44,650	-	4,241	63,434
11,473,643	1,692,571	635	10,902	13,177,751
(3,036,096)	(160,617)	(331,494)	(24,448)	(3,552,655)
3,727,035	4,479,607	6,610,335	762,465	15,579,442
$ 690,939	$ 4,318,990	$ 6,278,841	$ 738,017	$ 12,026,787

Anne Arundel County, Maryland

Balance Sheet

Library Component Unit

June 30, 2011

	Governmental Fund		
	Operating Fund	Dedicated Revenue Fund	Total
ASSETS			
Cash and investments	$ 11,466	$ 12,783	$ 24,249
Due from primary government	1,004,836	16,585	1,021,421
Receivables			
Other, net	6,041	50,407	56,448
Total assets	$ 1,022,343	$ 79,775	$ 1,102,118
LIABILITIES			
Accrued liabilities	$ 471,140	$ 52,260	$ 523,400
Total liabilities	471,140	52,260	523,400
FUND BALANCES			
Restricted	-	3,892	3,892
Assigned	388,356	10,821	399,177
Unassigned	162,847	12,802	175,649
Total fund balances	551,203	27,515	578,718
Total liabilities and fund balances	$ 1,022,343	$ 79,775	$ 1,102,118

Anne Arundel County, Maryland

Statement of Revenues, Expenditures, and Changes in Fund Balances

Library Component Unit

Year Ended June 30, 2011

	Governmental Fund		
	Operating Fund	Dedicated Revenue Fund	Total
REVENUES			
Grants and aid	$ 15,218,397	$ 89,105	$ 15,307,502
Fines and fees	832,643	-	832,643
Other	1,259	13,284	14,543
Total revenues	16,052,299	102,389	16,154,688
EXPENDITURES			
Current			
Recreation and community services	16,359,824	98,083	16,457,907
Total expenditures	16,359,824	98,083	16,457,907
Revenues over (under) expenditures	(307,525)	4,306	(303,219)
Fund balances, July 1	858,728	23,209	881,937
Fund balances, June 30	$ 551,203	$ 27,515	$ 578,718

Anne Arundel County, Maryland

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)

Library Component Unit - General Fund

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Grants and aid	$ 1,913,000	$ 1,913,000	$ 1,912,968	$ (32)
Primary government contribution	11,459,100	11,459,100	11,459,100	-
Fines and fees	979,000	979,000	832,643	(146,357)
Other	540,600	540,600	539,359	(1,241)
Total revenues	14,891,700	14,891,700	14,744,070	(147,630)
EXPENDITURES				
Current				
Recreation and community services	15,341,700	15,321,700	15,022,725	298,975
Capital outlay	-	20,000	15,452	4,548
Total expenditures	15,341,700	15,341,700	15,038,177	303,523
Revenues over (under) expenditures	(450,000)	(450,000)	(294,107)	$ 155,893
Fund balances, budgetary, July 1	816,953	816,953	816,953	
Fund balances, budgetary, June 30	$ 366,953	$ 366,953	$ 522,846	

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Anne Arundel County, Maryland

Details of Long-term Debt and Interest

(Long-term Debt Applicable to 5.6% and 14% Debt Limitations)

June 30, 2011

	Issued	*Maturing Serially*	*Rate of Interest*	*Issued*	*Redeemed F/Y 11*	*06/30/11 Outstanding*	*Total Due to Maturity*
Water and Wastewater Bonds							
Series 87 (Refunding)	02/15/87	1988-14	3.50 to 5.75	$ 21,880,000	$ 230,000	$ 870,000	$ 968,612
Maryland Water Quality Bond	03/21/90	1991-11	4.89 to 4.89	1,249,900	8,910	-	-
Maryland Water Quality Bond	11/27/90	1991-11	4.89 to 4.89	8,778,874	129,516	412,525	439,567
Series 1992 Refunding	05/01/92	1994-13	4.40 to 6.00	8,795,000	40,000	70,000	76,300
Maryland Water Quality Bond	06/30/92	1993-13	4.39 to 4.39	4,971,195	337,662	607,452	645,354
Maryland Water Quality Bond	06/01/93	1995-14	3.25 to 3.25	11,868,564	655,860	2,098,265	2,166,422
Maryland Water Quality Bond	03/28/96	1997-16	3.99 to 3.99	468,937	23,447	117,234	131,267
Series 01	02/15/01	2002-28	4.125 to 5.0	10,600,000	395,000	-	-
Maryland Water Quality Bond	03/28/01	2003-31	1.50 to 1.50	3,033,715	94,933	2,228,125	2,595,575
Series 02	03/01/02	2003-31	3.00 to 5.375	23,500,000	810,000	810,000	852,525
Series 03	03/01/03	2004-32	1.00 to 5.00	24,000,000	825,000	17,400,000	26,032,384
Series 03 Refunding	03/01/03	2004-23	1.00 to 5.00	65,085,000	4,600,000	33,965,000	41,169,012
Maryland Water Quality Bond	06/27/03	2005-24	1.00 to 1.00	19,362,500	933,452	13,019,249	13,948,728
Series 04	04/01/04	2005-33	2.00 to 5.00	11,750,000	405,000	8,910,000	13,471,819
Series 05	03/01/05	2006-34	3.00 to 5.00	24,500,000	845,000	19,430,000	29,691,720
Series 05 Refunding	03/01/05	2006-28	3.00 to 5.00	26,480,000	1,350,000	21,585,000	29,781,556
Series 06	03/21/06	2007-35	4.125 to 5.0	19,000,000	655,000	15,720,000	24,323,590
Series 06 Refunding	03/21/06	2007-31	4.00 to 5.00	34,060,000	655,000	31,830,000	45,452,351
Series 07	03/29/07	2008-36	4.25 to 5.00	42,500,000	1,470,000	36,620,000	57,399,975
Maryland Water Quality Bond	04/07/07	2008-27	1.00 to 1.00	2,435,709	334,974	1,472,279	1,687,202
Series 08	04/01/08	2009-36	3.50 to 5.00	32,000,000	1,145,000	28,565,000	45,779,317
Maryland Water Quality Bond	06/17/08	2009-28	1.10 to 1.10	1,200,475	60,470	1,079,193	1,193,819
Series 09	04/01/09	2010-39	2.50 to 4.75	29,200,000	975,000	27,250,000	44,444,657
Series 10 Refunding	07/22/09	2010-25	3.00 to 4.00	20,730,000	1,100,000	19,630,000	24,529,700
Maryland Water Quality Bond	12/01/09	2011-30	0.00 to 0.00	850,044	98,324	1,497,795	1,497,795
Series 10	04/08/10	2011-20	2.00 to 5.00	13,900,000	1,390,000	12,510,000	14,886,900
Series 10	04/08/10	2021-30	4.80 to 5.55	27,700,000	-	27,700,000	58,897,258
Series 11	04/20/11	2012-41	2.00 to 5.00	47,600,000	-	47,600,000	83,362,804
Maryland Water Quality Bond	05/31/11	2013-32	2.20 to 2.20	17,836,000	-	468,509	4,754,767
Total applicable to 5.6% and 14% debt limitations				555,335,913	19,567,548	373,465,626	570,180,976

(continued)

DETAILS OF GENERAL LONG-TERM DEBT AND INTEREST (continued)

LONG-TERM DEBT APPLICABLE TO 5.2% AND 13% DEBT LIMITATIONS

June 30, 2011

	Issued	*Maturing Serially*	*Rate of Interest*	*Issued*	*Redeemed F/Y 11*	*06/30/11 Outstanding*	*Total Due to Maturity*
Consolidated General Improvements	02/15/01	2002-20	4.125 to 5.0	47,000,000	2,000,000	-	-
Bonds	03/01/02	2003-22	3.00 to 5.375	91,500,000	5,490,000	5,490,000	5,778,224
	03/01/03	2004-23	1.00 to 5.00	101,000,000	6,060,000	52,520,000	66,675,150
	03/01/03	2005-14	1.00 to 5.00	21,510,000	2,690,000	8,010,000	8,809,500
	04/01/04	2005-24	2.00 to 5.00	49,500,000	2,970,000	28,710,000	36,527,356
	03/01/05	2006-25	3.00 to 5.00	55,000,000	3,305,066	35,136,110	45,869,471
	03/01/05	2006-26	3.00 to 5.00	46,625,000	4,135,000	31,700,000	38,037,177
	06/30/05	2007-28	3.00 to 5.00	24,530,000	715,000	22,175,000	32,129,132
	03/21/06	2007-26	4.00 to 5.00	64,000,000	3,213,285	47,841,922	63,364,931
	03/21/06	2007-27	4.00 to 5.00	87,115,000	2,655,000	78,525,000	100,572,285
	03/29/07	2008-27	4.25 to 5.00	91,600,000	5,574,530	69,301,881	95,891,042
	04/01/08	2009-28	3.50 to 5.00	55,200,000	3,310,000	45,270,000	62,468,784
	04/01/09	2010-29	4.00 to 5.00	113,300,000	6,831,174	99,637,652	134,920,558
	07/20/09	2010-25	1.50 to 4.00	32,520,152	5,065,000	24,775,000	29,122,656
	04/08/10	2011-20	2.00 to 5.00	66,136,440	90,000	66,046,440	82,441,844
	04/08/10	2021-30	4.80 to 5.55	72,888,560	-	72,888,560	128,728,486
	04/20/11	2012-31	3.00 to 5.00	117,500,000	-	117,500,000	173,278,173
				1,136,925,152	54,104,055	805,527,565	1,104,614,769
Solid Waste Bonds	03/01/96	1997-16	5.00 to 5.50	12,000,000	600,000	3,600,000	4,188,000
	05/01/98	1999-17	4.65 to 6.00	7,000,000	350,000	2,450,000	2,949,100
	04/01/04	2005-24	2.00 to 5.00	1,250,000	75,000	725,000	931,188
	03/01/05	2006-24	3.00 to 5.00	1,000,000	54,934	703,890	916,946
	03/21/06	2007-26	4.00 to 5.00	2,000,000	86,715	1,658,079	2,279,204
	03/29/07	2008-27	4.25 to 5.00	4,300,000	180,470	3,578,118	4,899,997
	04/01/09	2010-29	4.00 to 5.00	2,100,000	98,826	1,902,348	2,634,368
	07/20/09	2010-25	1.50 to 4.00	89,848	-	-	-
	04/08/10	2011-20	3.00 to 5.00	1,938,560	10,000	1,928,560	2,439,956
	04/08/10	2011-30	4.80 to 5.55	3,161,440	-	3,161,440	5,583,419
	04/20/11	2012-31	3.00 to 5.00	8,200,000	-	8,200,000	12,520,340
Total Waste Collection Enterprise Fund				43,039,848	1,455,945	27,907,435	39,342,518
Total applicable to 5.2% and 13% debt limitations				1,179,965,000	55,560,000	833,435,000	1,143,957,287

