

Anne Arundel County, Maryland

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008

County Executive

John R. Leopold

County Council

Cathleen M. Vitale – Chairperson
Edward R. Reilly – Vice-Chairperson
G. James Benoit, Jr.
Joshua J. Cohen
Ronald C. Dillon, Jr.
Daryl Jones
C. Edward Middlebrooks

Prepared by: Office of Finance - William R. Brown, Jr., Controller

**Anne Arundel County, Maryland
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008**

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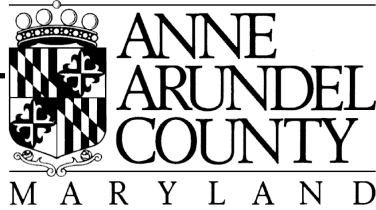
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OFFICE OF FINANCE

**Telephone:
(410) 222-1781**

**ARUNDEL CENTER
P.O. BOX 2700
ANNAPOLIS, MARYLAND 21404-2700**

**Fax:
(410) 222-1354**

December 19, 2008

The Honorable County Executive,
The Honorable Members of the County Council 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, 2008. 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 2008.

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 auditors, SB and Company, LLC, in conjunction with the County Auditor, Teresa Sutherland. Opinions from SB and Company, LLC and the County Auditor are included in the 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.

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.

ANNE ARUNDEL COUNTY

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.

The County provides the full range of basic services as articulated in its Charter. These services include Public Safety (Police, Fire and Detention Center), Street Construction and Maintenance, Planning and Code Enforcement, Recreation and Parks, Human Services, Education, a Community College, Libraries and General Administrative Services. The County also operates, in conjunction with the State of Maryland, services related to general community health and social services. In addition, a water and wastewater utility, solid waste disposal, and childcare facilities are operated as business-type activities.

Economic Condition and Outlook

Anne Arundel County is fortunate to have a balanced economy enabling the County to remain steady during national economic fluctuations. The County's diverse economic base ranges from a strong government sector supported by the presence of Fort George G. Meade and the National Security Agency, a stable tourism sector, and home to one of the State's most important economic engines, Baltimore/Washington International Thurgood Marshall Airport (BWI).

One key driver of the County's sustained economic performance is federal procurement spending. Anne Arundel County ranked number one among Maryland counties in FY 2007 receiving \$2.02 billion in defense procurement contracts. This represents an increase of 19.1% over the previous fiscal year. Anne Arundel County will continue to sustain this growth with eight out of the top ten defense contractors having a presence in the County. Defense procurement spending will also be bolstered by the expansion at Fort George G. Meade as a result of the Base Realignment and Closure process (BRAC). The BRAC initiative is underway with the Defense Information Systems Agency (DISA) breaking ground on their 1.8 million square foot facility in the Spring of 2008. The National Security Agency (NSA) is also expanding hiring 4,000 additional personnel over the next five to seven years. Additional growth of 10,000 personnel is projected as contractors cluster around Fort Meade to support NSA, DISA and other government agencies located on the base. It is estimated that BRAC-related activities will add \$1 billion to Ft. Meade's economic impact in the County, bringing the total impact of the federal campus to \$5 billion annually.

Anne Arundel County continues to sustain a healthy tourism sector as people visit the County to enjoy the 524 miles of shoreline, the historic Annapolis area, the annual boat shows and many festivals, and the myriad of shopping choices the County has to offer. Anne Arundel County is ranked number one in the State of Maryland for tourism. Travelers spend an estimated \$1.8 billion in Anne Arundel County, representing 17.1% of the total State tourism dollars spent, the largest share in the State. These visitors generate \$183.0 million in state and local tax revenue. Four new hotels opened in FY 2008 and currently there are ten additional hotels in permitting or under construction to support the tourism growth in Anne Arundel County. FY 2008 also saw the opening of major retail projects like the Annapolis Towne Centre at Parole and the newly expanded Westfield Annapolis Mall.

The Baltimore/Washington International Thurgood Marshall Airport (BWI) is another important economic driver for Anne Arundel County. BWI supports 10,659 direct jobs in the County and generates \$5.1 billion in business revenues for Maryland. Airport activities generate \$153 million in state and local tax revenue. The

ANNE ARUNDEL COUNTY

airport administration is currently focusing on the improvement of safety, security and efficiency to ensure that BWI will be prepared for future growth and continue to be a leading airport in the region. BWI set an all time record for passenger traffic in 2007, serving more than 21.0 million passengers.

During FY 2008, Anne Arundel County sustained positive trends in employment and job growth. The County's unemployment rate averaged 3.2%, which is below the State of Maryland at 3.7% and well below the National average of 5.0%. Anne Arundel County's job growth remained resilient with the County's 14,709 businesses adding 7,000 new jobs in 2007 resulting in Anne Arundel ranking number one in Maryland. Anne Arundel County continues to benefit from a relatively high share of employment in Professional and Business Services (+1,119 jobs), Government (+1,105 jobs) and Education and Health Services (+786 jobs). Anne Arundel County is fortunate to have a balanced economy across multiple sectors providing stability during the national economic fluctuations.

Anne Arundel County continues to be an economic engine for the State of Maryland and the region, despite the national negative economic influences. This is evidenced by consistent job growth, a low unemployment rate and industry growth across most sectors. Anne Arundel County's proximity to Washington and Baltimore, coupled with the attractive quality of life and access to a highly skilled workforce, will ensure that the County will sustain a steady economy as businesses continue to choose the County as a business location.

Financial Information

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, in the fiscal year 2002 the County implemented several new statements issued by the Governmental Accounting Standards Board, including Statement No. 34, which significantly changed the form and content of the Comprehensive Annual Financial Report. In addition to fund statements, a set of government-wide financial statements are presented that use the full accrual method of accounting. Also included is management's discussion and analysis of the basic financial statements. I urge you to read the Management Discussion and Analysis, Basic Financial Statements, and the Notes to the Basic Financial Statements to better understand the new reporting format.

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 County maintains 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 current expense budget and the capital budget. 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. An annual budget is adopted for the following special revenue funds: County Parking Garage, Street Light, Forfeiture and Asset Seizure Team, Economic Development, Conference and Visitors, Incentive Loan Program, Roads and Special Benefits, Piney Orchard Wastewater Service, Local Management Board, Inmate Benefit and Morale, Reforestation, Laurel Racetrack Community Benefit, Workforce Development, and Arundel

ANNE ARUNDEL COUNTY

Development Community Services (refer to budgetary comparisons on Pages 90-94). An annual budget (appropriated annually) is also adopted for the following debt service funds: Nursery Road Tax Increment District, West County Tax Increment District, Arundel Mills Tax Increment District, Parole Tax Increment District, Park Place Tax Increment District, Special Taxing Districts, and Installment Purchase Agreements (refer to budgetary comparisons on Pages 103-105). The capital budget, included in the six-year capital program, sets forth capital projects to be undertaken and the proposed sources of funding the capital projects.

The Office of Finance is responsible for budgetary control. The level of control at which expenditures cannot legally exceed the appropriated amount is set at the department level for the operating budget and at the project level for the capital budget. Management cannot overspend the budget without the approval of the governing body. 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

The balance of the Revenue Stabilization Fund was \$47,818,429 at June 30, 2008. 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.

In September 2002, legislation was enacted to change the maximum amount that may be retained in the Revenue Stabilization Fund as a percentage of the total general fund appropriation. The legislation provides that the amount of the annual appropriation to the Revenue Stabilization Fund may not cause the sum of the balance of the Revenue Stabilization 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 Revenue Stabilization Fund to the General 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 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.

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.

Debt Management

The County Charter established a Spending Affordability Committee for the County in Fiscal Year 1990. This committee is charged to make advisory recommendations to the Office of Budget, the County Executive and the County Council relating to spending affordability, including County spending levels to reflect the affordability of the taxpayers to finance County operations and service long-term debt. With input from the Spending Affordability Committee, the County administration develops debt management policies to be used in planning future debt issuance levels. The objective is to maintain creditworthiness while at the same time ensuring that necessary capital projects will be funded. The County has an internal debt affordability model that is updated annually.

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.

Retirement Plans and Other Post Employment Benefits

Anne Arundel County sponsors four single-employer defined benefit pension plans in separate trust funds administered by the Anne Arundel County Retirement and Pension System, a corporation that is an agency in the Executive Branch of County Government. County employees also participate in two multi-employer cost-sharing pension plans administered by the State. The County plans were established under authority created by the County Charter and legislation, while the State plans were created under authority created by State legislation.

Each year an independent actuary engaged by the pension plans calculates the amount of the annual contribution that the County must make to each pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis.

The County also provides post retirement health and dental care benefits for certain retirees and their dependents. In that regard, the County has implemented Governmental Accounting Standards Board (GASB) Statement #45 in the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2008. GASB Statement #45 requires governments to report a liability in the financial statements in connection with an employer's obligation to provide other post employment benefits (OPEB).

Long-Term Financial Planning

As part of the County's long-term financial planning, revenues are projected over a number of years and compared with expenditure levels based on certain assumptions, including maintenance of effort service levels, enhanced service levels, and factoring in inflation, the fiscal impact of negotiated labor agreements, health and pension costs, etc. The capital budget and improvement program covers six years and the impact of improvements on the County's operating budget is also factored in expenditure projections. The County's debt affordability model is based upon six-year projections of operating revenue, property assessments, personal income and population. In recent years, the County has provided pay-go funding for capital projects using excess revenues from property recordation and transfer taxes.

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, 2007. This was the twenty-seventh consecutive year that the County has received this prestigious award.

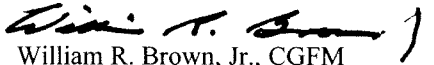
In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. This report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

ANNE ARUNDEL COUNTY

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 for his 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, and especially to Jodee Dickinson, Assistant Controller.

Sincerely,


William R. Brown, Jr., CGFM
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, 2007

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.



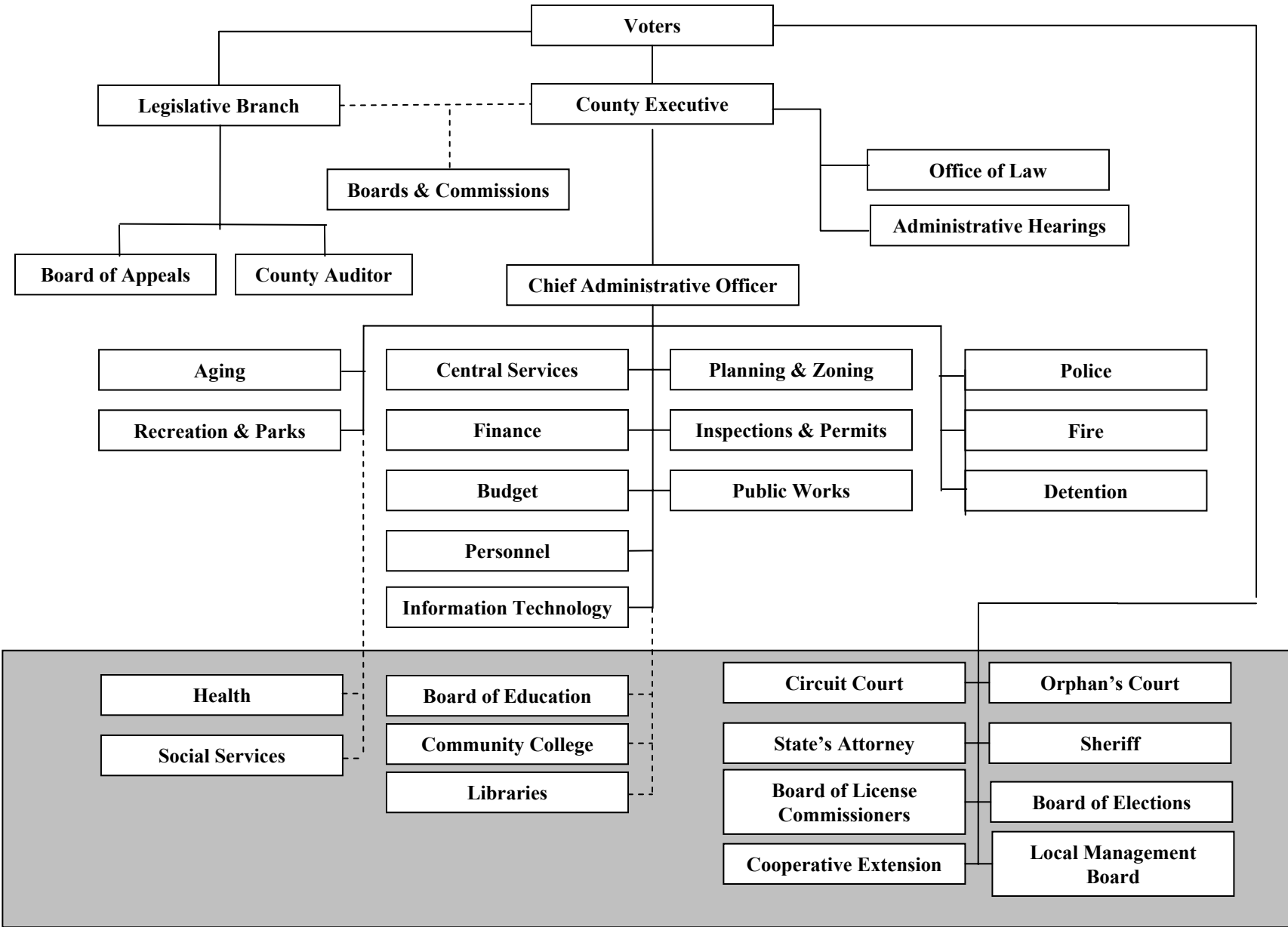
Chloe S. Cox

President

Jeffrey R. Emer

Executive Director

Anne Arundel County, Maryland





December 19, 2008

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The 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, and the aggregate remaining fund information of Anne Arundel County, Maryland (the County), as of and for the year ended June 30, 2008, 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 an opinion on these financial statements based on our audit.

We audited only the component unit financial statements of the Public Library of Annapolis and Anne Arundel County. We did not audit the other component unit financial statements. The component units we did not audit represent 98.88 percent, 98.94 percent, and 99.24 percent, respectively, of the assets, net assets and revenues of the total component units. We also did not audit the Pension Trust Funds as of and for the year ended December 31, 2007. 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 component units and the Pension Trust Funds is based 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 and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows 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.



SB & COMPANY

In accordance with *Government Auditing Standards*, we have issued our report dated December 19, 2008 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 Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and schedules of funding progress for the single employer defined benefit pension plans and for post-employment benefits are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors 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 and the other auditors did not audit the information and express no opinion on it.

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

SB & Company, LLC



**ANNE ARUNDEL COUNTY
OFFICE OF THE COUNTY AUDITOR**

Independent Auditor's Report

The Honorable County Executive
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, and the aggregate remaining fund information of Anne Arundel County, Maryland (the County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Anne Arundel County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We audited only the component unit financial statements of the Public Library of Annapolis and Anne Arundel County. We did not audit the other component unit financial statements. The component units we did not audit represent 98.88 percent, 98.94 percent, and 99.24 percent, respectively, of the assets, net assets, and revenues of the total component units. We also did not audit the Pension Trust Funds as of and for the year ended December 31, 2007. 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 component units and the Pension Trust Funds, 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 and the reports of other auditors provide a reasonable basis for our opinion.

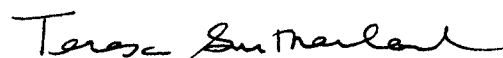
In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anne Arundel County, Maryland, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows 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 our report dated December 19, 2008 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and schedules of funding progress for the single employer defined benefit pension plans and for post-employment benefits as referenced in the table of contents are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors 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 and the other auditors did not audit the information and express no opinion on it.

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

Annapolis, Maryland
December 19, 2008



Anne Arundel County, Maryland
Management Discussion and Analysis
Year Ended June 30, 2008

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, 2007 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, land use, and economic development. The business-type activities include the Primary government's functions 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 revenue, 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 restricted revenue sources to ensure these funds are spent on the intended

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purpose; and 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, and Central Garage Funds. These statements also focus on major funds and, 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 record no revenue 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.

Other Required Supplementary Information - There are two required supplementary schedule that provides trend data about the Pension Trust Fund and other post-employment benefits.

Financial Highlights

Overall Financial Position – During fiscal year 2008, the County's net assets resulting from governmental activities have decreased by \$82.7 million or 12.3%. This decrease was related primarily to the decrease in the unrestricted net assets of \$89 million offset by modest increases in capital assets net of related debt and restricted net assets. In fiscal year 2008, results for the County's business-type activities increased \$29.5 million, or 3%. This increase was generated by additional capital assets of \$15.6 million, additional restricted net assets of \$16.5 million, and a decrease in the unrestricted net assets of \$2.6 million. The capital asset increase is modest compared to prior years. The restricted net assets increase occurred as the balances set aside for debt service payments increased by \$15.5 million, and the \$2.6 million decrease in unrestricted net assets occurred as the landfills reserve estimates

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were significantly reduced.

Changes to Statement of Net Assets' Components - In governmental activities, the increase in total assets of \$4.7 million was outpaced by the increase in total liabilities of \$87.4 million. The current unrestricted assets decreased by \$21 million (6%) and current restricted assets increased by \$9.3 million (5%), respectively, while the capital assets increased by \$16.5 million, or 2%. The decrease in the current asset categories was in cash, accounts receivable, and other assets, whereas the current restricted assets saw increases in cash and accounts receivable.

While the assets increased by less than 1%, the liabilities rose 10%. The increases occurred in current liabilities by \$16.3 million (10%), current restricted liabilities by \$2.6 million (6%), and noncurrent liabilities by \$68.5 million (10%). The current liabilities' increases were the result of an additional \$10.8 million issued for bond anticipation notes (BANS) for capital projects and a \$6.4 million increase in accrued liabilities offset by modest declines in other categories. The increase in noncurrent liabilities was caused by the initial recording of the other post-employment benefits (OPEB) obligation of \$58.3 million, an increase of unpaid insurance claims of \$7.3 million and an increase in long-term debt of \$2.8 million.

Net assets related to business-type activities increased \$29.5 million or 3% in fiscal year 2008. Assets increased by \$35.7 million, while liabilities increased by \$6.1 million. Asset increases were caused primarily by the change of \$22.8 million in restricted current assets. This increase is due to the significant increase in cash reserved for debt service and capital projects of \$10.1 million and \$4.9 million, respectively. The increase also resulted from a \$4.7 million current receivable in fiscal year 2008 for front foot and capital connection fees that were recorded in noncurrent receivables in fiscal year 2007.

The \$6.1 million increase in business-type liabilities was caused by increases in noncurrent liabilities of \$11.7 million and current liabilities of \$1.9 million, offset by a decrease in restricted current liabilities of \$7.5 million. The increase in noncurrent liabilities was caused by additional net debt in fiscal year 2008 that totaled \$12.2 million, the initial recording of the OPEB obligation of \$4.5 million, and a reduction of \$3.9 million in deferred revenue for prepaid connection fees recognized in fiscal year 2008. Current restricted liabilities decreased primarily because a portion of the prepaid connection fees paid in fiscal year 2007 were recognized during fiscal year 2008.

Significant changes in revenues and expenses – Fiscal year 2008 showed continuing growth in property and sales taxes as significant Federal defense and intelligence presence help support this growth. However, the rising interest rates and downturn in the economy caused a slow down in the real estate market that had a negative impact on the recordation and transfer taxes and local income taxes collected by the County. General revenues in governmental activities decreased \$5.6 million, or less than 1%, from fiscal year 2007. The County experienced growth in property tax revenues of \$27.3 million, or 6%. Recordation and transfer taxes declined by \$26.5 million, or 24%, and local income taxes decreased \$6.2 million, or 2%.

The governmental activities' program revenues remained virtually unchanged. An increase in charges for services of \$1.7 million during fiscal year 2008 were offset by declines in capital grants and contributions of \$479,886 and operating grants and contributions of \$475,184.

The business-type activities show an increase in total program revenue of \$12.4 million. There was an increase in all categories as charges for services increased \$3.7 million, or 3.2%, and capital grants and contributions increased by \$8.8 million, or 20%. General revenue sources have increased by \$1.6 million, a 9% increase from the previous year.

Business-type expenses increased by \$17.3 million from the previous year expenses. The water and wastewater expenses increased by \$13.5 million (14%), waste collection increased by \$3.3 million (8%), and the Child Care Fund increased by \$530,299.

Changes to debt – The County's total bonded debt balance increased by \$23.5 million in fiscal year 2008. The County issued \$55.2 million of bonds for governmental activities and \$32 million for business-type activities. Of the issue of \$87.2 million, \$58 million was used to liquidate BANS issued in March 2007, and \$29.2 million was used to fund ongoing capital projects. The County issued \$66.8 million of BANS in May 2008 to fund capital

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expenditures in fiscal year 2009. Of this amount, \$49.8 million is related to governmental activities, including education, public safety, infrastructure improvements, recreation, libraries, and general government improvements. The business-type activities received the remaining \$17 million of proceeds, which will be used for utility and waste collection improvements.

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		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Assets:						
Current	\$ 331,870,011	\$ 352,899,757	\$ 56,958,624	\$ 57,059,461	\$ 388,828,635	\$ 409,959,218
Restricted - Current	208,713,872	199,436,686	231,342,309	208,532,413	440,056,181	407,969,099
Restricted - Noncurrent	-	-	48,283,996	56,091,505	48,283,996	56,091,505
Capital	1,008,056,404	991,557,618	1,103,594,329	1,082,832,441	2,111,650,733	2,074,390,059
Total	<u>1,548,640,287</u>	<u>1,543,894,061</u>	<u>1,440,179,258</u>	<u>1,404,515,820</u>	<u>2,988,819,545</u>	<u>2,948,409,881</u>
Liabilities:						
Current	183,879,369	167,538,631	53,062,383	51,116,773	236,941,752	218,655,404
Restricted - current	43,682,875	41,065,594	29,747,892	37,220,616	73,430,767	78,286,210
Noncurrent	735,566,263	667,074,340	346,265,022	334,591,494	1,081,831,285	1,001,665,834
Total	<u>963,128,507</u>	<u>875,678,565</u>	<u>429,075,297</u>	<u>422,928,883</u>	<u>1,392,203,804</u>	<u>1,298,607,448</u>
Net Assets:						
Invested in capital assets, net of related debt	596,362,881	591,560,429	796,312,992	780,708,037	1,392,675,873	1,372,268,466
Restricted	178,708,278	177,126,422	201,010,947	184,510,742	379,719,225	361,637,164
Unrestricted	(189,559,379)	(100,471,355)	13,780,022	16,368,158	(175,779,357)	(84,103,197)
Total	<u>\$ 585,511,780</u>	<u>\$ 668,215,496</u>	<u>\$ 1,011,103,961</u>	<u>\$ 981,586,937</u>	<u>\$ 1,596,615,741</u>	<u>\$ 1,649,802,433</u>

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, or local law, 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 their respective useful lives.

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 not expected to be liquidated within one year. Noncurrent liabilities are those not expected to be paid within a year, including long-term debt balances, 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. Net assets are shown in three categories: capital assets, net of any related debt issued to construct or buy the assets, restricted net assets remaining after restricted liabilities are covered by restricted assets, and unrestricted net asset balances.

Management's Analysis – Current assets of governmental activities are \$21 million less in fiscal year 2008 due primarily to declines in cash and temporary investments of \$8.5 million, taxes and State revenue receivables of \$9.4 million, and other receivables of \$3.3 million. The business-type activities current assets remained virtually the same.

Restricted assets in governmental activities increased by \$9.3 million as cash in the capital projects fund

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continues to build. County funding of bond proceeds and pay-as-you-go has not yet been tapped for construction costs. The fluctuation in current restricted assets in business-type activities is \$22.8 million, or 11%. This substantial increase is a result of growing cash balances in the cash reserved for utility debt service, a \$10.1 million increase, and the cash for utility capital projects, an increase of \$4.9 million. The prepaid wastewater connection fees and the growing and untapped cash balances in the water and waste water fund are the causes.

Restricted noncurrent assets in business-type activities decreased by \$7.8 million from fiscal year 2007, which is a 14% decrease. These assets result from long-term receivables for front foot benefit charges, capital connection charges, and a note receivable due from a developer. These balances continue to decrease as the number of properties allowed to defer the charges is declining and the developer is paying down the principal balance of the note. Newer developments are generally required to pay front foot and capital connection fees in advance.

The governmental capital assets net balance increased by \$16.5 million from the previous year, a 2% increase that resulted from the completion of certain capital projects. Capital assets in the business-type activities increased by \$20.8 million, or 1.9%.

Current unrestricted liabilities for governmental activities increased by \$16.3 million, or 10%, from the previous fiscal year. The increase was caused by increases in accrued liabilities of \$6.4 million and additional outstanding bond anticipation notes of \$10.8 million from the previous year, offset by declines in the other current liabilities categories. The current unrestricted liabilities in business-type activities increased by \$1.9 million, or 3.8%, from fiscal year 2007. An increase of \$3.6 million in accrued liabilities from fiscal year 2007 was offset by a \$2 million decrease in Solid Waste bond anticipation notes from fiscal year 2007.

Restricted current liabilities for governmental activities increased \$2.6 million, or 6.3%, from fiscal year 2007. The increase was caused by a \$6.8 million increase in the amount due to the Board of Education and Community College at year-end for capital projects in process and modest increases in other liabilities, offset by a \$5.4 million decrease in accrued liabilities for General County, highways, and recreation capital projects. Restricted current liabilities for business-type activities decreased by \$7.5 million, or 20%. Prepaid wastewater connection fees discussed earlier were substantially deferred into subsequent years, and the recognition of that revenue caused a decrease in the restricted deferred revenue of \$6.3 million. Modest decreases in the other categories contributed to this change.

Noncurrent liabilities consist of bonded debt, self insurance reserves, loans, capital leases, and other liabilities. These liabilities increased \$68.5 million, or 10%, in governmental activities, and increased by \$11.7 million, or 3.4%, in business-type activities. The increase in the governmental activities is substantially more than the fluctuations noted in the prior year's statements. For governmental activities the increase resulted from the initial recording of the OPEB obligation of \$58.3 million, an increase of unpaid insurance claims of \$7.3 million due to increases in health care costs and self insurance reserves, and a modest increase in net bonded debt. The increase noted in the noncurrent liabilities in business-type activities for fiscal year 2008 was caused by an increase in the net bonded debt of \$12.2 million, offset by a decrease of \$3.8 million in deferred revenue as prepaid connection fees were recognized in fiscal year 2008.

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 (\$100.5) million to (\$189.6) million, a decrease of 89%. 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 \$189.6 million reflects this treatment. The Board of Education and Community College capital net assets of approximately \$662.7 million and \$70.7 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 eight years. The decrease is the result of excess net assets funneled to capital improvements

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classified in the capital assets and restricted net assets categories and the initial recording of the OPEB obligation.

<u>Fiscal year</u>	<u>Balance (in millions)</u>	<u>Fiscal year</u>	<u>Balance (in millions)</u>	<u>Fiscal year</u>	<u>Balance (in millions)</u>
2001	\$ (54.1)	2004	\$ (99.1)	2007	\$ (100.5)
2002	(80.4)	2005	(69.4)	2008	(189.6)
2003	(108.4)	2006	(106.9)		

The schedule on the next page 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. An analysis of this information is as follows.

The Statement of Activities presents some significant changes in revenues. These fluctuations were explained in the financial highlights section. Governmental activities' overall revenue has decreased by \$4.9 million, which is less than 1% decrease from the previous year. While property tax revenues increased \$27.3 million, recordation and transfer taxes and local income taxes have decreased from fiscal year 2007. Fiscal year 2008 declines were noted in recordation and transfer taxes of \$26.5 million and local income taxes of \$6.2 million as a result of the slowing economy. Due to the sizable increase in the assessable property tax base, the Charter-imposed property tax cap calculation required the property tax rates to decline slightly in fiscal year 2007 and in fiscal year 2008.

The expenses of the governmental activities increased by \$126.1 million, or 11%, from fiscal year 2007. Most functional categories of expenditures have increased; however, the more notable fluctuations were in education, public safety, and public works. Education expenses increased \$43.9 million, or 7% from fiscal year 2007. This was primarily caused by payments to or on behalf of the Board of Education for operations and capital improvements, which increased by \$12.7 million and \$29.3 million, respectively. Public safety increased by \$49.9 million, or 24%, and public works expenses increased by \$14.6 million, or 24%, from fiscal year 2007.

In business-type activities there was a modest increase in charges for services of \$3.7 million, or 3.2%, in fiscal year 2008. Capital grants and contributions increased by \$8.8 million, or 20%, from the previous year. Increases in user charges for water service and fees, additional developer-built assets transferred to County ownership, and the increased use of capital connection vouchers caused this increase. Investment income increased \$1.2 million, or 12%, from fiscal year 2007 to 2008. Modest increases in interest rates have caused this fluctuation.

Business-type expenses indicate water and wastewater activities increased by \$13.5million, or 14%, waste collection activity increased \$3.3 million, or 8%, and child care activities increased by \$530,299, or 19%. The increases in water and wastewater and waste collection expenses resulted from increases in most functional categories of expenditures, including the initial recording of the OPEB obligation and increased waste collection costs.

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Statement of Activities						
	Governmental		Business type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Program revenues:						
Charges for services	\$ 91,177,750	\$ 89,519,721	\$ 119,245,364	\$ 115,583,882	\$ 210,423,114	\$ 205,103,603
Operating grants & contributions	89,169,100	89,644,284	-	-	89,169,100	89,644,284
Capital grants & contributions	41,287,571	41,767,457	51,850,600	43,077,787	93,138,171	84,845,244
	<u>221,634,421</u>	<u>220,931,462</u>	<u>171,095,964</u>	<u>158,661,669</u>	<u>392,730,385</u>	<u>379,593,131</u>
General revenue:						
General property taxes	497,486,266	470,163,256			497,486,266	470,163,256
Local income taxes	372,100,233	378,250,270			372,100,233	378,250,270
State shared taxes	7,738,672	7,191,853			7,738,672	7,191,853
Recordation & transfer taxes	82,775,541	109,257,440			82,775,541	109,257,440
Local sales taxes	37,380,289	36,546,370			37,380,289	36,546,370
Investment income	13,589,632	13,262,845	11,065,947	9,841,180	24,655,579	23,104,025
Other revenue	-	1,968,910	8,388,227	8,019,340	8,388,227	9,988,250
	<u>1,011,070,633</u>	<u>1,016,640,944</u>	<u>19,454,174</u>	<u>17,860,520</u>	<u>1,030,524,807</u>	<u>1,034,501,464</u>
Total revenues	<u>1,232,705,054</u>	<u>1,237,572,406</u>	<u>190,550,138</u>	<u>176,522,189</u>	<u>1,423,255,192</u>	<u>1,414,094,595</u>
Expenses:						
Education	648,186,727	604,272,803			648,186,727	604,272,803
Public safety	261,315,047	211,406,101			261,315,047	211,406,101
General government	108,535,979	99,787,089			108,535,979	99,787,089
Health & human services	76,398,645	77,363,293			76,398,645	77,363,293
Public works	75,748,125	61,128,634			75,748,125	61,128,634
Recreation & community services	60,226,846	56,820,623			60,226,846	56,820,623
Judicial	25,577,483	21,449,798			25,577,483	21,449,798
Code enforcement	13,543,199	11,455,519			13,543,199	11,455,519
Land use & development	10,686,609	9,343,623			10,686,609	9,343,623
Economic development	3,770,200	3,731,000			3,770,200	3,731,000
Interest expense on debt	31,419,910	32,482,961			31,419,910	32,482,961
Water & wastewater			113,666,002	100,135,704	113,666,002	100,135,704
Waste collection			44,042,614	40,773,206	44,042,614	40,773,206
Child care			3,324,498	2,794,199	3,324,498	2,794,199
Total expenses	<u>1,315,408,770</u>	<u>1,189,241,444</u>	<u>161,033,114</u>	<u>143,703,109</u>	<u>1,476,441,884</u>	<u>1,332,944,553</u>
Change in net assets	(82,703,716)	48,330,962	29,517,024	32,819,080	(53,186,692)	81,150,042
Net assets, beg of year	<u>668,215,496</u>	<u>619,884,534</u>	<u>981,586,937</u>	<u>948,767,857</u>	<u>1,649,802,433</u>	<u>1,568,652,391</u>
Net assets, end of year	<u>\$ 585,511,780</u>	<u>\$ 668,215,496</u>	<u>\$ 1,011,103,961</u>	<u>\$ 981,586,937</u>	<u>\$ 1,596,615,741</u>	<u>\$ 1,649,802,433</u>

Distribution of Revenues and Expenses

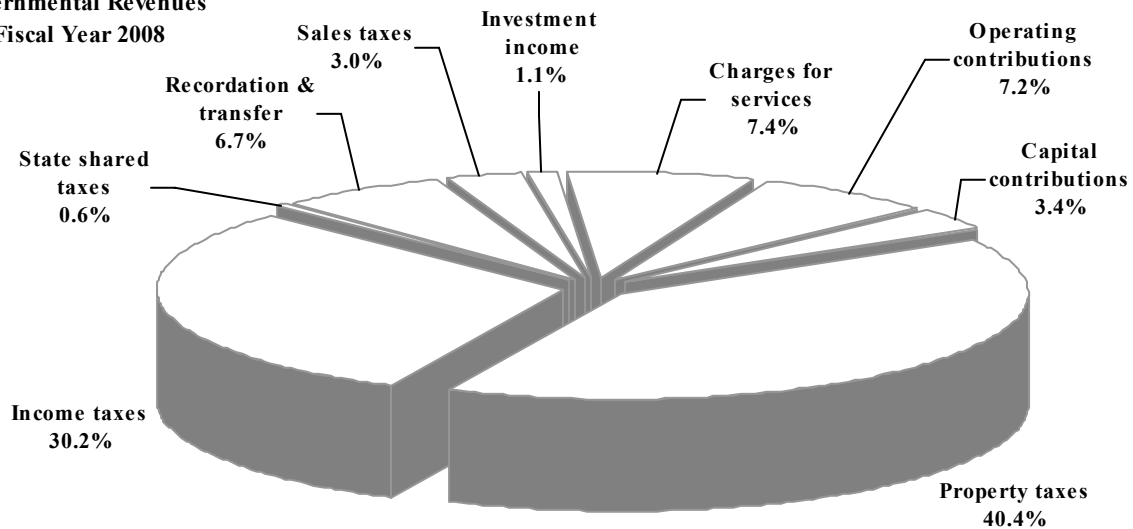
The two charts on the next page show the percentage distribution of revenues from governmental activities and the percentage expended on each function, respectively. Discussion of the 2008 distribution and significant changes since 2007 follows.

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 82% of our revenue base, remaining consistent with fiscal year 2007. Charges for services, in which the users pay the County for services obtained, increased from 7.2% from fiscal year 2007 to 7.4% for fiscal year 2008.

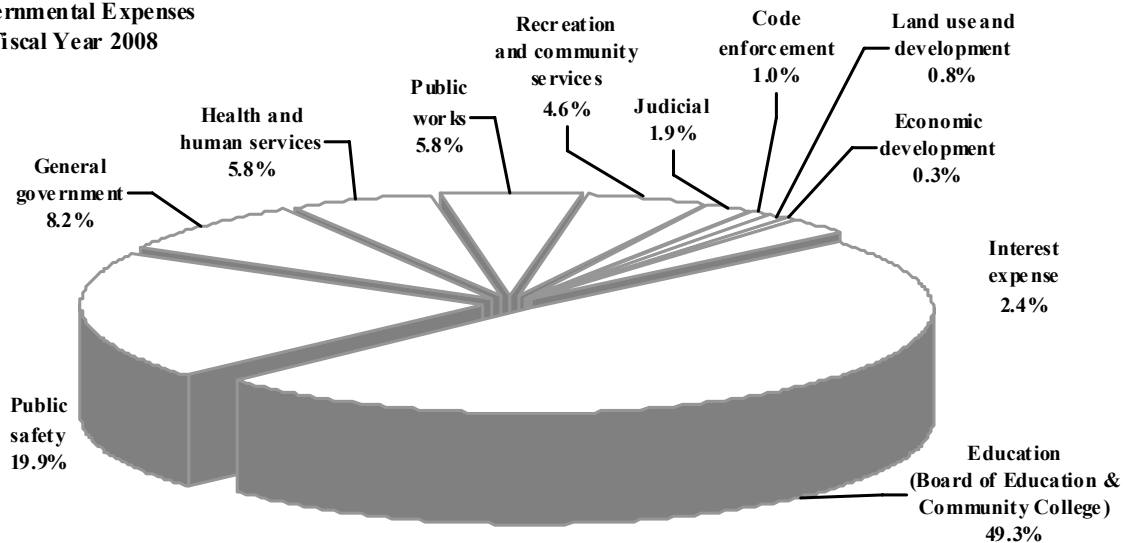
An analysis of the percentage distribution of expenses by function revealed that there were no significant changes in any of the functions as a percent of the total. Education expenses represented 49.3% of total expenses. Education expenses represent those for the Anne Arundel County Board of Education and Anne Arundel Community College.

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**Governmental Revenues
 Fiscal Year 2008**



**Governmental Expenses
 Fiscal Year 2008**



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 decreased from \$278.5 million to \$238.3 million, or \$40.2 million, from fiscal year 2007. The decreases primarily occurred in cash and investments and State shared revenues, which declined by \$28.4 million and \$6.9 million, respectively. Total fund balance decreased from \$164.7 million to \$117.7 million. The decrease in the cash and fund balance was caused by the significant decline in the recordation and transfer tax revenue of \$26.5 million from fiscal year 2007.

General Fund expenditures increased from \$1,101 million to \$1,109 million, or \$8 million. This growth

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outpaced the revenue increases; however, other sources and uses had a net outflow of \$51.9 million to the General Fund in fiscal year 2008, compared to a net inflow of \$6.3 million in 2007. This change was caused by a net reduction in general obligation bonds issued of \$37.2 million, an increase in the amount of pay-as-you-go funding allocated to capital projects of \$8.8 million, and an \$8.7 million decline in the excess surpluses of governmental funds coming back to the General Fund in fiscal year 2008.

The unreserved and undesignated General Fund balance decreased from \$43 million in fiscal year 2007 to \$11.8 million in 2008. Of the \$47 million decrease in fund balance in fiscal year 2008, \$31.2 million occurred in this category. The remaining decreases in the General Fund balance were allocated to the General fund balance designated for next year's expenditures of \$18.2 million offset by a modest increase in the Revenue Reserve Fund.