DETAILS OF GENERAL LONG-TERM DEBT AND INTEREST (continued)

LONG-TERM DEBT APPLICABLE TO 5.2% AND 13% DEBT LIMITATIONS

June 30, 2011

	Issued	*Maturing Serially*	*Rate of Interest*	*Issued*	*Redeemed F/Y 11*	*06/30/11 Outstanding*	*Total Due to Maturity*
Installment Purchase Agreements - Agricultural Easement Program							
Adelaide F. Colhoun Trust	09/19/00	2002-30	5.85 to 5.85	401,000	1,000	391,000	815,593
Ellen H. Shepard Trust	09/22/00	2002-30	5.85 to 5.85	161,000	1,000	151,000	308,833
Harold & Jean Touchette	09/19/00	2002-30	5.85 to 5.85	378,000	1,000	368,000	767,028
Farm of the Four Winds, LLC	11/13/00	2002-30	6.00 to 6.00	587,000	1,000	577,000	1,224,520
Kenneth P. Franklin, Trustee	12/28/00	2002-30	5.60 to 5.60	142,055	1,000	132,000	262,872
Richard F. Moreland	07/18/01	2003-28	5.90 to 5.90	274,000	1,000	265,000	522,771
Mary M. Smith	07/18/01	2003-28	5.90 to 5.90	831,000	1,000	822,000	1,638,442
Francis R. Windsor	07/26/01	2003-28	5.90 to 5.90	411,174	1,000	402,000	797,182
Anita Froe/Rian LLC	03/06/02	2003-28	5.90 to 5.90	657,000	1,000	648,000	1,289,920
Lauer & Company	09/20/02	2004-28	5.25 to 5.25	197,000	1,000	189,000	350,543
Weeems Dodd Ltd	10/17/02	2004-28	5.45 to 5.45	1,521,000	1,000	1,513,000	2,907,382
Edward Hall III	12/19/02	2004-28	5.55 to 5.55	180,000	1,000	172,000	326,733
Bristol Farms LLC	01/28/03	2004-28	5.50 to 5.50	700,000	1,000	692,000	1,325,726
Shearman Talbott	05/22/03	2005-28	4.95 to 4.95	263,948	1,000	257,000	466,534
Anne Brice	06/23/04	2006-28	5.80 to 5.80	316,000	1,000	310,000	607,772
Thackray Seznec	06/30/04	2006-28	5.80 to 5.80	1,405,000	1,000	1,399,000	2,770,526
James Parks	07/07/04	2006-28	5.60 to 5.60	295,000	1,000	289,000	556,512
Dorothy Horky	12/05/05	2006-28	4.90 to 4.90	368,814	1,000	364,000	660,548
Virginia Tucker	10/05/06	2007-28	4.90 to 4.90	926,000	1,000	922,000	1,683,362
Jennifer Wade	07/26/07	2008-28	5.30 to 5.30	873,925	1,000	871,000	1,626,556
Ford/Addis	12/20/07	2008-37	4.60 to 4.60	604,000	-	604,000	1,326,384
Francis Talbott III	07/16/08	2009-37	4.55 to 4.55	840,000	-	840,000	1,833,722
Thompson Lumber	06/21/11	2012-41	4.55 to 4.55	1,487,000	-	1,487,000	3,509,801
				13,819,916	20,000	13,665,000	27,579,262
Tax Increment Bonds							
Parole Town Center	07/12/02	2003-12	5.00 to 5.00	8,300,000	930,000	2,000,000	2,101,250
Arundel Mills Refunding	05/11/04	2010-29	3.00 to 5.125	30,350,000	300,000	30,050,000	47,209,509
National Business Park Ref	05/11/04	2009-28	3.00 to 5.125	15,655,000	380,000	15,085,000	23,076,024
West Nursery Road	05/11/04	2006-29	2.00 to 4.70	2,570,000	80,000	2,195,000	3,249,473
National Business Park North A	08/10/10	2011-25	5.625 to 5.625	4,000,000	-	4,000,000	6,529,281
National Business Park North B	08/10/10	2011-41	6.10 to 6.10	26,000,000	-	26,000,000	64,273,841
Village South at Waugh Chapel	11/18/10	2011-41	6.25 to 6.25	16,000,000	-	16,000,000	37,085,938
				102,875,000	1,690,000	95,330,000	183,525,316
LONG-TERM DEBT NOT APPLICABLE TO DEBT LIMITATIONS							
Federal Loans							
Section 108	09/14/06	2007-12	4.96 to 5.77	1,640,000	410,000	410,000	420,291
State Loans							
Department of Natural Resources							
Amberly	11/01/08	2008-33	0.00	135,000	5,400	118,800	118,800
Annapolis Cove	09/16/88	1989-13	0.00	121,220	4,849	14,547	14,547
Annapolis Landing	07/21/92	1993-17	0.00	78,570	3,143	22,000	22,000
Annapolis Landing	05/03/95	1995-09	0.00	68,075	4,538	-	-
Arundel on the Bay 44-76B	07/20/83	1984-08	0.00	247,833	-	-	-
Arundel on the Bay	04/28/92	1993-17	0.00	74,220	2,969	20,782	20,782
Bay Ridge	11/19/90	1992-16	0.00	669,275	26,771	160,626	160,626
Bay Ridge #2	7/1/2008	2009-28	0.00	500,000	25,771	463,878	463,878
Brown's Pond	11/25/91	1992-16	0.00	185,128	7,405	44,430	44,430
Buckingham Cove	04/07/97	1997-21	0.00	217,570	8,703	95,726	95,726
Camp Wabanna SECD	04/26/05	2011-31	0.00	15,503	-	174,857	174,857
Cape Anne SECD	11/30/06	2009-34	0.00	190,308	8,101	178,222	178,222
Cattail Creek	04/03/98	1998-22	0.00	127,628	5,105	61,261	61,261
Columbia Beach	06/12/08	2013-38	0.00	6,516	-	950,992	950,992
Elizabeth's Landing	09/26/91	1993-17	0.00	161,310	6,452	45,167	45,167
Elizabeth's Landing II	05/15/95	1996-10	0.00	153,764	10,251	-	-
Elizabeth's Landing III	01/22/10	2012-37	0.00	153,262	6,142	147,120	147,120
John's Creek	12/15/93	1994-19	0.00	173,206	6,920	55,360	55,360
Holland Point SECD	10/11/04	2011-31	0.00	178,059	24,390	1,050,054	1,050,054
Lake Hillsmere	04/08/82	1983-08	0.00	85,950	-	-	-
Lake Hillsmere II	04/03/98	1998-22	0.00	188,660	7,546	90,552	90,552
Pine Grove Village	05/03/95	1996-10	0.00	37,689	2,513	-	-
Mason's Beach	06/03/96	1997-06	0.00	277,098	13,855	83,129	83,129
Romar Estates	03/27/97	1997-21	0.00	304,987	12,199	134,194	134,194
Snug Harbor	05/13/83	1984-09	0.00	230,294	-	-	-
Snug Harbor	11/21/91	1992-16	0.00	738,599	29,544	177,264	177,264
Snug Harbor Pier	04/13/92	1992-16	0.00	91,443	3,656	21,936	21,936
Snug Harbor SECD	10/11/04	2012-31	0.00	112,600	-	112,600	112,600
Spriggs Pond	02/28/92	1993-17	0.00	298,400	11,936	71,616	71,616
Whitehall Cove	12/19/01	2001-25	0.00	164,134	6,565	98,480	98,480
Total not applicable to debt limitations				7,626,301	654,724	4,803,593	4,813,884
Total long-term debt				$ 1,859,622,130	$ 77,492,272	$ 1,320,699,219	$ 1,930,056,725

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Anne Arundel County, Maryland

Schedule of Debt Service Requirements for Long-term Debt and Interest

June 30, 2011

	General County Bonds (a)							
	General Government		*Solid Waste*		*Tax Increment*		*Installment Purchase Agreements*	
FISCAL YEAR ENDING	*Principal*	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*
2012	$ 66,514,808	$ 36,501,153	$ 2,000,192	$ 1,300,320	$ 2,175,000	$ 5,192,942	$ 20,000	$ 723,578
2013	65,084,485	33,952,515	2,010,515	1,228,796	2,340,000	5,095,268	20,000	729,416
2014	61,350,647	31,060,699	2,024,353	1,132,549	1,430,000	5,010,210	20,000	728,300
2015	57,565,720	28,332,729	2,044,280	1,035,275	1,580,000	4,942,382	20,000	727,185
2016	56,404,089	25,609,317	2,080,911	930,437	1,720,000	4,868,807	20,000	726,070
2017	54,675,636	22,891,127	2,449,364	825,652	2,020,000	4,784,394	20,000	724,954
2018	51,322,615	20,294,819	1,082,385	716,210	2,320,000	4,684,532	20,000	723,838
2019	48,401,259	17,913,694	1,113,741	664,235	2,685,000	4,560,485	20,000	722,723
2020	43,622,117	15,793,403	1,167,883	612,132	3,045,000	4,410,011	20,000	721,608
2021	41,589,636	13,915,278	1,325,364	561,357	3,325,000	4,242,032	20,000	720,492
2022	41,615,326	12,075,877	1,324,674	503,882	3,635,000	4,058,312	20,000	719,377
2023	38,070,329	10,204,054	1,324,671	441,726	3,960,000	3,857,635	20,000	718,261
2024	34,050,329	8,451,415	1,324,671	378,493	4,290,000	3,639,466	20,000	717,145
2025	32,147,009	6,886,331	1,222,991	314,942	4,660,000	3,402,577	20,000	716,030
2026	29,177,003	5,390,432	1,222,997	255,814	5,045,000	3,145,506	20,000	714,915
2027	25,831,209	4,068,290	1,103,791	201,783	5,445,000	2,865,756	20,000	713,799
2028	21,629,933	2,815,404	900,067	147,570	5,880,000	2,561,788	8,880,000	712,683
2029	17,594,933	1,758,192	900,067	102,208	4,940,000	2,269,428	5,000	223,954
2030	13,084,669	911,665	800,331	59,913	2,335,000	2,066,501	1,529,000	223,663
2031	5,795,813	260,810	484,187	21,789	1,915,000	1,939,119	-	133,662
2032	-	-	-	-	2,080,000	1,816,214	-	133,662
2033	-	-	-	-	2,265,000	1,682,570	-	133,663
2034	-	-	-	-	2,455,000	1,537,418	-	133,662
2035	-	-	-	-	2,660,000	1,380,143	-	133,663
2036	-	-	-	-	2,880,000	1,209,826	-	133,662
2037	-	-	-	-	3,115,000	1,025,550	1,444,000	133,663
2038	-	-	-	-	3,365,000	826,391	-	67,658
2039	-	-	-	-	3,635,000	611,275	-	67,659
2040	-	-	-	-	3,915,000	379,283	-	67,658
2041	-	-	-	-	4,215,000	129,495	1,487,000	67,659
	$ 805,527,565	$ 299,087,204	$ 27,907,435	$ 11,435,083	$ 95,330,000	$ 88,195,316	$ 13,665,000	$ 13,914,262

Notes: *(a)* *Bonded Debt subject to (1) 5.2% of the assessable basis of real property; (2) 13% of the County's assessable basis of personal property; and (3) 13% of the operating real property described in Section 8-109© of the Tax-Property Article of the Annotated Code of Maryland (1994 Replacement Volume and 2000 Supplement.)*

(b) *Bonded debt subject to (1) 5.6% of the assessable basis of real property in the Sanitary District of Anne Arundel County; (2) 14% of the assesable basis of personal property in the Sanitary District of Anne Arundel County; and (3) 14% of the operating real property described in section 8-109(c) of the Tax-Property Article of he Annotated Code of Maryland (1994 replacement Volume and 2000 Supplement).*

State Advances		Federal Advances		Water and Sewer Bonds (b)		Total		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service Charge
$ 210,114	$ -	$ 410,000	$ 10,291	$ 21,788,776	$ 16,091,167	$ 93,118,890	$ 59,819,451	$ 152,938,341
295,636	-	-	-	22,121,014	15,590,630	91,871,650	56,596,625	148,468,275
295,635	-	-	-	21,273,024	14,808,320	86,393,659	52,740,078	139,133,737
290,787	-	-	-	20,305,633	13,949,756	81,806,420	48,987,327	130,793,747
290,787	-	-	-	19,767,525	13,088,065	80,283,312	45,222,696	125,506,008
290,782	-	-	-	19,032,578	12,145,299	78,488,360	41,371,426	119,859,786
197,620	-	-	-	18,024,754	11,341,423	72,967,374	37,760,822	110,728,196
185,056	-	-	-	16,902,060	10,583,935	69,307,116	34,445,072	103,752,188
178,136	-	-	-	16,284,498	9,905,549	64,317,634	31,442,703	95,760,337
178,136	-	-	-	16,147,069	9,245,130	62,585,205	28,684,289	91,269,494
178,131	-	-	-	16,114,775	8,555,177	62,887,906	25,912,625	88,800,531
157,233	-	-	-	15,407,617	7,877,282	58,939,850	23,098,958	82,038,808
144,582	-	-	-	14,455,596	7,215,146	54,285,178	20,401,665	74,686,843
144,582	-	-	-	13,335,736	6,602,848	51,530,318	17,922,728	69,453,046
144,582	-	-	-	12,618,265	6,000,774	48,227,847	15,507,441	63,735,288
138,017	-	-	-	12,121,486	5,420,166	44,659,503	13,269,794	57,929,297
138,017	-	-	-	11,447,273	4,849,766	48,875,290	11,087,211	59,962,501
138,017	-	-	-	10,219,111	4,308,880	33,797,128	8,662,662	42,459,790
112,246	-	-	-	10,215,972	3,811,421	28,077,218	7,073,163	35,150,381
112,246	-	-	-	10,212,864	3,309,271	18,520,110	5,664,651	24,184,761
112,246	-	-	-	9,300,000	2,803,324	11,492,246	4,753,200	16,245,446
112,246	-	-	-	8,470,000	2,332,040	10,847,246	4,148,273	14,995,519
98,745	-	-	-	8,060,000	1,923,259	10,613,745	3,594,339	14,208,084
103,370	-	-	-	7,220,000	1,532,066	9,983,370	3,045,872	13,029,242
85,522	-	-	-	6,435,000	1,176,405	9,400,522	2,519,893	11,920,415
61,122	-	-	-	3,955,000	856,663	8,575,122	2,015,876	10,590,998
-	-	-	-	3,955,000	647,450	7,320,000	1,541,499	8,861,499
-	-	-	-	3,905,000	438,238	7,540,000	1,117,172	8,657,172
-	-	-	-	2,880,000	231,400	6,795,000	678,341	7,473,341
-	-	-	-	1,490,000	74,500	7,192,000	271,654	7,463,654
$ 4,393,593	$ -	$ 410,000	$ 10,291	$ 373,465,626	$ 196,715,350	$ 1,320,699,219	$ 609,357,506	$ 1,930,056,725

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Statistical Section

Statistical Section

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends – The following schedules contain trend information that presents how the County's financial performance and strength have changed over time:

- Net Assets by Category
- Changes in Net Assets
- Fund Balances, Governmental Funds
- Changes in Fund Balances, Governmental Funds

Revenue Capacity – The following schedules contain information to assess the County's most significant local revenue source, property taxes:

- Taxable Assessed Value and Estimated Actual Value of Property
- Direct and Overlapping Property Tax Rates
- Principal Property Tax Payers
- Property Tax Levies and Collections

Debt Capacity – The following schedules present information to assess the affordability of the County's current levels of outstanding debt and its ability to issue additional debt:

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin
- Pledged-Revenue Bond Coverage

Demographic and Economic Information – The following schedules offer demographic and economic indicators that present the environment within which the County's financial activities take place:

- Demographic and Economic Statistics
- Principal Employers

Operating Information – The following schedules contain service and infrastructure data that shows how the information in the County's financial report relates to the services the County provides and the activities it performs:

- County Government Employees by Function
- Operating Indicators by Function/Program
- Capital Asset Statistics by Function

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Anne Arundel County, Maryland

Net Assets by Category

Last Ten Fiscal Years

(accrual basis of accounting)