The County has a Revenue Reserve Fund of \$47.8 million at the end of fiscal year 2008. The growth in this fund from the prior year of \$2.9 million was due to an additional contribution of \$500,000 in fiscal year 2008 and interest earnings of \$2.4 million. This reserve may only be used when revenues fall short of expectations. Use of the reserve requires legislative action. Further, legislation passed in September 2002 increased the amount of funding that may be allocated to this reserve each year. This fund has been in existence since fiscal year 1994 and has not been used by Management.

The General Fund balance sheet also includes a \$3.1 million reserve for debt service. The County received premiums from its March 2007 and April 2008 general obligation bond sales. These premiums have been recognized as revenue in the fund statements and will be used to pay interest on the bonds issued as required by restrictions in the bond sale's tax certificate.

The Impact Fees Fund retains developer impact fees until needed for the construction of capital assets. The total assets and fund balances within this fund are down from \$51.2 million in fiscal year 2007 to \$49.4 million in 2008. Impact fees recognized dropped \$1.1 million, from \$9.2 million in fiscal year 2007 to \$8.1 million in 2008. This decline, due to the slow down in new development, also decreased investment income by \$446,674. The transfers to other funds increased as \$13.1 million was transferred in fiscal year 2007 compared to \$21.9 million in 2008.

The General County Capital Projects Fund's total assets increased from \$117.7 in fiscal year 2007 to \$126.3 million in 2008, or \$8.6 million. This increase is due to the additional cash in the fund at the end of the fiscal year resulting from additional grant funds received during fiscal year 2008 and is the primary cause of the increase in fund balance from \$79.1 million in fiscal year 2007 to \$89.9 million in 2008. Liabilities decreased by \$2.1 million, due to decreases in accrued liabilities and deferred revenue of \$6.3 million and \$2.7 million offset by an additional \$6.9 million amount due to the Board of Education and Community Colleges for its capital improvement projects.

Revenues in the General County Capital Projects Fund increased from \$14.7 million in fiscal year 2007 to \$29.4 million in 2008. This was caused by an increase in grant revenues of \$16.9 million in fiscal year 2008 and modest decreases in the other categories. The increase in grant revenues occurred because of additional Program Open Space funding received during fiscal year 2008. Expenditures in this fund increased by \$17.6 million which is attributed to the increase in the amounts paid to the Board of Education and Community College.

Proprietary Funds:

The Water and Wastewater Fund's assets, totaling \$1.4 billion at the end of fiscal year 2008, increased by \$33.2 million during fiscal year 2008. The increase was a result of an additional \$15 million in cash and investments restricted for debt service and capital projects and a net increase of \$21 million in capital assets, offset by modest declines in certain categories. Cash increases were a result of the prepaid water and wastewater connection fees and increases in the amount of unspent pay-as-you-go and bond proceeds in the Utility Capital Projects Fund. Capital assets increase each year as capital projects are completed and developer donated water and sewer facilities are added. Liabilities have increased by \$8.7 million. Additional long-term bonded debt and the initial recording of the liability for OPEB benefits caused this increase. As a result of the changes in assets and liabilities, the Water and Wastewater Fund's net assets increased \$24.5 million, or 2.5%.

Anne Arundel County, Maryland
Management Discussion and Analysis
Year Ended June 30, 2008

The Statement of Revenues, Expenses, and Changes in Fund Net Assets shows an increase in operating revenues of \$3 million, or 4%. Rates for water and wastewater services increased in January 2008. Water rates increased from \$2.10 per thousand gallons to \$2.21 per thousand and wastewater rates increased from \$3.70 per thousand gallons to \$3.89 per thousand. Operating expenses have increased by \$13.8 million, or 15%. Nonoperating components show an increase of \$2 million related to an increase in investment income. Capital contributions, fees and grants, increased by \$8.8 million. 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 \$2.7 million, or 4%. Liabilities decreased by \$2.5 million, due to reductions in long-term debt that were offset by the initial recording of the accrued liability for OPEB benefits. In addition, there were no bond anticipation notes outstanding at the end of fiscal year 2008.

Operating revenue increased by \$517,675. The increase was caused by additional waste collection activity as the rate for household pick-up remained \$275 for both fiscal years 2007 and 2008. Expenses increased by \$3.2 million due to modest increases in various liability categories offset by the decline in landfill reserves from \$2.2 million in fiscal year 2007 to \$968,127 in fiscal year 2008.

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, 2007. Investment growth increased since calendar 2006. The contributions of \$45.5 million during 2007 and a decline in the investment activity of \$13.4 million, resulted in an increase in net assets of \$121.9 million, compared to the \$145.5 million in 2007 and \$77.7 million in 2006. Agency funds decreased from \$20.5 million to \$17.4 million. The decrease was caused by the decline in the tax sale escrow deposits account, which was drawn down by a net \$3.8 million during fiscal year 2008 due to a decline in the number of tax sale bidders.

Budgetary Variations

The budgetary statements of the General Fund show actual revenues of \$1.150 billion compared to budgeted amounts of \$1.162 billion, resulting in \$12 million less revenue than anticipated. The most significant budgetary variation within components of revenue was recordation and transfer taxes, which underperformed the budget by \$18 million, or 18%, and grants and aid, which underperformed budgetary expectation by \$6.5 million, or 12.5%. General property taxes and local income taxes were favorable due to continued economic growth in the County.

Functional expenditures were within budget for all categories. Total expenditures on a budgetary basis were \$1.197 billion compared to appropriation authority of \$1.223 billion, resulting in \$25.2 million, or 2%, less than planned. As a result, the amended budget anticipated using fund balance of \$60.9 million; however, \$47.7 million of fund balance was actually used.

The only notable variances in expenditures were general government, which under spent by \$9 million, or 9%, public safety under spent by \$7.2 million or 3%, health and human services under spent by \$4.4 million or 6% and land use and development under spent by \$2 million or 19%. The variance in the general government category occurred in part because the County did not use \$5 million of the contingency monies set aside in the budget.

In reviewing the changes from the original budget to the final budget, budgeted revenue increased by \$1.3 million due primarily to an increase in additional grants funds available during the fiscal year. The expenditure categories with increases were education, due to an additional appropriation awarded to the Board of Education of \$2.2 million; public works of \$914,000; health and human services; recreation and community services; judicial; land use and development; and code enforcement. The budget for certain functional categories declined. These include public safety and general government as excess appropriations were moved to departments in need of additional spending authority. Management is not aware of any reasons why these and other budgetary variations would have a significant effect on future liquidity or services.

Anne Arundel County, Maryland
Management Discussion and Analysis
Year Ended June 30, 2008

Capital Assets

The table below 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 \$16.5 million, or 1.7%. The table below further shows a \$26.2 million, or 16%, increase in infrastructure. This increase was caused by the completion of capital projects and developer contributions. There was a net \$4.3 million decrease in the buildings category caused by no significant completed projects. Construction in progress has decreased by \$18.8 million, or 12%. The continued progress in capital projects was offset by the significant amount of expenditures related to those projects that reached substantial completion during 2008.

Business-type capital assets – The capital assets in business-type activities increased by \$20.8 million, or 2%, from fiscal year 2007. Many of the categories of assets show little change since new additions are negated by the continued depreciation of existing assets. However, construction in progress increased by \$18.5 million, or 10%. Construction on major wastewater projects and a decline in fiscal year 2008 closures caused this increase.

Anne Arundel County, Maryland						
Capital Assets (net of depreciation)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2008	2007	2008	2007	2008	2007
Land and easements	\$ 175,559,025	\$ 166,522,984	\$ 10,851,497	\$ 10,809,456	\$ 186,410,522	\$ 177,332,440
Historical property						
and works of art	4,166,465	4,166,465	-	-	4,166,465	4,166,465
Land improvements	97,414,323	93,433,122	-	-	97,414,323	93,433,122
Landfills	-	-	9,314,203	9,408,534	9,314,203	9,408,534
Buildings	231,027,845	235,321,051	20,719,076	20,915,132	251,746,921	256,236,183
Roads, bridges and signals	194,029,796	167,802,623	-	-	194,029,796	167,802,623
Sidewalks, curbs and gutters	22,241,744	22,933,191	-	-	22,241,744	22,933,191
Storm drains and culverts	105,899,195	102,278,582	-	-	105,899,195	102,278,582
Water and sewer plants and lines	-	-	844,708,122	843,007,732	844,708,122	843,007,732
Automobiles and rolling stock	27,785,921	27,766,735	2,219,948	1,651,220	30,005,869	29,417,955
Furniture and equipment	10,793,011	12,533,867	6,347,542	6,070,189	17,140,553	18,604,056
Software	866,783	1,714,193	-	-	866,783	1,714,193
Construction in progress	138,272,296	157,084,805	209,433,941	190,970,178	347,706,237	348,054,983
Total	<u>\$ 1,008,056,404</u>	<u>\$ 991,557,618</u>	<u>\$ 1,103,594,329</u>	<u>\$ 1,082,832,441</u>	<u>\$ 2,111,650,733</u>	<u>\$ 2,074,390,059</u>

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

Anne Arundel County, Maryland
Management Discussion and Analysis
Year Ended June 30, 2008

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				
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%)
2005	1,030,177,091	(443,269,709)	586,907,382	(43%)
2004	979,107,231	(414,993,288)	564,113,943	(42%)
2003	841,621,562	(382,109,419)	459,512,143	(45%)
2002	829,617,900	(359,839,272)	469,778,628	(43%)
Business-type				
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%)
2005	1,249,598,067	(390,080,453)	859,517,614	(31%)
2004	1,208,400,613	(363,133,760)	845,266,853	(30%)
2003	1,166,808,643	(331,274,596)	835,534,047	(28%)
2002	1,140,124,702	(309,162,398)	830,962,304	(27%)

This analysis shows that the governmental capital assets were climbing in the percent depreciated in fiscal years 2002 through 2003; however, that trend has slowed and remained at 43% during the last four fiscal years. This indicates that improvements are keeping pace with capital asset degradation. 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 27% in fiscal year 2002 to 35% in fiscal year 2008.

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 2008 and 2007 is presented in the table on the next page. The County had been using short-term bond anticipation notes to fund capital project expenditures and converting this debt to long-term after the funds had been spent. In May 2008, the County issued \$66.8 million short-term bond anticipation notes in anticipation of capital project spending in early fiscal year 2008. Of the total, \$49.8 million of the proceeds will be used for general county projects such as infrastructure, education, public safety, libraries, and parks and recreation. The water and wastewater projects will use \$17 million of the proceeds.

The County issued general obligation bonds of \$87.2 million in April 2008, including \$55.2 million for governmental activities and \$32 million for business-type activities. The proceeds were used to pay off \$58 million of bond anticipation notes issued in March 2007, and the net amount of \$29.2 million was used to fund \$16.2 million of improvements for general county projects and \$13 million for water and sewer and landfill capital projects.

The changes to the Federal and State loans were not significant as new loans in fiscal year 2008 of \$191,938 were offset by the principal payments of \$213,376 on existing loans. There were various new capital leases added in 2008 totaling \$91,250 which were used for governmental activities. This resulted in an increase in the capital lease balance of \$96,699. The County's initiative to purchase agricultural easements through installment purchase agreements resulted in two new agreements in fiscal year 2008, totaling \$1,477,925. Other changes to debt balances resulted from principal payments during fiscal year 2008. Additional information about the County's debt and changes therein is provided in Note 8 to the basic financial statements.

Anne Arundel County, Maryland
Management Discussion and Analysis
Year Ended June 30, 2008

Anne Arundel County, Maryland
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Bond anticipation notes	\$ 49,800,000	\$ 39,000,000	\$ 17,000,000	\$ 19,000,000	\$ 66,800,000	\$ 58,000,000
General obligation bonds	598,691,910	595,201,252	327,083,557	314,546,578	925,775,467	909,747,830
Special assessment debt	53,085,000	53,960,000	-	-	53,085,000	53,960,000
HUD Section 108 Loan	1,640,000	1,640,000	-	-	1,640,000	1,640,000
State loans	2,141,770	2,163,208	-	-	2,141,770	2,163,208
Capital leases	82,442	277	-	-	82,442	277
Installment purchase agreements	11,397,925	9,939,000	-	-	11,397,925	9,939,000
Total	\$ 716,839,047	\$ 701,903,737	\$ 344,083,557	\$ 333,546,578	\$ 1,060,922,604	\$ 1,035,450,315

Fiscal Year 2008 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.)

GASB Statement 45 - In fiscal year 2008, the County implemented GASB Statement 45. This statement requires the County to set aside annual contributions for other post-employment benefits in an irrevocable trust or record the unfunded contributions as a liability on the statement of net assets. In the fall of 2005, the County assembled a task force to examine the requirements of the GASB pronouncement, quantify the liability resulting from its implementation, and identify options to address this issue.

The task force issued its report on November 8, 2006. According to actuarial estimates, the County and its component units' total actuarial accrued liability is \$1.27 billion assuming an investment rate of return (discount rate) of 8%. However, since neither the County nor the component units have established irrevocable trusts, the actuary also calculated the liability using a 4% discount rate for the Board of Education and a 5% discount rate for the Primary Government and the other participating component units. This increased the total unfunded liability for the County and its component units to \$1.6 billion. The annual required contribution is estimated at \$151.5 million compared to the current pay-as-you-go funding level of \$41.6 million. This leaves a funding gap of \$109.9 million which was recorded as an accrued liability for other post-employment benefits for fiscal year 2008. The County has earmarked \$15 million in its fiscal year 2009 budget for post-employment health care benefits and has segregated this amount in its records. Footnote 1-N and 11 provide more information about the financial impact of these benefits.

The County continues to see growth in certain revenue sources 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 revenue in fiscal year 2009 to be lower than expectations due to the downturn in the economy. This differs from recent years when actual revenues, particularly in the area of recordation and transfer taxes, significantly exceeded budget estimates. With respect to fiscal year 2009, the County expects growth in the property tax; however, recordation and transfer taxes are expected to decline again as the real estate market has slowed considerably.

The County's Comprehensive Annual Financial Report is available upon request at Anne Arundel County Office of Finance, 44 Calvert Street, Annapolis, MD, 21401. For copies of this report or questions about its contents, please contact William R. Brown, Jr., Controller.

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**Basic
Financial
Statements**

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Anne Arundel County, Maryland

Statement of Net Assets

June 30, 2008

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Nonmajor
ASSETS						
Current Assets						
Cash and investments	\$ 173,122,426	\$ 33,783,428	\$ 206,905,854	\$ 133,645,212	\$ 19,814,515	\$ 2,212,742
Taxes and other State revenue receivable	141,561,648	-	141,561,648	5,057,941	1,467,846	-
Service billings receivable	-	21,731,879	21,731,879	-	-	60,905
Prepays and other assets	15,046,963	-	15,046,963	5,373,890	8,924,271	782,851
Inventories	2,138,974	1,443,317	3,582,291	2,614,434	1,369,219	37,841
Due from primary government	-	-	-	22,492,358	3,970,983	1,356,965
Restricted assets						
Cash and temporary investments	199,792,721	217,959,580	417,752,301	-	-	1,457,527
Investments	-	-	-	-	-	388,715
Receivables						
Due from other governmental agencies	8,742,849	1,376,531	10,119,380	-	-	19,172
Other, net	178,302	12,006,198	12,184,500	-	-	-
Other assets	-	-	-	-	-	145,000
Total current assets	<u>540,583,883</u>	<u>288,300,933</u>	<u>828,884,816</u>	<u>169,183,835</u>	<u>35,546,834</u>	<u>6,461,718</u>
Noncurrent Assets						
Restricted assets						
Deferred assessment and connection charges	-	48,283,996	48,283,996	-	-	-
Notes and loans receivable	-	-	-	-	-	35,833
Total noncurrent restricted assets	-	48,283,996	48,283,996	-	-	35,833
Loans receivable and other assets	-	-	-	-	8,023,286	956,671
Capital assets not being depreciated	317,997,786	220,285,438	538,283,224	140,684,952	12,497,648	-
Capital assets being depreciated	1,216,718,686	1,366,755,548	2,583,474,234	974,939,397	126,250,949	25,821,707
Less accumulated depreciation	(526,660,068)	(483,446,657)	(1,010,106,725)	(444,533,943)	(56,270,054)	(8,796,466)
	<u>690,058,618</u>	<u>883,308,891</u>	<u>1,573,367,509</u>	<u>530,405,454</u>	<u>69,980,895</u>	<u>17,025,241</u>
Total capital assets	<u>1,008,056,404</u>	<u>1,103,594,329</u>	<u>2,111,650,733</u>	<u>671,090,406</u>	<u>82,478,543</u>	<u>17,025,241</u>
Total assets	<u>1,548,640,287</u>	<u>1,440,179,258</u>	<u>2,988,819,545</u>	<u>840,274,241</u>	<u>126,048,663</u>	<u>24,479,463</u>

Anne Arundel County, Maryland

Statement of Net Assets

June 30, 2008

	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	46,146,000	11,840,244	57,986,244	126,234,502	9,867,735	856,245
Current portion of non-current liabilities	85,473,026	25,034,490	110,507,516	8,343,320	-	628,424
Notes payable	-	-	-	-	-	800,462
Bond anticipation notes	49,800,000	17,000,000	66,800,000	-	-	-
Internal balances	1,054,049	(1,054,049)	-	-	-	-
Due to component units	1,256,353	-	1,256,353	-	-	-
Escrow deposits	149,941	241,698	391,639	-	-	-
Unearned/deferred revenue	-	-	-	2,734,536	7,709,050	400,294
Liabilities related to restricted assets						
Accounts payable and accrued liabilities	10,985,074	12,340,988	23,326,062	-	666,096	64,429
Due to component units	26,563,953	-	26,563,953	-	-	-
Escrow and other deposits	4,738,794	1,307,879	6,046,673	-	-	19,153
Unearned revenue	1,395,054	16,099,025	17,494,079	-	-	220,000
Total current liabilities	<u>227,562,244</u>	<u>82,810,275</u>	<u>310,372,519</u>	<u>137,312,358</u>	<u>18,242,881</u>	<u>2,989,007</u>
Noncurrent liabilities						
Compensated absences and other obligations	91,272	27,507	118,779	32,843,998	1,409,958	-
Accrued liability for other post-employment benefits	58,264,488	4,543,962	62,808,450	39,921,688	4,844,395	2,284,008
Unpaid insurance claims	44,252,000	-	44,252,000	-	-	-
Estimated landfill closure and postclosure	-	33,093,319	33,093,319	-	-	-
Long-term debt, net of deferred refunding gain/loss	613,661,107	304,148,974	917,810,081	4,606,420	14,694,959	27,371
Unearned revenue	19,297,396	4,451,260	23,748,656	-	-	-
Total noncurrent liabilities	<u>735,566,263</u>	<u>346,265,022</u>	<u>1,081,831,285</u>	<u>77,372,106</u>	<u>20,949,312</u>	<u>2,311,379</u>
Total liabilities	<u>963,128,507</u>	<u>429,075,297</u>	<u>1,392,203,804</u>	<u>214,684,464</u>	<u>39,192,193</u>	<u>5,300,386</u>
NET ASSETS						
Capital assets, net of related debt	596,362,881	796,312,992	1,392,675,873	662,749,200	70,749,653	16,984,946
Restricted for:						
Revenue stabilization	47,818,429	-	47,818,429	-	-	-
Debt service	9,230,823	180,173,819	189,404,642	-	-	-
Capital improvements	104,851,313	19,220,764	124,072,077	-	-	-
Scholarships/Endowments	-	-	-	-	6,870,222	-
Reforestation	8,521,089	-	8,521,089	-	-	-
Other purposes	8,286,624	1,616,364	9,902,988	4,284,011	-	1,962,646
Unrestricted	<u>(189,559,379)</u>	<u>13,780,022</u>	<u>(175,779,357)</u>	<u>(41,443,434)</u>	<u>9,236,595</u>	<u>231,485</u>
Total net assets	<u>\$ 585,511,780</u>	<u>\$ 1,011,103,961</u>	<u>\$ 1,596,615,741</u>	<u>\$ 625,589,777</u>	<u>\$ 86,856,470</u>	<u>\$ 19,179,077</u>

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

Anne Arundel County, Maryland

Statement of Activities

Year Ended June 30, 2008

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Education	\$ 648,186,727	\$ -	\$ -	\$ 6,581,205
Public safety	261,315,047	10,718,056	9,504,855	8,015,415
General government	108,535,979	38,368,203	9,940,898	2,830,816
Health and human services	76,398,645	3,843,365	29,743,756	490,801
Public works	75,748,125	2,751,838	28,885,219	12,809,255
Recreation and community services	60,226,846	16,324,100	8,076,670	10,352,929
Judicial	25,577,483	2,916,029	1,615,399	-
Code enforcement	13,543,199	13,693,811	-	-
Land use and development	10,686,609	2,562,348	941,203	207,150
Economic development	3,770,200	-	13	-
Interest on debt and leases	31,419,910	-	461,087	-
	<u>1,315,408,770</u>	<u>91,177,750</u>	<u>89,169,100</u>	<u>41,287,571</u>
Business-type activities:				
Water and wastewater	113,666,002	72,448,606	-	51,850,600
Waste collection	44,042,614	43,707,714	-	-
Child care	3,324,498	3,089,044	-	-
	<u>161,033,114</u>	<u>119,245,364</u>	<u>-</u>	<u>51,850,600</u>
Total primary government	\$ <u>1,476,441,884</u>	\$ <u>210,423,114</u>	\$ <u>89,169,100</u>	\$ <u>93,138,171</u>
Component units:				
Board of Education	1,018,907,537	12,493,146	138,078,340	105,313,349
Community College	124,542,753	42,830,048	10,747,904	11,066,903
Library System	22,638,824	830,600	3,071,150	2,874,746
Economic Development Corp	3,160,000	504,164	1,495,500	-
Tipton Airport Authority	2,000,351	1,728,292	-	49,781
Workforce Development	2,340,472	-	2,286,025	-
Total component units	\$ <u>1,173,589,937</u>	\$ <u>58,386,250</u>	\$ <u>155,678,919</u>	\$ <u>119,304,779</u>

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

Total general revenues

Change in net assets

Net assets, July 1 (as restated)
 Net assets, June 30

Accompanying notes to the basic 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
\$ (641,605,522)	\$ -	\$ (641,605,522)	\$ -	\$ -	\$ -
(233,076,721)	-	(233,076,721)	-	-	-
(57,396,062)	-	(57,396,062)	-	-	-
(42,320,723)	-	(42,320,723)	-	-	-
(31,301,813)	-	(31,301,813)	-	-	-
(25,473,147)	-	(25,473,147)	-	-	-
(21,046,055)	-	(21,046,055)	-	-	-
150,612	-	150,612	-	-	-
(6,975,908)	-	(6,975,908)	-	-	-
(3,770,187)	-	(3,770,187)	-	-	-
(30,958,823)	-	(30,958,823)	-	-	-
<u>(1,093,774,349)</u>	<u>-</u>	<u>(1,093,774,349)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	10,633,204	10,633,204	-	-	-
-	(334,900)	(334,900)	-	-	-
-	(235,454)	(235,454)	-	-	-
-	<u>10,062,850</u>	<u>10,062,850</u>	-	-	-
(1,093,774,349)	10,062,850	(1,083,711,499)	-	-	-
-	-	-	(763,022,702)	-	-
-	-	-	-	(59,897,898)	-
-	-	-	-	-	(15,862,328)
-	-	-	-	-	(1,160,336)
-	-	-	-	-	(222,278)
-	-	-	-	-	(54,447)
-	-	-	(763,022,702)	(59,897,898)	(17,299,389)
497,486,266	-	497,486,266	-	-	-
372,100,233	-	372,100,233	-	-	-
7,738,672	-	7,738,672	-	-	953,425
82,775,541	-	82,775,541	-	-	-
37,380,289	-	37,380,289	-	-	-
-	-	-	749,430,345	63,853,843	14,676,808
13,589,632	11,065,947	24,655,579	3,804,981	309,543	137,160
-	<u>8,388,227</u>	<u>8,388,227</u>	<u>10,716,046</u>	<u>308,267</u>	<u>82,601</u>
<u>1,011,070,633</u>	<u>19,454,174</u>	<u>1,030,524,807</u>	<u>763,951,372</u>	<u>64,471,653</u>	<u>15,849,994</u>
(82,703,716)	29,517,024	(53,186,692)	928,670	4,573,755	(1,449,395)
<u>668,215,496</u>	<u>981,586,937</u>	<u>1,649,802,433</u>	<u>624,661,107</u>	<u>82,282,715</u>	<u>20,628,472</u>
\$ <u>585,511,780</u>	\$ <u>1,011,103,961</u>	\$ <u>1,596,615,741</u>	\$ <u>625,589,777</u>	\$ <u>86,856,470</u>	\$ <u>19,179,077</u>

Anne Arundel County, Maryland

Balance Sheet

Governmental Funds

June 30, 2008

	Major Funds			Nonmajor	Totals
	General	Impact Fees	General County Capital Projects	Governmental Funds	
ASSETS					
Cash and investments	\$ 87,071,575	\$ 49,445,544	\$ 119,747,299	\$ 30,599,878	\$ 286,864,296
Receivables					
Property taxes (net of \$1,349,566 allowance)	1,758,488	-	-	-	1,758,488
Local sales taxes	4,510,729	-	-	-	4,510,729
State shared revenues	15,989,063	-	-	-	15,989,063
Due from other governmental agencies (net of allowances)	7,458,539	-	6,518,340	2,224,509	16,201,388
Due from other funds	1,090,002	-	-	-	1,090,002
Local income tax	111,844,829	-	-	-	111,844,829
Other, net	7,099,035	-	30,000	148,302	7,277,337
Inventories	1,494,324	-	-	-	1,494,324
Total assets	<u>\$ 238,316,584</u>	<u>\$ 49,445,544</u>	<u>\$ 126,295,639</u>	<u>\$ 32,972,689</u>	<u>\$ 447,030,456</u>
LIABILITIES					
Accounts payable and accrued liabilities	33,450,000	-	8,109,920	2,875,154	44,435,074
Due to other funds	-	-	-	1,090,002	1,090,002
Due to component units					
Board of Education	-	-	22,492,358	-	22,492,358
Community College	-	-	3,970,983	-	3,970,983
Library	1,256,353	-	-	-	1,256,353
Economic Development	-	-	-	100,612	100,612
Escrow and other deposits	149,941	-	-	4,738,794	4,888,735
Deferred revenue	85,736,555	-	1,857,795	257,025	87,851,375
Total liabilities	<u>120,592,849</u>	<u>-</u>	<u>36,431,056</u>	<u>9,061,587</u>	<u>166,085,492</u>
FUND BALANCES:					
Reserved for:					
Encumbrances	9,931,122	-	35,318,973	4,825,224	50,075,319
Revenue stabilization fund	47,818,429	-	-	-	47,818,429
Golf courses reserves	908,047	-	-	-	908,047
Reserved for debt service	3,124,631	-	-	-	3,124,631
Inventories	1,494,324	-	-	-	1,494,324
Unreserved:					
Designated for next year's expenditures in:					
General fund	42,667,200	-	-	-	42,667,200
Special revenue funds	-	30,168,166	-	3,837,454	34,005,620
Capital projects funds	-	-	-	361,400	361,400
Debt service funds	-	-	-	999,870	999,870
Undesignated in:					
General fund	11,779,982	-	-	-	11,779,982
Special revenue funds	-	19,277,378	-	8,579,793	27,857,171
Capital projects funds	-	-	54,545,610	211,039	54,756,649
Debt service funds	-	-	-	5,096,322	5,096,322
Total fund balances	<u>117,723,735</u>	<u>49,445,544</u>	<u>89,864,583</u>	<u>23,911,102</u>	<u>280,944,964</u>
Total liabilities and fund balances	<u>\$ 238,316,584</u>	<u>\$ 49,445,544</u>	<u>\$ 126,295,639</u>	<u>\$ 32,972,689</u>	<u>\$ 447,030,456</u>

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

Anne Arundel County, Maryland

Reconciliation of Governmental Fund Balance to Governmental Net Assets

Governmental Funds

June 30, 2008

Total fund balance for governmental funds as shown on the previous page	\$ 280,944,964
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on governmental funds balance sheet.	
Capital assets	1,475,682,756
Accumulated depreciation	(490,560,533)
Certain liabilities are not due and payable in the current period and, therefore, are not included on governmental funds balance sheet.	
Short-term Bond Anticipation Notes	(49,800,000)
Long-term Bonded debt	(664,187,180)
Federal and State Loans	(3,781,770)
Unamortized loss on refunding	1,012,346
Other post-employment benefit:	(57,467,707)
Compensated Absences	(19,287,978)
Long-term Leases	(82,442)
Accrued interest payable on debt is recorded in governmental activities.	(10,431,135)
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.	87,070,811
Premiums received on certain bond issues have been deferred on the Statement of Net Assets.	(19,268,157)
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 Internal Service Funds	52,884,822
Business-type activities allocation of net assets	(1,054,050)
Certain expenditures paid with current resources have been deferred to future periods on the Statement of Net Assets.	3,837,033
Total net assets for governmental activities as shown on Statement of Net Assets	\$ <u>585,511,780</u>

Accompanying notes to basic 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, 2008

	Major Funds			Nonmajor	Totals
	General	Impact Fees	General County Capital Projects	Governmental Funds	
REVENUES					
General property taxes	\$ 482,514,483	\$ -	\$ -	\$ 17,638,583	\$ 500,153,066
Local income taxes	371,369,460	-	-	-	371,369,460
State shared taxes	36,757,373	-	-	-	36,757,373
Grants and aid	43,092,823	-	22,706,336	11,281,517	77,080,676
Recordation and transfer taxes	82,775,541	-	-	-	82,775,541
Local sales taxes	35,473,439	-	-	1,906,850	37,380,289
License and permit fees	17,178,944	-	-	-	17,178,944
Impact fees	-	8,132,004	-	-	8,132,004
Special community benefit taxes	-	-	-	5,623,802	5,623,802
Investment income	8,893,304	2,436,340	3,450,975	1,260,482	16,041,101
Fees for services and other revenue	36,039,912	-	3,227,333	5,769,141	45,036,386
Total revenues	<u>1,114,095,279</u>	<u>10,568,344</u>	<u>29,384,644</u>	<u>43,480,375</u>	<u>1,197,528,642</u>
EXPENDITURES					
Current					
Education	546,824,627	-	101,297,722	-	648,122,349
Public safety	221,216,658	-	-	1,572,039	222,788,697
General government	78,255,695	-	-	1,265,957	79,521,652
Health and human services	67,364,066	-	-	3,600,421	70,964,487
Public works	34,427,676	304,699	-	1,182,987	35,915,362
Recreation and community services	36,404,338	-	-	12,991,829	49,396,167
Judicial	21,688,532	-	-	83,523	21,772,055
Code enforcement	12,307,157	-	-	-	12,307,157
Land use and development	8,612,271	-	-	1,148,380	9,760,651
Economic development	1,810,200	-	-	1,960,000	3,770,200
Capital outlay	-	-	65,661,584	393,330	66,054,914
Debt service					
Interest payments on debt	28,377,112	-	-	3,217,308	31,594,420
Principal payments on debt	51,876,668	-	-	1,107,377	52,984,045
Principal payments on leases	24,451	-	-	-	24,451
Total expenditures	<u>1,109,189,451</u>	<u>304,699</u>	<u>166,959,306</u>	<u>28,523,151</u>	<u>1,304,976,607</u>
Revenues over (under) expenditures	<u>4,905,828</u>	<u>10,263,645</u>	<u>(137,574,662)</u>	<u>14,957,224</u>	<u>(107,447,965)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	19,049,300	9,909,400	101,141,800	270,000	130,370,500
Transfers out	(89,373,400)	(21,947,800)	(3,450,975)	(15,598,325)	(130,370,500)
General obligation bonds issued	55,200,000	-	-	-	55,200,000
Bond anticipation notes issued	-	-	49,800,000	-	49,800,000
Payment of bond anticipation notes	(39,000,000)	-	-	-	(39,000,000)
Installment purchase contracts issued	-	-	1,477,925	-	1,477,925
Issuance of debt - Federal and State Loans	-	-	191,938	-	191,938
Premiums from sale of bonds	2,115,442	-	-	-	2,115,442
Proceeds from capital leases	106,616	-	-	-	106,616
Transfers to proprietary funds	-	-	(800,000)	-	(800,000)
Total other financing sources (uses)	<u>(51,902,042)</u>	<u>(12,038,400)</u>	<u>148,360,688</u>	<u>(15,328,325)</u>	<u>69,091,921</u>
Net change in fund balances	<u>(46,996,214)</u>	<u>(1,774,755)</u>	<u>10,786,026</u>	<u>(371,101)</u>	<u>(38,356,044)</u>
Fund balances, July 1	164,719,949	51,220,299	79,078,557	24,282,203	319,301,008
Fund balances, June 30	\$ <u>117,723,735</u>	\$ <u>49,445,544</u>	\$ <u>89,864,583</u>	\$ <u>23,911,102</u>	\$ <u>280,944,964</u>

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

Reconciliation of Changes in Fund Balances to Changes in Net Assets

Governmental Funds

Year Ended June 30, 2008

Changes in fund balances as shown on Statement of Revenues,
Expenditures, and Changes in Fund Balances, Governmental Funds \$ (38,356,044)

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	48,306,080
Current year donations of capital assets	7,112,516
Current year disposals of capital assets	(531,366)
Depreciation expense recorded in the Statement of Activities	(38,485,394)

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)	(130,568,949)
Principal payments on debt	115,916,423
Change in accrued interest payable	298,129
Amortization of prior year refunding gain/loss	(967,326)
Accrual of other post-employment benefit liability	(57,467,707)

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	1,426,333
Amortization of expenditures deferred in previous years	(1,726,259)

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	(2,115,442)
Amortization of amounts deferred	2,160,857

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. (1,091,231)

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. 13,385,664

Changes in Net assets as shown in governmental activities on the Statement of Activities \$ (82,703,716)

Accompanying notes to basic 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, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES				
General property taxes	\$ 474,036,000	\$ 474,036,000	\$ 482,514,483	\$ 8,478,483
Local income taxes	368,700,000	368,700,000	371,369,460	2,669,460
State shared taxes	38,185,000	38,185,000	36,417,730	(1,767,270)
Grants and aid	50,868,800	52,163,600	45,647,816	(6,515,784)
Recordation and transfer taxes	100,800,000	100,800,000	82,775,541	(18,024,459)
Local sales taxes	34,710,000	34,710,000	35,473,439	763,439
Licenses and permits	16,498,800	16,498,800	17,178,944	680,144
Investment income	8,950,000	8,950,000	9,950,400	1,000,400
Interfund recoveries	31,102,000	31,102,000	31,284,197	182,197
Other revenues	<u>36,960,400</u>	<u>36,980,400</u>	<u>37,495,691</u>	<u>515,291</u>
Total revenues	<u>1,160,811,000</u>	<u>1,162,125,800</u>	<u>1,150,107,701</u>	<u>(12,018,099)</u>
EXPENDITURES				
Current				
Education	544,741,400	546,974,900	546,699,985	(274,915)
Higher education	36,049,900	36,049,900	35,941,680	(108,220)
Public safety	229,973,200	229,932,300	222,762,069	(7,170,231)
General government	103,771,700	101,235,800	92,229,495	(9,006,305)
Health and human services	71,767,400	71,967,400	67,517,680	(4,449,720)
Public works	36,606,800	37,520,800	36,975,443	(545,357)
Recreation and community services	38,576,800	38,726,800	38,428,043	(298,757)
Judicial	21,447,300	21,721,400	21,665,276	(56,124)
Land use and development	10,471,000	10,561,000	8,553,455	(2,007,545)
Code enforcement	12,699,300	12,729,300	12,329,699	(399,601)
Economic development	1,810,200	1,810,200	1,810,200	-
Debt service	40,873,000	40,873,000	39,968,819	(904,181)
Pay go funding - capital projects	<u>72,903,400</u>	<u>72,903,400</u>	<u>72,903,400</u>	<u>-</u>
Total expenditures	<u>1,221,691,400</u>	<u>1,223,006,200</u>	<u>1,197,785,244</u>	<u>(25,220,956)</u>
Revenues over (under) expenditures	(60,880,400)	(60,880,400)	(47,677,543)	\$ <u>13,202,857</u>
Fund balances, budgetary, July 1	<u>107,756,425</u>	<u>107,756,425</u>	<u>107,756,425</u>	
Fund balances, budgetary, June 30	\$ <u><u>46,876,025</u></u>	\$ <u><u>46,876,025</u></u>	\$ <u><u>60,078,882</u></u>	
Fund balances - Unreserved				
Undesignated - GAAP basis			\$ 11,779,982	
Effect of revenue deferrals			<u>5,631,700</u>	
Undesignated - Non-GAAP basis			17,411,682	
Designated for subsequent years			<u>42,667,200</u>	
			\$ <u><u>60,078,882</u></u>	