	2002	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
Governmental activities										
Capital assets, net of related debt	$ 504,666,727	$ 512,282,083	$ 505,949,827	$ 496,848,918	$ 562,505,745	$ 591,560,429	$ 596,362,881	$ 623,584,525	$ 641,108,437	$ 622,238,204
Restricted for:										
Revenue stabilization	24,541,087	24,928,401	27,177,741	35,634,133	38,754,372	44,952,851	47,818,429	32,778,154	-	-
Debt service	8,593,020	17,363,188	13,346,926	13,155,834	9,540,764	13,333,162	9,230,823	11,683,434	5,335,123	3,996,203
Capital improvements	98,332,602	53,502,139	59,022,217	51,130,409	107,716,853	104,693,767	104,851,313	121,074,932	48,635,874	61,469,121
Reforestation	2,465,565	2,697,247	4,313,745	5,524,706	6,559,025	7,880,990	8,521,089	5,027,348	5,399,159	7,766,138
Other purposes	3,669,395	3,790,598	3,189,519	5,151,600	6,774,586	6,265,652	8,286,624	4,739,945	9,826,468	3,408,549
Unrestricted	(80,851,877)	(108,427,530)	(99,052,792)	(69,377,525)	(106,855,776)	(100,471,355)	(189,559,379)	(380,694,137)	(481,961,464)	(594,418,963)
Subtotal governmental activities net assets	561,416,519	506,136,126	513,947,183	538,068,075	624,995,569	668,215,496	585,511,780	418,194,201	228,343,597	104,459,252
Business-type activities										
Capital assets, net of related debt	669,156,115	680,732,077	710,573,981	730,703,264	763,729,810	780,708,037	796,312,992	810,998,630	803,603,097	822,218,634
Restricted for:										
Debt service	165,710,205	162,090,444	156,003,350	147,894,257	156,854,325	164,718,410	180,173,819	200,012,523	207,296,505	220,812,854
Capital improvements	18,426,666	32,882,179	27,995,401	24,161,749	19,049,853	19,401,006	19,220,764	18,912,824	-	-
Other purposes	843,502	-	794,814	979,956	-	391,326	1,616,364	614,500	3,707,389	3,925,738
Unrestricted	14,304,196	16,782,679	3,335,282	5,692,310	9,133,869	16,368,158	13,780,022	(2,501,035)	22,282,513	21,548,473
Subtotal business-type activities net assets	868,440,684	892,487,379	898,702,828	909,431,536	948,767,857	981,586,937	1,011,103,961	1,028,037,442	1,036,889,504	1,068,505,699
Primary government										
Capital assets, net of related debt	1,173,822,842	1,193,014,160	1,216,523,808	1,227,552,182	1,326,235,555	1,372,268,466	1,392,675,873	1,434,583,155	1,444,711,534	1,444,456,838
Restricted for:										
Revenue stabilization	24,541,087	24,928,401	27,177,741	35,634,133	38,754,372	44,952,851	47,818,429	32,778,154	-	-
Debt service	174,303,225	179,453,632	169,350,276	161,050,091	166,395,089	178,051,572	189,404,642	211,695,957	212,631,628	224,809,057
Capital improvements	116,759,268	86,384,318	87,017,618	75,292,158	126,766,706	124,094,773	124,072,077	139,987,756	48,635,874	61,469,121
Reforestation	2,465,565	2,697,247	4,313,745	5,524,706	6,559,025	7,880,990	8,521,089	5,027,348	5,399,159	7,766,138
Other purposes	4,512,897	3,790,598	3,984,333	6,131,556	6,774,586	6,656,978	9,902,988	5,354,445	13,533,857	7,334,287
Unrestricted	(66,547,681)	(91,644,851)	(95,717,510)	(63,685,215)	(97,721,907)	(84,103,197)	(175,779,357)	(383,195,172)	(459,678,951)	(572,870,490)
Total primary governmental net assets	$ 1,429,857,203	$ 1,398,623,505	$ 1,412,650,011	$ 1,447,499,611	$ 1,573,763,426	$ 1,649,802,433	$ 1,596,615,741	$ 1,446,231,643	$ 1,265,233,101	$ 1,172,964,951

Note: Accounting standards require tht net assets be reported in three components in the financial statements: capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the State or Federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.

Anne Arundel County, Maryland
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
Education	$ 451,384	$ 444,903	$ 460,911	$ 506,795	$ 545,274	$ 604,273	$ 648,187	$ 685,499	$ 663,563	$ 697,647
Public safety	162,155	184,600	174,599	185,399	208,106	211,406	261,315	267,140	285,295	282,484
General government	69,487	99,789	89,832	90,538	87,480	99,787	108,536	119,849	121,427	115,262
Health and human services	64,606	68,448	68,205	69,009	72,130	77,363	76,399	73,669	72,731	72,096
Public works	51,215	72,830	53,981	57,416	62,300	61,129	75,748	68,103	84,000	66,553
Recreation and community services	32,265	44,485	40,949	50,097	53,132	56,820	60,227	63,032	63,688	61,005
Judicial	21,721	19,838	18,962	19,673	20,648	21,450	25,577	26,395	26,925	27,103
Code enforcement	10,108	10,512	9,996	10,700	11,176	11,455	13,543	13,378	13,905	13,305
Land use and development	8,422	9,458	10,262	9,686	10,457	9,344	10,687	12,996	11,010	14,429
Economic development	3,571	3,520	3,342	3,330	3,445	3,731	3,770	-	-	-
Interest on debt and leases	20,646	25,506	27,974	26,436	30,146	32,483	31,420	29,795	34,407	38,566
Subtotal governmental activities expenses	895,580	983,889	959,013	1,029,079	1,104,294	1,189,241	1,315,409	1,359,856	1,376,951	1,388,450
Business-type activities:										
Water and wastewater	82,591	85,254	85,920	94,416	94,109	100,136	113,666	114,150	112,694	112,709
Waste collection	33,857	36,066	42,946	38,996	47,638	40,773	44,043	47,885	46,539	49,078
Child care	1,476	1,819	2,015	2,362	2,543	2,794	3,324	3,756	3,703	3,772
Subtotal business-type activities expenses	117,924	123,139	130,881	135,774	144,290	143,703	161,033	165,791	162,936	165,559
Total primary government expenses	1,013,504	1,107,028	1,089,894	1,164,853	1,248,584	1,332,944	1,476,442	1,525,647	1,539,887	1,554,009
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	7,239	5,377	8,939	11,936	10,439	10,770	10,718	17,048	16,183	20,116
General government	17,014	24,338	23,232	27,057	34,595	35,660	38,368	40,485	42,238	44,867
Health and human services	2,941	3,112	3,464	3,134	4,010	4,186	3,843	7,114	7,375	4,207
Public works	2,790	3,916	1,723	1,905	2,770	3,009	2,752	2,491	3,907	4,352
Recreation and community services	7,742	7,785	8,042	9,265	12,223	15,065	16,324	16,904	16,119	16,095
Judicial	2,357	2,461	2,542	2,589	2,672	2,733	2,916	2,773	2,783	2,908
Code enforcement	8,233	7,889	13,282	13,610	14,287	14,849	13,694	10,764	11,526	13,605
Land use and development	1,242	968	2,657	2,756	2,568	3,248	2,562	1,050	2,924	5,132
Economic development	136	22	27	-	-	-	-	-	-	-
Operating grants and contributions	51,564	76,083	68,019	75,548	86,392	89,644	89,169	70,565	47,153	45,357
Capital grants and contributions	65,244	51,392	38,717	38,942	41,829	41,767	41,288	47,574	25,738	43,293
Subtotal governmental activities revenues	166,502	183,343	170,644	186,742	211,785	220,931	221,634	216,768	175,946	199,932
Business-type activities:										
Charges for services:										
Water and wastewater	56,412	58,291	59,600	61,805	68,464	69,689	72,449	71,622	78,995	81,555
Waste collection	34,144	35,284	35,449	36,153	42,291	43,014	43,708	43,281	43,218	44,106
Child care	1,675	1,922	2,084	2,428	2,689	2,881	3,089	3,493	3,665	3,568
Capital grants and contributions	24,532	37,769	28,947	38,539	43,991	43,078	51,850	49,630	44,798	54,093
Subtotal business-type activities revenues	116,763	133,266	126,080	138,925	157,435	158,662	171,096	168,026	170,676	183,322
Total primary government program revenues	283,265	316,609	296,724	325,667	369,220	379,593	392,730	384,794	346,622	383,254
Net (Expense)/Revenue										
Governmental activities	(729,078)	(800,546)	(788,369)	(842,337)	(892,509)	(968,310)	(1,093,775)	(1,143,088)	(1,201,005)	(1,188,518)
Business-type activities	(1,161)	10,127	(4,801)	3,151	13,145	14,959	10,063	2,235	7,740	17,763
Total primary government net (expense)/revenue	(730,239)	(790,419)	(793,170)	(839,186)	(879,364)	(953,351)	(1,083,712)	(1,140,853)	(1,193,265)	(1,170,755)

Anne Arundel County, Maryland
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets										
Governmental activities:										
General property taxes	360,112	371,534	393,884	412,001	437,323	470,163	497,486	540,602	557,796	577,937
Local government taxes	267,678	265,327	289,676	308,215	339,522	378,250	372,100	334,648	349,283	371,491
State shared taxes	29,693	5,891	6,919	6,614	7,120	7,192	7,739	7,931	7,521	8,665
Recordation and transfer taxes	67,797	74,120	99,053	116,713	129,933	109,258	82,776	55,811	59,727	58,000
Local sales taxes	29,225	29,618	30,830	31,249	34,176	36,546	37,380	33,269	31,682	32,406
Investment income	2,382	1,891	1,633	4,437	10,595	13,263	13,590	6,565	2,335	1,322
Other revenue	299	2,762	6,671	336	45	1,969	-	-	2,811	4,387
County transfer	-	-	-	-	-	-	-	-	-	10,426
Subtotal governmental activities	757,186	751,143	828,666	879,565	958,714	1,016,641	1,011,071	978,826	1,011,155	1,064,634
Business-type activities:										
Investment income	5,751	5,577	3,730	4,921	9,246	9,841	11,066	8,602	4,509	2,896
Other revenue	5,490	4,475	7,286	7,042	7,688	8,019	8,388	6,097	6,830	10,957
Subtotal business-type activities	11,241	10,052	11,016	11,963	16,934	17,860	19,454	14,699	11,339	13,853
Total primary government	768,427	761,195	839,682	891,528	975,648	1,034,501	1,030,525	993,525	1,022,494	1,078,487
Change in Net Assets										
Governmental activities	28,108	(49,403)	40,297	37,228	66,205	48,331	(82,704)	(164,262)	(189,850)	(123,884)
Business-type activities	10,080	20,179	6,215	15,114	30,079	32,819	29,517	16,934	19,079	31,616
Total primary government	$ 38,188	$ (29,224)	$ 46,512	$ 52,342	$ 96,284	$ 81,150	$ (53,187)	$ (147,328)	$ (170,771)	$ (92,268)

Note: Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

Anne Arundel County, Maryland

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	2002	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
General Fund										
Reserved for:										
Encumbrances	$ 5,562,101	$ 6,200,195	$ 5,834,558	$ 7,388,713	$ 10,147,548	$ 7,821,979	$ 9,931,122	$ 5,622,556	$ 4,962,041	$ -
Revenue stabilization fund	24,541,087	24,928,401	27,177,741	35,634,133	38,754,372	44,952,851	47,818,429	32,778,154	17,106,347	-
Debt service	-	7,251,133	5,996,172	4,548,800	4,138,515	6,071,789	3,124,631	6,109,093	-	-
Inventories	832,414	687,484	939,042	900,100	959,733	1,275,968	1,494,324	1,453,732	1,869,916	-
Other funds	-	-	-	121,743	512,446	756,606	908,047	1,092,910	-	-
Unreserved	38,115,899	10,111,613	59,667,854	94,110,403	92,639,611	103,840,756	54,447,182	(2,092,456)	27,578,262	-
Non spendable	-	-	-	-	-	-	-	-	-	1,952,362
Assigned	-	-	-	-	-	-	-	-	-	31,313,766
Unassigned	-	-	-	-	-	-	-	-	-	27,775,608
Total general fund	$ 69,051,501	$ 49,178,826	$ 99,615,367	$ 142,703,892	$ 147,152,225	$ 164,719,949	$ 117,723,735	$ 44,963,989	$ 51,516,566	$ 61,041,736
All other governmental funds										
Reserved for:										
Encumbrances	$ 33,679,943	$ 49,014,972	$ 39,597,488	$ 44,829,719	$ 37,074,156	$ 34,223,321	$ 40,144,197	$ 38,468,428	$ 37,445,938	$ -
Debt service	4,715,324	4,343,497	351,171	21,672	4,190	879	-	-	4,785,530	-
Capital projects funds	-	-	-	-	-	-	-	-	1,000,000	-
Other purposes	-	-	-	-	-	-	-	-	4,922,428	-
Unreserved, reported in:										
Special revenue funds	56,411,648	58,684,817	65,293,424	63,281,802	60,569,365	62,336,404	61,862,791	56,658,583	41,148,113	-
Capital projects funds	11,557,034	7,772,373	(1,690,760)	(9,948,301)	30,327,210	50,779,961	55,118,049	53,498,655	13,508,310	-
Debt service funds	3,877,696	5,765,919	6,999,583	8,585,362	5,373,059	7,240,494	6,096,192	5,519,844	6,302,224	-
Restricted	-	-	-	-	-	-	-	-	-	73,250,908
Committed	-	-	-	-	-	-	-	-	-	1,960,508
Assigned	-	-	-	-	-	-	-	-	-	62,694,509
Unassigned	-	-	-	-	-	-	-	-	-	(3,682,206)
Total all other governmental funds	$ 110,241,645	$ 125,581,578	$ 110,550,906	$ 106,770,254	$ 133,347,980	$ 154,581,059	$ 163,221,229	$ 154,145,510	$ 109,112,543	$ 134,223,719

Note: In fiscal year 2011 the primary government implemented GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. This statement redefined how the fund balances of the governmental funds are presented in the financial statements.

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Anne Arundel County, Maryland
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2002	2003	2004	2005
REVENUES				
General property taxes	$ 359,779,665	$ 376,141,261	$ 395,347,946	$ 411,488,309
Local income taxes	266,409,098	264,729,935	298,065,106	308,536,927
State shared taxes	29,656,317	29,336,273	25,613,319	30,308,838
Grants and aid	71,213,502	65,309,289	71,002,284	73,676,115
Recordation and transfer taxes	67,796,645	74,120,137	99,053,108	116,713,326
Local sales taxes	29,225,328	29,617,564	30,830,077	31,249,156
License and permit fees	10,919,271	11,517,360	15,154,020	15,400,144
Impact fees	7,200,089	9,055,776	10,715,560	10,845,055
Special community benefit taxes	3,305,255	3,473,476	3,829,032	4,640,447
Investment income	4,230,221	3,037,046	2,230,723	6,875,983
Fees for services and other revenue	30,322,621	29,227,728	33,060,102	37,503,663
Total revenues	880,058,012	895,565,845	984,901,277	1,047,237,963
EXPENDITURES				
Current				
Education	451,294,192	444,836,532	460,752,519	506,228,900
Public safety	154,665,392	168,686,401	171,085,550	183,418,356
General government	52,664,161	68,443,012	65,081,101	65,989,704
Health and human services	64,834,644	69,340,942	68,568,311	68,169,033
Public works	27,473,901	31,765,444	29,590,177	26,748,272
Recreation and community services	26,635,195	28,039,450	28,792,726	31,320,458
Judicial	19,553,878	17,679,442	17,531,229	18,551,403
Code enforcement	10,030,974	10,503,196	9,980,085	10,600,396
Land use and development	8,218,991	8,857,750	8,600,126	9,672,108
Economic development	3,571,254	3,520,112	3,342,050	3,330,000
Capital outlay	87,482,099	81,476,365	77,290,143	98,203,317
Debt service				
Interest payments on debt	21,174,747	21,407,053	27,488,181	26,865,677
Principal payments on debt	35,072,826	40,150,951	43,977,428	45,149,091
Interest payments on leases	86,581	31,317	18,406	12,325
Principal payments on leases	850,750	437,999	48,244	53,496
Total expenditures	963,609,585	995,175,966	1,012,146,276	1,094,312,536
Revenues over (under) expenditures	(83,551,573)	(99,610,121)	(27,244,999)	(47,074,573)
OTHER FINANCING SOURCES (USES)				
Transfers in	117,391,978	74,149,736	46,860,616	80,248,583
Transfers out	(117,391,978)	(74,149,736)	(46,860,616)	(80,248,583)
General obligation bonds issued	91,500,000	108,251,133	49,500,000	56,000,000
Bond anticipation notes issued	56,000,000	29,000,000	32,500,000	34,500,000
Payment of bond anticipation notes	(34,500,000)	(56,000,000)	(29,000,000)	(32,500,000)
National Business Park North bonds issued	-	-	-	-
Village South Waugh Chapel bonds issued	-	-	-	-
Parole Tax Increment bonds issued	-	8,300,000	-	-
Nursery Road Tax Increment bonds issued	-	-	2,570,000	-
Dorchester Taxing District bonds issued	-	8,223,335	5,388,744	-
Compass Pointe bonds issued	-	-	-	24,530,000
Installment purchase contracts issued	2,173,174	2,861,948	1,721,000	295,000
Proceeds from Federal and State Loans	-	-	-	-
Proceeds from lease financing	-	261,764	-	-
Proceeds from refunding issue	-	24,096,726	47,724,175	50,538,271
Premiums (discounts) from sale of bonds	-	-	3,294,922	3,417,648
Transfers from (to) proprietary funds	-	-	-	-
Transfers from (to) component units	-	-	-	-
Reduction in lawsuit liability	-	-	-	-
Payments to escrow agent	-	(24,039,670)	(51,047,973)	(50,398,473)
Total other financing sources (uses)	115,173,174	100,955,236	62,650,868	86,382,446
Net change in fund balances	$ 31,621,601	$ 1,345,115	$ 35,405,869	$ 39,307,873
Debt service as a percentage of noncapital expenditures	6.4%	6.3%	7.4%	7.0%