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

Statement of Net Assets

Proprietary Funds

June 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Totals	Internal
	Water and Wastewater	Solid Waste	Child Care		Service Funds
ASSETS					
Current Assets					
Cash and investments	\$ 12,989,242	\$ 19,814,769	\$ 979,417	\$ 33,783,428	\$ 86,050,851
Service billings receivable	20,506,842	1,222,744	2,293	21,731,879	3,547,863
Inventories	1,339,695	103,622	-	1,443,317	644,650
Other	-	-	-	-	563,032
Restricted assets					
Cash and temporary investments	199,670,750	18,288,830	-	217,959,580	-
Receivables					
Current portion of note receivable	1,376,531	-	-	1,376,531	-
Other, net	12,006,198	-	-	12,006,198	-
Total current assets	247,889,258	39,429,965	981,710	288,300,933	90,806,396
Noncurrent assets					
Restricted assets					
Deferred connection and assessment charges	48,283,996	-	-	48,283,996	-
Capital assets					
	1,521,545,012	65,495,974	-	1,587,040,986	59,033,716
Less accumulated depreciation	(448,226,445)	(35,220,212)	-	(483,446,657)	(36,099,535)
Total capital assets, net of depreciation	1,073,318,567	30,275,762	-	1,103,594,329	22,934,181
Total noncurrent assets	1,121,602,563	30,275,762	-	1,151,878,325	22,934,181
Total assets	1,369,491,821	69,705,727	981,710	1,440,179,258	113,740,577
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	9,652,385	2,109,899	77,960	11,840,244	2,264,864
Current portion of long-term debt and obligations	22,130,124	2,869,469	34,897	25,034,490	12,870,900
Bond anticipation notes	17,000,000	-	-	17,000,000	-
Escrow deposits	127,632	114,066	-	241,698	-
Deferred revenue	-	-	-	-	643,729
Liabilities related to restricted assets					
Accrued liabilities	12,340,988	-	-	12,340,988	-
Escrow deposits	1,307,879	-	-	1,307,879	-
Deferred revenue	16,099,025	-	-	16,099,025	-
Total current liabilities	78,658,033	5,093,434	112,857	83,864,324	15,779,493
Noncurrent liabilities					
Unpaid insurance claims	-	-	-	-	44,252,000
Accrued liability for compensated absences	-	20,924	6,583	27,507	27,481
Accrued liability for other post-employment benefits	3,703,687	786,578	53,697	4,543,962	796,781
Estimated landfill closure and postclosure	-	33,093,319	-	33,093,319	-
Long-term debt, net of deferred refunding loss	288,529,500	15,619,474	-	304,148,974	-
Deferred revenue	4,451,260	-	-	4,451,260	-
Total noncurrent liabilities	296,684,447	49,520,295	60,280	346,265,022	45,076,262
Total liabilities	375,342,480	54,613,729	173,137	430,129,346	60,855,755
NET ASSETS					
Invested in capital assets, net of related debt	780,077,019	16,235,973	-	796,312,992	22,934,181
Restricted for debt service	180,173,819	-	-	180,173,819	-
Restricted for capital improvements	18,542,581	678,183	-	19,220,764	-
Restricted for other purposes	-	1,616,364	-	1,616,364	-
Unrestricted	15,355,922	(3,438,522)	808,573	12,725,973	29,950,641
Total net assets	\$ 994,149,341	\$ 15,091,998	\$ 808,573	\$ 1,010,049,912	\$ 52,884,822

Accompanying notes to basic 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, 2008

Net assets as shown on previous page	\$ 1,010,049,912
The cumulative net results of Internal Service Funds activity, as it relates to Enterprise Funds' customers has been accumulated as a receivable in business-type activities.	<u>1,054,049</u>
Net assets shown on government wide statement of net assets	\$ <u><u>1,011,103,961</u></u>

Accompanying notes to basic 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, 2008

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Totals	Internal
	Water and Wastewater	Solid Waste	Child Care		Service Funds
OPERATING REVENUES					
Charges for services	\$ 72,448,606	\$ 40,881,988	\$ 3,089,044	\$ 116,419,638	\$ 36,947,757
Landfill charges	-	2,825,726	-	2,825,726	-
Medical premiums	-	-	-	-	72,030,061
Contributions for other post employment benefit	-	-	-	-	5,000,000
Other revenues	3,896,671	3,283,892	-	7,180,563	1,805,304
Total operating revenues	<u>76,345,277</u>	<u>46,991,606</u>	<u>3,089,044</u>	<u>126,425,927</u>	<u>115,783,122</u>
OPERATING EXPENSES					
Personal services	28,711,987	6,404,085	2,540,619	37,656,691	5,980,825
Contractual services	31,145,171	31,582,884	281,872	63,009,927	1,208,022
Supplies and materials	4,793,619	1,047,018	317,646	6,158,283	193,994
Business and travel	100,010	22,594	22,242	144,846	35,355
Cost of goods issued	-	-	-	-	8,254,874
Depreciation	32,288,886	2,215,983	-	34,504,869	5,530,232
Provision for claims and estimated losses	-	-	-	-	83,780,466
Landfill closure and postclosure costs	-	(968,127)	-	(968,127)	-
Other	8,165,091	2,371,758	162,427	10,699,276	1,411,700
Total operating expenses	<u>105,204,764</u>	<u>42,676,195</u>	<u>3,324,806</u>	<u>151,205,765</u>	<u>106,395,468</u>
Operating income (loss)	<u>(28,859,487)</u>	<u>4,315,411</u>	<u>(235,762)</u>	<u>(24,779,838)</u>	<u>9,387,654</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	7,382,423	2,021,797	-	9,404,220	3,640,132
Interest earned on long-term receivables	1,661,727	-	-	1,661,727	-
Other revenues (expenses)	811,771	(376,790)	-	434,981	-
Interest expense	(7,746,732)	(993,942)	-	(8,740,674)	-
Gain (loss) on disposal of assets	120,228	275,665	-	395,893	373,283
Other	(725,290)	-	-	(725,290)	-
Income (loss) before contributions	<u>(27,355,360)</u>	<u>5,242,141</u>	<u>(235,762)</u>	<u>(22,348,981)</u>	<u>13,401,069</u>
Capital contributions, fees, and grants	<u>51,850,600</u>	<u>-</u>	<u>-</u>	<u>51,850,600</u>	<u>-</u>
Change in net assets	<u>24,495,240</u>	<u>5,242,141</u>	<u>(235,762)</u>	<u>29,501,619</u>	<u>13,401,069</u>
Net assets, July 1	<u>969,654,101</u>	<u>9,849,857</u>	<u>1,044,335</u>	<u>980,548,293</u>	<u>39,483,753</u>
Net assets, June 30	<u>\$ 994,149,341</u>	<u>\$ 15,091,998</u>	<u>\$ 808,573</u>	<u>\$ 1,010,049,912</u>	<u>\$ 52,884,822</u>

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

Change in net assets shown above	\$ 29,501,619
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.	<u>15,405</u>
Increase in net assets as shown on the government-wide statement of activities	<u>\$ 29,517,024</u>

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

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Totals	Internal
	Water and Wastewater	Solid Waste	Child Care		Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received for services	\$ 75,032,143	\$ 47,441,507	\$ 3,086,756	\$ 125,560,406	\$ 109,152,511
Contribution for other post employment benefits	-	-	-	-	5,000,000
Cash received for expense reimbursement	-	-	-	-	331,129
Cash payments to suppliers for goods and services	(38,169,011)	(32,517,148)	(816,899)	(71,503,058)	(10,097,382)
Cash payments to employees for services	(24,766,725)	(5,554,440)	(2,514,884)	(32,836,049)	(5,113,877)
Cash payments for insurance claims	-	-	-	-	(78,247,654)
Other receipts (expenses)	-	(2,382,926)	-	(2,382,926)	300,740
Net cash provided by (used for) operating activities	<u>12,096,407</u>	<u>6,986,993</u>	<u>(245,027)</u>	<u>18,838,373</u>	<u>21,325,467</u>
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	-	(219,153)	-	(219,153)	-
Net cash used for noncapital financing activities	<u>-</u>	<u>(655,713)</u>	<u>-</u>	<u>(655,713)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of bonds and bond anticipation notes	49,000,000	800,000	-	49,800,000	-
Proceeds from loan	2,419,511	-	-	2,419,511	-
Proceeds from developers' contributions	666,767	-	-	666,767	-
Refunds to developers	(1,141,302)	-	-	(1,141,302)	-
Assessments and connection charges	25,136,583	-	-	25,136,583	-
Environmental protection fees for capital assets	8,980,929	-	-	8,980,929	-
Payments of long-term debt	(19,818,368)	(2,786,772)	-	(22,605,140)	-
Payments of bond anticipation notes	(19,000,000)	-	-	(19,000,000)	-
Interest payments	(13,149,368)	(817,213)	-	(13,966,581)	-
Acquisition and construction of capital assets	(43,572,407)	(2,436,717)	-	(46,009,124)	(5,542,515)
Payments of debt issuance costs	(85,440)	-	-	(85,440)	-
Premium on sale of bonds	513,293	-	-	513,293	-
Payments received on note receivable	1,768,793	-	-	1,768,793	-
Proceeds from other capital contributions	58,548	-	-	58,548	-
Receipt of other income	684,226	-	-	684,226	362,632
Other costs	(672,659)	-	-	(672,659)	-
Net cash provided by (used for) capital and related financing activities	<u>(8,210,894)</u>	<u>(5,240,702)</u>	<u>-</u>	<u>(13,451,596)</u>	<u>(5,179,883)</u>

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Totals	Internal
	Water and Wastewater	Solid Waste	Child Care		Service Funds
CASH FLOW FROM INVESTING ACTIVITIES:					
Purchase of investment securities	(227,327,758)	-	-	(227,327,758)	(141,324,741)
Sale of investment securities	188,897,649	-	-	188,897,649	135,593,006
Interest on investments	8,797,112	2,021,797	-	10,818,909	3,717,514
Net cash provided by (used for) investing activities	(29,632,997)	2,021,797	-	(27,611,200)	(2,014,221)
Net increase in cash and cash equivalents	(25,747,484)	3,112,375	(245,027)	(22,880,136)	14,131,363
Cash and cash equivalents, July 1	99,203,462	34,991,224	1,224,444	135,419,130	18,267,271
Cash and cash equivalents, June 30	73,455,978	38,103,599	979,417	112,538,994	32,398,634
Investment in non-cash equivalents	139,204,014	-	-	139,204,014	53,652,217
Total cash and temporary investments	\$ 212,659,992	\$ 38,103,599	\$ 979,417	\$ 251,743,008	\$ 86,050,851
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (28,859,487)	\$ 4,315,411	\$ (235,762)	\$ (24,779,838)	\$ 9,387,654
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	32,288,886	2,215,983	-	34,504,869	5,530,232
Noncapital construction costs	2,427,854	-	-	2,427,854	-
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	(1,311,968)	450,651	(2,288)	(863,605)	(147,309)
Decrease (increase) in inventories	483,437	6,645	-	490,082	(48,714)
Increase (decrease) in accounts payable and accrued liabilities	3,645,127	164,929	(51,909)	3,758,147	(142,752)
Increase in deferred revenue	-	-	-	-	143,561
Increase in unpaid claims	-	-	-	-	5,741,551
Decrease in landfill closure and postclosure costs	-	(968,128)	-	(968,128)	-
Decrease in due to other funds	(380,909)	(16,665)	(11,903)	(409,477)	-
Increase (decrease) in escrow deposits	(1,164)	5,500	-	4,336	-
Increase in accrued liability for compensated absences	100,944	26,089	3,138	130,171	64,463
Increase in accrued liability for OPEB benefits	3,703,687	786,578	53,697	4,543,962	796,781
Net cash provided by operating activities	\$ 12,096,407	\$ 6,986,993	\$ (245,027)	\$ 18,838,373	\$ 21,325,467

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

1. In fiscal year 2008, facilities with an estimated market value of \$11,634,950 were contributed to the Enterprise funds by developers. These were primarily water and sewer lines placed in new developments.

2. In fiscal year 2008, amortization of refunding gains and losses resulted in a net expense of \$353,402 in the Water and Wastewater Fund, and \$5,768 in the Solid Waste Fund.

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

Anne Arundel County, Maryland
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Pension Trust Funds (As of December 31, 2007)	Agency Funds
ASSETS		
Investments, at fair value:		
Cash and temporary investments	\$ 56,722,040	\$ 17,408,467
U. S. Government obligations	22,307,247	-
Corporate obligations	189,548,866	-
Corporate obligation investment pools	73,894,920	-
International obligations	131,907,074	-
Common stocks	528,468,836	-
International stock investment pools	272,806,971	-
Real estate investment pools	75,566,585	-
Private markets	16,455,291	-
Insurance company general accounts	39,806,994	-
Absolute Return funds	72,246,326	-
Portable Alpha	49,034,590	-
	<u>1,528,765,740</u>	<u>17,408,467</u>
Collateral from securities lending transactions	154,495,634	-
Receivables:		
Employer contributions	3,077,275	-
Participant contributions	703,925	-
Accrued interest and dividends	4,340,723	-
Investment sales proceeds	1,105,028	-
	<u>9,226,951</u>	<u>-</u>
Deposits on hand	208,976	-
	<u>1,692,697,301</u>	<u>17,408,467</u>
LIABILITIES		
Accounts payable	1,513,499	-
Escrow and other deposits	-	17,408,467
Investment commitments payable	47,497,915	-
Obligation for collateral received under securities lending transactions	154,495,634	-
	<u>203,507,048</u>	<u>17,408,467</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 1,489,190,253</u>	<u>\$ -</u>
(A schedule of funding progress for each plan is presented on page 72.)		

Accompanying notes to the basic 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, 2008

	Pension Trust Funds (As of <u>December 31, 2007</u>)
ADDITIONS	
Contributions:	
Employer	\$ 36,337,038
Participant	<u>9,189,082</u>
Total contributions	<u>45,526,120</u>
Investment income:	
Net appreciation in fair value of investments	97,637,100
Interest income	22,109,756
Dividend income	<u>29,849,668</u>
Total investment income	<u>149,596,524</u>
Less investment expense	<u>(6,444,341)</u>
Net income from investing activities	143,152,183
Securities lending activities:	
Securities lending income	8,004,800
Securities lending expenses:	
Borrower rebates	7,392,897
Management fees	<u>183,669</u>
Securities lending expense	<u>7,576,566</u>
Securities lending net income	<u>428,234</u>
Total net investment income	<u>143,580,417</u>
Total additions	<u>189,106,537</u>
DEDUCTIONS	
Participant benefit payments and refunds	65,753,246
Administrative expenses	<u>1,466,667</u>
Total deductions	<u>67,219,913</u>
Net increases	121,886,624
Net assets, beginning of year	<u>1,367,303,629</u>
Net assets, end of year	<u>\$ 1,489,190,253</u>

Accompanying notes to the basic 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 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 operates 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 the Economic Development Corporation, 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 below. 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
401 Headquarters Drive, Suite 205
Millersville, MD 21108

B Financial Statement Presentation, Measurement Focus, and Bases 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, the property taxes, income taxes, and grants that have not been received within the availability period have been deferred to future periods.

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, both restricted and unrestricted, that are received and used for the acquisition or development of major capital improvements. Resources received are applied in the following order: pay-as-you-go, dedicated revenues such as developer contributions, grants, and bonds.

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 improvement, 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 its 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 its component units. The fees are used to replace motor pool vehicles as needed.

Fiduciary fund financial statements - The fiduciary 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 compiled using the budgetary basis of accounting in which revenues are recognized when measurable and available, except for grant revenue, which is recognized when the grant-related reimbursable expenditures are made. 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 nonmajor governmental funds have legally adopted budgets except for the Storm Drain Fees Fund, the Recreational Land Fees Fund, and the Area Agency on Aging Fund. These funds are expended through the General Fund or 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 term 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 highly liquid investments readily convertible to cash or maturing within three months of the time of purchase.

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 by the Library 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. Securities traded on a national or international exchange are valued at the last reported sales price using current exchange rates. The fair value of underlying assets in the real estate investment pools is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

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). Only items with a value of \$5,000 or more (\$50,000 for infrastructure) 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:

<u>Category</u>	<u>Years</u>	<u>Category</u>	<u>Years</u>
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, software, and telecommunication systems	5 – 7
Roads and bridges	17 – 30	Automobiles and small rolling stock	5
Landfills	15 – 20		

G Operating and Non-operating 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, non-operating 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. Non-operating 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. Non-operating expenses include interest on debt and other miscellaneous expenses.

H Bond premiums – 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 in the subsequent fiscal year 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 subsequent year in the budgetary statements.

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 and structures.

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 County Parking Garage special revenue fund, 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 reservations of fund balance in the governmental fund statements and are recorded as expenditures on the budgetary statements. Encumbrances at June 30, 2008 totaled \$50,075,319 in the governmental fund types, \$35,318,973 of which is for construction activity. The proprietary funds utilize encumbrance accounting for budgetary purposes. At June 30, 2008, the proprietary funds had encumbrances totaling \$62,937,951, of which \$54,738,329 is for construction activity.

L 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.

M **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 at June 30, 2008. The annual leave accrual is calculated using unused annual leave hours at June 30, 2008 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.

N **New Pronouncements** - The Primary Government and its component units have implemented GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions* in fiscal year 2008. The statement requires employers to recognize non-pension, post-employment benefits in periods when the related services are received. The financial statements include a liability related to the unfunded annual required contributions, and disclosure and supplementary information include information about the actuarial accrued liabilities for benefits associated with past services, whether and to what extent such benefits have been funded, and information useful in assessing potential demands on the employer’s future cash flows. See more discussion in footnote 11 – Other Post-employment Benefits.

The Primary Government and its component units are analyzing the effect of GASB Statement No. 49 – *Accounting and Financial Reporting of Pollution Remediation Obligations*. At this time, no obligations have been identified.

O **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.

P **Restatement of Beginning Net Assets** - The Board of Education has restated its beginning net assets to correct an accounting error in the capitalization of equipment in the Government-wide statements. This restatement resulted in an increase in net assets of \$11,931,476.

2 **Budgetary Information**

A **Excess Expenditures over Appropriations 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. The Sheriff’s Office overspent its appropriation by \$84,963 due to a lower personnel turnover rate for the year. The Budget Office will more closely monitor the fiscal year-end projections to avoid a recurrence. The Self Insurance fund ended fiscal year 2008 with a deficit of \$24,147. Management anticipates the deficit will be paid in the following year.

B **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 below:

Revenue over expenditures - budgetary basis	\$ (47,677,543)
Net effect of encumbrances	2,109,143
Changes in revenue stabilization and golf courses reserves	3,138,762
Timing differences in revenue recognition	(1,428,297)
Net effect of Self Insurance Fund deficits allocation	(409,478)
Changes in bond proceeds reserved for debt service	(2,947,157)
Net inventory change	218,356
Change in fund balance - modified accrual basis	<u>\$ (46,996,214)</u>

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, and the bank invests any remaining collected bank deposits in overnight repurchase agreements prior to the close of each business day. Policy requires that the initial collateral securities underlying repurchase agreements have a market value of at least 102% of the cost of the repurchase agreement. 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 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 maturity of 128 days at December 31, 2007, 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*** – At June 30, 2008, the carrying amount of the Primary Government's bank deposits was (\$4,113,811), while bank balances were \$1,019,064. Available cash invested overnight in repurchase agreements, as discussed above, was \$2,150,822. Bank balances of \$86,549 were fully secured by Federal Deposit insurance, and the balance of \$932,515 represents uncollected bank deposits.

Cash balances of the Board of Education are fully securitized by Federal Deposit Insurance and/or collateral held in the Board's name at the Federal Reserve. Deposits for Anne Arundel Community College are secured and properly protected except for \$298,760 which represents uninsured and uncollateralized funds of the Anne Arundel Community College Foundation. The cash balances of the other nonmajor component units are insured or collateralized except \$280,178, 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 IPS sets limits on floating rates for mortgage backed securities and establishes limits on the average duration of some investment types.

The table below 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 \$269,252,361 of callable issues and \$4,022,500 for issues that have both callable and rate step-up features. The component unit’s issues have no variable rate securities.

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1 year	1 to 5	6 to 10	over 10
Primary Government					
Repurchase agreements	\$ 20,623,125	\$ 20,000,000	\$ -	\$ -	\$ 623,125
U.S. Government securities	4,990,651	711,193	-	-	4,279,458
Agency/Instrumentalities	309,882,582	221,212,580	88,670,002	-	-
Bankers' Acceptances	29,659,121	29,659,121	-	-	-
Commercial paper	42,757,349	42,757,349	-	-	-
Money market pools	162,220,311	162,220,311	-	-	-
Tax exempt municipal bonds	75,987,911	9,838,367	66,149,544	-	-
	<u>\$ 646,121,050</u>	<u>\$ 486,398,921</u>	<u>\$ 154,819,546</u>	<u>\$ -</u>	<u>\$ 4,902,583</u>
Board of Education					
Repurchase agreements	\$ 1,060,886	\$ 1,060,886	\$ -	\$ -	\$ -
Money market pools	132,584,326	132,584,326	-	-	-
	<u>\$ 133,645,212</u>	<u>\$ 133,645,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Community College					
Certificates of Deposit	\$ -	\$ -	\$ -	\$ -	\$ -
Money market pools	\$ 14,259,758	\$ 14,259,758	\$ -	\$ -	\$ -
Bond mutual funds	1,061,612	1,061,612	-	-	-
Guaranteed investment trusts	1,175,369	-	-	-	1,175,369
	<u>\$ 16,496,739</u>	<u>\$ 15,321,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,175,369</u>
Other nonmajor component units					
Agency/Instrumentalities	\$ 759,577	\$ 494,375	\$ 265,202	\$ -	\$ -
Certificates of Deposit	388,715	-	388,715	-	-
Money market pools	294,611	294,611	-	-	-
	<u>\$ 1,442,903</u>	<u>\$ 788,986</u>	<u>\$ 653,917</u>	<u>\$ -</u>	<u>\$ -</u>

The table on the following page uses *Segmented Time Distribution* to display the Retirement System’s debt holdings by maturity term and investment type as of December 31, 2007. 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 \$39,245,692 as of December 31, 2007.

The segmented time distribution table includes issues with call features and assumes that these issues will be held to maturity. The total fair market value of callable securities totals \$55,657,518 with call dates ranging from January 1, 2008 for continuously callable issues to September 25, 2026. Stated call prices are generally at par or reflect premiums as great as 6.19%. There are also securities that do not have a stated call price, but include a “make whole” provision. This allows the issuer to pay off remaining debt, but requires a lump sum payment equal

to the net present value of future coupon payments that will not be paid due to the call. There are also non-callable holdings with floating interest rates with a market value of \$8,518,831.

Investment Type	Fair Value	Less than			
		1 year	1 to 5	6 to 10	over 10
U.S. Treasuries	\$ 22,307,247	\$ -	\$ 9,042,645	\$ 1,133,545	\$ 12,131,057
Agency/Instrumentalities	67,589,402	110,447	-	808,335	66,670,620
Corporate Bonds	80,702,101	1,562,167	38,626,734	33,036,369	7,476,831
Bond Mutual Funds	73,894,920	5,004,681	68,890,239	-	-
Collateralized Mrtg Obligations	25,038,308	-	-	1,107,491	23,930,817
Other Asset-Backed Securities	8,273,544	35,443	368,845	569,622	7,299,634
Foreign Denominated Bonds	7,945,511	-	3,212,932	2,799,428	1,933,151
Totals	\$ 285,751,033	\$ 6,712,738	\$ 120,141,395	\$ 39,454,790	\$ 119,442,110

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 Type	S&P	Moody's	%	Investment Type	S&P	Moody's	%
<u>Primary Government</u>							
Federal Home Loan Bank	AAA	Aaa	21.78	Tax Exempt Municipal	AAA	Aaa	4.63
Federal Home Loan Mortgage	AAA	Aaa	16.05	"	AA	Aa	2.68
Federal National Mort Assoc.	AAA	Aaa	6.29	"	AA	A	1.11
Federal Farm Credit	AAA	Aaa	4.21	"	A	A	0.85
Bankers Acceptances	A-1	P-1	4.63	"	AAA	NR	0.70
Money market pools	AAAm	Aaa	11.53	"	AA	NR	0.92
"	AAAm	NR	13.40	"	NR	Aaa	0.29
"	NR	NR	0.38	"	NR	Aa	0.64
Repurchase agreement	NR	NR	3.22	Commercial paper	A-1	P-1	6.69
							<u>100.00</u>
<u>Board of Education</u>							
Repurchase Agreement	NR	NR	0.79	Money Market pool	AAAm	NR	99.21
							<u>100.00</u>
<u>Community College</u>							
Money market pool	AAAm	NR	84.42	Bond Mutual Funds	NR	NR	6.44
Money market pool	NR	NR	2.02	Guaranteed Invt Trust	NR	NR	7.12
							<u>100.00</u>
<u>Nonmajor component units</u>							
Federal Home Loan Bank	AAA	Aaa	18.38	Certificates of Deposit	NR	NR	26.94
Federal Home Loan Mtg Corp	AAA	Aaa	17.41	Money market pools	AAAm	NR	1.96
Federal National Mort Assoc.	AAA	Aaa	16.85	Money market pools	NR	NR	18.46
							<u>100.00</u>

The Retirement System’s Investment Policy Statement provides guidelines to all fixed income managers related to allowable quality ratings. Holdings as of December 31, 2007 are displayed on the following page.

Anne Arundel County, Maryland
Notes to the Basic Financial Statements

<u>Investment type</u>	<u>S&P</u>	<u>Moody's</u>	<u>%</u>	<u>Investment type</u>	<u>S&P</u>	<u>Moody's</u>	<u>%</u>
Agency/Instrumentalities	AAA	Aaa	5.71	Corporate Bonds	AAA	Aaa	0.30
"	NR	NR	10.29	"	AA	Aa	0.40
Collateralized Mort. Oblig.	AAA	Aaa	5.00	"	AA	A	0.09
"	AAA	NR	0.8	"	A	Aa	0.27
"	CCC	Caa	0.02	"	A	A	0.62
"	NR	Aaa	0.04	"	A	Baa	0.06
"	NR	B	0.03	"	A	NR	0.03
"	NR	Ca	0.03	"	BBB	Baa	0.30
Other Asset-backed Oblig.	AAA	Aaa	1.26	"	BBB	Baa	2.35
"	AAA	NR	0.37	"	BBB	Ba	0.58
"	A	Aaa	0.05	"	BB	Baa	0.37
"	BBB	Baa	0.04	"	BB	Ba	1.58
"	BBB	NR	0.07	"	BB	B	0.71
"	BB	Aa	0.13	"	B	Baa	0.04
"	NR	NR	0.01	"	B	Ba	0.69
Foreign Govt Issued Debt	AAA	Aaa	0.23	"	B	B	7.69
"	A	Aa	0.09	"	B	Ba	0.12
"	A	A	0.04	"	B	Caa	0.83
"	A	NR	0.02	"	B	NR	0.06
"	BBB	A	0.16	"	CCC	B	1.35
"	BBB	Baa	0.41	"	CCC	Caa	0.21
"	BB	NR	0.32	"	NR	Ba	0.08
"	B	B	0.27	"	NR	B	0.22
"	NR	A	0.18	Mutual Funds	B	B	1.18
"	NR	Aa	0.13	"	NR	NR	40.61
"	NR	NR	0.06	Guaranteed Invest Contracts	NR	NR	0.17
				Short Term Investment Pools	NR	NR	<u>13.33</u>
							<u>100.00</u>

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, 2008, Federal Home Loan Bank represented 21.7% of the Primary Government's investments with Federal National Mortgage Association and Federal Home Loan Mortgage at 6.3% and 16%, respectively. 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 Investment Policy Statement (IPS) sets maximum concentration limits by asset type and manager style. As of December 31, 2007 there was no exposure to a single issuer greater than 5% of the 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, 2008. 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, 2007, the Retirement System's exposure to fixed income foreign currency was reduced to \$2,216 Euro. This compared to a total of \$56,784 as of December 31, 2006. International/global equities and fixed income assets totaling \$404,714,045 in fair market value are managed in pooled funds.

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, 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 and a note receivable. 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 2% to 8.25%. The balance at June 30, 2008 of the deferred charges is \$52,983,996.

5 Capital Assets

The components of capital assets, changes in asset categories, and accumulated depreciation for the fiscal year-ended June 30, 2008 are presented below and on the following pages.

<u>Category</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2008</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land and easements	\$ 166,522,984	\$ 9,036,041	\$ -	\$ 175,559,025
Historical property/works of art	4,166,465	-	-	4,166,465
Construction in progress	157,084,805	47,798,798	(66,611,307)	138,272,296
Total assets not depreciated	<u>327,774,254</u>	<u>56,834,839</u>	<u>(66,611,307)</u>	<u>317,997,786</u>
<i>Capital assets being depreciated:</i>				
Land improvements	140,182,007	8,818,429	-	149,000,436
Buildings	304,935,637	1,813,632	-	306,749,269
Roads and bridges	315,326,159	39,988,969	(10,816,133)	344,498,995
Sidewalks, curbs, and gutters	36,433,769	54,000	(15,630)	36,472,139
Storm drains and culverts	230,506,857	11,948,980	(741,423)	241,714,414
Automobiles and rolling stock	70,919,022	7,131,769	(4,215,182)	73,835,609
Furniture, fixtures, and equipment	43,836,453	872,141	(427,405)	44,281,189
Software	19,864,616	302,019	-	20,166,635
Total assets depreciated	<u>\$ 1,162,004,520</u>	<u>\$ 70,929,939</u>	<u>\$ (16,215,773)</u>	<u>\$ 1,216,718,686</u>

Anne Arundel County, Maryland
Notes to the Basic Financial Statements

Category	Balance June 30, 2007	Increases	Decreases	Balance June 30, 2008
Governmental activities (continued):				
<i>Less accumulated depreciation for:</i>				
Land improvements	\$ (46,748,885)	\$ (4,837,228)	\$ -	\$ (51,586,113)
Buildings	(69,614,586)	(6,106,838)	-	(75,721,424)
Roads and bridges	(147,523,536)	(13,415,546)	10,469,883	(150,469,199)
Sidewalks, curbs, and gutters	(13,500,578)	(741,228)	11,411	(14,230,395)
Storm drains and culverts	(128,228,275)	(8,161,958)	575,014	(135,815,219)
Automobiles and rolling stock	(43,157,071)	(6,986,651)	4,094,034	(46,049,688)
Furniture, fixtures, and equipment	(31,297,802)	(2,616,750)	426,374	(33,488,178)
Software	(18,150,423)	(1,149,429)	-	(19,299,852)
Total accumulated depreciation	<u>(498,221,156)</u>	<u>(44,015,628)</u>	<u>15,576,716</u>	<u>(526,660,068)</u>
Total capital assets, being depreciated, net	<u>663,783,364</u>	<u>26,914,311</u>	<u>(639,057)</u>	<u>690,058,618</u>
Total governmental activities, net	<u>\$ 991,557,618</u>	<u>\$ 83,749,150</u>	<u>\$ (67,250,364)</u>	<u>\$ 1,008,056,404</u>
Business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land and easements	\$ 10,809,456	\$ 42,041	\$ -	\$ 10,851,497
Construction in progress	<u>190,970,178</u>	<u>44,261,563</u>	<u>(25,797,800)</u>	<u>209,433,941</u>
Total assets not depreciated	<u>201,779,634</u>	<u>44,303,604</u>	<u>(25,797,800)</u>	<u>220,285,438</u>
<i>Capital assets being depreciated:</i>				
Buildings	27,172,805	296,285	-	27,469,090
Landfills	35,463,749	1,033,041	-	36,496,790
Water and sewer plants and lines	1,247,732,767	33,092,309	-	1,280,825,076
Automobiles and rolling stock	7,124,705	1,138,844	(614,934)	7,648,615
Furniture, fixtures, and equipment	<u>13,961,374</u>	<u>1,200,726</u>	<u>(846,123)</u>	<u>14,315,977</u>
Total assets depreciated	<u>1,331,455,400</u>	<u>36,761,205</u>	<u>(1,461,057)</u>	<u>1,366,755,548</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(6,257,673)	(492,341)	-	(6,750,014)
Landfills	(26,055,215)	(1,127,372)	-	(27,182,587)
Water and sewer plants and lines	(404,725,035)	(31,391,919)	-	(436,116,954)
Automobiles and rolling stock	(5,473,485)	(570,116)	614,934	(5,428,667)
Furniture, fixtures, and equipment	<u>(7,891,185)</u>	<u>(923,121)</u>	<u>845,871</u>	<u>(7,968,435)</u>
Total accumulated depreciation	<u>(450,402,593)</u>	<u>(34,504,869)</u>	<u>1,460,805</u>	<u>(483,446,657)</u>
Total capital assets, being depreciated, net	<u>881,052,807</u>	<u>2,256,336</u>	<u>(252)</u>	<u>883,308,891</u>
Total business-type activities, net	<u>\$ 1,082,832,441</u>	<u>\$ 46,559,940</u>	<u>\$ (25,798,052)</u>	<u>\$ 1,103,594,329</u>
Board of Education:				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 48,785,317	\$ 6,289,118	\$ -	\$ 55,074,435
Construction in progress	<u>87,474,673</u>	<u>91,161,434</u>	<u>(93,025,590)</u>	<u>85,610,517</u>
Total assets not depreciated	<u>136,259,990</u>	<u>97,450,552</u>	<u>(93,025,590)</u>	<u>140,684,952</u>
<i>Capital assets being depreciated (as restated):</i>				
Buildings	863,917,363	66,129,132	(1,138,252)	928,908,243
Furniture, fixtures, and equipment	<u>41,833,275</u>	<u>4,731,092</u>	<u>(533,213)</u>	<u>46,031,154</u>
Total assets depreciated	<u>905,750,638</u>	<u>70,860,224</u>	<u>(1,671,465)</u>	<u>974,939,397</u>
<i>Less accumulated depreciation (as restated) for:</i>				
Buildings	(392,290,645)	(29,138,257)	1,138,252	(420,290,650)
Furniture, fixtures, and equipment	<u>(21,840,975)</u>	<u>(2,883,238)</u>	<u>480,920</u>	<u>(24,243,293)</u>
Total accumulated depreciation	<u>(414,131,620)</u>	<u>(32,021,495)</u>	<u>1,619,172</u>	<u>(444,533,943)</u>
Total capital assets, being depreciated, net	<u>491,619,018</u>	<u>38,838,729</u>	<u>(52,293)</u>	<u>530,405,454</u>
Total Board of Education, net	<u>\$ 627,879,008</u>	<u>\$ 136,289,281</u>	<u>\$ (93,077,883)</u>	<u>\$ 671,090,406</u>

Anne Arundel County, Maryland
Notes to the Basic Financial Statements

Category	Balance June 30, 2007	Increases	Decreases	Balance June 30, 2008
Community College:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,377,654	\$ -	\$ -	\$ 2,377,654
Construction in progress	8,293,892	13,400,085	(11,573,983)	10,119,994
Total assets not depreciated	<u>10,671,546</u>	<u>13,400,085</u>	<u>(11,573,983)</u>	<u>12,497,648</u>
<i>Capital assets being depreciated:</i>				
Land improvements	3,936,119	633,326	-	4,569,445
Buildings and improvements	89,419,962	9,432,247	-	98,852,209
Furniture, fixtures, and equipment	22,505,057	1,982,359	(1,658,121)	22,829,295
Total assets depreciated	<u>115,861,138</u>	<u>12,047,932</u>	<u>(1,658,121)</u>	<u>126,250,949</u>
<i>Less accumulated depreciation for:</i>				
Land improvements	(3,267,043)	(189,484)	-	(3,456,527)
Buildings and improvements	(32,665,866)	(2,892,266)	-	(35,558,132)
Furniture, fixtures, and equipment	(16,668,539)	(2,222,693)	1,635,837	(17,255,395)
Total accumulated depreciation	<u>(52,601,448)</u>	<u>(5,304,443)</u>	<u>1,635,837</u>	<u>(56,270,054)</u>
Total capital assets, being depreciated, net	<u>63,259,690</u>	<u>6,743,489</u>	<u>(22,284)</u>	<u>69,980,895</u>
Total Community College, net	<u>\$ 73,931,236</u>	<u>\$ 20,143,574</u>	<u>\$ (11,596,267)</u>	<u>\$ 82,478,543</u>
Other non-major:				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 177,515	\$ -	\$ (177,515)	\$ -
<i>Capital assets being depreciated:</i>				
Airport improvements	8,181,915	352,602	-	8,534,517
Library collection	13,977,972	2,874,746	(2,481,142)	14,371,576
Automobiles and rolling stock	58,587	-	(16,994)	41,593
Furniture, fixtures, and equipment	2,892,725	131,412	(150,116)	2,874,021
Total assets depreciated	<u>25,111,199</u>	<u>3,358,760</u>	<u>(2,648,252)</u>	<u>25,821,707</u>
<i>Less accumulated depreciation for:</i>				
Airport improvements	(1,317,101)	(415,900)	-	(1,733,001)
Library collection	(4,993,221)	(1,257,496)	1,099,146	(5,151,571)
Automobiles and rolling stock	(40,964)	(5,979)	10,763	(36,180)
Furniture, fixtures, and equipment	(1,768,112)	(247,076)	139,474	(1,875,714)
Total accumulated depreciation	<u>(8,119,398)</u>	<u>(1,926,451)</u>	<u>1,249,383</u>	<u>(8,796,466)</u>
Total capital assets, being depreciated, net	<u>16,991,801</u>	<u>1,432,309</u>	<u>(1,398,869)</u>	<u>17,025,241</u>
Total other non-major, net	<u>\$ 17,169,316</u>	<u>\$ 1,432,309</u>	<u>\$ (1,576,384)</u>	<u>\$ 17,025,241</u>

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 the 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 on the following page shows the depreciation expense for each functional category.

Governmental activities:

Education	\$ 43,932
Public safety	4,763,198
General government	8,869,787
Health and human services	383,965
Public works	22,925,729
Recreation and community services	5,718,926
Judicial	1,301,164
Land use and development	8,927
	<u>\$ 44,015,628</u>

Business-type activities:

Water and wastewater	\$ 32,288,886
Waste collection	2,215,983
	<u>\$ 34,504,869</u>

Component units:

Board of Education	\$ 32,021,495
Community College	5,304,443
Library System	1,396,677
Economic Development Corp	74,618
Tipton Airport Authority	425,005
Workforce Development	30,151
	<u>\$ 39,252,389</u>

6 Restricted Assets and Liabilities

The revenue stabilization fund is restricted in the net assets of the General Fund. The assets of the impact fees, general county capital projects, and other nonmajor governmental funds are being retained in separate funds for each fund's respective purposes and are, therefore, shown as restricted assets on the Statement of Net Assets. 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. The Water and Wastewater capital project funding from grants, developer contributions, and other sources are restricted for the construction of capital assets. These restricted debt service and capital projects funds are restricted in the business-type activities of the Statement of Net Assets.

7 Interfund and Intra-Entity Balances and Transfers

The interfund balances of the Primary Government consist of the following at June 30, 2008:

<u>Fund With Receivable</u>	<u>Fund With Payable</u>	<u>Amount</u>
General Fund	Special Revenue Funds	\$ 1,090,002

Interfund balances between the General Fund and internal service funds have been eliminated on the government-wide Statement of Net Assets. The \$1,109,002 balance represents special revenue funds' implicit borrowing from the General Fund at June 30, 2008.

Transfers between the Primary Government's funds presented below totaled \$130,370,500 for fiscal year 2008. The purposes of these transfers are General Fund bond proceeds and pay-as-you-go funds for capital projects and agricultural easements; impact fee funding for capital projects; General Fund's share of grant programs transferred to Arundel Community Development Service Fund; capital project investment earnings retained by the General Fund; transfers from special revenue fund grants to the General Fund; excess Parking Garage funds transferred to the General Fund; and tax increment funds legally appropriated for transfer to the General Fund.