2006	2007	2008	2009	2010	2011
$ 439,755,427	$ 472,882,091	$ 500,153,066	$ 543,012,780	$ 562,011,285	$ 577,208,014
328,424,355	361,956,043	371,369,460	364,527,636	355,787,451	369,341,731
36,025,864	37,005,207	36,757,373	33,038,198	9,575,679	10,637,730
73,526,717	62,884,873	77,080,676	67,315,877	51,292,124	52,762,415
129,932,542	109,257,440	82,775,541	55,811,003	59,727,498	58,000,447
34,175,913	36,546,370	37,380,289	33,269,235	31,681,511	32,405,559
16,766,915	17,681,827	17,178,944	15,034,858	15,482,651	17,589,449
11,056,677	9,268,611	8,132,004	5,330,130	4,077,383	9,469,099
5,047,941	5,354,940	5,623,802	5,906,041	5,817,687	6,259,372
12,484,636	16,302,297	16,041,101	6,957,412	2,013,921	909,826
40,055,997	51,739,060	45,036,386	53,509,319	60,660,182	65,408,953
1,127,252,984	1,180,878,759	1,197,528,642	1,183,712,489	1,158,127,372	1,199,992,595
544,142,829	603,635,815	648,122,349	684,489,224	663,520,201	697,648,532
201,470,724	211,273,738	222,788,697	234,201,473	236,020,663	234,003,601
65,705,062	74,018,822	79,521,652	90,919,568	78,041,900	81,803,707
71,986,178	77,428,060	70,964,487	71,767,527	69,961,727	68,153,620
27,410,756	31,498,591	35,915,362	38,773,907	54,424,790	38,773,730
43,307,136	46,231,649	49,396,167	49,944,034	48,052,691	47,835,484
19,300,693	20,224,216	21,772,055	22,605,782	23,042,510	22,388,457
11,057,654	11,599,781	12,307,157	12,342,856	12,006,795	11,360,912
10,354,631	9,379,474	9,760,651	9,459,637	9,728,506	9,500,229
3,445,000	3,731,000	3,770,200	-	-	-
94,058,820	69,782,081	66,054,914	69,654,252	55,510,526	66,637,667
29,309,560	29,967,318	31,594,418	31,481,880	32,281,174	37,380,700
46,729,529	49,811,109	52,984,045	54,288,165	58,940,763	56,468,779
7,358	3,743	-	5,524	6,282	4,950
54,009	57,105	24,453	18,651	23,807	25,140
1,168,339,939	1,238,642,502	1,304,976,607	1,369,952,480	1,341,562,335	1,371,985,508
(41,086,955)	(57,763,743)	(107,447,965)	(186,239,991)	(183,434,963)	(171,992,913)
144,849,136	153,626,114	130,370,500	120,205,586	182,952,661	94,470,013
(144,849,136)	(153,626,114)	(130,370,500)	(120,205,586)	(182,952,661)	(94,470,013)
64,000,000	92,400,000	55,200,000	113,300,000	139,025,000	117,500,000
38,000,000	39,000,000	49,800,000	36,100,000	-	60,720,000
(34,500,000)	(38,000,000)	(39,000,000)	(49,800,000)	(36,100,000)	(60,720,000)
-	-	-	-	-	30,000,000
-	-	-	-	-	16,000,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
368,814	926,000	1,477,925	840,000	-	1,487,000
1,009,930	1,248,943	191,938	911,212	814,509	1,022,164
-	-	106,616	-	29,575	-
87,115,000	-	-	-	32,610,000	-
7,481,071	5,101,149	2,115,442	6,109,094	11,780,793	9,361,054
-	999,489	(800,000)	-	30,700,000	15,446,397
-	-	-	-	-	10,426,000
-	-	-	-	-	5,386,644
(91,361,801)	-	-	-	(33,905,304)	-
72,113,014	101,675,581	69,091,921	107,460,306	144,954,573	206,629,259
$ 31,026,059	$ 43,911,838	$ (38,356,044)	$ (78,779,685)	$ (38,480,390)	$ 34,636,346
6.9%	6.7%	6.7%	6.5%	7.0%	7.1%

Anne Arundel County, Maryland

Taxable Assessed Value and Estimated Actual Value of Property

Last Ten Fiscal Years

(in thousands of dollars)

	Real Property					Personal Property						Assessed Value as a
Fiscal Year Ended June 30,	Residential Property	Commercial Property	Agricultural Property	Use Value Property	Total Real Property	Railroad/Utility Property	Other Business Property	Total Personal Property	Total Taxable Assessed Value	Weighted Average Tax Rate (a)	Estimated Actual Value	Percentage of Actual Value
2002	$ 26,685,494	$ 6,604,609	$ 264,319	$ 7,293	$ 33,561,715	$ 1,286,234	$ 1,133,798	$ 2,420,032	$ 35,981,747	$ 1.02	$ 35,981,747	100.00%
2003	28,208,386	7,225,669	273,617	7,923	35,715,595	1,234,663	1,211,291	2,445,954	38,161,549	1.01	38,161,549	100.00%
2004	31,063,571	7,752,955	295,573	4,163	39,116,262	1,260,098	1,119,634	2,379,732	41,495,994	1.00	41,495,994	100.00%
2005	35,055,021	8,418,040	321,853	7,808	43,802,722	1,318,689	1,088,197	2,406,886	46,209,608	0.98	46,209,608	100.00%
2006	40,599,140	9,279,649	348,915	25,746	50,253,450	1,323,793	1,155,926	2,479,719	52,733,169	0.97	52,733,169	100.00%
2007	47,987,113	10,434,965	418,476	29,211	58,869,765	1,380,834	1,208,714	2,589,548	61,459,313	0.94	61,459,313	100.00%
2008	57,402,598	11,510,687	503,200	29,126	69,445,611	863,370	1,654,809	2,518,179	71,963,790	0.91	71,963,790	100.00%
2009	65,722,744	13,280,564	586,061	32,016	79,621,385	856,853	1,896,751	2,753,604	82,374,989	0.90	82,374,989	100.00%
2010	69,478,501	14,351,158	555,503	32,005	84,417,167	847,143	1,889,767	2,736,910	87,154,077	0.89	87,154,077	100.00%
2011	66,700,824	14,955,283	563,241	18,783	82,238,131	849,560	1,793,642	2,643,202	84,881,333	0.89	84,881,333	100.00%

Anne Arundel County, Maryland
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Per $100 of Assessed Value)

	Anne Arundel County					Overlapping		Total	
	Other than City of Annapolis		Within City of Annapolis						
Fiscal Year Ended June 30,	Real Property	Personal Prop.	Real Property	Personal Prop.	Weighted Average Tax Rate	City of Annapolis Real Property	State of Maryland Real Property	Other than City of Annapolis Real Property	Within City of Annapolis Real Property
2002	$ 0.96	$ 2.40	$ 0.56	$ 1.39	$ 1.02	$ 0.62	$ 0.08	$ 1.04	$ 1.26
2003	0.95	2.38	0.55	1.38	1.01	0.62	0.08	1.03	1.26
2004	0.96	2.39	0.56	1.39	1.00	0.60	0.13	1.09	1.29
2005	0.94	2.35	0.56	1.40	0.98	0.58	0.13	1.07	1.27
2006	0.93	2.33	0.56	1.39	0.97	0.56	0.13	1.06	1.25
2007	0.92	2.30	0.55	1.37	0.94	0.53	0.11	1.03	1.19
2008	0.89	2.23	0.53	1.33	0.91	0.53	0.11	1.00	1.17
2009	0.89	2.22	0.53	1.33	0.90	0.53	0.11	1.00	1.17
2010	0.88	2.19	0.52	1.31	0.89	0.53	0.11	0.99	1.17
2011	0.88	2.20	0.53	1.31	0.88	0.53	0.11	0.99	1.17

Note: Section 710(d) of the County Charter provides that property taxes shall not increase, compared with the previous fiscal year, more than the Consumer Price Index percentage of change, or 4.5 percent, whichever is the lesser.

Anne Arundel County, Maryland

Principal Property Tax Payers

Current Year and Nine Years Ago

2011

Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Constellation Power Source Gen. Inc.	$ 750,641,346	0.88%
Baltimore Gas and Electric Company	607,702,990	0.72%
Annapolis Mall LTD Partnership (Annapolis Mall)	415,250,300	0.49%
Arundel Mills Limited Partnership (Arundel Mills Mall)	328,120,210	0.39%
Verizon	226,940,870	0.27%
Annapolis Towne Center at Parole LLC	129,848,536	0.13%
Wal-mart Stores, Inc.	121,016,102	0.15%
Anne Arundel Medical Center	115,923,300	0.14%
Northrop Grumman Corp.	107,291,393	0.14%
TKL East (Marley Station Mall)	99,588,480	0.12%
	$ 2,902,323,527	3.42%

2002

Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Baltimore Gas and Electric Company	$ 977,063,930	2.72%
Verizon	240,256,100	0.67%
Annapolis Mall LTD Partnership (Annapolis Mall)	187,055,550	0.52%
Arundel Mills Limited Partnership (Arundel Mills Mall)	184,024,800	0.51%
TKL East (Marley Station Mall)	102,493,800	0.28%
Northrop Grumman Corp.	70,410,373	0.20%
Wal-mart Stores, Inc.	52,028,156	0.14%
Parole Town Center Associates LTD Partnership	46,833,988	0.13%
Anne Arundel Medical Center	38,801,900	0.11%
Riva Retail, Inc. (Festival at Riva)	36,921,000	0.10%
	$ 1,935,889,597	5.38%