<u>Originating Fund</u>	<u>Recipient Fund</u>	<u>Amount</u>
General	General County Capital Projects	\$ 79,194,000
General	Impact Fees	9,909,400
General	Nonmajor Governmental	270,000
Nonmajor Governmental	General	15,598,325
Impact Fees	General County Capital Projects	21,947,800
General County Capital Projects	General	3,450,975
		<u>\$ 130,370,500</u>

At June 30, 2008, receivable and payable balances remained between the Primary Government and its 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. Those balances and the payments from the Primary Government to or on behalf of these parties are presented on the following page:

Between Component Units and Primary Government

Receivables/Payables

<u>Entity with Receivable</u>	<u>Entity with Payable</u>	<u>Amount</u>
Board of Education	Primary Government	\$ 22,492,358
Community College	Primary Government	3,970,983
Other Nonmajor	Primary Government	1,356,965
		<u>\$ 27,820,306</u>

Primary Government Expenditures

<u>Originating Entity</u>	<u>Recipient Entity</u>	<u>Amount</u>
Primary Government	Board of Education	\$ 636,930,804
Primary Government	Community College	47,008,582
Primary Government	Other Nonmajor	18,388,170
		<u>\$ 702,327,556</u>

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 2008 are provided below.

A *Bond Anticipation Notes* – The County periodically incurs short-term debt by issuing bond anticipation notes in the form of commercial paper. 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 maturity date of this liquidity arrangement is December 15, 2015. The maturities of notes outstanding during fiscal year 2008 ranged from 41 to 174 days, and interest rates ranged from 1.75% to 3.80%. The County plans to issue long-term debt in the spring of 2009 to payoff bond anticipation notes outstanding at June 30, 2008. The terms of this refinancing have not been determined.

B *General Obligation Bonds* – Substantially all long-term bonded debt is issued as general obligation bonds 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 debt service requirements for the bonds outstanding at June 30, 2008 are presented below:

<u>Year ended</u> <u>June 30,</u>	<u>General Obligation Bonds</u>					
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 52,735,667	\$ 27,767,694	\$ 23,245,354	\$ 14,296,975	\$ 75,981,021	\$ 42,064,669
2010	50,125,794	25,395,695	19,963,451	13,310,617	70,089,245	38,706,312
2011	47,792,881	22,948,885	18,991,378	12,404,765	66,784,259	35,353,650
2012	46,486,279	20,707,056	18,963,703	11,578,112	65,449,982	32,285,168
2013	44,681,279	18,538,192	18,831,768	10,750,252	63,513,047	29,288,444
2014-2018	180,264,560	63,474,703	83,724,948	41,305,529	263,989,508	104,780,232
2019-2023	122,721,977	27,542,250	62,408,754	25,465,868	185,130,731	53,008,118
2024-2028	54,895,819	6,042,109	44,898,984	13,984,766	99,794,803	20,026,875
2029-2033	-	-	28,570,112	5,763,549	28,570,112	5,763,549
2034-2036			9,850,000	802,474	9,850,000	802,474
	<u>\$ 599,704,256</u>	<u>\$ 212,416,584</u>	<u>\$ 329,448,452</u>	<u>\$ 149,662,907</u>	<u>\$ 929,152,708</u>	<u>\$ 362,079,491</u>

C Tax Increment and Other Debt - At June 30, 2008, there was \$53,085,000 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 \$4,655,000 outstanding, the County has pledged its full faith and credit for these bonds. During the fiscal year-ended June 30, 2008, \$17,638,583 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 below outlines the debt service requirements for these bonds.

Year ended			Year ended		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 915,000	\$ 2,570,166	2014-2018	\$ 8,640,000	\$ 10,255,859
2010	1,150,000	2,522,457	2019-2023	13,075,000	7,667,929
2011	1,690,000	2,461,848	2024-2028	19,185,000	3,587,852
2012	2,175,000	2,381,943	2029-2030	3,915,000	128,409
2013	2,340,000	2,284,268		<u>\$ 53,085,000</u>	<u>\$ 33,860,731</u>

In addition, there were \$5,725,000 and \$3,203,000 of special tax district bonds related to the Farmington Village Project and the Villages of Dorchester outstanding at June 30, 2008, 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 loans outstanding at June 30, 2008 of \$2,141,770. These loans were received from the State for waterway improvements. During fiscal year 2008 the County paid \$213,377 for principal. The table below outlines the debt service requirements.

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 201,657	\$ -	2014-2018	\$ 765,891	\$ -
2010	182,532	-	2019-2023	276,977	-
2011	192,993	-	2024-2028	110,056	-
2012	175,692	-	2029-2033	59,760	-
2013	175,692	-	2034-2035	\$ 520	\$ -
				<u>2,141,770</u>	<u>\$ -</u>

Federal Loans - As of June 30, 2008, 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 below outlines the debt service requirements.

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>
<u>June 30,</u>		
2009	\$ 410,000	\$ 71,648
2010	410,000	51,209
2011	410,000	30,811
2012	410,000	10,291
Total	<u>\$ 1,640,000</u>	<u>\$ 163,959</u>

E Leases - The County has entered into various lease agreements for assets that qualify as capital leases for accounting purposes. These agreements have resulted in capital assets totaling \$91,250, all of which are used for governmental activities. Mechanical equipment leased consists of golf carts used by the Department of Recreation

and Parks. Computer hardware comprises the remaining capital leases. These agreements are primarily five years in length with annual payments totaling about \$24,500. The net present value of these minimum lease payments as of June 30, 2008 and the future minimum lease obligations were as follows:

<u>Year ended June 30,</u>	<u>Present Value of Minimum Lease Payments</u>	<u>Interest</u>	<u>Total Minimum Payments</u>
2009	\$ 18,651	\$ 5,524	\$ 24,175
2010	19,900	4,274	24,174
2011	21,234	2,941	24,175
2012	22,657	1,518	24,175
			<u>\$ 96,699</u>

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 2008 were \$3,671,168. 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 table below. The lease payments for fiscal years 2008 and 2007 are \$244,882 and \$222,740, respectively. Minimum annual rental costs required by the leases are summarized below:

<u>Year ending June 30,</u>	<u>Annual Rentals</u>	<u>Year ending June 30,</u>	<u>Annual Rentals</u>
2009	\$ 3,196,947	2014-2018	\$ 4,121,166
2010	2,631,526	2019-2023	1,654,987
2011	2,288,972	2024-2028	1,200,000
2012	1,647,074	2029-2033	1,200,000
2013	1,139,459	2034-2038	1,200,000
			<u>\$ 20,280,131</u>

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, 2008 are presented below:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 19,925	\$ 629,306	2014-2018	\$ 100,000	\$ 3,107,458
2010	20,000	628,194	2019-2023	100,000	3,079,532
2011	20,000	627,077	2024-2028	8,960,000	3,051,607
2012	20,000	625,960	2029-2033	1,534,000	319,211
2013	20,000	624,842	2034-2037	604,000	111,136
				<u>\$ 11,397,925</u>	<u>\$ 12,804,323</u>

G Year-end Balances, Debt Limitations, and Authorized Debt - A summary of the debt issues currently outstanding is provided on the following page:

	<u>Due Dates</u>	<u>Interest Rates</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding</u>
Governmental activities:				
Serial bonds	2008-2028	1.00% to 6.50%	\$ 976,385,000	\$ 599,704,256
Tax increment district bonds	2008-2030	2.00% to 5.125%	56,875,000	53,085,000
Installment purchase agreements	2008-2037	4.60% to 6.00%	11,492,916	11,397,925
Loans payable	2008-2035	0% to 5.77%	7,124,219	3,781,770
Total governmental activities			<u>1,051,877,135</u>	<u>667,968,951</u>
Business-type activities:				
Water and wastewater serial bonds	2008-2036	1.00% to 7.50%	518,540,241	311,472,707
Solid waste serial bonds	2008-2027	2.00% to 6.00%	55,610,000	17,975,745
Total business-type activities			<u>574,150,241</u>	<u>329,448,452</u>
			<u>\$ 1,626,027,376</u>	<u>\$ 997,417,403</u>

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. At June 30, 2008, a review of the legal debt limitations reveals the following:

	<u>General Bonds (5.2%/13% Limitations)</u>	<u>Water and Wastewater (5.6%/14% Limitations)</u>
Charter imposed limitation	\$ 3,938,534,981	\$ 3,879,859,352
Bonded debt outstanding		
Bond anticipation notes	49,800,000	17,000,000
Installment Purchase Agreements	11,397,925	-
Long-term serial bonds	617,680,000	311,472,707
Tax increment bonds	53,085,000	-
	<u>731,962,925</u>	<u>328,472,707</u>
Legal debt margin	<u>\$ 3,206,572,056</u>	<u>\$ 3,551,386,645</u>

As of June 30, 2008, the County had the authority to issue bonds in the amount of \$419,329,864 more than bonds already issued, including \$252,980,418 of water and wastewater series bonds and \$8,562,398 of solid waste series bonds. This unused authority will be used to fund existing capital projects and those appropriated for fiscal year 2008 and to refund outstanding bond anticipation notes.

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 are due semi-annually on September 1 and March 1. Principal payments began on September 1, 2005 with the final principal payment on September 1, 2028. Interest on the bonds varies from 3.15% to 5.25%. The loan balance at June 30, 2008 was \$14,975,000. Scheduled principal payments due on the bonds payable for future years ending June 30 are shown below:

<u>Year ending June 30,</u>	<u>Principal Payments</u>	<u>Year ending June 30,</u>	<u>Principal Payments</u>	<u>Year ending June 30,</u>	<u>Principal Payments</u>
2009	\$ 400,000	2012	\$ 450,000	2019-2023	\$ 3,460,000
2010	415,000	2013	470,000	2024-2028	4,455,000
2011	430,000	2014-2018	2,705,000	2029	2,190,000
				<u>\$ 14,975,000</u>	

I Changes in Debt and Obligations – In prior years, the General Fund and the internal service funds are the governmental funds that have been used to liquidate long-term liabilities other than debt. The changes in the Primary Government’s long-term liabilities are presented below:

	<u>Balance</u> <u>June 30,2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30,2008</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Bond anticipation notes	\$ 39,000,000	\$ 49,800,000	\$ 39,000,000	\$ 49,800,000	\$ 49,800,000
Bonds payable:					
General obligation bonds	597,180,924	55,200,000	52,676,668	599,704,256	52,735,667
Deferred refunding (loss)	(1,979,672)	-	(967,326)	(1,012,346)	(986,752)
Tax incremental and other debt	53,960,000	-	875,000	53,085,000	915,000
Total bonds payable	<u>649,161,252</u>	<u>55,200,000</u>	<u>52,584,342</u>	<u>651,776,910</u>	<u>52,663,915</u>
Federal and State loans	3,803,209	191,938	213,377	3,781,770	611,657
Capital leases	277	106,616	24,451	82,442	18,651
Installment purchase agreements	9,939,000	1,477,925	19,000	11,397,925	19,925
Unpaid insurance claims	51,060,859	83,780,466	78,038,915	56,802,410	12,550,410
OPEB obligation	-	58,264,488	-	58,264,488	-
Compensated absences	18,941,649	24,133,568	23,439,269	19,635,948	19,608,468
Total long-term	<u>732,906,246</u>	<u>223,155,001</u>	<u>154,319,354</u>	<u>801,741,893</u>	<u>85,473,026</u>
Total governmental activities	<u>\$ 771,906,246</u>	<u>\$ 272,955,001</u>	<u>\$ 193,319,354</u>	<u>\$ 851,541,893</u>	<u>\$ 135,273,026</u>
Business-type activities:					
Bond anticipation notes	\$ 19,000,000	\$ 17,000,000	\$ 19,000,000	\$ 17,000,000	\$ 17,000,000
Bonds payable:					
General obligation bonds	317,270,641	35,219,511	23,041,700	329,448,452	23,245,354
Less: deferred refunding loss	<u>(2,724,065)</u>	<u>-</u>	<u>(359,170)</u>	<u>(2,364,895)</u>	<u>(310,771)</u>
Total bonds payable	<u>314,546,576</u>	<u>35,219,511</u>	<u>22,682,530</u>	<u>327,083,557</u>	<u>22,934,583</u>
OPEB obligation	-	4,543,962	-	4,543,962	-
Compensated absences	1,736,984	1,981,690	1,851,518	1,867,156	1,839,649
Total long-term	<u>316,283,560</u>	<u>41,745,163</u>	<u>24,534,048</u>	<u>333,494,675</u>	<u>24,774,232</u>
Total business-type activities	<u>\$ 335,283,560</u>	<u>\$ 58,745,163</u>	<u>\$ 43,534,048</u>	<u>\$ 350,494,675</u>	<u>\$ 41,774,232</u>

J Advanced 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, 2008, \$77,800,000 of governmental debt and \$38,390,000 of business-type debt outstanding from prior years is considered defeased.

9 Conduit Debt

The County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities 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, 2008, 153 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 \$15,862,812. 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.

10 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 the Anne Arundel County Office of Personnel, 2662 Riva Road, Annapolis, Maryland, 21401. 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 at January 1, 2008, the date of the latest actuarial valuation:

	<u>Employees Plan</u>	<u>Police Plan</u>	<u>Fire Plan</u>	<u>Detention Plan</u>	<u>Total</u>
Retirees and beneficiaries receiving payments	1,143	511	364	119	2,137
Terminated plan members entitled to but not yet receiving payments	260	-	-	16	276
Deferred Retirement Option Program (DROP)	-	47	61	-	108
Active plan members	2,284	611	709	357	3,961
	<u>3,687</u>	<u>1,169</u>	<u>1,134</u>	<u>492</u>	<u>6,482</u>

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 Service Retirement 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. 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 deferred retirement option program with provisions similar to those described for the Police Plan. 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 employer defined benefit plan in the Retirement System are set by County legislation. The County's annual contribution is based on annual actuarial valuations. The table below and on the following page provides the actuarial assumptions, funding methods and contributions related to the fiscal year 2008 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)	\$12,399,000	\$9,777,000	\$11,194,000	\$3,557,000
Contributions made	\$12,399,000	\$9,777,000	\$11,194,000	\$3,557,000
Actuarial valuation date	January 1, 2007	January 1, 2007	January 1, 2007	January 1, 2007
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit

Anne Arundel County, Maryland
Notes to the Basic Financial Statements

	Employees Plan	Police Plan	Fire Plan	Detention Plan
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll
Remaining amortization period	30 years, closed	30 years, closed	30 years, closed	30 years, closed
Asset valuation method	5-yr smoothed market	5-yr smoothed market	5-yr smoothed market	5-yr smoothed market
Actuarial assumptions:				
Inflation rate	3.50%	3.50%	3.50%	3.50%
Investment rate of return	4.50%	4.50%	4.50%	4.50%
Projected salary increases (graded scale)	Varies by age	Varies by age	Varies by age	Varies by age
Cost of living adjustments:				
Benefits earned prior to 1/31/97	3.00%	3.50%	3.50%	3.50%
Benefits earned thereafter	2.10%	2.10%	2.10%	2.10%

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

	Five Year Trend Information - Schedule of Employer Contributions				
	Fiscal year ended June 30,				
	2004	2005	2006	2007	2008
<i>Employees Plan</i>					
Annual Pension Cost (APC)	\$ 8,342,504	\$ 9,675,761	\$ 10,351,477	\$ 11,158,863	\$ 12,399,040
Percentage of APC Contributed	90.5%	99.9%	100.0%	100.0%	100.0%
Net Pension Obligation	\$ 796,724	\$ 11,899	\$ -	\$ -	\$ -
<i>Police Plan</i>					
Annual Pension Cost (APC)	\$ 8,733,903	\$ 8,855,012	\$ 9,005,513	\$ 10,217,584	\$ 9,777,042
Percentage of APC Contributed	100.9%	99.5%	100.0%	100.0%	100.0%
Net Pension Obligation	\$ (80,577)	\$ 46,325	\$ -	\$ -	\$ -
<i>Fire Plan</i>					
Annual Pension Cost (APC)	\$ 8,508,851	\$ 9,794,829	\$ 10,236,823	\$ 10,725,662	\$ 11,194,123
Percentage of APC Contributed	96.6%	101.5%	100.0%	100.0%	100.0%
Net Pension Obligation	\$ 291,287	\$ (145,259)	\$ -	\$ -	\$ -
<i>Detention Plan</i>					
Annual Pension Cost (APC)	\$ 3,113,653	\$ 3,102,810	\$ 3,280,056	\$ 3,644,678	\$ 3,557,116
Percentage of APC Contributed	99.8%	100.1%	100.0%	100.0%	100.0%
Net Pension Obligation	\$ 6,913	\$ (4,061)	\$ -	\$ -	\$ -

It is the County's policy to contribute the total APC each year. The differences shown resulted from administrative timing differences. The net pension obligations and assets shown in the table are not material and, therefore, no liability or asset was recorded. There is no net pension obligation or net asset at June 30, 2008.

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 year-ended June 30, 2008, 2007, and 2006 equal the required contributions and are summarized on the next page along with the State's contribution on behalf of the employees discussed on the previous page.

	Fiscal Year Ended June 30,		
	2008	2007	2006
County contributions:			
Primary Government	\$ 1,317,879	\$ 1,255,125	\$ 1,195,355
Board of Education	7,004,014	6,021,256	5,305,219
Community College	230,590	150,519	139,927
State contributions on behalf of:			
Board of Education	44,791,171	35,211,266	32,027,371
Community College	2,315,838	1,700,000	1,500,000
Library	977,605	810,704	738,928
Total	<u>\$ 56,637,097</u>	<u>\$ 45,148,870</u>	<u>\$ 40,906,800</u>

11 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.

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. These health plans may be extended to other component units under § 6-1-309 of the County Code. The Code requires the County to pay 80% of the health coverage cost for County retirees and the Library 80% for Library retirees. 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. Retirees have the option of retaining dental and vision coverage, but must pay the full cost of these benefits.

Board of Education employees who are eligible to receive retirement benefits from the State Retirement Agency and are members of the Board's group medical insurance plan may elect to continue membership in the Board's group medical, dental, and vision plans after retirement. The Board funds 80% of the premiums for medical and prescription drug coverage for employees hired on or before September 15, 2002. For employees hired after September 15, 2002, the Board funds a portion of the premiums ranging from 25% with 10 years of service to 75% with 20 or more years of service. No Board funding is provided for dental and vision plan coverage. The Board maintains separate medical coverage plans for active employees and retirees, and the retiree plan is rated separately based on claims experience of the retiree group.

The Community 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 State of Maryland or other optional pension plans. 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 is presented on below. Inactive includes both retirees and those who are terminated and vested.

	<u>Active</u>	<u>Inactive</u>	<u>Total</u>
Primary Government	3,394	1,618	5,012
Board of Education	7,149	3,387	10,536
College	215	207	422
Library	<u>205</u>	<u>81</u>	<u>286</u>
Total	<u>10,963</u>	<u>5,293</u>	<u>16,256</u>

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 Primary Government has set aside \$6.9 million in its Health Insurance internal service fund as of June 30, 2008 for retiree health insurance. However, these funds are not legally restricted and may be used for any purpose if appropriated in the Primary Government's budget.

C Annual Costs and Net Obligation - In accordance with the requirements of GASB Statement 45, the portion of the unfunded Annual Requirement Contribution (ARC), as determined by actuaries, has been recognized as an expense, and the net OPEB obligation has been recognized as a liability on the County's government-wide financial statements. The net OPEB obligation as of June 30, 2008 is recorded in non-current liabilities on the Statement of Net Assets and was calculated as follows:

(Amounts shown in thousands)

	<u>Primary Government</u>	<u>Board of Education</u>	<u>College</u>	<u>Library</u>	<u>Total</u>
Total Annual OPEB Cost	\$ 77,898	\$ 65,182	\$ 5,437	\$ 2,971	\$ 151,488
Employer Contributions	<u>15,090</u>	<u>25,260</u>	<u>593</u>	<u>687</u>	<u>41,630</u>
Increase in Net OPEB Obligation	62,808	39,922	4,844	2,284	109,858
Net OPEB obligation beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB obligation, end of year	<u>\$ 62,808</u>	<u>\$ 39,922</u>	<u>\$ 4,844</u>	<u>\$ 2,284</u>	<u>\$ 109,858</u>
% of Annual OPEB Cost Contributed	19.4%	38.8%	10.9%	23.1%	

D Funding Status and Funding Progress - The funded status of the plans as of June 30, 2008 was as follows:

(Amounts shown in thousands)

	Primary Government	Board of Education	College	Library	Total
Actuarial accrued liability (AAL)	\$ 991,940	\$ 536,443	\$ 61,463	\$ 35,932	\$ 1,625,778
Actuarial value of plan assets	-	-	-	-	-
Unfunded actuarial accrued liability, end of year	<u>\$ 991,940</u>	<u>\$ 536,443</u>	<u>\$ 61,463</u>	<u>\$ 35,932</u>	<u>\$ 1,625,778</u>
Funded ratio	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Covered payroll	<u>\$ 219,048</u>	<u>\$ 513,255</u>	<u>\$ 72,571</u>	<u>\$ 10,500</u>	<u>\$ 815,374</u>
UAAL as a percent of covered payroll	<u>453%</u>	<u>105%</u>	<u>85%</u>	<u>342%</u>	<u>199%</u>

E 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.

The Primary Government, Community College, and Library evaluations projected liabilities and costs at June 30, 2007, based on January 1, 2006 census data using the projected unit credit method. The assumptions for these evaluations include a 3.5% inflation assumption, a payroll growth rate of 3.5%, a 5% investment rate of return (discount rate), and an annual healthcare cost trend beginning with 11.5% for the year-ended June 30, 2007, dropping to an ultimate healthcare cost trend rate of 5.5% in 2012. The unfunded actuarial accrued liability of the plans is being amortized using the level percentage of projected payroll amortization method on an open basis. The AAL is being amortized over a 30 year period, leaving the remaining amortization at June 30, 2008 at 29 years.

The Board's actuarial evaluation projected liabilities as of June 30, 2006, based on January 1, 2006 census data using the projected unit credit method. The assumptions include a 3.5% payroll growth rate, a 4% discount rate, and an annual healthcare cost trend beginning with 12.5% for the year-ended June 30, 2006 and dropping to an ultimate healthcare cost trend rate of 5.5% in 2013. The unfunded AAL is being amortized over 30 years. The AAL is amortized using a level percent of projected payroll on an open basis.

12 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. The liability as of June 30, 2008 is undiscounted. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during fiscal years 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Liability balance, July 1	\$ 51,060,859	\$ 46,539,075
Current year claims and changes in estimates:		
Changes in estimates - prior periods	2,675,000	1,913,000
Changes in estimates - current year	81,105,466	76,033,560
Claims payments	<u>(78,038,915)</u>	<u>(73,424,776)</u>
Liability balance, June 30	<u>\$ 56,802,410</u>	<u>\$ 51,060,859</u>

13 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, were closed in 1983 and 1993, respectively. The Millersville site consists of nine individual cells. Cells 1 through 7 are closed, cell 8 is active and 78.2 % full, and cell 9 has not yet opened. Cells 8 and 9 have useful lives to at least 2013 and 2030, respectively. The table below 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.

	<u>Millersville</u>	<u>Closed Sites</u>	<u>Total</u>
Total costs:			
Closure	\$ 49,907,974	\$ 18,163,719	\$ 68,071,693
Post closure	<u>36,407,498</u>	<u>5,480,052</u>	<u>41,887,550</u>
	86,315,472	23,643,771	109,959,243
Less:			
Amount recognized thru June 30, 2008	<u>48,941,499</u>	<u>23,643,771</u>	<u>72,585,270</u>
Costs remaining to be recognized	<u>\$ 37,373,973</u>	<u>\$ -</u>	<u>\$ 37,373,973</u>
Liability recorded at June 30, 2008			
Closure	\$ 8,351,760	\$ -	\$ 8,351,760
Current Portion Post Closure		260,440	260,440
Post closure	<u>19,521,765</u>	<u>5,219,612</u>	<u>24,741,377</u>
	<u>\$ 27,873,525</u>	<u>\$ 5,480,052</u>	<u>\$ 33,353,577</u>

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 decreased by \$313,699, and post closure reserves decreased by \$654,429. These decreases 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 \$17,471,695 at June 30, 2008.

14 Contingent Liabilities

A Impact Fees – At June 30, 2008, the Primary Government held impact fees accumulated for construction of schools and roads in designated districts of the County. The legislation authorizing the collection of such fees

requires the Primary Government to expend or encumber these funds within specified times after collection. Although as of June 30, 2008, \$49,445,544 is subject to return if not spent, management believes the refund of these fees is unlikely.

The County has entered into impact fee agreements with developers who provide offsite improvements designed to lessen the impact of the development on the immediate community. Unredeemed impact fee credits totaled \$4,958,998 at June 30, 2008.

B *Lawsuits* – Property owners and taxpayers have filed a class action suit against the County seeking refunds of development impact fees paid to the County. The case was originally dismissed by the Circuit Court; however, the Court of Special Appeals remanded the case back to Circuit Court. On December 15, 2006, the Circuit Court issued a final judgment, finding that impact fees of \$4,719,359, plus interest, are due to the current owners of the specified impact fee paying properties. The County has petitioned the Court of Appeals for further relief from the judgment and is awaiting its decision. In the opinion of the County Attorney, the likelihood of an outcome unfavorable to the County is reasonably possible but the possibility that the loss might exceed \$5,000,000 is remote. The County believes that significant legal issues are preserved for appeal and substantial and compelling defenses remain in favor of the County, and no loss related to this issue has been accrued.

The County is 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, 2008, the County estimates that no material liabilities will result from such audits.

D *City of Annapolis reimbursement* - The County and the City of Annapolis have an agreement to share the operation and maintenance costs at the Annapolis Water Reclamation Facility. During fiscal year 2008, it was discovered that the City had been overcharged for its shared costs for several years. After reviewing this matter, the County offered to refund \$1,714,018. Subsequent to fiscal year 2008 the City advised the County that based on its review, the refund should be \$3,779,670. The reasons for the difference involve the timeframe of the overcharge and the assumptions used to calculate the refund amount. The County and the City are in negotiations to settle this issue.

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Required Supplementary Information

Year Ended June 30, 2008

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)	(B)	(B - A)	(A / B)	(C)	(B - A / C)
	Actuarial	Actuarial	Unfunded	(A / B)	(C)	(B - A / C)
	Value of	Accrued	AAL	Funded	Covered	UAAL as a
	Assets	Liability (AAL)	(UAAL)	Ratio	Payroll	% of Covered
						Payroll
Employees Retirement Plan:						
January 1, 2006	\$ 422,234,496	\$ 439,232,236	\$ 16,997,830	96.1%	\$ 107,290,189	15.8%
2007	456,656,849	481,971,630	25,314,781	94.7%	116,709,102	21.7%
2008	492,788,674	526,341,482	33,552,808	93.6%	117,222,681	28.6%
Police Service Retirement Plan:						
January 1, 2006	360,268,341	376,560,903	16,292,562	95.7%	36,694,307	44.4%
2007	389,877,885	401,698,105	11,820,220	97.1%	37,805,038	31.3%
2008	417,278,055	433,667,102	16,389,047	96.2%	41,011,366	40.0%
Fire Service Retirement Plan						
January 1, 2006	340,274,675	355,786,396	15,511,721	95.6%	38,592,322	40.2%
2007	368,413,752	383,694,268	15,280,516	96.0%	43,527,351	35.1%
2008	395,884,441	413,815,087	17,930,646	95.7%	43,941,526	40.8%
Pension Plan for Detention Officers and Personnel:						
January 1, 2006	58,379,332	69,092,726	10,713,394	84.5%	16,794,068	63.8%
2007	66,233,757	75,946,236	9,712,479	87.2%	17,367,873	55.9%
2008	74,355,736	88,795,551	14,439,815	83.7%	18,122,458	79.7%
State Retirement and Pension System of Maryland (dollar amounts in thousands):						
June 30, 2005	34,519,500	39,133,450	4,613,949	88.2%	8,603,761	54.0%
2006	35,795,025	43,243,492	7,448,467	82.8%	9,287,576	80.0%
2007	37,886,936	49,306,375	11,419,439	76.8%	9,971,012	115.0%

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.

Anne Arundel County, Maryland

Required Supplementary Information

Year Ended June 30, 2008

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)	(B)	(B - A)	(A / B)	(C)	(B - A / C)
		Actuarial	Actuarial	Unfunded	Funded	Covered	(B - A / C)
		Value of	Accrued	AAL	Ratio	Payroll	% of Covered
		Assets	Liability (AAL)	(UAAL)			Payroll
Primary Government:							
June 30,	2006	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
	2007	-	-	-	0.0%	-	0.0%
	2008	-	991,940	991,940	0.0%	219,048	452.8%
Board of Education:							
June 30,	2006	-	-	-	0.0%	-	0.0%
	2007	-	-	-	0.0%	-	0.0%
	2008	-	536,443	536,443	0.0%	513,255	104.5%
College:							
June 30,	2006	-	-	-	0.0%	-	0.0%
	2007	-	-	-	0.0%	-	0.0%
	2008	-	61,463	61,463	0.0%	72,571	84.7%
Library:							
June 30,	2006	-	-	-	0.0%	-	0.0%
	2007	-	-	-	0.0%	-	0.0%
	2008	-	35,932	35,932	0.0%	10,500	342.2%

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**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, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL PROPERTY TAXES				
Real and personal taxes	\$ 473,286,000	\$ 473,286,000	\$ 481,598,538	\$ 8,312,538
Interest and penalties	750,000	750,000	915,945	165,945
	<u>474,036,000</u>	<u>474,036,000</u>	<u>482,514,483</u>	<u>8,478,483</u>
LOCAL INCOME TAXES	<u>368,700,000</u>	<u>368,700,000</u>	<u>371,369,460</u>	<u>2,669,460</u>
STATE SHARED TAXES				
Highway user	30,480,000	30,480,000	28,679,057	(1,800,943)
Admissions	7,700,000	7,700,000	7,734,653	34,653
Auto-boat	5,000	5,000	4,020	(980)
	<u>38,185,000</u>	<u>38,185,000</u>	<u>36,417,730</u>	<u>(1,767,270)</u>
GRANTS AND AID				
Programs for the aging	3,538,700	3,538,700	2,742,064	(796,636)
Public safety	9,174,700	10,368,400	9,241,014	(1,127,386)
Mental health	487,100	487,100	553,837	66,737
Health	21,896,500	21,896,500	20,682,192	(1,214,308)
Other	15,771,800	15,872,900	12,428,709	(3,444,191)
	<u>50,868,800</u>	<u>52,163,600</u>	<u>45,647,816</u>	<u>(6,515,784)</u>
RECORDATION AND TRANSFER TAXES				
Recordation	52,800,000	52,800,000	43,699,516	(9,100,484)
Transfer	48,000,000	48,000,000	39,076,025	(8,923,975)
	<u>100,800,000</u>	<u>100,800,000</u>	<u>82,775,541</u>	<u>(18,024,459)</u>
LOCAL SALES TAXES				
Electricity	5,100,000	5,100,000	5,171,765	71,765
Gas	700,000	700,000	739,971	39,971
Telephone	8,700,000	8,700,000	8,013,993	(686,007)
Fuel	80,000	80,000	60,410	(19,590)
Hotel-Motel	13,900,000	13,900,000	15,003,236	1,103,236
Parking	5,300,000	5,300,000	5,542,862	242,862
Trailer Park Rental Pmts	930,000	930,000	941,202	11,202
	<u>34,710,000</u>	<u>34,710,000</u>	<u>35,473,439</u>	<u>763,439</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
LICENSES AND PERMITS				
Amusements	281,500	281,500	257,948	(23,552)
Special events	4,500	4,500	7,350	2,850
Beer, wine, liquor	772,000	772,000	793,527	21,527
Trade licenses	285,600	285,600	284,155	(1,445)
Traders	760,000	760,000	875,807	115,807
Permits	10,378,000	10,378,000	10,681,159	303,159
Fines	40,000	40,000	186,307	146,307
Mobile home parks	34,800	34,800	32,308	(2,492)
Taxicabs	102,400	102,400	113,983	11,583
Animal control	381,400	381,400	324,636	(56,764)
Other	1,575,600	1,575,600	1,692,894	117,294
Health Department	1,066,000	1,066,000	748,572	(317,428)
Public space	817,000	817,000	1,180,298	363,298
	<u>16,498,800</u>	<u>16,498,800</u>	<u>17,178,944</u>	<u>680,144</u>
INVESTMENT INCOME	<u>8,950,000</u>	<u>8,950,000</u>	<u>9,950,400</u>	<u>1,000,400</u>
INTER-FUND RECOVERIES	<u>31,102,000</u>	<u>31,102,000</u>	<u>31,284,197</u>	<u>182,197</u>
OTHER REVENUES				
Sale of surplus property	50,000	50,000	106,126	56,126
Health department fees	742,600	742,600	834,007	91,407
Certification of liens	85,000	85,000	67,900	(17,100)
Recreation and Parks	11,397,400	11,397,400	10,531,223	(866,177)
Developers fees - Street lighting	40,000	40,000	87,582	47,582
Sheriff	99,000	99,000	110,363	11,363
Sub-division	1,500,000	1,500,000	1,075,954	(424,046)
Administrative fees	120,000	120,000	119,176	(824)
Rental income	602,000	602,000	891,555	289,555
Cable Fees	6,891,000	6,891,000	6,976,017	85,017
Reimbursements	9,433,200	9,433,200	9,339,416	(93,784)
Fines and Fees	750,000	750,000	422,608	(327,392)
Miscellaneous	5,250,200	5,270,200	6,933,764	1,663,564
	<u>36,960,400</u>	<u>36,980,400</u>	<u>37,495,691</u>	<u>515,291</u>
Total revenues	<u>\$ 1,160,811,000</u>	<u>\$ 1,162,125,800</u>	<u>\$ 1,150,107,701</u>	<u>\$ (12,018,099)</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
EDUCATION				
Board of Education	\$ 544,741,400	\$ 546,974,900	\$ 546,699,985	\$ (274,915)
Community College	36,049,900	36,049,900	35,941,680	(108,220)
	<u>580,791,300</u>	<u>583,024,800</u>	<u>582,641,665</u>	<u>(383,135)</u>
PUBLIC SAFETY				
Police	95,431,700	95,622,800	92,582,914	(3,039,886)
Fire	95,305,400	95,073,400	93,056,477	(2,016,923)
Detention Facilities	39,236,100	39,236,100	37,122,678	(2,113,422)
	<u>229,973,200</u>	<u>229,932,300</u>	<u>222,762,069</u>	<u>(7,170,231)</u>
GENERAL GOVERNMENT				
County Executive	2,037,400	2,037,400	1,910,505	(126,895)
Chief Administrative Officer	9,737,400	7,158,500	1,159,789	(5,998,711)
Office of Budget	1,114,400	1,114,400	1,062,593	(51,807)
Office of Finance	6,669,200	6,687,200	6,416,762	(270,438)
Office of Finance (non departmental)	28,761,000	28,786,000	28,461,422	(324,578)
Mandated Transfers	1,161,000	1,161,000	1,100,922	(60,078)
Central Services	22,408,700	22,408,700	21,393,932	(1,014,768)
Personnel	6,060,800	6,060,800	5,568,827	(491,973)
Information Technology	15,777,200	15,777,200	15,641,729	(135,471)
Law	3,453,700	3,453,700	3,365,457	(88,243)
Legislative Branch	3,498,500	3,498,500	3,199,955	(298,545)
Ethics Commission	183,600	183,600	159,218	(24,382)
Board of Election Supervisors	2,908,800	2,908,800	2,788,384	(120,416)
	<u>103,771,700</u>	<u>101,235,800</u>	<u>92,229,495</u>	<u>(9,006,305)</u>
HEALTH AND HUMAN SERVICES				
Health	50,134,300	50,334,300	46,934,889	(3,399,411)
Social Services	6,548,400	6,548,400	5,627,769	(920,631)
Services for the Aging	12,627,700	12,627,700	12,518,022	(109,678)
Other Grants	2,457,000	2,457,000	2,437,000	(20,000)
	<u>71,767,400</u>	<u>71,967,400</u>	<u>67,517,680</u>	<u>(4,449,720)</u>
PUBLIC WORKS				
	<u>36,606,800</u>	<u>37,520,800</u>	<u>36,975,443</u>	<u>(545,357)</u>
RECREATION AND COMMUNITY SERVICES				
Recreation and Parks	24,628,200	24,778,200	24,479,443	(298,757)
Public Library System	13,948,600	13,948,600	13,948,600	-
	<u>38,576,800</u>	<u>38,726,800</u>	<u>38,428,043</u>	<u>(298,757)</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
JUDICIAL				
States Attorney	8,373,700	8,539,300	8,420,265	(119,035)
Sheriffs Office	7,127,400	7,137,400	7,222,363	84,963
Circuit Court	5,817,100	5,915,600	5,896,995	(18,605)
Orphans Court	129,100	129,100	125,653	(3,447)
Total Judicial	<u>21,447,300</u>	<u>21,721,400</u>	<u>21,665,276</u>	<u>(56,124)</u>
LAND USE AND DEVELOPMENT				
Planning and Zoning	9,924,800	10,014,800	8,105,323	(1,909,477)
Office of Administrative Hearings	292,000	292,000	286,813	(5,187)
Cooperative Extension Service	254,200	254,200	161,319	(92,881)
	<u>10,471,000</u>	<u>10,561,000</u>	<u>8,553,455</u>	<u>(2,007,545)</u>
CODE ENFORCEMENT				
Inspections and Permits	12,065,300	12,065,300	11,685,872	(379,428)
Board of License Commissioners	634,000	664,000	643,827	(20,173)
	<u>12,699,300</u>	<u>12,729,300</u>	<u>12,329,699</u>	<u>(399,601)</u>
ECONOMIC DEVELOPMENT				
	<u>1,810,200</u>	<u>1,810,200</u>	<u>1,810,200</u>	<u>-</u>
DEBT SERVICE				
	<u>40,873,000</u>	<u>40,873,000</u>	<u>39,968,819</u>	<u>(904,181)</u>
PAY GO FUNDING - CAPITAL PROJECTS				
	<u>72,903,400</u>	<u>72,903,400</u>	<u>72,903,400</u>	<u>-</u>
Total expenditures and encumbrances \$	<u>1,221,691,400</u>	<u>\$ 1,223,006,200</u>	<u>\$ 1,197,785,244</u>	<u>\$ (25,220,956)</u>

Non-Major 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 non-major funds. Descriptions for these non-major governmental funds are provided below.

Special Revenue Funds

County Parking Garage – This fund accounts 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.

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.

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.

Economic Development – The County dedicates 7% of its hotel / motel tax revenue to economic development within the County. The fund accounts for the isolation of these revenues and the expenditures that are related to business development, expansion, and relocation to Anne Arundel County. The funds are typically dedicated to the Economic Development Corporation as funding for its programs.

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.

Incentive Loan Program – This fund is used to isolate funds dedicated for financial assistance to existing small manufacturing, wholesale, trade and business-related services in the County. Funds are typically disbursed to the Anne Arundel County Economic Development Corporation for use in its Incentive Loan Program.

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.

Piney Orchard Wastewater Service – In accordance with the County’s agreement with operator of the Piney Orchard Wastewater plant, this fund segregates 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.

Local Management Board – This fund accounts for the grant funds received from the State to be used for various youth and family programs as established by the Local Management Board.

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.

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

Area Agency on Aging – This fund accounts for grant funds received from the Federal Older Americans Act program. The funds are used for various programs established by the County’s Department of Aging and Disabilities.

Non-Major Governmental Funds, Continued

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.

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

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.

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.

Capital Projects Funds

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.

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.

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 debt service related to capital 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, 2008

	Special Revenue Funds					
	County Parking Garage	Street Light	Forfeiture and Asset Seizure Team	Economic Development	Conference and Visitors	Incentive Loan Program
ASSETS						
Cash and investments	\$ -	\$ 2,330,162	\$ 958,105	\$ 100,612	\$ 100,612	\$ 300
Receivables						
Due from other governmental agencies	-	-	-	-	-	-
Other, net	18,882	-	95,500	-	-	-
Total assets	\$ 18,882	\$ 2,330,162	\$ 1,053,605	\$ 100,612	\$ 100,612	\$ 300
LIABILITIES						
Accrued liabilities	\$ 6,407	\$ 75,289	\$ 4,069	\$ -	\$ 100,612	\$ -
Due to General Fund	6,256	-	-	-	-	-
Due to Component Unit	-	-	-	100,612	-	-
Escrow deposits	-	-	513,987	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	12,663	75,289	518,056	100,612	100,612	-
FUND BALANCES						
Reserved						
Encumbrances	6,219	1,050,814	-	-	-	-
Unreserved						
Designated for next year's expenditures	-	-	2,400	-	-	-
Undesignated	-	1,204,059	533,149	-	-	300
Total fund balances	6,219	2,254,873	535,549	-	-	300
Total liabilities and fund balances	\$ 18,882	\$ 2,330,162	\$ 1,053,605	\$ 100,612	\$ 100,612	\$ 300

Special Revenue Funds

Road and Special Benefits Districts	Piney Orchard Wastewater Service	Local Management Board	Storm Drain Fees	Inmate Benefit and Morale	Area Agency on Aging	Reforestation
\$ 564,930	\$ 158,601	\$ 753,133	\$ 2,173,879	\$ 1,064,893	\$ -	\$ 12,540,514
-	-	466,654	-	-	-	-
<u>10,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,280</u>	<u>-</u>	<u>-</u>
<u>\$ 574,992</u>	<u>\$ 158,601</u>	<u>\$ 1,219,787</u>	<u>\$ 2,173,879</u>	<u>\$ 1,075,173</u>	<u>\$ -</u>	<u>\$ 12,540,514</u>
\$ 1,269	\$ 158,601	\$ 682,780	\$ -	\$ 105,293	\$ -	\$ 43,703
-	-	-	-	-	-	-
-	-	-	-	47,761	-	3,975,722
<u>-</u>	<u>-</u>	<u>117,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,269</u>	<u>158,601</u>	<u>800,122</u>	<u>-</u>	<u>153,054</u>	<u>-</u>	<u>4,019,425</u>
-	-	-	-	11,412	-	134,787
217,789	-	-	1,991,365	315,000	-	1,310,900
<u>355,934</u>	<u>-</u>	<u>419,665</u>	<u>182,514</u>	<u>595,707</u>	<u>-</u>	<u>7,075,402</u>
<u>573,723</u>	<u>-</u>	<u>419,665</u>	<u>2,173,879</u>	<u>922,119</u>	<u>-</u>	<u>8,521,089</u>
<u>\$ 574,992</u>	<u>\$ 158,601</u>	<u>\$ 1,219,787</u>	<u>\$ 2,173,879</u>	<u>\$ 1,075,173</u>	<u>\$ -</u>	<u>\$ 12,540,514</u>

Anne Arundel County, Maryland

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2008

	Special Revenue Funds					Capital Projects Fund
	Laurel Racetrack Community Benefit	Recreational Land Fees	Workforce Development	Arundel Community Development Services	Circuit Court	Erosion Districts
ASSETS						
Cash and investments	\$ 1,388,635	\$ 359,327	\$ 208,870	\$ -	\$ 268,491	\$ 703,328
Receivables						
Due from other governmental agencies	-	-	-	1,757,855	-	-
Other, net	-	-	-	-	9,926	1,221
Total assets	<u>\$ 1,388,635</u>	<u>\$ 359,327</u>	<u>\$ 208,870</u>	<u>\$ 1,757,855</u>	<u>\$ 278,417</u>	<u>\$ 704,549</u>
LIABILITIES						
Accrued liabilities	\$ -	\$ -	\$ 69,187	\$ 674,109	\$ -	\$ 132,110
Due to General Fund	-	-	-	1,083,746	-	-
Due to Component Unit	-	-	-	-	-	-
Escrow deposits	-	-	-	-	201,324	-
Deferred revenue	-	-	139,683	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>208,870</u>	<u>1,757,855</u>	<u>201,324</u>	<u>132,110</u>
FUND BALANCES						
Reserved						
Encumbrances	-	-	-	3,611,992	-	-
Unreserved						
Designated for next year's expenditures	-	-	-	-	-	361,400
Undesignated	1,388,635	359,327	-	(3,611,992)	77,093	211,039
Total fund balances	<u>1,388,635</u>	<u>359,327</u>	<u>-</u>	<u>-</u>	<u>77,093</u>	<u>572,439</u>
Total liabilities and fund balances	<u>\$ 1,388,635</u>	<u>\$ 359,327</u>	<u>\$ 208,870</u>	<u>\$ 1,757,855</u>	<u>\$ 278,417</u>	<u>\$ 704,549</u>

Debt Service Funds

Nursery Road Tax Increment	West County Tax Increment	Arundel Mills Tax Increment	Parole Tax Increment	Park Place Tax Increment	Special Taxing Districts	Installment Purchase Agreements	Totals
\$ 279,098	\$ 132,005	\$ 32,044	\$ -	\$ 849,723	\$ 397,926	\$ 5,234,690	\$ 30,599,878
-	-	-	-	-	-	-	2,224,509
-	-	-	-	-	2,431	-	148,302
<u>\$ 279,098</u>	<u>\$ 132,005</u>	<u>\$ 32,044</u>	<u>\$ -</u>	<u>\$ 849,723</u>	<u>\$ 400,357</u>	<u>\$ 5,234,690</u>	<u>\$ 32,972,689</u>
\$ -	\$ 645	\$ 435	\$ -	\$ 815,772	\$ 4,873	\$ -	\$ 2,875,154
-	-	-	-	-	-	-	1,090,002
-	-	-	-	-	-	-	100,612
-	-	-	-	-	-	-	4,738,794
-	-	-	-	-	-	-	257,025
<u>-</u>	<u>645</u>	<u>435</u>	<u>-</u>	<u>815,772</u>	<u>4,873</u>	<u>-</u>	<u>9,061,587</u>
-	-	-	-	-	-	10,000	4,825,224
-	-	-	-	-	374,870	625,000	5,198,724
<u>279,098</u>	<u>131,360</u>	<u>31,609</u>	<u>-</u>	<u>33,951</u>	<u>20,614</u>	<u>4,599,690</u>	<u>13,887,154</u>
<u>279,098</u>	<u>131,360</u>	<u>31,609</u>	<u>-</u>	<u>33,951</u>	<u>395,484</u>	<u>5,234,690</u>	<u>23,911,102</u>
<u>\$ 279,098</u>	<u>\$ 132,005</u>	<u>\$ 32,044</u>	<u>\$ -</u>	<u>\$ 849,723</u>	<u>\$ 400,357</u>	<u>\$ 5,234,690</u>	<u>\$ 32,972,689</u>

Anne Arundel County, Maryland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2008

	Special Revenue Funds					
	County Parking Garage	Street Light	Forfeiture and Asset Seizure Team	Economic Development	Conference and Visitors	Incentive Loan Program
REVENUES						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	-	-	-	-	-	-
Local sales taxes	-	-	-	953,425	953,425	-
Commissary sales	-	-	-	-	-	-
Seized / forfeited funds	-	-	275,908	-	-	-
Special community benefit taxes	-	-	-	-	-	-
Fees and commissions	420,646	405,447	-	-	-	-
Investment income	-	-	26,721	-	-	13
Other	-	-	-	-	-	-
Total revenues	<u>420,646</u>	<u>405,447</u>	<u>302,629</u>	<u>953,425</u>	<u>953,425</u>	<u>13</u>
EXPENDITURES						
Current						
Public safety	-	-	399,119	-	-	-
General government	418,242	-	-	-	-	-
Health and human services	-	-	-	-	-	-
Public works	-	428,479	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Land use and development	-	-	-	-	-	-
Economic development	-	-	-	980,000	980,000	-
Capital outlay	-	-	-	-	-	-
Debt service						
Interest payments on debt	-	-	-	-	-	-
Principal payments on debt	-	-	-	-	-	-
Total expenditures	<u>418,242</u>	<u>428,479</u>	<u>399,119</u>	<u>980,000</u>	<u>980,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>2,404</u>	<u>(23,032)</u>	<u>(96,490)</u>	<u>(26,575)</u>	<u>(26,575)</u>	<u>13</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
General Fund	-	-	-	-	-	-
Transfers out						
General Fund	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>2,404</u>	<u>(23,032)</u>	<u>(96,490)</u>	<u>(26,575)</u>	<u>(26,575)</u>	<u>13</u>
Fund balances, July 1	<u>3,815</u>	<u>2,277,905</u>	<u>632,039</u>	<u>26,575</u>	<u>26,575</u>	<u>287</u>
Fund balances, June 30	\$ <u>6,219</u>	\$ <u>2,254,873</u>	\$ <u>535,549</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>300</u>

Special Revenue Funds

Road and Special Benefits Districts	Piney Orchard Wastewater Service	Local Management Board	Storm Drain Fees	Inmate Benefit and Morale	Area Agency on Aging	Reforestation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,341,152	-	-	948,580	-
-	-	-	-	-	-	-
-	-	-	-	770,278	-	-
4,895,044	-	-	-	-	-	-
-	754,508	-	387,192	374,507	-	1,774,839
-	-	52,075	-	50,355	-	-
-	-	-	-	-	-	-
<u>4,895,044</u>	<u>754,508</u>	<u>2,393,227</u>	<u>387,192</u>	<u>1,195,140</u>	<u>948,580</u>	<u>1,774,839</u>
-	-	-	-	1,172,920	-	-
-	-	-	-	-	-	-
-	-	2,616,417	-	-	-	-
4,796,863	754,508	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,134,740
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,796,863</u>	<u>754,508</u>	<u>2,616,417</u>	<u>-</u>	<u>1,172,920</u>	<u>-</u>	<u>1,134,740</u>
<u>98,181</u>	<u>-</u>	<u>(223,190)</u>	<u>387,192</u>	<u>22,220</u>	<u>948,580</u>	<u>640,099</u>
-	-	-	-	-	-	-
-	-	-	-	-	(987,532)	-
-	-	-	-	-	(987,532)	-
<u>98,181</u>	<u>-</u>	<u>(223,190)</u>	<u>387,192</u>	<u>22,220</u>	<u>(38,952)</u>	<u>640,099</u>
<u>475,542</u>	<u>-</u>	<u>642,855</u>	<u>1,786,687</u>	<u>899,899</u>	<u>38,952</u>	<u>7,880,990</u>
\$ <u>573,723</u>	\$ <u>-</u>	\$ <u>419,665</u>	\$ <u>2,173,879</u>	\$ <u>922,119</u>	\$ <u>-</u>	\$ <u>8,521,089</u>

Anne Arundel County, Maryland

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

Nonmajor Governmental Funds

Year Ended June 30, 2008

	Special Revenue Funds					Capital Projects Fund
	Laurel Racetrack Community Benefit	Recreation Land Fees	Workforce Development	Arundel Community Development Services	Circuit Court	Erosion Districts
REVENUES						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	-	-	984,004	7,007,781	-	-
Local sales taxes	-	-	-	-	-	-
Commissary sales	-	-	-	-	-	-
Seized / forfeited funds	-	-	-	-	-	-
Special community benefit taxes	-	-	-	-	-	276,238
Other fees and commissions	393,000	52,200	-	-	-	-
Investment income	56,584	-	-	-	-	-
Other	-	-	-	-	160,616	-
Total revenues	449,584	52,200	984,004	7,007,781	160,616	276,238
EXPENDITURES						
Current						
Public safety	-	-	-	-	-	-
General government	-	-	-	-	-	-
Health and human services	-	-	984,004	-	-	-
Public works	-	-	-	-	-	-
Recreation and community services	393,000	-	-	7,277,781	-	-
Judicial	-	-	-	-	83,523	-
Land use and development	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	393,330
Debt service						
Interest payments on debt	-	-	-	-	-	-
Principal payments on debt	-	-	-	-	-	-
Total expenditures	393,000	-	984,004	7,277,781	83,523	393,330
Revenues over (under) expenditures	56,584	52,200	-	(270,000)	77,093	(117,092)
OTHER FINANCING SOURCES (USES)						
Transfers in						
General Fund	-	-	-	270,000	-	-
Transfers out						
General Fund	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	270,000	-	-
Change in fund balances	56,584	52,200	-	-	77,093	(117,092)
Fund balances, July 1	1,332,051	307,127	-	-	-	689,531
Fund balances, June 30	\$ 1,388,635	\$ 359,327	\$ -	\$ -	\$ 77,093	\$ 572,439

Debt Service Funds

	Nursery Road Tax Increment	West County Tax Increment	Arundel Mills Tax Increment	Parole Tax Increment	Park Place Tax Increment	Special Taxing Districts	Installment Purchase Agreements	Totals
\$	4,291,350	\$ 2,714,293	\$ 3,881,511	\$ 6,030,806	\$ 720,623	\$ -	\$ -	\$ 17,638,583
	-	-	-	-	-	-	-	11,281,517
	-	-	-	-	-	-	-	1,906,850
	-	-	-	-	-	-	-	770,278
	-	-	-	-	-	-	-	275,908
	-	-	-	-	-	452,520	-	5,623,802
	-	-	-	-	-	-	-	4,562,339
	133,733	67,383	87,437	144,686	27,848	-	613,647	1,260,482
	-	-	-	-	-	-	-	160,616
	<u>4,425,083</u>	<u>2,781,676</u>	<u>3,968,948</u>	<u>6,175,492</u>	<u>748,471</u>	<u>452,520</u>	<u>613,647</u>	<u>43,480,375</u>
	-	-	-	-	-	-	-	1,572,039
	-	14,375	12,368	5,200	815,772	-	-	1,265,957
	-	-	-	-	-	-	-	3,600,421
	-	-	-	-	-	-	-	1,182,987
	-	-	-	-	-	524,185	-	12,991,829
	-	-	-	-	-	-	-	83,523
	-	-	-	-	-	-	13,640	1,148,380
	-	-	-	-	-	-	-	1,960,000
	-	-	-	-	-	-	-	393,330
	100,535	757,425	1,501,956	252,750	-	-	604,642	3,217,308
	75,000	-	-	800,000	-	213,377	19,000	1,107,377
	<u>175,535</u>	<u>771,800</u>	<u>1,514,324</u>	<u>1,057,950</u>	<u>815,772</u>	<u>737,562</u>	<u>637,282</u>	<u>28,523,151</u>
	<u>4,249,548</u>	<u>2,009,876</u>	<u>2,454,624</u>	<u>5,117,542</u>	<u>(67,301)</u>	<u>(285,042)</u>	<u>(23,635)</u>	<u>14,957,224</u>
	-	-	-	-	-	-	-	270,000
	<u>(3,997,465)</u>	<u>(1,879,200)</u>	<u>(2,520,676)</u>	<u>(5,313,452)</u>	<u>-</u>	<u>-</u>	<u>(900,000)</u>	<u>(15,598,325)</u>
	<u>(3,997,465)</u>	<u>(1,879,200)</u>	<u>(2,520,676)</u>	<u>(5,313,452)</u>	<u>-</u>	<u>-</u>	<u>(900,000)</u>	<u>(15,328,325)</u>
	<u>252,083</u>	<u>130,676</u>	<u>(66,052)</u>	<u>(195,910)</u>	<u>(67,301)</u>	<u>(285,042)</u>	<u>(923,635)</u>	<u>(371,101)</u>
	<u>27,015</u>	<u>684</u>	<u>97,661</u>	<u>195,910</u>	<u>101,252</u>	<u>680,526</u>	<u>6,158,325</u>	<u>24,282,203</u>
\$	<u>279,098</u>	<u>\$ 131,360</u>	<u>\$ 31,609</u>	<u>\$ -</u>	<u>\$ 33,951</u>	<u>\$ 395,484</u>	<u>\$ 5,234,690</u>	<u>\$ 23,911,102</u>

Anne Arundel County, Maryland

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

Special Revenue Funds

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
COUNTY PARKING GARAGE				
Revenues				
Parking fees	\$ 413,000	\$ 438,000	\$ 420,646	\$ (17,354)
Other	-	-	125	125
	<u>413,000</u>	<u>438,000</u>	<u>420,771</u>	<u>(17,229)</u>
Expenditures				
General government	<u>413,000</u>	<u>438,000</u>	<u>423,617</u>	<u>(14,383)</u>
Revenues under expenditures	-	-	(2,846)	<u><u>(2,846)</u></u>
Fund balance, budgetary, July 1	<u>2,846</u>	<u>2,846</u>	<u>2,846</u>	
Fund balance, budgetary, June 30	<u><u>\$ 2,846</u></u>	<u><u>\$ 2,846</u></u>	<u><u>\$ -</u></u>	
STREET LIGHT				
Revenues				
Developer fees	\$ 1,000,000	\$ 1,000,000	\$ 405,447	\$ (594,553)
Other	-	-	22,326	22,326
	<u>1,000,000</u>	<u>1,000,000</u>	<u>427,773</u>	<u>(572,227)</u>
Expenditures				
Public Works	<u>1,000,000</u>	<u>1,000,000</u>	<u>970,311</u>	<u>(29,689)</u>
Revenues under expenditures	-	-	(542,538)	<u><u>(542,538)</u></u>
Fund balance, budgetary, July 1	<u>1,746,597</u>	<u>1,746,597</u>	<u>1,746,597</u>	
Fund balance, budgetary, June 30	<u><u>\$ 1,746,597</u></u>	<u><u>\$ 1,746,597</u></u>	<u><u>\$ 1,204,059</u></u>	
FORFEITURE AND ASSET SEIZURE TEAM				
Revenues				
Seized and forfeited funds	\$ 450,000	\$ 450,000	\$ 275,908	\$ (174,092)
Investment income	-	-	26,721	26,721
	<u>450,000</u>	<u>450,000</u>	<u>302,629</u>	<u>(147,371)</u>
Expenditures				
Public Safety	<u>550,000</u>	<u>550,000</u>	<u>375,249</u>	<u>(174,751)</u>
	<u>550,000</u>	<u>550,000</u>	<u>375,249</u>	<u>(174,751)</u>
Revenues over (under) expenditures	(100,000)	(100,000)	(72,620)	<u><u>27,380</u></u>
Fund balance, budgetary, July 1	<u>608,169</u>	<u>608,169</u>	<u>608,169</u>	
Fund balance, budgetary, June 30	<u><u>\$ 508,169</u></u>	<u><u>\$ 508,169</u></u>	<u><u>\$ 535,549</u></u>	

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

Anne Arundel County, Maryland

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

Special Revenue Funds

Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
ECONOMIC DEVELOPMENT				
Revenues				
Local sales taxes	\$ 980,000	\$ 980,000	\$ 953,425	\$ (26,575)
Expenditures				
Economic development	980,000	980,000	980,000	-
Revenues under expenditures	-	-	(26,575)	\$ (26,575)
Fund balance, budgetary, July 1	26,575	26,575	26,575	
Fund balance, budgetary, June 30	\$ 26,575	\$ 26,575	\$ -	
CONFERENCE AND VISITORS				
Revenues				
Local sales taxes	\$ 980,000	\$ 980,000	\$ 953,425	\$ (26,575)
Expenditures				
Economic development	980,000	980,000	980,000	-
Revenues under expenditures	-	-	(26,575)	\$ (26,575)
Fund balance, budgetary, July 1	26,575	26,575	26,575	
Fund balance, budgetary, June 30	\$ 26,575	\$ 26,575	\$ -	
INCENTIVE LOAN PROGRAM				
Revenues				
Fees and commissions	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Investment income	-	-	13	13
	<u>250,000</u>	<u>250,000</u>	<u>13</u>	<u>(249,987)</u>
Expenditures				
Economic Development	250,000	250,000	-	(250,000)
Revenues over expenditures	-	-	13	\$ 13
Fund balance, budgetary, July 1	287	287	287	
Fund balance, budgetary, June 30	\$ 287	\$ 287	\$ 300	

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

Anne Arundel County, Maryland

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

Special Revenue Funds

Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
ROADS AND SPECIAL BENEFITS				
Revenues				
Special community benefit taxes	\$ 4,707,483	\$ 4,707,483	\$ 4,895,044	\$ 187,561
Expenditures				
Recreation and community services	7,543,511	7,543,511	4,796,863	(2,746,648)
Revenues over (under) expenditures	(2,836,028)	(2,836,028)	98,181	\$ 2,934,209
Fund balance, budgetary, July 1	475,542	475,542	475,542	
Fund balance, budgetary, June 30	\$ (2,360,486)	\$ (2,360,486)	\$ 573,723	
PINEY ORCHARD WASTEWATER SERVICE				
Revenues				
Commissions and fees	\$ 795,000	\$ 795,000	\$ 754,508	\$ (40,492)
Expenditures				
Public works	795,000	795,000	754,508	(40,492)
Revenues over expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	
LOCAL MANAGEMENT BOARD				
Revenues				
Grants and aid	\$ 3,590,000	\$ 3,646,200	\$ 2,341,152	\$ (1,305,048)
Investment income	-	-	52,075	52,075
Other	-	-	34,625	34,625
	<u>3,590,000</u>	<u>3,646,200</u>	<u>2,427,852</u>	<u>(1,218,348)</u>
Expenditures				
Health and human services	3,840,000	3,896,200	2,616,417	(1,279,783)
Revenues over (under) expenditures	(250,000)	(250,000)	(188,565)	\$ 61,435
Fund balance, budgetary, July 1	608,230	608,230	608,230	
Fund balance, budgetary, June 30	\$ 358,230	\$ 358,230	\$ 419,665	

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

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

Special Revenue Funds

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
INMATE BENEFIT AND MORALE				
Revenues				
Commissary sales	\$ 900,000	\$ 900,000	\$ 770,278	\$ (129,722)
Commissions and fees	340,000	340,000	374,507	34,507
Investment income	30,000	30,000	50,355	20,355
Other	-	-	3,774	3,774
	<u>1,270,000</u>	<u>1,270,000</u>	<u>1,198,914</u>	<u>(71,086)</u>
Expenditures				
Commissary purchases	910,000	910,000	747,587	(162,413)
Inmate benefits/morale	490,000	490,000	430,110	(59,890)
	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,177,697</u>	<u>(222,303)</u>
Revenues over (under) expenditures	(130,000)	(130,000)	21,217	<u>\$ 151,217</u>
Fund balance, budgetary, July 1	<u>889,491</u>	<u>889,491</u>	<u>889,491</u>	
Fund balance, budgetary, June 30	<u>\$ 759,491</u>	<u>\$ 759,491</u>	<u>\$ 910,708</u>	
REFORESTATION				
Revenues				
Commissions and fees	\$ 1,200,000	\$ 1,200,000	\$ 1,778,287	\$ 578,287
Expenditures				
Land use and development	3,024,000	3,024,000	1,267,677	(1,756,323)
Revenues over (under) expenditures	(1,824,000)	(1,824,000)	510,610	<u>\$ 2,334,610</u>
Fund balance, budgetary, July 1	<u>7,875,692</u>	<u>7,875,692</u>	<u>7,875,692</u>	
Fund balance, budgetary, June 30	<u>\$ 6,051,692</u>	<u>\$ 6,051,692</u>	<u>\$ 8,386,302</u>	
LAUREL RACETRACK COMMUNITY BENEFIT				
Revenues				
Fees and commissions	\$ 400,000	\$ 400,000	\$ 393,000	\$ (7,000)
Other	-	-	56,584	56,584
	<u>400,000</u>	<u>400,000</u>	<u>449,584</u>	<u>49,584</u>
Expenditures				
Recreation and community services	405,000	405,000	393,000	(12,000)
Revenues over (under) expenditures	(5,000)	(5,000)	56,584	<u>\$ 61,584</u>
Fund balance, budgetary, July 1	<u>1,332,051</u>	<u>1,332,051</u>	<u>1,332,051</u>	
Fund balance, budgetary, June 30	<u>\$ 1,327,051</u>	<u>\$ 1,327,051</u>	<u>\$ 1,388,635</u>	

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

Anne Arundel County, Maryland

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

Special Revenue Funds

Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
WORKFORCE DEVELOPMENT				
Revenues				
Grants and aid	\$ <u>1,600,000</u>	\$ <u>1,600,000</u>	\$ <u>984,004</u>	\$ <u>(615,996)</u>
Expenditures				
Health and human services	<u>1,600,000</u>	<u>1,600,000</u>	<u>984,004</u>	<u>(615,996)</u>
Revenues over expenditures	-	-	-	\$ <u>-</u>
Fund balance, budgetary, July 1	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance, budgetary, June 30	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	
ARUNDEL COMMUNITY DEVELOPMENT SERVICES				
Revenues				
Grants and aid	\$ <u>6,836,300</u>	\$ <u>6,836,300</u>	\$ <u>6,836,009</u>	\$ <u>(291)</u>
Expenditures				
Health and human services	<u>6,836,300</u>	<u>6,836,300</u>	<u>6,836,009</u>	<u>(291)</u>
Revenues over expenditures	-	-	-	\$ <u>-</u>
Fund balance, budgetary, July 1	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance, budgetary, June 30	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	
CIRCUIT COURT				
Revenues				
Bond Forfeited Funds	\$ <u>-</u>	\$ <u>125,200</u>	\$ <u>160,616</u>	\$ <u>35,416</u>
Expenditures				
Circuit Court	<u>-</u>	<u>125,200</u>	<u>83,523</u>	<u>(41,677)</u>
Revenues over expenditures	-	-	77,093	\$ <u>77,093</u>
Fund balance, budgetary, July 1	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance, budgetary, June 30	\$ <u>-</u>	\$ <u>-</u>	\$ <u>77,093</u>	

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, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Amberly	\$ 12,462	\$ 12,462	\$ 12,389	\$ (73)
Annapolis Roads - Roads	277,641	277,641	296,673	19,032
Arundel on the Bay-Special Benefits	107,900	107,900	117,420	9,520
Avalon Shores - Special Benefits	22,742	22,742	22,870	128
Bay Highlands - Roads	52,200	52,200	57,028	4,828
Bay Ridge - Special Officer	200,592	200,592	200,158	(434)
Beverly Beach - Special Benefits	28,365	28,365	28,520	155
Birchwood - Special Benefits	2,496	2,496	2,496	-
Bittersweet	8,800	8,800	8,800	-
Cape Anne - Special Benefits	7,600	7,600	7,550	(50)
Cape St. Claire-Special Benefits	146,640	146,640	146,892	252
Carrolton Manor	79,050	79,050	79,049	(1)
Cedarhurst-Special Benefits	101,650	101,650	113,005	11,355
Chartwell-Special Benefits	33,450	33,450	33,449	(1)
Columbia Beach - Roads	26,599	26,599	32,522	5,923
Crofton - Special Benefits	751,224	751,224	786,357	35,133
Deale Beach - Special Benefits	4,500	4,500	4,550	50
Eden Woods - Special Benefits	1,260	1,260	1,260	-
Epping Forest - Special Benefits	204,720	204,720	212,984	8,264
Fairhaven Cliffs - Special Benefits	3,500	3,500	3,500	-
Felicity Cove - Special Benefits	38,105	38,105	38,105	-
Franklin Manor - Special Benefits	40,840	40,840	44,463	3,623
Gibson Island - Roads	212,900	212,900	246,172	33,272
Greenbriar Gardens	9,075	9,075	9,076	1
Greenbriar II	21,000	21,000	21,000	-
Heritage Pool	38,380	38,380	38,760	380
Hillsmere Estates - Roads	191,651	191,651	194,698	3,047
Holland Point - Special Officer	14,099	14,099	17,211	3,112
Hunters Harbor - Roads	15,450	15,450	16,050	600
Indian Hills (Winchester)-Special Benefits	94,355	94,355	94,401	46
Landhaven - Special Benefits	2,456	2,456	2,456	-
Little Magothy River	35,350	35,350	35,348	(2)
Long Point on the Severn - Roads	13,250	13,250	13,250	-
Magothy Beach	3,900	3,900	3,900	-
Manhattan Beach - Roads	14,800	14,800	14,825	25
Owings Beach - Roads	28,120	28,120	31,569	3,449
Oyster Harbor - Roads	249,600	249,600	289,060	39,460
Parke West-Special Benefits	31,800	31,800	31,575	(225)
Pine Grove Village Special Benefits	11,040	11,040	11,040	-
Pines on the Severn	33,590	33,590	33,734	144
Provinces - Special Benefits	10,596	10,596	10,584	(12)
Queen's Park - Special Benefits	33,525	33,525	33,600	75
Rockview Beach / Riviera Isles	4,692	4,692	4,692	-
Selby on the Bay - Roads	74,970	74,970	74,519	(451)
Severndale - Special Benefits	6,494	6,494	6,494	-
Sherwood Forest - Special Benefits	916,267	916,267	916,267	-
Shoreham Beach - Roads	26,880	26,880	26,880	-
Southgate - Special Benefits	-	-	-	-
South River Heights - Roads	7,632	7,632	7,724	92
South River Manor-Special Benefits	4,650	4,650	4,500	(150)
South River Park - Roads	33,300	33,300	33,299	(1)
Steedman Point - Roads	3,750	3,750	3,749	(1)
Stone Haven	2,716	2,716	2,716	-
Sylvan View on the Magothy	12,238	12,238	12,237	(1)
Tanglewood Lane - Roads	-	-	-	-
Upper Magothy Beach	14,850	14,850	14,750	(100)
Venice Beach - Roads	21,590	21,590	25,674	4,084
Venice on the Bay	6,060	6,060	6,059	(1)
Warthen Knolls	11,921	11,921	11,921	-
Wilenor	22,800	22,800	22,800	-
Woodland Beach - Roads	313,100	313,100	316,115	3,015
Woodland Beach/Pasadena	6,300	6,300	6,299	(1)
Total revenues	\$ 4,707,483	\$ 4,707,483	\$ 4,895,044	\$ 187,561

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, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES				
Amberly	\$ 26,250	\$ 26,250	\$ 17,557	\$ (8,693)
Annapolis Roads - Roads	372,174	372,174	294,234	(77,940)
Arundel on the Bay-Special Benefits	135,861	135,861	116,513	(19,348)
Avalon Shores - Special Benefits	28,642	28,642	22,717	(5,925)
Bay Highlands - Roads	145,190	145,190	57,259	(87,931)
Bay Ridge - Special Officer	229,892	229,892	226,055	(3,837)
Beverly Beach - Special Benefits	49,979	49,979	19,725	(30,254)
Birchwood - Special Benefits	6,796	6,796	125	(6,671)
Bittersweet	13,596	13,596	8,773	(4,823)
Cape Anne - Special Benefits	25,745	25,745	7,554	(18,191)
Cape St. Claire-Special Benefits	260,341	260,341	146,620	(113,721)
Carrolton Manor	80,350	80,350	79,760	(590)
Cedarhurst-Special Benefits	113,650	113,650	110,640	(3,010)
Chartwell-Special Benefits	73,595	73,595	1,673	(71,922)
Columbia Beach - Roads	62,980	62,980	31,272	(31,708)
Crofton - Special Benefits	1,142,990	1,142,990	781,310	(361,680)
Deale Beach - Special Benefits	4,500	4,500	4,497	(3)
Eden Woods - Special Benefits	19,553	19,553	1,250	(18,303)
Epping Forest - Special Benefits	534,405	534,405	216,800	(317,605)
Fairhaven Cliffs - Special Benefits	9,819	9,819	5,346	(4,473)
Felicity Cove - Special Benefits	44,438	44,438	38,315	(6,123)
Franklin Manor - Special Benefits	92,553	92,553	40,800	(51,753)
Gibson Island - Roads	263,542	263,542	225,600	(37,942)
Greenbriar Gardens	10,963	10,963	9,064	(1,899)
Greenbriar II	21,000	21,000	20,988	(12)
Heritage Pool	38,380	38,380	38,373	(7)
Hillsmere Estates - Roads	254,167	254,167	194,025	(60,142)
Holland Point - Special Officer	19,467	19,467	857	(18,610)
Hunters Harbor - Roads	22,850	22,850	22,832	(18)
Indian Hills (Winchester)-Special Benefits	119,584	119,584	95,419	(24,165)
Landhaven - Special Benefits	8,286	8,286	123	(8,163)
Little Magothy River	132,750	132,750	33,008	(99,742)
Long Point on the Severn - Roads	43,506	43,506	13,242	(30,264)
Magothy Beach	5,980	5,980	3,795	(2,185)
Manhattan Beach - Roads	24,131	24,131	14,792	(9,339)
Owings Beach - Roads	44,145	44,145	15,272	(28,873)
Oyster Harbor - Roads	1,063,242	1,063,242	254,676	(808,566)
Parke West-Special Benefits	97,638	97,638	31,492	(66,146)
Pine Grove Village Special Benefits	18,972	18,972	11,032	(7,940)
Pines on the Severn	33,590	33,590	33,577	(13)
Provinces - Special Benefits	23,745	23,745	10,684	(13,061)
Queen's Park - Special Benefits	39,525	39,525	33,515	(6,010)
Rockview Beach / Riviera Isles	4,692	4,692	4,686	(6)
Selby on the Bay - Roads	155,316	155,316	74,320	(80,996)
Severndale - Special Benefits	24,626	24,626	6,490	(18,136)
Sherwood Forest - Special Benefits	916,355	916,355	916,338	(17)
Shoreham Beach - Roads	39,924	39,924	27,174	(12,750)
Southgate - Special Benefits	4,300	4,300	-	(4,300)
South River Heights - Roads	7,632	7,632	7,584	(48)
South River Manor-Special Benefits	4,940	4,940	4,640	(300)
South River Park - Roads	34,061	34,061	33,285	(776)
Steedman Point - Roads	29,825	29,825	188	(29,637)
Stone Haven	2,935	2,935	2,710	(225)
Sylvan View on the Magothy	18,611	18,611	12,232	(6,379)
Tanglewood Lane - Roads	-	-	-	-
Upper Magothy Beach	14,850	14,850	14,819	(31)
Venice Beach - Roads	73,253	73,253	27,884	(45,369)
Venice on the Bay	13,308	13,308	6,051	(7,257)
Warthen Knolls	21,221	21,221	21,211	(10)
Wilenor	28,148	28,148	22,790	(5,358)
Woodland Beach - Roads	365,400	365,400	317,320	(48,080)
Woodland Beach/Pasadena	25,352	25,352	5,980	(19,372)
Total revenues	\$ <u>7,543,511</u>	\$ <u>7,543,511</u>	\$ <u>4,796,863</u>	\$ <u>(2,746,648)</u>

Anne Arundel County, Maryland

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

General County Capital Projects

Year Ended June 30, 2008

	Total	School Construction	Higher Education	Storm Drains	Recreation
AUTHORIZED PER ORIGINAL BUDGET					
County bonds	\$ 609,164,847	\$ 258,496,401	\$ 26,531,000	\$ 20,206,191	\$ 64,678,573
Grants and aid	247,927,755	131,839,431	20,189,000	400,000	56,217,282
Contributions from other funds	319,464,442	175,194,603	6,073,497	5,275,800	14,815,134
Special fees	32,864,000	8,064,000	-	-	-
Impact fees	105,323,550	60,598,400	-	-	-
Other sources	14,620,396	592,900	-	2,237,525	75,455
Total	<u>\$ 1,329,364,990</u>	<u>\$ 634,785,735</u>	<u>\$ 52,793,497</u>	<u>\$ 28,119,516</u>	<u>\$ 135,786,444</u>
AUTHORIZED PER FINAL BUDGET					
County bonds	\$ 575,604,942	\$ 249,637,091	\$ 25,733,000	\$ 18,890,063	\$ 64,337,634
Grants and aid	247,001,574	131,329,431	21,242,934	400,000	52,895,095
Contributions from other funds	305,347,006	170,035,523	8,716,086	5,142,000	14,129,109
Special fees	31,933,312	7,564,000	-	-	-
Impact fees	105,605,550	61,098,400	-	-	-
Other sources	14,246,389	592,900	-	2,237,165	75,455
Total	1,279,738,773	620,257,345	55,692,020	26,669,228	131,437,293
Less: Completed projects	267,643,136	160,694,700	21,320,934	2,313,984	1,544,766
	<u>1,012,095,637</u>	<u>459,562,645</u>	<u>34,371,086</u>	<u>24,355,244</u>	<u>129,892,527</u>
REALIZED					
Current year					
Bonds and bond anticipation notes	66,677,925	28,500,000	8,500,000	1,500,000	6,000,000
Grants and aid	14,888,001	-	2,665,557	-	9,781,691
Contributions from the general fund	62,994,000	33,443,000	904,000	1,350,000	1,200,000
Special fees	1,688,123	-	-	-	-
Impact fees	21,947,800	20,785,667	-	-	-
Other sources	1,539,210	-	-	(17)	(1,208)
Total	169,735,059	82,728,667	12,069,557	2,849,983	16,980,483
Prior years	772,414,569	332,940,299	32,506,676	16,431,826	94,593,723
Total realized funding sources	942,149,628	415,668,966	44,576,233	19,281,809	111,574,206
Less: Completed projects and adjustments	223,998,805	116,962,568	21,320,934	2,139,937	1,846,275
	718,150,823	298,706,398	23,255,299	17,141,872	109,727,931
Funding sources authorized - June 30, 2008	<u>\$ 293,944,814</u>	<u>\$ 160,856,247</u>	<u>\$ 11,115,787</u>	<u>\$ 7,213,372</u>	<u>\$ 20,164,596</u>