Anne Arundel County, Maryland

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collection in Subsequent Years	Total Collection to Date: Amount	Total Collection to Date: Percentage of Levy
2002	$ 361,424,971	$ 355,998,775	98.50%	$ 5,344,900	$ 361,343,675	99.98%
2003	375,682,304	373,310,763	99.37%	2,363,982	375,674,745	100.00%
2004	393,762,892	391,557,058	99.44%	2,099,843	393,656,901	99.97%
2005	412,089,133	410,206,824	99.54%	1,816,757	412,023,581	99.98%
2006	439,775,209	438,118,642	99.62%	1,530,081	439,648,723	99.97%
2007	472,038,379	470,209,494	99.61%	1,682,266	471,891,760	99.97%
2008	498,477,749	497,250,354	99.75%	987,539	498,237,893	99.95%
2009	542,257,507	540,376,837	99.65%	1,348,800	541,725,637	99.90%
2010	562,014,875	553,780,723	98.53%	7,290,423	561,071,146	99.83%
2011	577,037,468	563,622,256	97.68%	-	563,622,256	97.68%

Anne Arundel County, Maryland

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(in thousands of dollars, except per capita)

	Governmental Activities							Business-Type Activities				
Fiscal Year Ended June 30,	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Bonds	State and Federal Loans	Capital Leases	Installment Purchase Agreements	Total Governmental Activities	Water, Wastewater and Solid Waste Bonds	Bond Anticipation Notes	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2002	$ 433,115	$ 56,000	$ 42,000	$ 3,547	$ 341	$ 3,837	$ 538,840	$ 277,780	$ 24,000	$ 840,620	4.26%	$ 1,673
2003	493,017	29,000	50,300	3,058	210	6,690	582,275	277,039	13,000	872,314	4.28%	1,726
2004	499,547	32,500	56,215	2,724	162	8,398	599,546	269,205	20,000	888,751	3.98%	1,747
2005	534,773	34,500	55,520	2,383	112	8,679	635,967	285,688	7,000	928,655	3.91%	1,820
2006	553,117	38,000	54,795	3,177	57	9,031	658,177	285,960	21,000	965,137	3.85%	1,893
2007	597,181	39,000	53,960	3,803	-	9,939	703,883	317,271	19,000	1,040,154	3.93%	2,032
2008	599,704	49,800	53,085	3,782	82	11,398	717,851	329,448	17,000	1,064,299	3.74%	2,065
2009	660,269	36,100	52,170	3,722	64	12,218	764,543	338,727	35,300	1,138,570	4.00%	2,184
2010	742,132	-	51,020	4,439	60	12,198	809,849	365,382	-	1,175,231	3.85%	2,186
2011	805,528	-	95,330	4,804	34	13,665	919,361	401,373	2,200	1,322,934	4.15%	2,439

(a) See the Demograhic and Economic Statistics schedule for personal income and population data. These ratios are calculated using personal income for the prior calander year.

Anne Arundel County, Maryland

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(in thousands of dollars, except per capita)

Fiscal Year Ended June 30,	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (a)	Per Capita (b)
2002	$ 752,895	2.09%	$ 1,498
2003	820,356	2.15%	1,623
2004	824,967	1.99%	1,622
2005	875,982	1.90%	1,717
2006	893,871	1.70%	1,753
2007	968,412	1.58%	1,892
2008	982,238	1.36%	1,906
2009	1,051,166	1.28%	2,017
2010	1,158,534	1.33%	2,155
2011	1,302,231	1.53%	2,401

(a) See the Taxable Assessed Value and Estimated Actual Value of Property schedule for property value data.

(b) See the Demographic and Economic Statistics schedule for population data.

Anne Arundel County, Maryland
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

Governmental Unit		Debt Outstanding	Estimated Percentage Applicable		Estimated Share of Overlapping Debt
Debt repaid with property taxes					
City of Annapolis	$	96,007,665	100.00%	$	96,007,665
Subtotal overlapping debt					96,007,665
Anne Arundel County direct debt					919,360,535
Total direct and overlapping debt				$	1,015,368,200

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of the overlapping government that is borne by the residents and businesses of Anne Arundel County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Anne Arundel County, Maryland
Legal Debt Margin
Last Ten Fiscal Years
(dollars in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed value										
Real property	$ 33,561,715	$ 35,715,595	$ 39,116,262	$ 43,802,722	$ 50,253,450	$ 58,869,765	$ 69,445,611	$ 79,621,385	$ 84,417,167	$ 82,238,131
Personal and operating real property	2,420,032	2,445,954	2,379,732	2,406,886	2,479,719	2,589,549	2,518,178	2,753,604	2,736,910	2,643,202
Total assessed value	35,981,747	38,161,549	41,495,994	46,209,608	52,733,169	61,459,314	71,963,789	82,374,989	87,154,077	84,881,333
Legal debt margin										
Debt limit (5.2% of assessed value of real property, 13% for fiscal years 2001 and prior)	1,745,209	1,857,211	2,034,046	2,277,742	2,613,179	3,061,228	3,611,172	4,140,312	4,389,693	4,276,383
Debt limit (13% of assessed value of personal and operating real property)	314,604	317,974	309,365	312,895	322,364	336,641	327,363	357,969	355,798	343,616
Total debt limit	2,059,813	2,175,185	2,343,411	2,590,637	2,935,543	3,397,869	3,938,535	4,498,281	4,745,491	4,619,999
Debt applicable to limit:										
General obligation bonds	433,115	493,017	499,547	534,773	553,117	597,181	599,704	660,269	742,132	805,528
Bonded debt for solid waste projects (1)	27,700	24,763	23,083	21,042	19,963	20,399	17,976	17,721	21,163	27,907
Installment Purchase Agreement	3,837	6,690	8,398	8,679	9,031	9,939	11,398	12,218	12,198	13,665
Tax Increment Bonds	42,000	50,300	56,215	55,520	54,795	53,960	53,085	52,170	51,020	95,330
Bond anticipation notes (2)	56,000	30,250	33,500	35,500	38,000	39,000	49,800	39,600	-	2,200
Total debt applicable to limit	562,652	605,020	620,743	655,514	674,906	720,479	731,963	781,978	826,513	944,630
Legal debt margin	$ 1,497,161	$ 1,570,165	$ 1,722,668	$ 1,935,123	$ 2,260,637	$ 2,677,390	$ 3,206,572	$ 3,716,303	$ 3,918,978	$ 3,675,369
Total debt applicable to the limit as a percentage of debt limit	27.32%	27.81%	26.49%	25.30%	22.99%	21.20%	18.58%	17.38%	17.42%	20.45%

(1) See Note 8 of the General Purpose Financial Statements for explanations of the bonded debt limits.
(2) This presentation of debt for self-liquidating solid waste projects and bond anticipation notes is made to provide a conservative statement of indebtedness that evidences compliance with the 5.2% and 5.6% debt limitation.

Anne Arundel County, Maryland

Pledged-Revenue Bond Coverage

Last Ten Fiscal Years

(dollars in thousands)

	Water and Wastewater Revenue Backed Bonds						Solid Waste Revenue Backed Bonds					
Fiscal Year	Utility Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Service Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	$ 65,809	$ 44,884	$ 20,925	$ 18,567	$ 10,229	0.73	$ 35,900	$ 30,744	$ 5,156	$ 6,992	$ 1,442	0.61
2003	66,278	49,836	16,442	18,335	8,465	0.61	37,139	32,300	4,839	2,937	1,304	1.14
2004	66,381	49,369	17,012	17,988	9,167	0.63	39,524	39,387	137	2,930	1,175	0.03
2005	68,815	55,399	13,416	18,538	8,428	0.50	40,375	34,109	6,266	3,041	1,080	1.52
2006	77,909	57,243	20,666	19,180	7,987	0.76	46,613	41,847	4,766	3,078	1,038	1.16
2007	80,861	62,031	18,830	19,087	7,882	0.70	48,813	37,028	11,785	3,064	992	2.91
2008	85,389	73,641	11,748	19,818	7,747	0.43	49,013	40,460	8,553	3,223	994	2.03
2009	83,291	74,931	8,360	20,891	6,154	0.31	45,292	44,757	535	2,354	806	0.17
2010	88,153	71,998	16,155	19,379	6,294	0.63	44,300	43,358	942	1,513	302	0.52
2011	89,182	71,602	17,580	19,568	7,433	0.65	48,083	46,267	1,816	1,456	253	1.06

	Tax Increment Bonds						Installment Purchase Agreements Bonds					
Fiscal Year	Revenues and Transfers In	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Revenues and Transfers In	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	$ 5,943	$ 129	$ 5,814	$ 310	$ 3,054	1.73	$ 140	$ 21	$ 119	$ 5	$ 179	0.65
2003	7,559	74	7,485	323	2,891	2.33	1,554	71	1,483	9	296	4.86
2004	9,062	568	8,494	829	3,317	2.05	1,699	31	1,668	13	380	4.24
2005	10,813	40	10,773	881	2,020	3.71	1,217	3	1,214	14	481	2.45
2006	12,785	38	12,747	783	2,698	3.66	36	352	-316	17	502	-0.61
2007	15,526	32	15,494	908	2,657	4.35	2,219	9	2,210	18	540	3.96
2008	18,100	848	17,252	875	2,613	4.95	614	14	600	19	605	0.96
2009	22,087	1,151	20,936	915	2,570	6.01	413	5	408	20	661	0.60
2010	24,354	1,057	23,297	1,150	2,522	6.34	1,473	0	1,473	20	663	2.16
2011	27,428	1,074	26,354	1,690	2,462	6.35	961	194	767	20	664	1.12

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
"Utility Charges and Other" includes investment earnings but not capital contributions and grants.
"Operating Expenses" do not include interest or depreciation.