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

Libraries	Roads and Bridges	Police and Fire	Community Development Block Grant	Waterway Improvements	Other
\$ 10,156,131	\$ 104,394,561	\$ 28,067,900	\$ -	\$ 21,706,851	\$ 74,927,239
-	4,009,000	9,930,000	2,050,000	12,975,000	10,318,042
14,735,418	32,841,903	7,642,189	-	1,422,312	61,463,586
-	16,440,000	-	-	-	8,360,000
-	42,289,150	2,436,000	-	-	-
-	7,009,505	-	-	1,251,548	3,453,463
<u>\$ 24,891,549</u>	<u>\$ 206,984,119</u>	<u>\$ 48,076,089</u>	<u>\$ 2,050,000</u>	<u>\$ 37,355,711</u>	<u>\$ 158,522,330</u>
\$ 10,156,131	\$ 95,652,872	\$ 22,973,900	\$ -	\$ 21,003,825	\$ 67,220,426
92,000	3,453,089	9,930,000	2,050,000	15,290,983	10,318,042
14,652,323	30,123,519	7,642,189	-	889,934	54,016,323
-	16,009,312	-	-	-	8,360,000
-	42,289,150	2,218,000	-	-	-
-	7,003,656	-	-	1,029,900	3,307,313
<u>24,900,454</u>	<u>194,531,598</u>	<u>42,764,089</u>	<u>2,050,000</u>	<u>38,214,642</u>	<u>143,222,104</u>
<u>19,638,880</u>	<u>45,102,696</u>	<u>5,198,280</u>	<u>2,050,000</u>	<u>3,639,433</u>	<u>6,139,463</u>
<u>5,261,574</u>	<u>149,428,902</u>	<u>37,565,809</u>	<u>-</u>	<u>34,575,209</u>	<u>137,082,641</u>
(570,696)	13,500,000	270,696	-	3,500,000	5,477,925
-	3,762	1,053,077	-	1,085,390	298,524
3,450,000	12,580,000	3,358,000	-	400,000	6,309,000
-	-	-	-	-	1,688,123
-	1,084,700	77,433	-	-	-
<u>(1,695)</u>	<u>325,820</u>	<u>(7)</u>	<u>-</u>	<u>164,998</u>	<u>1,051,319</u>
<u>2,877,609</u>	<u>27,494,282</u>	<u>4,759,199</u>	<u>-</u>	<u>5,150,388</u>	<u>14,824,891</u>
<u>21,329,181</u>	<u>125,787,586</u>	<u>24,313,610</u>	<u>2,050,000</u>	<u>15,903,422</u>	<u>106,558,246</u>
<u>24,206,790</u>	<u>153,281,868</u>	<u>29,072,809</u>	<u>2,050,000</u>	<u>21,053,810</u>	<u>121,383,137</u>
<u>19,596,710</u>	<u>45,060,098</u>	<u>5,203,209</u>	<u>2,050,000</u>	<u>3,611,888</u>	<u>6,207,186</u>
<u>4,610,080</u>	<u>108,221,770</u>	<u>23,869,600</u>	<u>-</u>	<u>17,441,922</u>	<u>115,175,951</u>
<u>\$ 651,494</u>	<u>\$ 41,207,132</u>	<u>\$ 13,696,209</u>	<u>\$ -</u>	<u>\$ 17,133,287</u>	<u>\$ 21,906,690</u>

Anne Arundel County, Maryland

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

General County Capital Projects

Year Ended June 30, 2008

APPROPRIATIONS	<u>Total</u>	<u>School Construction</u>	<u>Higher Education</u>	<u>Storm Drains</u>
Original Budget	\$ <u>1,329,364,990</u>	\$ <u>634,785,735</u>	\$ <u>52,793,497</u>	\$ <u>28,119,516</u>
Final Budget				
Prior years	\$ 1,047,968,589	\$ 486,350,812	\$ 34,815,497	\$ 21,852,248
Current year	<u>231,770,184</u>	<u>133,906,533</u>	<u>20,876,523</u>	<u>4,816,980</u>
	1,279,738,773	620,257,345	55,692,020	26,669,228
Less: Completed projects	<u>267,643,136</u>	<u>160,694,700</u>	<u>21,320,934</u>	<u>2,313,984</u>
Total appropriations	<u>1,012,095,637</u>	<u>459,562,645</u>	<u>34,371,086</u>	<u>24,355,244</u>
 EXPENDITURES AND ENCUMBRANCES				
Prior years expenditures and transfers	681,798,421	300,830,559	29,484,863	13,635,415
Current year expenditures	65,677,464	-	-	3,333,946
Operating transfers	<u>101,297,722</u>	<u>90,230,820</u>	<u>11,066,902</u>	<u>-</u>
	848,773,607	391,061,379	40,551,765	16,969,361
Less: Completed projects	<u>222,907,432</u>	<u>116,746,811</u>	<u>21,201,033</u>	<u>2,268,626</u>
Total	625,866,175	274,314,568	19,350,732	14,700,735
Encumbrances outstanding	<u>35,318,974</u>	<u>-</u>	<u>-</u>	<u>2,050,696</u>
Total expenditures and encumbrances	<u>661,185,149</u>	<u>274,314,568</u>	<u>19,350,732</u>	<u>16,751,431</u>
Unencumbered appropriations - June 30, 2008	\$ <u>350,910,488</u>	\$ <u>185,248,077</u>	\$ <u>15,020,354</u>	\$ <u>7,603,813</u>

	Recreation	Libraries	Roads and Bridges	Police and Fire	Community Development Block Grant	Waterway Improvements	Other
\$	<u>135,786,444</u>	<u>24,891,549</u>	<u>206,984,119</u>	<u>48,076,089</u>	<u>2,050,000</u>	<u>37,355,711</u>	<u>158,522,330</u>
\$	<u>110,226,315</u>	<u>21,358,455</u>	<u>168,586,641</u>	<u>39,374,089</u>	<u>2,050,000</u>	<u>29,059,411</u>	<u>134,295,121</u>
	<u>21,210,978</u>	<u>3,541,999</u>	<u>25,944,957</u>	<u>3,390,000</u>	<u>-</u>	<u>9,155,231</u>	<u>8,926,983</u>
	<u>131,437,293</u>	<u>24,900,454</u>	<u>194,531,598</u>	<u>42,764,089</u>	<u>2,050,000</u>	<u>38,214,642</u>	<u>143,222,104</u>
	<u>1,544,766</u>	<u>19,638,880</u>	<u>45,102,696</u>	<u>5,198,280</u>	<u>2,050,000</u>	<u>3,639,433</u>	<u>6,139,463</u>
	<u>129,892,527</u>	<u>5,261,574</u>	<u>149,428,902</u>	<u>37,565,809</u>	<u>-</u>	<u>34,575,209</u>	<u>137,082,641</u>
	<u>87,805,977</u>	<u>18,807,156</u>	<u>107,809,300</u>	<u>14,099,333</u>	<u>2,027,252</u>	<u>11,975,487</u>	<u>95,323,079</u>
	<u>12,189,643</u>	<u>3,250,851</u>	<u>19,134,571</u>	<u>8,997,709</u>	<u>22,748</u>	<u>3,224,418</u>	<u>15,523,578</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>99,995,620</u>	<u>22,058,007</u>	<u>126,943,871</u>	<u>23,097,042</u>	<u>2,050,000</u>	<u>15,199,905</u>	<u>110,846,657</u>
	<u>1,543,012</u>	<u>19,596,710</u>	<u>44,949,123</u>	<u>5,177,670</u>	<u>2,050,000</u>	<u>3,268,248</u>	<u>6,106,199</u>
	<u>98,452,608</u>	<u>2,461,297</u>	<u>81,994,748</u>	<u>17,919,372</u>	<u>-</u>	<u>11,931,657</u>	<u>104,740,458</u>
	<u>5,543,480</u>	<u>155,669</u>	<u>10,188,066</u>	<u>4,391,095</u>	<u>-</u>	<u>2,994,381</u>	<u>9,995,587</u>
	<u>103,996,088</u>	<u>2,616,966</u>	<u>92,182,814</u>	<u>22,310,467</u>	<u>-</u>	<u>14,926,038</u>	<u>114,736,045</u>
\$	<u>25,896,439</u>	<u>2,644,608</u>	<u>57,246,088</u>	<u>15,255,342</u>	<u>-</u>	<u>19,649,171</u>	<u>22,346,596</u>

Anne Arundel County, Maryland

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

Erosion Districts Fund

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Cape Anne	\$ 8,630	\$ 8,630	\$ 9,232	\$ 602
Cedarhurst	45,903	45,903	51,031	5,128
Columbia Beach	47,200	47,200	57,701	10,501
Franklin Manor	40,840	40,840	44,475	3,635
Holland Point	23,294	23,294	28,437	5,143
Idlewilde	-	-	-	-
Riviera Beach	81,200	81,200	85,362	4,162
Total revenues	<u>\$ 247,067</u>	<u>\$ 247,067</u>	<u>\$ 276,238</u>	<u>\$ 29,171</u>
EXPENDITURES				
Cape Anne	\$ 9,430	\$ 9,430	\$ 462	\$ (8,968)
Cedarhurst	49,003	49,003	40,007	(8,996)
Columbia Beach	120,019	120,019	2,000	(118,019)
Franklin Manor	92,554	92,554	2,000	(90,554)
Holland Point	88,894	88,894	3,461	(85,433)
Idlewilde	33,500	33,500	-	(33,500)
Riviera Beach	386,967	386,967	345,400	(41,567)
Total expenditures	<u>\$ 780,367</u>	<u>\$ 780,367</u>	<u>\$ 393,330</u>	<u>\$ (387,037)</u>

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

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

Debt Service Funds

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
NURSERY ROAD TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 4,066,000	\$ 4,066,000	\$ 4,291,350	\$ 225,350
Investment income	80,000	80,000	133,733	53,733
	<u>4,146,000</u>	<u>4,146,000</u>	<u>4,425,083</u>	<u>279,083</u>
Expenditures				
Contractual services	10,000	10,000	-	(10,000)
Interest payments on debt	100,500	100,500	100,535	35
Principal payments on debt	75,000	75,000	75,000	-
Other	3,960,500	3,987,500	3,997,465	9,965
	<u>4,146,000</u>	<u>4,173,000</u>	<u>4,173,000</u>	<u>-</u>
Revenues over (under) expenditures	-	(27,000)	252,083	\$ <u>279,083</u>
Fund balance, budgetary, July 1	27,015	27,015	27,015	
Fund balance, budgetary, June 30	\$ <u>27,015</u>	\$ <u>15</u>	\$ <u>279,098</u>	
WEST COUNTY TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 2,611,000	\$ 2,611,000	\$ 2,714,293	\$ 103,293
Investment income	40,000	40,000	67,383	27,383
	<u>2,651,000</u>	<u>2,651,000</u>	<u>2,781,676</u>	<u>130,676</u>
Expenditures				
Contractual services	41,200	41,200	14,375	(26,825)
Interest payments on debt	757,400	757,400	757,425	25
Other	1,852,400	1,852,400	1,879,200	26,800
	<u>2,651,000</u>	<u>2,651,000</u>	<u>2,651,000</u>	<u>-</u>
Revenues over expenditures	-	-	130,676	\$ <u>130,676</u>
Fund balance, budgetary, July 1	684	684	684	
Fund balance, budgetary, June 30	\$ <u>684</u>	\$ <u>684</u>	\$ <u>131,360</u>	
ARUNDEL MILLS TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 3,878,000	\$ 3,878,000	\$ 3,881,511	\$ 3,511
Investment income	60,000	60,000	87,437	27,437
	<u>3,938,000</u>	<u>3,938,000</u>	<u>3,968,948</u>	<u>30,948</u>
Expenditures				
Interest payments on debt	1,502,000	1,502,000	1,501,956	(44)
Other	2,436,000	2,533,000	2,533,044	44
	<u>3,938,000</u>	<u>4,035,000</u>	<u>4,035,000</u>	<u>-</u>
Revenues over (under) expenditures	-	(97,000)	(66,052)	\$ <u>30,948</u>
Fund balance, budgetary, July 1	97,661	97,661	97,661	
Fund balance, budgetary, June 30	\$ <u>97,661</u>	\$ <u>661</u>	\$ <u>31,609</u>	

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

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

Debt Service Funds

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
PAROLE TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 6,258,000	\$ 6,258,000	\$ 6,030,806	\$ (227,194)
Investment income	70,000	70,000	144,686	74,686
	<u>6,328,000</u>	<u>6,328,000</u>	<u>6,175,492</u>	<u>(152,508)</u>
Expenditures				
Contractual services	5,000	5,000	5,200	200
Interest payments on debt	253,000	253,000	252,750	(250)
Principal payments on debt	800,000	800,000	800,000	-
Other	5,270,000	5,465,000	5,313,452	(151,548)
	<u>6,328,000</u>	<u>6,523,000</u>	<u>6,371,402</u>	<u>(151,598)</u>
Revenues over (under) expenditures	-	(195,000)	(195,910)	\$ <u>(910)</u>
Fund balance, budgetary, July 1	195,910	195,910	195,910	
Fund balance, budgetary, June 30	\$ <u>195,910</u>	\$ <u>910</u>	\$ <u>-</u>	
PARK PLACE TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 56,000	\$ 56,000	\$ 720,623	\$ 664,623
Investment income	-	-	27,848	27,848
	<u>56,000</u>	<u>56,000</u>	<u>748,471</u>	<u>692,471</u>
Expenditures				
Other	56,000	56,000	-	(56,000)
	<u>56,000</u>	<u>56,000</u>	<u>-</u>	<u>(56,000)</u>
Revenues over expenditures	-	-	748,471	\$ <u>748,471</u>
Fund balance, budgetary, July 1	101,252	101,252	101,252	
Fund balance, budgetary, June 30	\$ <u>101,252</u>	\$ <u>101,252</u>	\$ <u>849,723</u>	
SPECIAL TAXING DISTRICTS				
Revenues				
Special assessments	\$ 421,179	\$ 421,179	\$ 452,520	\$ 31,341
Expenditures				
Principal payments on debt	213,377	213,377	213,377	-
Other	751,953	751,953	524,185	(227,768)
	<u>965,330</u>	<u>965,330</u>	<u>737,562</u>	<u>(227,768)</u>
Revenues over (under) expenditures	(544,151)	(544,151)	(285,042)	\$ <u>259,109</u>
Fund balance, budgetary, July 1	680,526	680,526	680,526	
Fund balance, budgetary, June 30	\$ <u>136,375</u>	\$ <u>136,375</u>	\$ <u>395,484</u>	

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

Anne Arundel County, Maryland

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

Debt Service Funds

Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
INSTALLMENT PURCHASE AGREEMENTS				
Revenues				
Investment income	\$ 50,000	\$ 50,000	\$ 613,647	\$ 563,647
	<u>50,000</u>	<u>50,000</u>	<u>613,647</u>	<u>563,647</u>
Expenditures				
Contractual services	50,000	50,000	3,640	(46,360)
Interest payments on debt	680,000	680,000	604,642	(75,358)
Principal payments on debt	20,000	20,000	19,000	(1,000)
Other	900,000	900,000	900,000	-
	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,527,282</u>	<u>(122,718)</u>
Revenues over (under) expenditures	(1,600,000)	(1,600,000)	(913,635)	\$ <u><u>686,365</u></u>
Fund balance, budgetary, July 1	<u>6,138,325</u>	<u>6,138,325</u>	<u>6,138,325</u>	
Fund balance, budgetary, June 30	\$ <u><u>4,538,325</u></u>	\$ <u><u>4,538,325</u></u>	\$ <u><u>5,224,690</u></u>	

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, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Annapolis Cove	\$ 5,460	\$ 5,460	\$ 5,460	\$ -
Annapolis Landing	8,217	8,217	8,184	(33)
Arundel on the Bay	26,975	26,975	29,345	2,370
Bay Ridge	144,756	144,756	163,695	18,939
Browns Pond - Waterway	11,469	11,469	11,208	(261)
Buckingham Cove	9,225	9,225	9,225	-
Cattail Creek	5,400	5,400	5,363	(37)
Elizabeths Landing	15,594	15,594	17,017	1,423
John's Creek - Waterway	7,650	7,650	7,650	-
Lake Hillsmere - Waterway	6,030	6,030	7,114	1,084
Lake Hillsmere II - Waterway	8,050	8,050	8,049	(1)
Lake Placid - Waterway	17,850	17,850	22,536	4,686
Masons Beach	33,360	33,360	36,535	3,175
Pine Grove Village	2,645	2,645	2,645	-
Romar Estates	12,875	12,875	12,875	-
Snug Harbor - Erosion	10,721	10,721	10,721	-
Snug Harbor - Special Benefits	20,164	20,164	20,160	(4)
Snug Harbor - Waterway	52,800	52,800	52,800	-
Spriggs Pond - Waterway	14,850	14,850	14,850	-
Whitehall	7,088	7,088	7,088	-
Total debt service	<u>\$ 421,179</u>	<u>\$ 421,179</u>	<u>\$ 452,520</u>	<u>\$ 31,341</u>
EXPENDITURES				
Annapolis Cove	\$ 5,460	\$ 5,460	\$ 5,122	\$ (338)
Annapolis Landing	8,417	8,417	8,088	(329)
Arundel on the Bay	38,275	38,275	36,623	(1,652)
Bay Ridge	503,742	503,742	496,367	(7,375)
Browns Pond - Waterway	31,369	31,369	8,327	(23,042)
Buckingham Cove	9,225	9,225	9,164	(61)
Cattail Creek	5,400	5,400	5,360	(40)
Elizabeths Landing	22,694	22,694	17,553	(5,141)
John's Creek - Waterway	7,650	7,650	7,303	(347)
Lake Hillsmere - Waterway	7,430	7,430	3,794	(3,636)
Lake Hillsmere II - Waterway	8,250	8,250	7,950	(300)
Lake Placid - Waterway	23,950	23,950	8,660	(15,290)
Masons Beach	124,960	124,960	15,682	(109,278)
Pine Grove Village	2,645	2,645	2,645	-
Romar Estates	12,975	12,975	12,844	(131)
Snug Harbor - Erosion	11,621	11,621	9,741	(1,880)
Snug Harbor - Special Benefits	61,429	61,429	20,360	(41,069)
Snug Harbor - Waterway	57,800	57,800	42,382	(15,418)
Spriggs Pond - Waterway	14,850	14,850	12,678	(2,172)
Whitehall	7,188	7,188	6,919	(269)
Total expenditures	<u>\$ 965,330</u>	<u>\$ 965,330</u>	<u>\$ 737,562</u>	<u>\$ (227,768)</u>

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 Schedule for Statement of Net Assets

Water and Wastewater Fund

June 30, 2008

	Operating	Debt Service	Capital Projects	Total
ASSETS				
Current Assets				
Cash and investments	\$ 12,989,242	\$ -	\$ -	\$ 12,989,242
Service billings receivable	20,506,842	-	-	20,506,842
Inventories	1,339,695	-	-	1,339,695
Restricted for debt service and capital				
Cash and temporary investments	-	139,614,090	60,056,660	199,670,750
Receivables				
Current portion of note receivable	-	1,376,531	-	1,376,531
Other, net	-	12,006,198	-	12,006,198
Total current assets	<u>34,835,779</u>	<u>152,996,819</u>	<u>60,056,660</u>	<u>247,889,258</u>
Noncurrent assets				
Restricted assets				
Deferred connection and assessment charges	-	48,283,996	-	48,283,996
Capital assets				
Land and buildings	20,674,100	-	-	20,674,100
Water and sewer plants	447,675,098	-	-	447,675,098
Water and sewer lines	833,149,978	-	-	833,149,978
Machinery and equipment	11,516,272	-	-	11,516,272
	<u>1,313,015,448</u>	<u>-</u>	<u>-</u>	<u>1,313,015,448</u>
Less accumulated depreciation	(448,226,445)	-	-	(448,226,445)
	<u>864,789,003</u>	<u>-</u>	<u>-</u>	<u>864,789,003</u>
Construction work in progress	8,440,436	-	200,089,128	208,529,564
Total capital assets, net of depreciation	<u>873,229,439</u>	<u>-</u>	<u>200,089,128</u>	<u>1,073,318,567</u>
Total noncurrent assets	<u>873,229,439</u>	<u>48,283,996</u>	<u>200,089,128</u>	<u>1,121,602,563</u>
Total assets	<u>908,065,218</u>	<u>201,280,815</u>	<u>260,145,788</u>	<u>1,369,491,821</u>
LIABILITIES				
Current liabilities				
Accrued liabilities	9,652,385	-	-	9,652,385
Current portion of long-term debt and obligations	22,435,914	(305,790)	-	22,130,124
Bond anticipation notes	17,000,000	-	-	17,000,000
Escrow deposits	127,632	-	-	127,632
Liabilities related to restricted assets				
Accrued liabilities	-	5,007,971	7,333,017	12,340,988
Escrow deposits	-	-	1,307,879	1,307,879
Deferred revenue	-	16,099,025	-	16,099,025
Total current liabilities	<u>49,215,931</u>	<u>20,801,206</u>	<u>8,640,896</u>	<u>78,658,033</u>
Noncurrent liabilities				
Long-term debt, net of deferred refunding loss	100,269,706	(2,052,186)	190,311,980	288,529,500
Deferred revenue	4,451,260	-	-	4,451,260
Accrued liability for other post-employment benefits	3,703,687	-	-	3,703,687
Total noncurrent liabilities	<u>108,424,653</u>	<u>(2,052,186)</u>	<u>190,311,980</u>	<u>296,684,447</u>
Total liabilities	<u>157,640,584</u>	<u>18,749,020</u>	<u>198,952,876</u>	<u>375,342,480</u>
NET ASSETS				
Invested in capital assets, net of related debt	735,068,712	2,357,976	42,650,331	780,077,019
Restricted	-	180,173,819	18,542,581	198,716,400
Unrestricted	15,355,922	-	-	15,355,922
Total net assets	<u>\$ 750,424,634</u>	<u>\$ 182,531,795</u>	<u>\$ 61,192,912</u>	<u>\$ 994,149,341</u>

Anne Arundel County, Maryland

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

Water and Wastewater Fund

Year Ended June 30, 2008

	Operating	Debt Service	Capital Projects	Total
OPERATING REVENUES				
Charges for services	\$ 72,448,606	\$ -	\$ -	\$ 72,448,606
Other revenues	3,896,671	-	-	3,896,671
Total operating revenues	<u>76,345,277</u>	<u>-</u>	<u>-</u>	<u>76,345,277</u>
OPERATING EXPENSES				
Personal services	28,711,987	-	-	28,711,987
Contractual services	31,145,171	-	-	31,145,171
Supplies and materials	4,793,619	-	-	4,793,619
Business and travel	100,010	-	-	100,010
Depreciation	32,288,886	-	-	32,288,886
Other	8,165,091	-	-	8,165,091
Total operating expenses	<u>105,204,764</u>	<u>-</u>	<u>-</u>	<u>105,204,764</u>
Operating loss	(28,859,487)	-	-	(28,859,487)
NONOPERATING REVENUES AND EXPENSES				
Investment income	280,911	7,101,512	-	7,382,423
Interest on long-term receivables	-	1,661,727	-	1,661,727
Other revenues	-	811,771	-	811,771
Interest expense	-	(7,746,732)	-	(7,746,732)
Gain (loss) on the disposal of assets	120,228	-	-	120,228
Other	-	(725,290)	-	(725,290)
Net loss before other revenues	<u>(28,458,348)</u>	<u>1,102,988</u>	<u>-</u>	<u>(27,355,360)</u>
OTHER				
Capital contributions and grants	12,867,832	28,349,727	620,621	41,838,180
Environmental protection fees	-	10,012,420	-	10,012,420
Net equity transfers between funds	<u>26,713,612</u>	<u>(24,363,128)</u>	<u>(2,350,484)</u>	<u>-</u>
Change in net assets	11,123,096	15,102,007	(1,729,863)	24,495,240
Net assets, July 1	<u>739,301,538</u>	<u>167,429,788</u>	<u>62,922,775</u>	<u>969,654,101</u>
Net assets, June 30	<u>\$ 750,424,634</u>	<u>\$ 182,531,795</u>	<u>\$ 61,192,912</u>	<u>\$ 994,149,341</u>

Anne Arundel County, Maryland

Combining Schedule for Statement of Cash Flows

Water and Wastewater Fund

Year Ended June 30, 2008

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Water and Wastewater</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 75,032,143	\$ -	\$ -	\$ 75,032,143
Cash payments to suppliers for goods and services	(38,169,011)	-	-	(38,169,011)
Cash payments to employees for services	<u>(24,766,725)</u>	<u>-</u>	<u>-</u>	<u>(24,766,725)</u>
Net cash provided by operating activities	<u>12,096,407</u>	<u>-</u>	<u>-</u>	<u>12,096,407</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of County bonds and bond anticipation notes	-	19,000,000	30,000,000	49,000,000
Proceeds from loan	-	-	2,419,511	2,419,511
Proceeds from developers' contributions	-	-	666,767	666,767
Refunds to developers	-	(537,369)	(603,933)	(1,141,302)
Assessment and connection charges	1,232,883	23,903,700	-	25,136,583
Environmental protection fees for capital assets	-	8,980,929	-	8,980,929
Payments of long-term debt	-	(19,818,368)	-	(19,818,368)
Payments of bond anticipation notes	-	(19,000,000)	-	(19,000,000)
Interest payments	-	(13,149,368)	-	(13,149,368)
Operating funds used in construction	(14,848,000)	-	14,848,000	-
Acquisition and construction of capital assets	(1,093,671)	-	(42,478,736)	(43,572,407)
Payments of debt issuance costs	-	(85,440)	-	(85,440)
Premium on sale of bonds	-	513,293	-	513,293
Payments received on note receivable	-	1,768,793	-	1,768,793
Proceeds from other capital contributions	-	-	58,548	58,548
Receipt of other income	-	684,226	-	684,226
Other costs	<u>-</u>	<u>(672,659)</u>	<u>-</u>	<u>(672,659)</u>
Net cash provided by (used for) capital and related financing activities	<u>(14,708,788)</u>	<u>1,587,737</u>	<u>4,910,157</u>	<u>(8,210,894)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investment securities	-	(227,327,758)	-	(227,327,758)
Sale of investment securities	-	188,897,649	-	188,897,649
Interest on investments	280,911	8,516,201	-	8,797,112
Net cash provided by (used for) investing activities	<u>280,911</u>	<u>(29,913,908)</u>	<u>-</u>	<u>(29,632,997)</u>
Net increase in cash and cash equivalents	(2,331,470)	(28,326,171)	4,910,157	(25,747,484)
Cash and cash equivalents, July 1	15,320,712	28,736,247	55,146,503	99,203,462
Cash and cash equivalents, June 30	12,989,242	410,076	60,056,660	73,455,978
Investment in non-cash equivalents	<u>-</u>	<u>139,204,014</u>	<u>-</u>	<u>139,204,014</u>
Total cash and temporary investments	<u>\$ 12,989,242</u>	<u>\$ 139,614,090</u>	<u>\$ 60,056,660</u>	<u>\$ 212,659,992</u>

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Water and Wastewater</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating loss	\$ (28,859,487)	\$ -	\$ -	\$ (28,859,487)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	32,288,886	-	-	32,288,886
Noncapital construction costs	2,427,854	-	-	2,427,854
Change in assets and liabilities:				
Increase in accounts receivable	(1,311,968)	-	-	(1,311,968)
Decrease in inventories	483,437	-	-	483,437
Increase in accrued liabilities	3,645,127	-	-	3,645,127
Decrease in due to other funds	(380,909)	-	-	(380,909)
Decrease in escrow deposits	(1,164)	-	-	(1,164)
Increase in accrued liability for compensated absences	100,944	-	-	100,944
Increase in accrued liability for OPEB benefits	3,703,687	-	-	3,703,687
Net cash provided by operating activities	<u>\$ 12,096,407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,096,407</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

1. In fiscal year 2008, facilities with an estimated market value of \$11,634,950 were contributed to the Enterprise funds by developers. These were primarily water and sewer lines placed in new developments.
2. In fiscal year 2008, amortization of refunding gains and losses resulted in a net expense of \$353,402 in the Water and Wastewater Fund.
3. In fiscal year 2008, the net fair market value adjustment related to investments was a gain of \$477,004 in the Water and Wastewater Fund.

Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual (Non-GAAP Basis)

Enterprise Funds

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
WATER AND WASTEWATER OPERATIONS				
Revenues				
Charges for services	\$ 74,264,100	\$ 74,264,100	\$ 73,681,488	\$ (582,612)
Investment income	50,000	50,000	280,911	230,911
Other	<u>3,187,500</u>	<u>3,187,500</u>	<u>3,988,686</u>	<u>801,186</u>
	<u>77,501,600</u>	<u>77,501,600</u>	<u>77,951,085</u>	<u>449,485</u>
Expenses				
Personal services	26,172,600	26,172,600	25,009,361	(1,163,239)
Contractual services	27,500,800	27,500,800	28,491,204	990,404
Supplies and materials	4,391,800	4,391,800	4,226,149	(165,651)
Business and travel	181,700	181,700	109,710	(71,990)
Capital outlay	1,241,300	1,241,300	1,004,014	(237,286)
Administrative costs	8,546,000	8,546,000	8,546,000	-
Pay-as-you-go	<u>14,848,000</u>	<u>14,848,000</u>	<u>14,848,000</u>	<u>-</u>
	<u>82,882,200</u>	<u>82,882,200</u>	<u>82,234,438</u>	<u>(647,762)</u>
Revenues over (under) expenses	\$ <u>(5,380,600)</u>	\$ <u>(5,380,600)</u>	\$ <u>(4,283,353)</u>	\$ <u>1,097,247</u>
WATER AND WASTEWATER DEBT SERVICE				
Revenues				
Water and sewer assessments	\$ 6,098,000	\$ 6,098,000	\$ 6,051,087	\$ (46,913)
Capital connection charges	22,453,500	22,453,500	19,433,609	(3,019,891)
Environmental protection fees	9,725,000	9,725,000	10,012,420	287,420
Investment income	7,509,900	7,509,900	8,516,247	1,006,347
Developer contribution	1,404,700	1,404,700	-	(1,404,700)
Other	<u>746,300</u>	<u>746,300</u>	<u>811,771</u>	<u>65,471</u>
	<u>47,937,400</u>	<u>47,937,400</u>	<u>44,825,134</u>	<u>(3,112,266)</u>
Expenses				
Principal payments on debt	19,531,400	19,531,400	19,818,368	286,968
Interest expense	13,063,100	13,063,100	12,491,291	(571,809)
Other	<u>585,200</u>	<u>585,200</u>	<u>498,200</u>	<u>(87,000)</u>
	<u>33,179,700</u>	<u>33,179,700</u>	<u>32,807,859</u>	<u>(371,841)</u>
Revenues over (under) expenses	\$ <u>14,757,700</u>	\$ <u>14,757,700</u>	\$ <u>12,017,275</u>	\$ <u>(2,740,425)</u>

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

Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual (Non-GAAP Basis)

Enterprise Funds

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
SOLID WASTE				
Revenues				
Charges for services	\$ 40,520,600	\$ 40,520,600	\$ 40,881,988	\$ 361,388
Landfill charges	2,864,000	2,864,000	2,825,726	(38,274)
Host fees	1,345,000	1,345,000	1,284,492	(60,508)
Other	<u>3,151,000</u>	<u>3,151,000</u>	<u>3,985,447</u>	<u>834,447</u>
	<u>47,880,600</u>	<u>47,880,600</u>	<u>48,977,653</u>	<u>1,097,053</u>
Expenses				
Personal services	6,112,600	6,112,600	5,617,507	(495,093)
Contractual services	32,446,400	32,446,400	32,254,752	(191,648)
Supplies and materials	1,166,100	1,166,100	1,114,697	(51,403)
Business and travel	42,900	42,900	22,593	(20,307)
Capital outlay	625,000	625,000	646,899	21,899
Principal payments on debt	3,168,000	3,168,000	3,223,332	55,332
Interest expense	1,026,700	1,026,700	988,175	(38,525)
Administrative costs	2,242,400	2,242,400	2,242,400	-
Contributions/Solid Waste Assurance Fund	705,000	705,000	705,000	-
Contributions/Self Insurance Fund	116,000	116,000	116,000	-
Contributions/Northeast Maryland Solid	30,000	30,000	30,000	-
Other	300,000	300,000	-	(300,000)
Capital improvements	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
	<u>48,331,100</u>	<u>48,331,100</u>	<u>47,311,355</u>	<u>(1,019,745)</u>
Revenues over (under) expenses	<u>\$ (450,500)</u>	<u>\$ (450,500)</u>	<u>\$ 1,666,298</u>	<u>\$ 2,116,798</u>
SOLID WASTE FINANCIAL ASSURANCE				
Revenues				
Payments from other funds	\$ 705,000	\$ 705,000	\$ 705,000	\$ -
Other	<u>-</u>	<u>-</u>	<u>742,225</u>	<u>742,225</u>
	<u>705,000</u>	<u>705,000</u>	<u>1,447,225</u>	<u>742,225</u>
Expenses				
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenses	<u>\$ 705,000</u>	<u>\$ 705,000</u>	<u>\$ 1,447,225</u>	<u>\$ 742,225</u>
CHILD CARE				
Revenues				
Child Care Fees	\$ 3,379,900	\$ 3,379,900	\$ 3,089,044	\$ (290,856)
Other	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>
	<u>3,379,900</u>	<u>3,379,900</u>	<u>3,089,088</u>	<u>(290,812)</u>
Expenses				
Personal services	2,755,300	2,755,300	2,486,922	(268,378)
Contractual services	241,300	241,300	293,776	52,476
Supplies and materials	313,500	313,500	270,164	(43,336)
Business and travel	20,400	20,400	22,242	1,842
Capital outlay	68,500	68,500	47,482	(21,018)
Other	<u>163,200</u>	<u>163,200</u>	<u>162,427</u>	<u>(773)</u>
	<u>3,562,200</u>	<u>3,562,200</u>	<u>3,283,013</u>	<u>(279,187)</u>
Revenues under expenses	<u>\$ (182,300)</u>	<u>\$ (182,300)</u>	<u>\$ (193,925)</u>	<u>\$ (11,625)</u>

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, 2008

	Water and			
	Total Water and Wastewater	Capital Projects	Water Normal Extensions	Total
AUTHORIZED PER ORIGINAL BUDGET				
County bonds	\$ 423,911,071	\$ 195,455,200	\$ 1,955,875	\$ 197,411,075
Maryland Water Quality Loan	19,362,500	-	-	-
Grants and aid	70,267,500	-	-	-
Pay-as-you-go	78,463,334	6,119,710	-	6,119,710
Contributions by developers	4,474,846	443,000	-	443,000
Other sources	4,175,123	1,000,000	-	1,000,000
Total	<u>\$ 600,654,374</u>	<u>\$ 203,017,910</u>	<u>\$ 1,955,875</u>	<u>\$ 204,973,785</u>
AUTHORIZED PER FINAL BUDGET				
County bonds	\$ 414,151,347	\$ 192,469,896	\$ 1,948,659	\$ 194,418,555
Maryland Water Quality Loan	19,362,500	-	-	-
Grants and aid	70,267,500	-	-	-
Pay-as-you-go	73,063,708	6,927,909	-	6,927,909
Contributions by developers	4,474,846	443,000	-	443,000
Other sources	3,557,123	1,500,000	-	1,500,000
Total	584,877,024	201,340,805	1,948,659	203,289,464
Less: Completed projects	26,019,037	5,297,651	328,749	5,626,400
	<u>558,857,987</u>	<u>196,043,154</u>	<u>1,619,910</u>	<u>197,663,064</u>
REALIZED				
Current year				
Bonds and bond anticipation notes	30,000,000	19,775,964	224,036	20,000,000
Proceeds from State loan	1,183,017	-	-	-
Pay-as-you-go	14,848,000	1,280,000	-	1,280,000
Developer contributions	559,488	442,937	-	442,937
Total	46,590,505	21,498,901	224,036	21,722,937
Prior years	230,079,563	57,631,018	895,800	58,526,818
Total realized funding sources	276,670,068	79,129,919	1,119,836	80,249,755
Less: Completed projects	27,456,132	5,248,201	328,749	5,576,950
	<u>249,213,936</u>	<u>73,881,718</u>	<u>791,087</u>	<u>74,672,805</u>
Funding sources authorized - June 30, 2008	<u>\$ 309,644,051</u>	<u>\$ 122,161,436</u>	<u>\$ 828,823</u>	<u>\$ 122,990,259</u>

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	
\$ 211,492,600	\$ 1,648,700	\$ 213,141,300	\$ 13,358,696	\$ 17,547,000	
19,362,500	-	19,362,500	-	-	
70,267,500	-	70,267,500	-	-	
30,746,895	44,438	30,791,333	41,552,291	12,364,327	
475,000	-	475,000	3,556,846	-	
3,150,000	-	3,150,000	25,123	750,000	
<u>\$ 335,494,495</u>	<u>\$ 1,693,138</u>	<u>\$ 337,187,633</u>	<u>\$ 58,492,956</u>	<u>\$ 30,661,327</u>	
\$ 204,817,600	\$ 1,574,838	\$ 206,392,438	\$ 13,340,354	\$ 17,547,000	
19,362,500	-	19,362,500	-	-	
70,267,500	-	70,267,500	-	-	
26,775,499	44,438	26,819,937	39,315,862	5,519,319	
475,000	-	475,000	3,556,846	-	
2,032,000	-	2,032,000	25,123	750,000	
323,730,099	1,619,276	325,349,375	56,238,185	23,816,319	
7,541,710	205,644	7,747,354	12,645,283	69,062	
<u>316,188,389</u>	<u>1,413,632</u>	<u>317,602,021</u>	<u>43,592,902</u>	<u>23,747,257</u>	
9,519,651	470,109	9,989,760	10,240	800,000	
1,183,017	-	1,183,017	-	-	
5,732,000	-	5,732,000	7,836,000	350,000	
18,399	-	18,399	98,152	-	
16,453,067	470,109	16,923,176	7,944,392	1,150,000	
<u>137,606,931</u>	<u>683,102</u>	<u>138,290,033</u>	<u>33,262,712</u>	<u>14,158,416</u>	
154,059,998	1,153,211	155,213,209	41,207,104	15,308,416	
9,014,278	205,644	9,219,922	12,659,260	73,557	
<u>145,045,720</u>	<u>947,567</u>	<u>145,993,287</u>	<u>28,547,844</u>	<u>15,234,859</u>	
<u>\$ 171,142,669</u>	<u>\$ 466,065</u>	<u>\$ 171,608,734</u>	<u>\$ 15,045,058</u>	<u>\$ 8,512,398</u>	

Anne Arundel County, Maryland

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

Enterprise Funds Capital Projects

Year Ended June 30, 2008

	Water			Water and
	Total	Capital Projects		Total
		Normal Extensions		
APPROPRIATIONS				
Original Budget	\$ <u>600,654,374</u>	\$ <u>203,017,910</u>	\$ <u>1,955,875</u>	\$ <u>204,973,785</u>
Final Budget:				
Prior years	\$ 407,581,775	\$ 158,180,512	\$ 1,748,662	\$ 159,929,174
Current year	<u>177,295,249</u>	<u>43,160,293</u>	<u>199,997</u>	<u>43,360,290</u>
	584,877,024	201,340,805	1,948,659	203,289,464
Less: Completed projects	<u>26,019,037</u>	<u>5,297,651</u>	<u>328,749</u>	<u>5,626,400</u>
Total appropriations	<u>558,857,987</u>	<u>196,043,154</u>	<u>1,619,910</u>	<u>197,663,064</u>
EXPENDITURES AND ENCUMBRANCES				
Prior years expenditures	183,622,119	47,655,794	920,767	48,576,561
Current year expenditures	<u>41,818,283</u>	<u>13,925,209</u>	<u>187,259</u>	<u>14,112,468</u>
	225,440,402	61,581,003	1,108,026	62,689,029
Less: Completed projects	<u>25,351,274</u>	<u>5,260,684</u>	<u>315,154</u>	<u>5,575,838</u>
Total	200,089,128	56,320,319	792,872	57,113,191
Encumbrances outstanding	<u>53,851,848</u>	<u>26,483,527</u>	<u>168,719</u>	<u>26,652,246</u>
Total expenditures and encumbrances	<u>253,940,976</u>	<u>82,803,846</u>	<u>961,591</u>	<u>83,765,437</u>
Unencumbered appropriations - June 30, 2008	\$ <u>304,917,011</u>	\$ <u>113,239,308</u>	\$ <u>658,319</u>	\$ <u>113,897,627</u>

Wastewater				
Capital Projects	Wastewater		Oversize Connections	Solid Waste
	Normal Extension	Total		
\$ 335,494,495	\$ 1,693,138	\$ 337,187,633	\$ 58,492,956	\$ 30,661,327
\$ 201,128,115	\$ 1,619,281	\$ 202,747,396	\$ 44,905,205	\$ 17,793,340
122,601,984	(5)	122,601,979	11,332,980	6,022,979
323,730,099	1,619,276	325,349,375	56,238,185	23,816,319
7,541,710	205,644	7,747,354	12,645,283	69,062
316,188,389	1,413,632	317,602,021	43,592,902	23,747,257
107,341,977	695,834	108,037,811	27,007,747	13,168,439
18,433,199	446,372	18,879,571	8,826,244	1,522,325
125,775,176	1,142,206	126,917,382	35,833,991	14,690,764
6,944,581	182,981	7,127,562	12,647,874	69,062
118,830,595	959,225	119,789,820	23,186,117	14,621,702
22,103,232	70,132	22,173,364	5,026,238	886,481
140,933,827	1,029,357	141,963,184	28,212,355	15,508,183
\$ 175,254,562	\$ 384,275	\$ 175,638,837	\$ 15,380,547	\$ 8,239,074

Anne Arundel County, Maryland

Combining Statement of Net Assets

Internal Service Funds

June 30, 2008

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Replacement	Totals
ASSETS					
Current assets					
Cash and investments	\$ 53,645,168	\$ 20,925,996	\$ 3,072,161	\$ 8,407,526	\$ 86,050,851
Receivable	509,140	3,000,638	1,750	36,335	3,547,863
Inventories	-	-	644,650	-	644,650
Other assets	-	-	-	563,032	563,032
Total current assets	<u>54,154,308</u>	<u>23,926,634</u>	<u>3,718,561</u>	<u>9,006,893</u>	<u>90,806,396</u>
Noncurrent assets					
Capital assets					
Land and buildings	-	-	2,073,990	-	2,073,990
Machinery and equipment	-	-	540,215	56,419,511	56,959,726
	-	-	2,614,205	56,419,511	59,033,716
Less accumulated depreciation	-	-	(1,848,595)	(34,250,940)	(36,099,535)
Total capital assets, net of depreciation	-	-	765,610	22,168,571	22,934,181
Total noncurrent assets	-	-	765,610	22,168,571	22,934,181
Total assets	<u>54,154,308</u>	<u>23,926,634</u>	<u>4,484,171</u>	<u>31,175,464</u>	<u>113,740,577</u>
LIABILITIES					
Current liabilities					
Accrued liabilities	197,227	401,890	617,248	1,048,499	2,264,864
Current portion of long-term obligations	9,558,891	3,062,410	249,599	-	12,870,900
Deferred revenue	-	643,729	-	-	643,729
Total current liabilities	<u>9,756,118</u>	<u>4,108,029</u>	<u>866,847</u>	<u>1,048,499</u>	<u>15,779,493</u>
Noncurrent liabilities					
Unpaid claims	44,252,000	-	-	-	44,252,000
Accrued liability for compensated absences	27,481	-	-	-	27,481
Accrued liability for other post-employment benefits	142,856	-	653,925	-	796,781
Total noncurrent liabilities	<u>44,422,337</u>	<u>-</u>	<u>653,925</u>	<u>-</u>	<u>45,076,262</u>
Total liabilities	<u>54,178,455</u>	<u>4,108,029</u>	<u>1,520,772</u>	<u>1,048,499</u>	<u>60,855,755</u>
NET ASSETS					
Invested in capital assets, net of related debt	-	-	765,610	22,168,571	22,934,181
Unrestricted	(24,147)	19,818,605	2,197,789	7,958,394	29,950,641
Total net assets	<u>\$ (24,147)</u>	<u>\$ 19,818,605</u>	<u>\$ 2,963,399</u>	<u>\$ 30,126,965</u>	<u>\$ 52,884,822</u>

Anne Arundel County, Maryland

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

Internal Service Funds

Year Ended June 30, 2008

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Replacement	Totals
OPERATING REVENUES					
Charges for services	\$ 15,025,000	\$ -	\$ 14,596,204	\$ 7,326,553	\$ 36,947,757
Medical premiums	-	72,030,061	-	-	72,030,061
Contributions for other post employment benefits	-	5,000,000	-	-	5,000,000
Other	-	1,647,878	26,136	131,290	1,805,304
Total operating revenues	<u>15,025,000</u>	<u>78,677,939</u>	<u>14,622,340</u>	<u>7,457,843</u>	<u>115,783,122</u>
OPERATING EXPENSES					
Personal services	1,199,321	-	4,781,504	-	5,980,825
Contractual services	134,408	279,785	785,829	8,000	1,208,022
Supplies and materials	27,423	4,487	162,084	-	193,994
Business and travel	20,499	4,452	10,404	-	35,355
Cost of goods issued	-	-	8,254,874	-	8,254,874
Depreciation	-	-	43,953	5,486,279	5,530,232
Provision for claims and estimated losses	18,362,592	65,417,874	-	-	83,780,466
Other	272,700	300,000	495,400	343,600	1,411,700
Total operating expenses	<u>20,016,943</u>	<u>66,006,598</u>	<u>14,534,048</u>	<u>5,837,879</u>	<u>106,395,468</u>
Operating income (loss)	(4,991,943)	12,671,341	88,292	1,619,964	9,387,654
NONOPERATING REVENUES					
Investment income	3,082,162	557,970	-	-	3,640,132
Gain (loss) on disposal of assets	-	-	-	373,283	373,283
Change in net assets	(1,909,781)	13,229,311	88,292	1,993,247	13,401,069
Net assets, July 1	1,885,634	6,589,294	2,875,107	28,133,718	39,483,753
Net assets, June 30	<u>\$ (24,147)</u>	<u>\$ 19,818,605</u>	<u>\$ 2,963,399</u>	<u>\$ 30,126,965</u>	<u>\$ 52,884,822</u>

Anne Arundel County, Maryland

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2008

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 15,025,000	\$ 72,075,214	\$ 14,594,454	\$ 7,457,843	\$ 109,152,511
Contribution for other post employment benefits	-	5,000,000	-	-	5,000,000
Cash received for expense reimbursement	331,129	-	-	-	331,129
Cash payments to suppliers for goods and services	(89,849)	(305,058)	(9,694,475)	(8,000)	(10,097,382)
Cash payments for claims	(11,900,721)	(66,346,933)	-	-	(78,247,654)
Cash payments to employees for services	(1,036,842)	-	(4,077,035)	-	(5,113,877)
Other operating revenues	-	1,686,304	26,136	-	1,712,440
Other operating expenses	(272,700)	(300,000)	(495,400)	(343,600)	(1,411,700)
Net cash provided by operating activities	<u>2,056,017</u>	<u>11,809,527</u>	<u>353,680</u>	<u>7,106,243</u>	<u>21,325,467</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	-	-	(5,542,515)	(5,542,515)
Proceeds from sale of equipment	-	-	-	362,632	362,632
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,179,883)</u>	<u>(5,179,883)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(141,324,741)	-	-	-	(141,324,741)
Sale of investment securities	135,593,006	-	-	-	135,593,006
Investment income	3,206,921	510,593	-	-	3,717,514
Net cash provided by (used for) investing activities	<u>(2,524,814)</u>	<u>510,593</u>	<u>-</u>	<u>-</u>	<u>(2,014,221)</u>
Net increase (decrease) in cash and cash equivalents	(468,797)	12,320,120	353,680	1,926,360	14,131,363
Cash and cash equivalents, July 1	461,748	8,605,876	2,718,481	6,481,166	18,267,271
Cash and cash equivalents, June 30	(7,049)	20,925,996	3,072,161	8,407,526	32,398,634
Investment in non-cash equivalents	53,652,217	-	-	-	53,652,217
Total cash and temporary investments	<u>\$ 53,645,168</u>	<u>\$ 20,925,996</u>	<u>\$ 3,072,161</u>	<u>\$ 8,407,526</u>	<u>\$ 86,050,851</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (4,991,943)	\$ 12,671,341	\$ 88,292	\$ 1,619,964	\$ 9,387,654
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	-	-	43,953	5,486,279	5,530,232
Change in assets and liabilities					
Increase in accounts receivable	-	(145,559)	(1,750)	-	(147,309)
Increase in inventories	-	-	(48,714)	-	(48,714)
Increase (decrease) in accounts payable and accrued expenses	98,186	191,633	(432,571)	-	(142,752)
Increase in deferred revenue	-	143,561	-	-	143,561
Increase (decrease) in unpaid claims	6,793,000	(1,051,449)	-	-	5,741,551
Increase in accrued liability for compensated absences	13,918	-	50,545	-	64,463
Increase in accrued liability for OPEB benefits	142,856	-	653,925	-	796,781
Net cash provided by (used for) operating activities	<u>\$ 2,056,017</u>	<u>\$ 11,809,527</u>	<u>\$ 353,680</u>	<u>\$ 7,106,243</u>	<u>\$ 21,325,467</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

In fiscal year 2008, the net fair market value adjustment related to investments was a gain of \$221,491 in the Self Insurance Fund.

Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual (Non-GAAP Basis)

Internal Service Funds

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
SELF INSURANCE				
Revenues				
Charges for services	\$ 15,212,000	\$ 15,212,000	\$ 15,025,000	\$ (187,000)
Investment income	2,216,700	2,216,700	3,082,162	865,462
Reimbursements	200,000	200,000	331,129	131,129
Other	-	-	14,306	14,306
	<u>17,628,700</u>	<u>17,628,700</u>	<u>18,452,597</u>	<u>823,897</u>
Expenses				
Personal services	1,025,900	1,025,900	1,056,465	30,565
Contractual services	16,059,200	16,059,200	15,395,557	(663,643)
Supplies and materials	32,500	32,500	19,157	(13,343)
Business and travel	21,200	21,200	20,499	(701)
Capital outlay	10,000	10,000	7,848	(2,152)
Administrative costs	272,700	272,700	272,700	-
	<u>17,421,500</u>	<u>17,421,500</u>	<u>16,772,226</u>	<u>(649,274)</u>
Revenues over expenses	<u>\$ 207,200</u>	<u>\$ 207,200</u>	<u>\$ 1,680,371</u>	<u>\$ 1,473,171</u>
HEALTH INSURANCE				
Revenues				
Charges for services	\$ 77,315,100	\$ 77,315,100	\$ 72,030,061	\$ (5,285,039)
Contributions for other post employment benefits	-	-	5,000,000	5,000,000
Investment income	-	-	557,970	557,970
Other	-	-	1,647,878	1,647,878
	<u>77,315,100</u>	<u>77,315,100</u>	<u>79,235,909</u>	<u>1,920,809</u>
Expenses				
Medical claim costs	76,421,400	76,421,400	65,417,874	(11,003,526)
Contractual services	545,700	545,700	342,327	(203,373)
Supplies and materials	42,400	42,400	4,487	(37,913)
Business and travel	5,600	5,600	4,452	(1,148)
Other	300,000	300,000	300,000	-
	<u>77,315,100</u>	<u>77,315,100</u>	<u>66,069,140</u>	<u>(11,245,960)</u>
Revenues over expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,166,769</u>	<u>\$ 13,166,769</u>

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

Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual (Non-GAAP Basis)

Internal Service Funds

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
CENTRAL GARAGE AND TRANSPORTATION				
Revenues				
Charges for services	\$ 13,504,300	\$ 13,504,300	\$ 14,596,204	\$ 1,091,904
Other	23,200	23,200	26,136	2,936
	<u>13,527,500</u>	<u>13,527,500</u>	<u>14,622,340</u>	<u>1,094,840</u>
Expenses				
Personal services	4,368,300	4,368,300	4,127,579	(240,721)
Contractual services	672,700	672,700	802,456	129,756
Supplies and materials	7,872,200	8,272,200	8,457,510	185,310
Business and travel	16,300	16,300	10,404	(5,896)
Capital outlay	16,600	16,600	9,341	(7,259)
Other	495,400	495,400	495,400	-
	<u>13,441,500</u>	<u>13,841,500</u>	<u>13,902,690</u>	<u>61,190</u>
Revenues over (under) expenses	<u>\$ 86,000</u>	<u>\$ (314,000)</u>	<u>\$ 719,650</u>	<u>\$ 1,033,650</u>
GARAGE REPLACEMENT FUND				
Revenues				
Charges for services	\$ 7,294,800	\$ 7,294,800	\$ 7,326,553	\$ 31,753
Other	584,300	584,300	530,498	(53,802)
	<u>7,879,100</u>	<u>7,879,100</u>	<u>7,857,051</u>	<u>(22,049)</u>
Expenses				
Contractual services	5,000	5,000	8,000	3,000
Capital outlay	8,135,000	8,135,000	8,120,236	(14,764)
Other	393,600	393,600	343,600	(50,000)
	<u>8,533,600</u>	<u>8,533,600</u>	<u>8,471,836</u>	<u>(61,764)</u>
Revenues over (under) expenses	<u>\$ (654,500)</u>	<u>\$ (654,500)</u>	<u>\$ (614,785)</u>	<u>\$ 39,715</u>

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.

Medco AA Golf Course Escrow – This fund accounts for the balances in Medco's trust accounts received at the time of the purchase of Compass Pointe Golf Course. These funds will be used to pay any remaining costs related to 2005 and prior golf course operations.

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.

Defined Benefit Pension Plans (as of December 31, 2007)					
	Employees' Retirement	Police Service Retirement	Fire Service Retirement	Detention Officers' & Deputy Sheriffs' Retirement	Totals
ASSETS					
Investments, at fair value:					
Cash and temporary investments	\$ 20,121,357	\$ 17,212,396	\$ 16,416,324	\$ 2,971,963	\$ 56,722,040
U. S. Government obligations	7,951,995	6,802,369	6,378,358	1,174,525	22,307,247
Corporate obligations	67,569,595	57,801,004	54,198,108	9,980,159	189,548,866
Corporate obligation investment pools	26,341,755	22,533,506	21,128,931	3,890,728	73,894,920
International obligations	47,021,688	40,223,724	37,716,469	6,945,193	131,907,074
Common stocks	188,386,385	161,151,210	151,106,212	27,825,029	528,468,836
International stock investment pools	97,249,101	83,189,718	78,004,274	14,363,878	272,806,971
Real estate investment pools	26,937,664	23,043,264	21,606,913	3,978,744	75,566,585
Private markets	5,865,914	5,017,874	4,705,096	866,407	16,455,291
Insurance company general accounts	14,190,233	12,138,739	11,382,098	2,095,924	39,806,994
Absolute return funds	25,754,071	22,030,784	20,657,545	3,803,926	72,246,326
Portable Alpha	17,479,648	14,952,601	14,020,564	2,581,777	49,034,590
Total investments	<u>544,869,406</u>	<u>466,097,189</u>	<u>437,320,892</u>	<u>80,478,253</u>	<u>1,528,765,740</u>
Collateral from securities lending transactions	<u>55,073,965</u>	<u>47,111,876</u>	<u>44,175,263</u>	<u>8,134,530</u>	<u>154,495,634</u>
Receivables:					
Employer contributions	1,033,253	814,753	932,843	296,426	3,077,275
Participant contributions	341,397	139,263	152,838	70,427	703,925
Accrued interest and dividends	1,547,364	1,323,658	1,241,153	228,548	4,340,723
Investment sales proceeds	393,916	336,967	315,963	58,182	1,105,028
Total receivables	<u>3,315,930</u>	<u>2,614,641</u>	<u>2,642,797</u>	<u>653,583</u>	<u>9,226,951</u>
Cash	<u>13,204</u>	<u>138,134</u>	<u>57,638</u>	<u>-</u>	<u>208,976</u>
Total assets	<u>603,272,505</u>	<u>515,961,840</u>	<u>484,196,590</u>	<u>89,266,366</u>	<u>1,692,697,301</u>
LIABILITIES					
Accounts payable	539,526	461,526	432,758	79,689	1,513,499
Investment commitments payable	16,931,860	14,484,008	13,581,179	2,500,868	47,497,915
Obligation for collateral received under securities lending transactions	<u>55,073,965</u>	<u>47,111,876</u>	<u>44,175,263</u>	<u>8,134,530</u>	<u>154,495,634</u>
Total liabilities	<u>72,545,351</u>	<u>62,057,410</u>	<u>58,189,200</u>	<u>10,715,087</u>	<u>203,507,048</u>
Net assets held in trust for pension benefits	<u>\$ 530,727,154</u>	<u>\$ 453,904,430</u>	<u>\$ 426,007,390</u>	<u>\$ 78,551,279</u>	<u>\$ 1,489,190,253</u>

Combining Statement of Changes in Net Assets

Pension Trust Funds

For the Year Ended June 30, 2008

	<u>Defined Benefit Pension Trust (as of December 31, 2007)</u>				
	<u>Employees'</u>	<u>Police</u>	<u>Fire</u>	<u>Detention</u>	
	<u>Retirement</u>	<u>Service</u>	<u>Service</u>	<u>Officers' &</u>	
		<u>Retirement</u>	<u>Retirement</u>	<u>Deputy Sheriffs'</u>	
				<u>Retirement</u>	<u>Totals</u>
ADDITIONS					
Contributions:					
Employer	\$ 11,778,948	\$ 9,997,308	\$ 10,959,888	\$ 3,600,894	\$ 36,337,038
Participant	<u>4,412,061</u>	<u>2,005,960</u>	<u>1,889,083</u>	<u>881,978</u>	<u>9,189,082</u>
Total contributions	<u>16,191,009</u>	<u>12,003,268</u>	<u>12,848,971</u>	<u>4,482,872</u>	<u>45,526,120</u>
Investment income:					
Net appreciation in fair value of investments	34,735,989	29,831,882	28,041,074	5,028,155	97,637,100
Interest income	9,051,734	5,845,771	6,190,628	1,021,623	22,109,756
Dividend income	<u>10,628,491</u>	<u>9,126,285</u>	<u>8,545,125</u>	<u>1,549,767</u>	<u>29,849,668</u>
Total investment income	<u>54,416,214</u>	<u>44,803,938</u>	<u>42,776,827</u>	<u>7,599,545</u>	<u>149,596,524</u>
Less investment expense	<u>(2,299,395)</u>	<u>(1,996,437)</u>	<u>(1,819,144)</u>	<u>(329,365)</u>	<u>(6,444,341)</u>
Net income from investing activities	52,116,819	42,807,501	40,957,683	7,270,180	143,152,183
Securities lending activities:					
Securities lending income	2,851,665	2,443,645	2,291,199	418,291	8,004,800
Securities lending expenses:					
Borrower rebates	2,633,678	2,256,848	2,116,055	386,316	7,392,897
Management fees	<u>65,431</u>	<u>56,069</u>	<u>52,571</u>	<u>9,598</u>	<u>183,669</u>
Securities lending expense	<u>2,699,109</u>	<u>2,312,917</u>	<u>2,168,626</u>	<u>395,914</u>	<u>7,576,566</u>
Securities lending net income	<u>152,556</u>	<u>130,728</u>	<u>122,573</u>	<u>22,377</u>	<u>428,234</u>
Total net investment income	<u>52,269,375</u>	<u>42,938,229</u>	<u>41,080,256</u>	<u>7,292,557</u>	<u>143,580,417</u>
Total additions	<u>68,460,384</u>	<u>54,941,497</u>	<u>53,929,227</u>	<u>11,775,429</u>	<u>189,106,537</u>
DEDUCTIONS					
Participant benefit payments and refunds	22,800,104	21,008,831	19,299,469	2,644,842	65,753,246
Administrative expenses	<u>531,801</u>	<u>443,634</u>	<u>415,672</u>	<u>75,560</u>	<u>1,466,667</u>
Total deductions	<u>23,331,905</u>	<u>21,452,465</u>	<u>19,715,141</u>	<u>2,720,402</u>	<u>67,219,913</u>
Net increases	45,128,479	33,489,032	34,214,086	9,055,027	121,886,624
Net assets, beginning of year	<u>485,598,675</u>	<u>420,415,398</u>	<u>391,793,304</u>	<u>69,496,252</u>	<u>1,367,303,629</u>
Net assets, end of year	<u>\$ 530,727,154</u>	<u>\$ 453,904,430</u>	<u>\$ 426,007,390</u>	<u>\$ 78,551,279</u>	<u>\$ 1,489,190,253</u>

Anne Arundel County, Maryland

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

Year Ended June 30, 2008

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
SUBDIVISION DEPOSITS				
Assets				
Cash	\$ 1,660,493	\$ 317,902	\$ 370,200	\$ 1,608,195
Total Assets	<u>\$ 1,660,493</u>	<u>\$ 317,902</u>	<u>\$ 370,200</u>	<u>\$ 1,608,195</u>
Liabilities				
Escrow Deposits	\$ 1,660,493	\$ 317,902	\$ 370,200	\$ 1,608,195
Total Liabilities	<u>\$ 1,660,493</u>	<u>\$ 317,902</u>	<u>\$ 370,200</u>	<u>\$ 1,608,195</u>
SEDIMENT CONTROL				
Assets				
Cash	\$ 4,584,281	\$ 1,745,194	\$ 1,430,800	\$ 4,898,675
Total Assets	<u>\$ 4,584,281</u>	<u>\$ 1,745,194</u>	<u>\$ 1,430,800</u>	<u>\$ 4,898,675</u>
Liabilities				
Escrow and other deposits	\$ 4,584,281	\$ 1,745,194	\$ 1,430,800	\$ 4,898,675
Total Liabilities	<u>\$ 4,584,281</u>	<u>\$ 1,745,194</u>	<u>\$ 1,430,800</u>	<u>\$ 4,898,675</u>
RECREATION				
Assets				
Cash	\$ 505,615	\$ 100,583	\$ -	\$ 606,198
Total Assets	<u>\$ 505,615</u>	<u>\$ 100,583</u>	<u>\$ -</u>	<u>\$ 606,198</u>
Liabilities				
Deposits	\$ 505,615	\$ 100,583	\$ -	\$ 606,198
Total Liabilities	<u>\$ 505,615</u>	<u>\$ 100,583</u>	<u>\$ -</u>	<u>\$ 606,198</u>
CITY AND STATE TAX COLLECTION				
Assets				
Cash	\$ 2,120,661	\$ 5,049,228	\$ 4,760,026	\$ 2,409,863
Total Assets	<u>\$ 2,120,661</u>	<u>\$ 5,049,228</u>	<u>\$ 4,760,026</u>	<u>\$ 2,409,863</u>
Liabilities				
Escrow Deposits	\$ 2,120,661	\$ 5,049,228	\$ 4,760,026	\$ 2,409,863
Total Liabilities	<u>\$ 2,120,661</u>	<u>\$ 5,049,228</u>	<u>\$ 4,760,026</u>	<u>\$ 2,409,863</u>
TAX SALE ESCROW DEPOSITS				
Assets				
Cash	\$ 8,478,927	\$ 4,593,420	\$ 8,419,208	\$ 4,653,139
Total Assets	<u>\$ 8,478,927</u>	<u>\$ 4,593,420</u>	<u>\$ 8,419,208</u>	<u>\$ 4,653,139</u>
Liabilities				
Escrow Deposits	\$ 8,478,927	\$ 4,593,420	\$ 8,419,208	\$ 4,653,139
Total Liabilities	<u>\$ 8,478,927</u>	<u>\$ 4,593,420</u>	<u>\$ 8,419,208</u>	<u>\$ 4,653,139</u>

Anne Arundel County, Maryland

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

Year Ended June 30, 2008

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
FARMINGTON SPECIAL ASSESSMENT				
Assets				
Investments	\$ 805,053	\$ 485,612	\$ 489,767	\$ 800,898
Total Assets	<u>\$ 805,053</u>	<u>\$ 485,612</u>	<u>\$ 489,767</u>	<u>\$ 800,898</u>
Liabilities				
Escrow Deposits	\$ 805,053	\$ 485,612	\$ 489,767	\$ 800,898
Total Liabilities	<u>\$ 805,053</u>	<u>\$ 485,612</u>	<u>\$ 489,767</u>	<u>\$ 800,898</u>
DORCHESTER SPECIAL TAX DISTRICT				
Assets				
Investments	\$ 2,206,294	\$ 1,195,580	\$ 1,106,235	\$ 2,295,639
Total Assets	<u>\$ 2,206,294</u>	<u>\$ 1,195,580</u>	<u>\$ 1,106,235</u>	<u>\$ 2,295,639</u>
Liabilities				
Escrow Deposits	\$ 2,206,294	\$ 1,195,580	\$ 1,106,235	\$ 2,295,639
Total Liabilities	<u>\$ 2,206,294</u>	<u>\$ 1,195,580</u>	<u>\$ 1,106,235</u>	<u>\$ 2,295,639</u>
MISCELLANEOUS ESCROW DEPOSITS				
Assets				
Cash	\$ 185,176	\$ 59,538	\$ 108,854	\$ 135,860
Total Assets	<u>\$ 185,176</u>	<u>\$ 59,538</u>	<u>\$ 108,854</u>	<u>\$ 135,860</u>
Liabilities				
Escrow and other deposits	\$ 185,176	\$ 59,538	\$ 108,854	\$ 135,860
Total Liabilities	<u>\$ 185,176</u>	<u>\$ 59,538</u>	<u>\$ 108,854</u>	<u>\$ 135,860</u>
TOTALS - ALL FUNDS				
Assets				
Cash and investments	\$ 20,546,500	\$ 13,547,057	\$ 16,685,090	\$ 17,408,467
Total Assets	<u>\$ 20,546,500</u>	<u>\$ 13,547,057</u>	<u>\$ 16,685,090</u>	<u>\$ 17,408,467</u>
Liabilities				
Escrow and other deposits	\$ 20,546,500	\$ 13,547,057	\$ 16,685,090	\$ 17,408,467
Total Liabilities	<u>\$ 20,546,500</u>	<u>\$ 13,547,057</u>	<u>\$ 16,685,090</u>	<u>\$ 17,408,467</u>

Anne Arundel County, Maryland

Statement of Net Assets

Nonmajor Component Units

June 30, 2008

	Library	Economic Development	Tipton Airport	Workforce Development	Totals
Current Assets					
Cash and investments	\$ 41,496	\$ 1,343,966	\$ 341,526	\$ 485,754	\$ 2,212,742
Service billings receivable	-	-	60,905	-	60,905
Prepays and other assets	40,390	249,726	6,899	485,836	782,851
Inventories	-	-	37,841	-	37,841
Receivables	-	-	19,172	-	19,172
Due from primary government	1,256,353	100,612	-	-	1,356,965
Restricted assets					
Cash and temporary investments	-	1,457,527	-	-	1,457,527
Investments	-	388,715	-	-	388,715
Receivables	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-
Other assets	-	145,000	-	-	145,000
Total current assets	<u>1,338,239</u>	<u>3,685,546</u>	<u>466,343</u>	<u>971,590</u>	<u>6,461,718</u>
Noncurrent Assets					
Restricted assets					
Loans receivable	-	35,833	-	-	35,833
Total noncurrent restricted assets	<u>-</u>	<u>35,833</u>	<u>-</u>	<u>-</u>	<u>35,833</u>
Loans receivable and other assets	-	956,671	-	-	956,671
Capital assets being depreciated	15,921,038	931,015	8,607,665	361,989	25,821,707
Less accumulated depreciation	<u>(6,196,916)</u>	<u>(710,556)</u>	<u>(1,768,426)</u>	<u>(120,568)</u>	<u>(8,796,466)</u>
	<u>9,724,122</u>	<u>220,459</u>	<u>6,839,239</u>	<u>241,421</u>	<u>17,025,241</u>
Total capital assets	<u>9,724,122</u>	<u>220,459</u>	<u>6,839,239</u>	<u>241,421</u>	<u>17,025,241</u>
Total assets	<u>11,062,361</u>	<u>4,898,509</u>	<u>7,305,582</u>	<u>1,213,011</u>	<u>24,479,463</u>
Current Liabilities					
Accrued liabilities	396,142	135,826	184,594	139,683	856,245
Current portion on non-current liabilities	596,249	10,584	2,340	19,251	628,424
Notes payable	-	800,462	-	-	800,462
Deferred revenue	-	-	47,176	353,118	400,294
Liabilities related to restricted assets					
Accrued liabilities	-	64,429	-	-	64,429
Escrow and other deposits	-	19,153	-	-	19,153
Deferred revenue	-	220,000	-	-	220,000
Total current liabilities	<u>992,391</u>	<u>1,250,454</u>	<u>234,110</u>	<u>512,052</u>	<u>2,989,007</u>
Noncurrent liabilities					
Long-term debt, net of deferred refunding gain/loss	-	20,553	6,818	-	27,371
Accrued liability for OPEB benefits	<u>2,284,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,284,008</u>
Total noncurrent liabilities	<u>2,284,008</u>	<u>20,553</u>	<u>6,818</u>	<u>-</u>	<u>2,311,379</u>
Total liabilities	<u>3,276,399</u>	<u>1,271,007</u>	<u>240,928</u>	<u>512,052</u>	<u>5,300,386</u>
Capital assets, net of related debt	9,724,122	189,322	6,830,081	241,421	16,984,946
Restricted for:					
Other purposes	-	1,962,646	-	-	1,962,646
Unrestricted	<u>(1,938,160)</u>	<u>1,475,534</u>	<u>234,573</u>	<u>459,538</u>	<u>231,485</u>
Total net assets	<u>\$ 7,785,962</u>	<u>\$ 3,627,502</u>	<u>\$ 7,064,654</u>	<u>\$ 700,959</u>	<u>\$ 19,179,077</u>

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Anne Arundel County, Maryland

Statement of Activities

Nonmajor Component Units

Year Ended June 30, 2008

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<i>Library</i>				
Community services	\$ 22,638,824	\$ 830,600	\$ 3,071,150	\$ 2,874,746
<i>Economic Development</i>				
Arundel Business Loan Program	462,130	95,811	150,000	-
Training and other grants	435,035	-	850,000	-
Chesapeake Innovation Center	515,714	408,353	495,500	-
Administrative	1,672,503	-	-	-
Unallocated depreciation	74,618	-	-	-
	<u>3,160,000</u>	<u>504,164</u>	<u>1,495,500</u>	<u>-</u>
<i>Tipton Airport Authority</i>				
Airport Operations	<u>2,000,351</u>	<u>1,728,292</u>	<u>-</u>	<u>49,781</u>
<i>Workforce Development</i>				
Workforce development programs				
Adult Services	236,601	-	236,601	-
Dislocated worker services	277,380	-	277,380	-
Youth services	238,314	-	238,314	-
Other WIA Programs	51,967	-	51,967	-
Administration	55,293	-	55,293	-
Other grants, projects, initiatives	<u>1,480,917</u>	<u>-</u>	<u>1,426,470</u>	<u>-</u>
	<u>2,340,472</u>	<u>-</u>	<u>2,286,025</u>	<u>-</u>

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

<u>Library</u>	<u>Economic Development</u>	<u>Tipton Airport</u>	<u>Workforce Development</u>	<u>Total</u>
\$ <u>(15,862,328)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(15,862,328)</u>
-	(216,319)	-	-	(216,319)
-	414,965	-	-	414,965
-	388,139	-	-	388,139
-	(1,672,503)	-	-	(1,672,503)
-	<u>(74,618)</u>	-	-	<u>(74,618)</u>
-	<u>(1,160,336)</u>	-	-	<u>(1,160,336)</u>
-	-	<u>(222,278)</u>	-	<u>(222,278)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	<u>(54,447)</u>	<u>(54,447)</u>
-	-	-	<u>(54,447)</u>	<u>(54,447)</u>
13,948,600	716,936	-	11,272	14,676,808
-	953,425	-	-	953,425
-	117,698	3,845	15,617	137,160
<u>31,577</u>	<u>51,024</u>	-	-	<u>82,601</u>
<u>13,980,177</u>	<u>1,839,083</u>	<u>3,845</u>	<u>26,889</u>	<u>15,849,994</u>
(1,882,151)	678,747	(218,433)	(27,558)	(1,449,395)
<u>9,668,113</u>	<u>2,948,755</u>	<u>7,283,087</u>	<u>728,517</u>	<u>20,628,472</u>
\$ <u>7,785,962</u>	\$ <u>3,627,502</u>	\$ <u>7,064,654</u>	\$ <u>700,959</u>	\$ <u>19,179,077</u>

Anne Arundel County, Maryland

Balance Sheet

Library Component Unit

June 30, 2008

	Governmental Fund Types		
	Operating Fund	Dedicated Revenue Fund	Total
ASSETS			
Cash and investments	\$ 13,181	\$ 28,315	\$ 41,496
Due from primary government	1,235,111	21,242	1,256,353
Receivables	40,390	-	40,390
Total assets	<u>\$ 1,288,682</u>	<u>\$ 49,557</u>	<u>\$ 1,338,239</u>
LIABILITIES			
Accrued liabilities	\$ 387,567	\$ 8,575	\$ 396,142
Deferred revenue	14,211	-	14,211
Total liabilities	<u>401,778</u>	<u>8,575</u>	<u>410,353</u>
FUND BALANCES			
Reserved			
Encumbrances	429,851	-	429,851
Unreserved			
Undesignated	457,053	40,982	498,035
Total fund balances	<u>886,904</u>	<u>40,982</u>	<u>927,886</u>
Total liabilities and fund balances	<u>\$ 1,288,682</u>	<u>\$ 49,557</u>	<u>\$ 1,338,239</u>

Anne Arundel County, Maryland

Statement of Revenues, Expenditures, and Changes in Fund Balances

Library Component Unit

Year Ended June 30, 2008

	Governmental Fund Types		
	Operating Fund	Dedicated Revenue Fund	Total
REVENUES			
Grants and aid	\$ 16,913,247	\$ 92,292	\$ 17,005,539
Fines and fees	830,600	-	830,600
Other	5,558	26,019	31,577
Total revenues	<u>17,749,405</u>	<u>118,311</u>	<u>17,867,716</u>
EXPENDITURES			
Current			
Recreation and community services	17,187,507	128,595	17,316,102
Capital outlay	362,748	-	362,748
Total expenditures	<u>17,550,255</u>	<u>128,595</u>	<u>17,678,850</u>
Revenues over (under) expenditures	<u>199,150</u>	<u>(10,284)</u>	<u>188,866</u>
Fund balances, July 1	<u>687,754</u>	<u>51,266</u>	<u>739,020</u>
Fund balances, June 30	<u>\$ 886,904</u>	<u>\$ 40,982</u>	<u>\$ 927,886</u>

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, 2008

	Original Budget	Final Budget	Actual	Variance Over (under)
REVENUES				
Grants and aid	\$ 1,941,300	\$ 1,941,300	\$ 1,941,253	\$ (47)
Primary government contribution	13,948,600	13,948,600	13,948,600	-
Fines and fees	690,000	690,000	830,600	140,600
Other	70,000	70,000	66,839	(3,161)
Total revenues	<u>16,649,900</u>	<u>16,649,900</u>	<u>16,787,292</u>	<u>137,392</u>
EXPENDITURES				
Current				
Recreation and community services	16,322,400	16,152,400	16,023,923	(128,477)
Capital outlay	327,500	652,500	659,024	6,524
Total expenditures	<u>16,649,900</u>	<u>16,804,900</u>	<u>16,682,947</u>	<u>(121,953)</u>
Revenues over (under) expenditures	-	(155,000)	104,345	\$ <u>259,345</u>
Fund balances, budgetary, July 1	366,919	366,919	366,919	
Fund balances, budgetary, June 30	<u>\$ 366,919</u>	<u>\$ 211,919</u>	<u>\$ 471,264</u>	