Anne Arundel County, Maryland
Demographic and Economic Statistics
Last Ten Years

Year	Population (a)	Personal Income (b) *(thousands of dollars)*	Per Capita Personal Income (c)	Public School Enrollment (d)	Unemployment Rate % (e)
2002	502,574	$ 19,733,166	$ 39,264	74,798	3.7
2003	505,443	20,400,115	40,361	74,519	3.9
2004	508,722	22,351,127	43,936	74,000	3.8
2005	510,194	23,767,497	46,585	73,633	3.5
2006	509,947	25,094,586	49,210	73,111	3.3
2007	511,875	26,489,989	51,751	73,405	3.1
2008	515,328	28,439,286	55,187	73,658	4.4
2009	521,209	28,445,703	54,576	74,782	6.5
2010	537,656	30,497,003	56,722	75,481	6.8
2011	542,456	31,865,185	58,742	76,606	6.4

Sources:
(a) Mid-year (July 1) estimates obtained from the Population Division, U.S. Census Bureau, release date June 03, 2011; 2010 Population data as of April 1, 2010. These data supersede population estimates published in previous years. Year 2011 mid-year estimated by Anne Arundel County Planning & Zoning using the average change from 2000 to 2010.

(b) U.S. Bureau of Economic Analysis, release date April 21,2011. These data supersede population estimates published in previous years. Year 2010 and 2011 estimated by Anne Arundel County Planning & Zoning using linear reqgression. BEA: New estimates for 2008 and revisions for 1969-2007 were released on April 22, 2010, additional revisions were released for 2008 and 2009 in April 2011. These estimates incorporate the results of the comprehensive revision to the national income and product accounts released in July 2009 and of the comprehensive revision to the state income accounts released in October 2009. Additionally, population was revised back to the year 2000.

(c) Per capita personal income is total personal income divided by total U.S. Census Bureau mid-year population.
(d) Anne Arundel County Board of Education, Educational Facilities Master Plan July 2010; 2010 actual enrollment AACPS Planning Department release date June 2010.

(e) Maryland Department of Labor, Licensing and Regulation monthly reports. Year 2010 average revised; Year 2011 average for 6 months.

ANNE ARUNDEL COUNTY, MARYLAND

Principal Employers
Current Year and Nine Years Ago

2011			2002		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Ft. George G. Meade *	48,389	13.55%	National Security Agency *	25,000	9.80%
Anne Arundel County Public Schools	14,085	3.95%	Anne Arundel County Public Schools	13,857	5.43%
BWI Thurgood Marshall Airport	9,717	2.72%	Ft. George G. Meade *	11,042	4.33%
State of Maryland	9,032	2.53%	State of Maryland	8,788	3.45%
Northrop Grumman Corp.	8,000	2.24%	Northrop Grumman Corp.	6,681	2.62%
Anne Arundel County Government	4,163	1.17%	Anne Arundel County Government	3,800	1.49%
Southwest Airlines	3,200	0.90%	US Airways	2,353	0.92%
Anne Arundel Health System	2,800	0.78%	U.S. Naval Academy	2,200	0.86%
Baltimore Washington Medical Center	2,650	0.74%	Anne Arundel Health Systems, Inc.	2,000	0.78%
U.S. Naval Academy	2,340	0.66%	North Anne Arundel Health Systems, Inc.	1,700	0.67%
	104,376	29.23%		77,421	30.36%

Note: prior to fiscal year 2007 Ft. George G. Meade and the National Security Agency were listed separately in source documents, but have since been combined.

Sources: Anne Arundel Economic Development Corporation and the Maryland State Data Center.

ANNE ARUNDEL COUNTY, MARYLAND

County Government Employees by Function

Last Ten Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	557	586	554	535	537	540	536	530	519	501
Public safety										
Police	895	1,047	1,037	904	921	923	933	938	894	892
Fire	654	654	675	721	833	833	860	861	859	855
Detention center	434	434	409	408	409	415	415	412	408	402
Health and human services	141	173	175	161	163	175	178	177	176	174
Public works	340	347	339	295	299	304	308	309	289	282
Recreation and community services	107	109	99	99	102	110	113	112	104	98
Judicial	312	273	260	261	264	270	270	272	272	270
Code enforcement	175	173	158	156	168	172	178	177	166	162
Land use and development	98	94	104	101	101	105	90	88	84	82
Water and wastewater	362	353	353	348	348	348	348	351	350	350
Solid waste	83	83	83	83	84	85	85	85	87	87
Child care	6	7	7	7	7	8	8	9	9	9
Total	4,164	4,333	4,253	4,079	4,236	4,288	4,322	4,321	4,217	4,164

Anne Arundel County, Maryland

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Physical arrests	16,609	15,858	16,419	16,321	16,644	16,424	21,476	20,151	19,056	19,165
Parking violations	3,255	3,325	4,010	4,382	4,562	3,772	4,887	4,103	3,755	4,318
Traffic violations	56,225	53,055	53,855	61,161	69,022	81,142	133,507	120,229	141,308	152,484
Fire										
Emergency responses	59,587	59,435	62,565	61,412	62,304	65,724	66,349	66,170	72,946	73,071
Inspections	8,842	12,301	10,353	11,436	12,992	11,308	12,201	12,075	10,700	11,032
Streets and highways										
Resurfacing (miles)	65.4	45.0	31.1	78.2	124.5	70.3	65.1	59.1	48.0	57.7
Recreation and community services										
Facilitiy use applications	N/A	5,685	5,754	6,032	6,916	7,177	7,208	6,553	6,619	6,451
Water										
New water connections	1,649	1,354	4,856	1,477	1,094	894	937	752	871	743
Water main breaks	116	150	162	129	152	124	176	192	255	178
Average daily water consumption (thousands of gallons)	32,763	31,920	30,886	31,484	33,460	30,980	35,976	36,992	34,624	33,478
Number of customers	94,200	95,570	100,427	101,623	102,878	103,775	104,609	105,377	106,208	107,004
Wastewater										
Average daily sewage treatment (thousands of gallons)	29,294	33,443	33,953	32,457	31,077	32,340	30,959	30,564	33,800	31,173
Number of customers	101,900	103,361	108,017	109,179	110,637	111,574	112,487	113,413	114,342	115,129
Solid waste										
Trash collected (tons per year)	242,813	226,559	271,233	268,855	255,788	244,454	226,707	201,980	193,478	191,481
Recyclables collected (tons per year)	98,415	103,703	131,253	112,118	125,996	122,721	130,645	125,380	141,750	143,861
Child care										
Enrollment	1,414	1,533	1,619	1,689	1,921	1,982	2,477	2,148	2,150	2,337

Anne Arundel County, Maryland

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function/program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police										
Stations	8	9	10	10	10	10	10	10	10	10
Patrol units (vehicles)	399	414	414	429	468	484	487	487	487	487
Fire										
County owned stations	17	17	17	17	18	18	18	19	19	19
Volunteer stations	12	12	12	12	12	12	12	12	12	12
Pumpers/tankers	67	62	60	68	61	64	64	65	65	65
Ladder trucks	19	21	22	22	24	24	23	23	23	23
Paramedic units	39	40	41	39	41	40	40	41	41	41
Streets and highways										
Streets (miles)	1,691	1,710	1,735	1,754	1,761	1,765	1,767	1,768	1,772	1,772
Streetlights	34,467	34,877	35,081	35,423	35,800	36,130	36,561	37,105	37,375	37,583
Traffic signals	156	156	161	162	162	168	177	178	186	187
Recreation and community services										
Open space acreage	4,517	4,517	5,240	5,467	3,505	3,505	4,137	3,621	3,837	4,579
Playgrounds and Parks acreage	5,644	5,644	5,647	5,671	6,029	6,029	6,897	6,928	6,952	6,952
Parks										
Playgrounds	93	93	94	92	70	71	70	62	64	64
Baseball/softball fields	206	206	210	213	240	239	241	236	237	237
Football fields	161	161	162	169	107	110	112	118	118	118
Basketball courts	113	113	113	111	76	78	78	70	70	70
Tennis courts	219	219	214	212	86	84	84	64	64	64
Water										
Water mains (miles)	1,263	1,293	1,302	1,315	1,330	1,338	1,354	1,365	1,412	1,357
Water treatment plants	13	13	14	13	13	13	13	13	13	13
Wastewater										
Maximum daily treatment capacity (thousands of gallons)	43,615	43,615	43,615	43,615	43,615	43,615	46,615	46,615	46,615	46,615
Wastewater mains (miles)	1,142	1,156	1,346	1,363	1,376	1,397	1,417	1,440	1,459	1,401
Wastewater treatment plants	7	7	7	7	7	7	7	7	7	7
Wastewater pumping stations	241	242	243	243	245	248	251	252	249	249

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