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ANNE ARUNDEL COUNTY

DETAILS OF GENERAL LONG-TERM DEBT AND INTEREST

LONG-TERM DEBT APPLICABLE TO 5.6% AND 14% DEBT LIMITATIONS

June 30, 2008

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 08</i>	<i>06/30/08 Outstanding</i>	<i>Interest Payable to Maturity</i>	<i>Total Due to Maturity</i>
Water and Wastewater Bonds								
Series 78	01/15/78	1979-08	4.00 to 6.00%	\$ 12,000,000	\$ 100,000	\$ -	\$ -	\$ -
Series 79	02/01/79	1980-09	4.50 to 6.50	10,000,000	200,000	200,000	9,000	209,000
Series 80	02/15/80	1983-10	5.50 to 7.50	12,000,000	350,000	700,000	57,750	757,750
Series 87 (Refunding)	02/15/87	1988-14	3.50 to 5.75	21,880,000	295,000	1,585,000	308,919	1,893,919
Maryland Water Quality Bond	03/21/90	1991-11	4.89 to 4.89	1,249,900	62,495	133,900	10,485	144,385
Maryland Water Quality Bond	11/27/90	1991-11	4.89 to 4.89	8,778,874	683,099	1,695,921	153,214	1,849,135
Series 1991	05/15/91	1993-09	5.20 to 6.60	3,950,000	345,000	365,000	24,090	389,090
Series 1992 Refunding	05/01/92	1994-13	4.40 to 6.00	8,795,000	155,000	205,000	34,500	239,500
Maryland Water Quality Bond	06/30/92	1993-13	4.39 to 4.39	4,971,195	296,786	1,578,391	204,564	1,782,955
Maryland Water Quality Bond	06/01/93	1995-14	3.25 to 3.25	11,868,564	595,855	4,004,560	231,236	4,235,796
Maryland Water Quality Bond	03/28/96	1997-16	3.99 to 3.99	468,937	23,447	187,574	33,679	221,253
Series 98	05/01/98	1999-27	4.50 to 6.00	17,000,000	585,000	-	-	-
Series 99 Refunding	03/15/99	2000-20	4.00 to 5.25	27,700,000	1,560,000	24,175,000	8,304,433	32,479,433
Series 99 Refunding (2nd Issue)	04/15/99	2000-09	4.00 to 5.00	14,515,000	1,665,000	1,735,000	74,605	1,809,605
Series 99	07/07/99	2000-28	4.50 to 6.50	25,000,000	865,000	865,000	43,250	908,250
Series 01	02/15/01	2002-28	4.125 to 5.0	10,600,000	395,000	1,185,000	106,650	1,291,650
Maryland Water Quality Bond	03/28/01	2003-31	1.50 to 1.50	3,033,715	90,786	2,508,736	476,175	2,984,911
Series 02	03/01/02	2003-31	3.00 to 5.375	23,500,000	810,000	3,240,000	415,125	3,655,125
Series 03	03/01/03	2004-32	1.00 to 5.00	24,000,000	825,000	19,875,000	11,257,488	31,132,488
Series 03 Refunding	03/01/03	2004-23	1.00 to 5.00	65,085,000	4,745,000	47,915,000	13,378,693	61,293,693
Maryland Water Quality Bond	06/27/03	2005-24	1.00 to 1.00	19,362,500	905,999	15,791,970	1,393,677	17,185,647
Series 04	04/01/04	2005-33	2.00 to 5.00	11,750,000	405,000	10,125,000	5,887,080	16,012,080
Series 05	03/01/05	2006-34	3.00 to 5.00	24,500,000	845,000	21,965,000	13,138,289	35,103,289
Series 05 Refunding	03/01/05	2006-28	3.00 to 5.00	26,480,000	480,000	24,765,000	11,505,819	36,270,819
Series 06	03/21/06	2007-35	4.125 to 5.0	19,000,000	660,000	17,685,000	10,870,218	28,555,218
Series 06 Refunding	03/21/06	2007-31	4.00 to 5.00	34,060,000	70,000	33,800,000	18,106,895	51,906,895
Series 07	03/29/07	2008-36	4.25 to 5.00	42,500,000	1,470,000	41,030,000	26,198,725	67,228,725
Maryland Water Quality Bond	04/07/07	2008-27	1.00 to 1.00	2,435,709	334,901	2,100,808	361,518	2,462,326
Series 08	04/01/08	2009-36	3.50 to 5.00	32,000,000	-	32,000,000	21,311,702	53,311,702
Maryland Water Quality Bond	06/17/08	2009-28	1.10 to 1.10	55,847	-	55,847	614	56,461
Total applicable to 5.6% and 14% debt limitations				<u>518,540,241</u>	<u>19,818,368</u>	<u>311,472,707</u>	<u>143,898,393</u>	<u>455,371,100</u>

(continued)

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

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

June 30, 2008

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 08</i>	<i>06/30/08 Outstanding</i>	<i>Interest Payable to Maturity</i>	<i>Total Due to Maturity</i>
Consolidated General Improvements	08/01/95	1996-11	4.00 to 5.38%	\$ 66,745,000	\$ 5,612,500	\$ 7,746,500	\$ 676,433	\$ 8,422,933
Bonds	05/01/98	1999-27	4.50 to 6.00	67,000,000	3,460,000	-	-	-
	03/15/99	2000-20	4.00 to 5.25	50,060,000	4,550,000	37,845,000	9,090,640	46,935,640
	07/07/99	2000-19	4.50 to 6.50	58,000,000	3,480,000	3,480,000	174,000	3,654,000
	02/15/01	2002-20	4.125 to 5.0	47,000,000	3,000,000	8,000,000	682,500	8,682,500
	03/01/02	2003-22	3.00 to 5.375	91,500,000	5,490,000	21,960,000	2,813,625	24,773,625
	03/01/03	2004-23	1.00 to 5.00	101,000,000	6,060,000	70,700,000	23,184,550	93,884,550
	03/01/03	2005-14	1.00 to 5.00	21,510,000	2,720,000	16,115,000	2,810,500	18,925,500
	04/01/04	2005-24	2.00 to 5.00	49,500,000	2,970,000	37,620,000	12,980,880	50,600,880
	03/01/05	2006-25	3.00 to 5.00	55,000,000	3,313,441	45,059,682	16,577,426	61,637,108
	03/01/05	2006-26	3.00 to 5.00	46,625,000	1,830,000	41,800,000	12,538,811	54,338,811
	06/30/05	2007-28	3.00 to 5.00	24,530,000	445,000	24,075,000	12,960,763	37,035,763
	03/21/06	2007-26	4.00 to 5.00	64,000,000	3,236,199	57,527,603	24,339,125	81,866,728
	03/21/06	2007-27	4.00 to 5.00	87,115,000	135,000	86,550,000	33,755,669	120,305,669
	03/29/07	2008-27	4.25 to 5.00	91,600,000	5,574,529	86,025,471	35,876,412	121,901,883
	04/01/08	2009-28	3.50 to 5.00	55,200,000	-	55,200,000	23,955,250	79,155,250
				<u>976,385,000</u>	<u>51,876,669</u>	<u>599,704,256</u>	<u>212,416,584</u>	<u>812,120,840</u>
Solid Waste Bonds	07/15/93	1994-08	4.63 to 5.13	10,000,000	670,000	670,000	17,169	687,169
	02/01/94	1995-08	4.40 to 4.80	16,000,000	1,140,000	-	-	-
	08/01/95	1996-10	4.00 to 5.30	2,060,000	97,500	603,500	44,441	647,941
	03/01/96	1997-16	5.00 to 5.50	12,000,000	600,000	5,400,000	1,310,100	6,710,100
	05/01/98	1999-17	4.65 to 6.00	7,000,000	350,000	3,500,000	991,200	4,491,200
	04/01/04	2005-24	2.00 to 5.00	1,250,000	75,000	950,000	327,801	1,277,801
	03/01/05	2006-24	3.00 to 5.00	1,000,000	46,560	860,318	326,174	1,186,492
	03/21/06	2007-26	4.00 to 5.00	2,000,000	63,801	1,872,398	865,451	2,737,849
	03/29/07	2008-27	4.25 to 5.00	4,300,000	180,471	4,119,529	1,882,179	6,001,708
Total Waste Collection Enterprise Fund				<u>55,610,000</u>	<u>3,223,332</u>	<u>17,975,745</u>	<u>5,764,515</u>	<u>23,740,260</u>
Total applicable to 5.2% and 13% debt limitations				<u>1,031,995,000</u>	<u>55,100,001</u>	<u>617,680,001</u>	<u>218,181,099</u>	<u>835,861,100</u>

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

NOT APPLICABLE TO DEBT LIMITATIONS

June 30, 2008

	<u>Issued</u>	<u>Maturing Serially</u>	<u>Rate of Interest</u>	<u>Issued</u>	<u>Redeemed F/Y 08</u>	<u>06/30/08 Outstanding</u>	<u>Interest Payable to Maturity</u>	<u>Total Due to Maturity</u>
Installment Purchase Agreements - Agricultural Easement Program								
Adelaide F. Colhoun Trust	09/19/00	2002-30	5.85 to 5.85%	\$ 401,000	\$ 1,000	\$ 394,000	\$ 493,565	\$ 887,565
Ellen H. Shepard Trust	09/22/00	2002-30	5.85 to 5.85	161,000	1,000	154,000	184,687	338,687
Harold & Jean Touchette	09/19/00	2002-30	5.85 to 5.85	378,000	1,000	371,000	463,964	834,964
Farm of the Four Winds, LLC	11/13/00	2002-30	6.00 to 6.00	587,000	1,000	580,000	751,740	1,331,740
Kenneth P. Franklin, Trustee	12/28/00	2002-30	5.60 to 5.60	142,055	1,000	135,000	153,384	288,384
Richard F. Moreland	07/18/01	2003-28	5.90 to 5.90	274,000	1,000	268,000	305,030	573,030
Mary M. Smith	07/18/01	2003-28	5.90 to 5.90	831,000	1,000	825,000	962,290	1,787,290
Francis R. Windsor	07/26/01	2003-28	5.90 to 5.90	411,174	1,000	405,000	466,690	871,690
Anita Froe/Rian LLC	03/06/02	2003-28	5.90 to 5.90	657,000	1,000	651,000	756,969	1,407,969
Lauer & Company	09/20/02	2004-28	5.25 to 5.25	197,000	1,000	192,000	191,626	383,626
Weeems Dodd Ltd	10/17/02	2004-28	5.45 to 5.45	1,521,000	1,000	1,516,000	1,642,085	3,158,085
Edward Hall II	12/19/02	2004-28	5.55 to 5.55	180,000	1,000	175,000	183,705	358,705
Bristol Farms LLC	01/28/03	2004-28	5.50 to 5.50	700,000	1,000	695,000	747,195	1,442,195
Shearman Talbott	05/22/03	2005-28	4.95 to 4.95	263,948	1,000	260,000	247,997	507,997
Anne Brice	06/23/04	2006-28	5.80 to 5.80	316,000	1,000	313,000	352,060	665,060
Thackray Seznec	06/30/04	2006-28	5.80 to 5.80	1,405,000	1,000	1,402,000	1,615,300	3,017,300
James Parks	07/07/04	2006-28	5.60 to 5.60	295,000	1,000	292,000	316,400	608,400
Dorothy Horky	12/05/05	2006-28	4.90 to 4.90	368,814	1,000	367,000	350,350	717,350
Virginia Tucker	10/05/06	2007-28	4.90 to 4.90	926,000	1,000	925,000	897,190	1,822,190
Jennifer Wade	07/26/07	2008-28	5.30 to 5.30	873,925	-	873,925	916,362	1,790,287
Ford/Addis	12/20/07	2008-37	4.60 to 4.60	604,000	-	604,000	805,734	1,409,734
				<u>11,492,916</u>	<u>19,000</u>	<u>11,397,925</u>	<u>12,804,323</u>	<u>24,202,248</u>
Tax Increment Bonds								
Parole Town Center	07/12/02	2003-12	5.00 to 5.00	8,300,000	800,000	4,655,000	604,874	5,259,874
Arundel Mills Refunding	05/11/04	2010-29	3.00 to 5.125	30,350,000	-	30,350,000	21,660,880	52,010,880
National Business Park Ref	05/11/04	2009-28	3.00 to 5.125	15,655,000	-	15,655,000	10,249,051	25,904,051
West Nursery Road	05/11/04	2006-29	2.00 to 4.70	2,570,000	75,000	2,425,000	1,345,926	3,770,926
				<u>56,875,000</u>	<u>875,000</u>	<u>53,085,000</u>	<u>33,860,731</u>	<u>86,945,731</u>
Federal Loans								
Section 108	09/14/06	2007-11	4.96 to 5.77	1,640,000	-	1,640,000	163,959	1,803,959
State Loans								
Department of Natural Resources								
Annapolis Cove	09/16/88	1989-13	0.00	121,220	4,848	29,093	-	29,093
Annapolis Landing	07/21/92	1993-17	0.00	78,570	3,143	31,429	-	31,429
Annapolis Landing	05/03/95	1995-09	0.00	68,075	4,538	13,618	-	13,618
Arundel on the Bay 44-76	08/25/81	1983-07	0.00	200,000	8,000	-	-	-
Arundel on the Bay 44-76B	07/20/83	1984-08	0.00	247,833	9,913	9,916	-	9,916
Arundel on the Bay	04/28/92	1993-17	0.00	74,220	2,968	29,689	-	29,689
Bay Ridge	11/19/90	1992-16	0.00	669,275	26,771	240,938	-	240,938
Brown's Pond	11/25/91	1992-16	0.00	185,128	7,765	66,645	-	66,645
Buckingham Cove	04/07/97	1997-21	0.00	217,570	8,703	121,837	-	121,837
Camp Wabanna SECD	04/26/05	2011-31	0.00	15,503	-	15,503	-	15,503
Cape Anne SECD	11/30/06	2009-34	0.00	190,308	-	190,308	-	190,308
Cattail Creek	04/03/98	1998-22	0.00	127,628	5,105	76,578	-	76,578
Columbia Beach SECD	06/12/08	2011-35	0.00	6,516	-	6,516	-	6,516
Elizabeth's Landing	09/26/91	1993-17	0.00	161,310	6,452	64,528	-	64,528
Elizabeth's Landing	05/15/95	1996-10	0.00	153,764	10,251	30,752	-	30,752
John's Creek	12/15/93	1994-19	0.00	173,206	6,920	76,120	-	76,120
Holland Point SECD	10/11/04	2011-31	0.00	178,059	-	178,059	-	178,059
Lake Hillsmere	04/08/82	1983-08	0.00	85,950	3,438	-	-	-
Lake Hillsmere I	04/03/98	1998-22	0.00	188,660	7,546	113,190	-	113,190
Lake Placid	12/04/81	1983-07	0.00	188,355	7,536	-	-	-
Pine Grove Village	05/03/95	1996-10	0.00	37,689	2,513	7,532	-	7,532
Mason's Beach	06/03/96	1997-06	0.00	277,098	13,855	124,693	-	124,693
Romar Estates	03/27/97	1997-21	0.00	304,987	12,199	170,790	-	170,790
Snug Harbor	05/13/83	1984-09	0.00	230,294	9,211	9,210	-	9,210
Snug Harbor	11/21/91	1992-16	0.00	738,599	29,544	265,896	-	265,896
Snug Harbor Pier	04/13/92	1992-16	0.00	91,443	3,656	32,904	-	32,904
Snug Harbor SECD	10/11/04	2011-31	0.00	10,425	-	10,425	-	10,425
Spriggs Pond	02/28/92	1993-17	0.00	298,400	11,936	107,422	-	107,422
Whitehall Cove	12/19/01	2001-25	0.00	164,134	6,565	118,179	-	118,179
Total not applicable to debt limitations				<u>7,124,219</u>	<u>213,377</u>	<u>3,781,770</u>	<u>163,959</u>	<u>3,945,729</u>
Total long-term debt				<u>\$ 1,626,027,376</u>	<u>\$ 76,025,746</u>	<u>\$ 997,417,403</u>	<u>\$ 408,908,505</u>	<u>\$ 1,406,325,908</u>

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ANNE ARUNDEL COUNTY

SCHEDULE OF DEBT SERVICE REQUIREMENTS FOR LONG-TERM DEBT AND INTEREST

As of June 30, 2008

FISCAL YEAR ENDING	General County Bonds (a)							
	General Government		Solid Waste		Tax Increment		Installment Purchase Agreements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 52,735,667	\$ 27,767,694	\$ 2,354,333	\$ 865,900	\$ 915,000	\$ 2,570,166	\$ 19,925	\$ 629,306
2010	50,125,794	25,395,695	1,559,206	764,097	1,150,000	2,522,457	20,000	628,194
2011	47,792,881	22,948,885	1,347,119	685,169	1,690,000	2,461,848	20,000	627,077
2012	46,486,279	20,707,056	1,418,721	616,831	2,175,000	2,381,943	20,000	625,960
2013	44,681,279	18,538,192	1,418,721	544,437	2,340,000	2,284,268	20,000	624,842
2014	41,051,279	16,379,103	1,418,721	470,701	1,430,000	2,199,210	20,000	623,725
2015	37,362,238	14,405,640	1,412,762	396,490	1,580,000	2,131,383	20,000	622,609
2016	36,227,049	12,611,615	1,422,951	322,101	1,720,000	2,057,808	20,000	621,492
2017	34,483,596	10,868,825	1,801,404	246,904	1,875,000	1,977,473	20,000	620,375
2018	31,140,398	9,209,520	424,602	168,734	2,035,000	1,889,985	20,000	619,257
2019	28,255,396	7,765,009	424,604	148,520	2,205,000	1,788,469	20,000	618,140
2020	25,960,396	6,571,238	424,604	129,434	2,395,000	1,671,605	20,000	617,023
2021	23,990,396	5,467,457	424,604	111,516	2,600,000	1,544,548	20,000	615,907
2022	24,030,393	4,386,337	424,607	92,601	2,820,000	1,406,531	20,000	614,789
2023	20,485,396	3,352,209	424,604	74,767	3,055,000	1,256,776	20,000	613,673
2024	16,470,396	2,444,629	424,604	56,171	3,290,000	1,094,888	20,000	612,555
2025	14,572,076	1,731,768	322,924	37,575	3,550,000	920,218	20,000	611,438
2026	11,582,070	1,105,405	322,930	23,400	3,825,000	731,859	20,000	610,322
2027	8,236,276	574,526	203,724	9,167	4,110,000	529,237	20,000	609,205
2028	4,035,001	185,781	-	-	4,410,000	311,650	8,880,000	608,087
2029	-	-	-	-	3,335,000	113,959	5,000	118,075
2030	-	-	-	-	580,000	14,450	1,529,000	117,784
2031	-	-	-	-	-	-	-	27,784
2032	-	-	-	-	-	-	-	27,784
2033	-	-	-	-	-	-	-	27,784
2034	-	-	-	-	-	-	-	27,784
2035	-	-	-	-	-	-	-	27,784
2036	-	-	-	-	-	-	-	27,784
2037	-	-	-	-	-	-	604,000	27,784
2038	-	-	-	-	-	-	-	-
	<u>\$ 599,704,256</u>	<u>\$ 212,416,584</u>	<u>\$ 17,975,745</u>	<u>\$ 5,764,515</u>	<u>\$ 53,085,000</u>	<u>\$ 33,860,731</u>	<u>\$ 11,397,925</u>	<u>\$ 12,804,323</u>

- 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) The Highway Construction advance from the State of Maryland does not impose a requirement on the County to levy taxes. This advance is retired by revenues collected by the State which would otherwise be remitted to the County.
 - (c) 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 assessable 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 the Annotated Code of Maryland (1994 Replacement Volume and 2000 Supplement.)

<i>State Advances (b)</i>		<i>Federal Advances</i>		<i>Water and Sewer Bonds (c)</i>		<i>Total</i>		<i>Debt Service</i>
<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Charge</i>
\$ 201,657	\$ -	\$ 410,000	\$ 71,648	\$ 20,891,021	\$ 13,431,075	\$ 77,527,603	\$ 45,335,789	\$ 122,863,392
182,532	-	410,000	51,209	18,404,245	12,546,520	71,851,777	41,908,172	113,759,949
192,993	-	410,000	30,812	17,644,259	11,719,596	69,097,252	38,473,387	107,570,639
175,692	-	410,000	10,291	17,544,982	10,961,281	68,230,674	35,303,362	103,534,036
175,692	-	-	-	17,413,047	10,205,815	66,048,739	32,197,554	98,246,293
175,691	-	-	-	17,077,893	9,424,989	61,173,584	29,097,728	90,271,312
170,843	-	-	-	15,881,893	8,630,784	56,427,736	26,186,906	82,614,642
170,843	-	-	-	15,517,479	7,912,468	55,078,322	23,525,484	78,603,806
170,838	-	-	-	14,885,384	7,187,875	53,236,222	20,901,452	74,137,674
77,676	-	-	-	13,881,858	6,544,484	47,579,534	18,431,980	66,011,514
65,112	-	-	-	12,768,455	5,963,620	43,738,567	16,283,758	60,022,325
58,192	-	-	-	12,170,174	5,458,309	41,028,366	14,447,609	55,475,975
58,192	-	-	-	12,037,020	4,980,296	39,130,212	12,719,724	51,849,936
58,192	-	-	-	12,013,991	4,486,511	39,367,183	10,986,769	50,353,952
37,289	-	-	-	11,296,091	4,020,294	35,318,380	9,317,719	44,636,099
24,638	-	-	-	10,348,320	3,558,760	30,577,958	7,767,003	38,344,961
24,637	-	-	-	9,232,702	3,147,271	27,722,339	6,448,270	34,170,609
24,637	-	-	-	8,494,463	2,755,880	24,269,100	5,226,866	29,495,966
18,072	-	-	-	8,056,253	2,377,562	20,644,325	4,099,697	24,744,022
18,072	-	-	-	7,493,065	2,018,980	24,836,138	3,124,498	27,960,636
18,072	-	-	-	6,191,280	1,690,183	9,549,352	1,922,217	11,471,569
18,072	-	-	-	6,260,971	1,418,615	8,388,043	1,550,849	9,938,892
7,872	-	-	-	6,257,861	1,145,809	6,265,733	1,173,593	7,439,326
7,872	-	-	-	5,345,000	873,190	5,352,872	900,974	6,253,846
7,872	-	-	-	4,515,000	635,752	4,522,872	663,536	5,186,408
260	-	-	-	4,105,000	436,703	4,105,260	464,487	4,569,747
260	-	-	-	3,265,000	255,241	3,265,260	283,025	3,548,285
-	-	-	-	2,480,000	110,530	2,480,000	138,313	2,618,313
-	-	-	-	-	-	604,000	27,784	631,784
-	-	-	-	-	-	-	-	-
<u>\$ 2,141,770</u>	<u>\$ -</u>	<u>\$ 1,640,000</u>	<u>\$ 163,959</u>	<u>311,472,707</u>	<u>\$ 143,898,393</u>	<u>\$ 997,417,403</u>	<u>\$ 408,908,505</u>	<u>\$ 1,406,325,908</u>

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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 Seven Fiscal Years

(accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008
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
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
Debt service	8,593,020	17,363,188	13,346,926	13,155,834	9,540,764	13,333,162	9,230,823
Capital improvements	98,332,602	53,502,139	59,022,217	51,130,409	107,716,853	104,693,767	104,851,313
Reforestation	2,465,565	2,697,247	4,313,745	5,524,706	6,559,025	7,880,990	8,521,089
Other purposes	3,669,395	3,790,598	3,189,519	5,151,600	6,774,586	6,265,652	8,286,624
Unrestricted	(80,851,877)	(108,427,530)	(99,052,792)	(69,377,525)	(106,855,776)	(100,471,355)	(189,559,379)
Subtotal governmental activities net assets	<u>561,416,519</u>	<u>506,136,126</u>	<u>513,947,183</u>	<u>538,068,075</u>	<u>624,995,569</u>	<u>668,215,496</u>	<u>585,511,780</u>
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
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
Capital improvements	18,426,666	32,882,179	27,995,401	24,161,749	19,049,853	19,401,006	19,220,764
Other purposes	843,502	-	794,814	979,956	-	391,326	1,616,364
Unrestricted	14,304,196	16,782,679	3,335,282	5,692,310	9,133,869	16,368,158	13,780,022
Subtotal business-type activities net assets	<u>868,440,684</u>	<u>892,487,379</u>	<u>898,702,828</u>	<u>909,431,536</u>	<u>948,767,857</u>	<u>981,586,937</u>	<u>1,011,103,961</u>
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
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
Debt service	174,303,225	179,453,632	169,350,276	161,050,091	166,395,089	178,051,572	189,404,642
Capital improvements	116,759,268	86,384,318	87,017,618	75,292,158	126,766,706	124,094,773	124,072,077
Reforestation	2,465,565	2,697,247	4,313,745	5,524,706	6,559,025	7,880,990	8,521,089
Other purposes	4,512,897	3,790,598	3,984,333	6,131,556	6,774,586	6,656,978	9,902,988
Unrestricted	(66,547,681)	(91,644,851)	(95,717,510)	(63,685,215)	(97,721,907)	(84,103,197)	(175,779,357)
Total primary governmental net assets	<u>\$ 1,429,857,203</u>	<u>\$ 1,398,623,505</u>	<u>\$ 1,412,650,011</u>	<u>\$ 1,447,499,611</u>	<u>\$ 1,573,763,426</u>	<u>\$ 1,649,802,433</u>	<u>\$ 1,596,615,741</u>

Note: Accounting standards require that 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.

Information for years prior to fiscal year 2002 is not presented due to the unavailability of source financial statements.

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

	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental activities:							
Education	\$ 451,384	\$ 444,903	\$ 460,911	\$ 506,795	\$ 545,274	\$ 604,273	\$ 648,187
Public Safety	162,155	184,600	174,599	185,399	208,106	211,406	261,315
General government	69,487	99,789	89,832	90,538	87,480	99,787	108,536
Health and human services	64,606	68,448	68,205	69,009	72,130	77,363	76,399
Public works	51,215	72,830	53,981	57,416	62,300	61,129	75,748
Recreation and community services	32,265	44,485	40,949	50,097	53,132	56,820	60,227
Judicial	21,721	19,838	18,962	19,673	20,648	21,450	25,577
Code enforcement	10,108	10,512	9,996	10,700	11,176	11,455	13,543
Land use and development	8,422	9,458	10,262	9,686	10,457	9,344	10,687
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
Subtotal governmental activities expenses	895,580	983,889	959,013	1,029,079	1,104,294	1,189,241	1,315,409
Business-type activities:							
Water and wastewater	82,591	85,254	85,920	94,416	94,109	100,136	113,666
Waste collection	33,857	36,066	42,946	38,996	47,638	40,773	44,043
Child care	1,476	1,819	2,015	2,362	2,543	2,794	3,324
Subtotal business-type activities expenses	117,924	123,139	130,881	135,774	144,290	143,703	161,033
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
Program Revenues							
Governmental activities:							
Charges for services:							
Public Safety	\$ 7,239	\$ 5,377	\$ 8,939	\$ 11,936	\$ 10,439	\$ 10,770	\$ 10,718
General government	17,014	24,338	23,232	27,057	34,595	35,660	38,368
Health and human services	2,941	3,112	3,464	3,134	4,010	4,186	3,843
Public works	2,790	3,916	1,723	1,905	2,770	3,009	2,752
Recreation and community services	7,742	7,785	8,042	9,265	12,223	15,065	16,324
Judicial	2,357	2,461	2,542	2,589	2,672	2,733	2,916
Code enforcement	8,233	7,889	13,282	13,610	14,287	14,849	13,694
Land use and development	1,242	968	2,657	2,756	2,568	3,248	2,562
Economic development	136	22	27	-	-	-	-
Operating Grants and Contributions	51,564	76,083	68,019	75,548	86,392	89,644	89,169
Capital Grants and Contributions	65,244	51,392	38,717	38,942	41,829	41,767	41,288
Subtotal governmental activities revenues	166,502	183,343	170,644	186,742	211,785	220,931	221,634
Business-type activities:							
Charges for services:							
Water and wastewater	56,412	58,291	59,600	61,805	68,464	69,689	72,449
Waste collection	34,144	35,284	35,449	36,153	42,291	43,014	43,708
Child care	1,675	1,922	2,084	2,428	2,689	2,881	3,089
Capital Grants and Contributions	24,532	37,769	28,947	38,539	43,991	43,078	51,850
Subtotal business-type activities revenues	116,763	133,266	126,080	138,925	157,435	158,662	171,096
Total primary government program revenues	283,265	316,609	296,724	325,667	369,220	379,593	392,730
Net (Expense)/Revenue							
Governmental activities	(729,078)	(800,546)	(788,369)	(842,337)	(892,509)	(968,310)	(1,093,775)
Business-type activities	(1,161)	10,127	(4,801)	3,151	13,145	14,959	10,063
Total primary government net (expense)/revenue	(730,239)	(790,419)	(793,170)	(839,186)	(879,364)	(953,351)	(1,083,712)

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

	2002	2003	2004	2005	2006	2007	2008
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
Local government taxes	267,678	265,327	289,676	308,215	339,522	378,250	372,100
State shared taxes	29,693	5,891	6,919	6,614	7,120	7,192	7,739
Recordation and transfer taxes	67,797	74,120	99,053	116,713	129,933	109,258	82,776
Local sales taxes	29,225	29,618	30,830	31,249	34,176	36,546	37,380
Investment income	2,382	1,891	1,633	4,437	10,595	13,263	13,590
Other revenue	299	2,762	6,671	336	45	1,969	-
Subtotal governmental activities	<u>757,186</u>	<u>751,143</u>	<u>828,666</u>	<u>879,565</u>	<u>958,714</u>	<u>1,016,641</u>	<u>1,011,071</u>
Business-type activities:							
Investment income	5,751	5,577	3,730	4,920	9,246	9,841	11,066
Other revenue	5,490	4,475	7,286	7,042	7,688	8,019	8,388
Subtotal business-type activities	<u>11,241</u>	<u>10,052</u>	<u>11,016</u>	<u>11,963</u>	<u>16,934</u>	<u>17,860</u>	<u>19,454</u>
Total primary government	<u>768,427</u>	<u>761,195</u>	<u>839,682</u>	<u>891,528</u>	<u>975,648</u>	<u>1,034,501</u>	<u>1,030,525</u>
Change in Net Assets							
Governmental activities	28,108	(49,403)	40,297	37,228	66,205	48,331	(82,704)
Business-type activities	10,080	20,179	6,215	15,114	30,079	32,819	29,517
Total primary government	<u>\$ 38,188</u>	<u>\$ (29,224)</u>	<u>\$ 46,512</u>	<u>\$ 52,342</u>	<u>\$ 96,284</u>	<u>\$ 81,150</u>	<u>\$ (53,187)</u>

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.

Information for years prior to fiscal year 2002 is not presented due to the unavailability of source financial statements.

ANNE ARUNDEL COUNTY, MARYLAND

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund										
Reserved for:										
Encumbrances	\$ 2,083,097	\$ 6,277,303	\$ 5,487,570	\$ 5,562,101	\$ 6,200,195	\$ 5,834,558	\$ 7,388,713	\$ 10,147,548	\$ 7,821,979	\$ 9,931,122
Revenue stabilization fund	21,076,087	22,247,224	23,671,214	24,541,087	24,928,401	27,177,741	35,634,133	38,754,372	44,952,851	47,818,429
Debt service	-	-	-	-	7,251,133	5,996,172	4,548,800	4,138,515	6,071,789	3,124,631
Inventories	358,168	332,976	319,496	832,414	687,484	939,042	900,100	959,733	1,275,968	1,494,324
Other funds	-	-	-	-	-	-	121,743	512,446	756,606	908,047
Unreserved	74,764,950	72,626,035	54,005,331	38,115,899	10,111,613	59,667,854	94,110,403	92,639,611	103,840,756	54,447,182
Total general fund	<u>\$ 98,282,302</u>	<u>\$ 101,483,538</u>	<u>\$ 83,483,611</u>	<u>\$ 69,051,501</u>	<u>\$ 49,178,826</u>	<u>\$ 99,615,367</u>	<u>\$ 142,703,892</u>	<u>\$ 147,152,225</u>	<u>\$ 164,719,949</u>	<u>\$ 117,723,735</u>
All other governmental funds										
Reserved for:										
Encumbrances	\$ 23,496,591	\$ 37,731,468	\$ 32,340,888	\$ 33,679,943	\$ 49,014,972	\$ 39,597,488	\$ 44,829,719	\$ 37,074,156	\$ 34,223,321	\$ 40,144,197
Debt service	378,981	-	6,309,545	4,715,324	4,343,497	351,171	21,672	4,190	879	-
Unreserved, reported in:										
Special revenue funds	50,543,943	46,604,739	51,598,764	56,411,648	58,684,817	65,293,424	63,281,802	60,569,365	62,336,404	61,862,791
Capital projects funds	(34,463,211)	2,668,149	(34,535,903)	11,557,034	7,772,373	(1,690,760)	(9,948,301)	30,327,210	50,779,961	55,118,049
Debt service funds	-	6,599,284	3,916,092	3,877,696	5,765,919	6,999,583	8,585,362	5,373,059	7,240,494	6,096,192
Total all other governmental funds	<u>\$ 39,956,304</u>	<u>\$ 93,603,640</u>	<u>\$ 59,629,386</u>	<u>\$ 110,241,645</u>	<u>\$ 125,581,578</u>	<u>\$ 110,550,906</u>	<u>\$ 106,770,254</u>	<u>\$ 133,347,980</u>	<u>\$ 154,581,059</u>	<u>\$ 163,221,229</u>

Anne Arundel County, Maryland

Changes in Fund Balances, Governmental Funds

Last Seven Fiscal Years

	2002	2003	2004	2005	2006	2007	2008
REVENUES							
General property taxes	\$ 359,779,665	\$ 376,141,261	\$ 395,347,946	\$ 411,488,309	\$ 439,755,427	\$ 472,882,091	\$ 500,153,066
Local income taxes	266,409,098	264,729,935	298,065,106	308,536,927	328,424,355	361,956,043	371,369,460
State shared taxes	29,656,317	29,336,273	25,613,319	30,308,838	36,025,864	37,005,207	36,757,373
Grants and aid	71,213,502	65,309,289	71,002,284	73,676,115	73,526,717	62,884,873	77,080,676
Recordation and transfer taxes	67,796,645	74,120,137	99,053,108	116,713,326	129,932,542	109,257,440	82,775,541
Local sales taxes	29,225,328	29,617,564	30,830,077	31,249,156	34,175,913	36,546,370	37,380,289
License and permit fees	10,919,271	11,517,360	15,154,020	15,400,144	16,766,915	17,681,827	17,178,944
Impact fees	7,200,089	9,055,776	10,715,560	10,845,055	11,056,677	9,268,611	8,132,004
Special community benefit taxes	3,305,255	3,473,476	3,829,032	4,640,447	5,047,941	5,354,940	5,623,802
Investment income	4,230,221	3,037,046	2,230,723	6,875,983	12,484,636	16,302,297	16,041,101
Fees for services and other revenue	30,322,621	29,227,728	33,060,102	37,503,663	40,055,997	51,739,060	45,036,386
Total revenues	880,058,012	895,565,845	984,901,277	1,047,237,963	1,127,252,984	1,180,878,759	1,197,528,642
EXPENDITURES							
Current							
Education	451,294,192	444,836,532	460,752,519	506,228,900	544,142,829	603,635,815	648,122,349
Public safety	154,665,392	168,686,401	171,085,550	183,418,356	201,470,724	211,273,738	222,788,697
General government	52,664,161	68,443,012	65,081,101	65,989,704	65,705,062	74,018,822	79,521,652
Health and human services	64,834,644	69,340,942	68,568,311	68,169,033	71,986,178	77,428,060	70,964,487
Public works	27,473,901	31,765,444	29,590,177	26,748,272	27,410,756	31,498,591	35,915,362
Recreation and community services	26,635,195	28,039,450	28,792,726	31,320,458	43,307,136	46,231,649	49,396,167
Judicial	19,553,878	17,679,442	17,531,229	18,551,403	19,300,693	20,224,216	21,772,055
Code enforcement	10,030,974	10,503,196	9,980,085	10,600,396	11,057,654	11,599,781	12,307,157
Land use and development	8,218,991	8,857,750	8,600,126	9,672,108	10,354,631	9,379,474	9,760,651
Economic development	3,571,254	3,520,112	3,342,050	3,330,000	3,445,000	3,731,000	3,770,200
Capital outlay	87,482,099	81,476,365	77,290,143	98,203,317	94,058,820	69,782,081	66,054,914
Debt service							
Interest payments on debt	21,174,747	21,407,053	27,488,181	26,865,677	29,309,560	29,967,318	31,594,418
Principal payments on debt	35,072,826	40,150,951	43,977,428	45,149,091	46,729,529	49,811,109	52,984,045
Interest payments on leases	86,581	31,317	18,406	12,325	7,358	3,743	-
Principal payments on leases	850,750	437,999	48,244	53,496	54,009	57,105	24,453
Total expenditures	963,609,585	995,175,966	1,012,146,276	1,094,312,536	1,168,339,939	1,238,642,502	1,304,976,607
Revenues over (under) expenditures	(83,551,573)	(99,610,121)	(27,244,999)	(47,074,573)	(41,086,955)	(57,763,743)	(107,447,965)
OTHER FINANCING SOURCES (USES)							
Transfers in	117,391,978	74,149,736	46,860,616	80,248,583	144,849,136	153,626,114	130,370,500
Transfers out	(117,391,978)	(74,149,736)	(46,860,616)	(80,248,583)	(144,849,136)	(153,626,114)	(130,370,500)
General obligation bonds issued	91,500,000	108,251,133	49,500,000	56,000,000	64,000,000	92,400,000	55,200,000
Bond anticipation notes issued	56,000,000	29,000,000	32,500,000	34,500,000	38,000,000	39,000,000	49,800,000
Payment of bond anticipation notes	(34,500,000)	(56,000,000)	(29,000,000)	(32,500,000)	(34,500,000)	(38,000,000)	(39,000,000)
Proceeds from Parole Tax Increment bonds	-	8,300,000	-	-	-	-	-
Proceeds from Nursery Road Tax Increment bonds	-	-	2,570,000	-	-	-	-
Proceeds from Dorchester Taxing District	-	8,223,335	5,388,744	-	-	-	-
Proceeds from Compass Pointe bonds	-	-	-	24,530,000	-	-	-
Installment purchase contracts issued	2,173,174	2,861,948	1,721,000	295,000	368,814	926,000	1,477,925
Proceeds from Federal and State Loans	-	-	-	-	1,009,930	1,248,943	191,938
Proceeds from lease financing	-	261,764	-	-	-	-	106,616
Proceeds from refunding issue	-	24,096,726	47,724,175	50,538,271	87,115,000	-	-
Premiums (discounts) from sale of bonds	-	-	3,294,922	3,417,648	7,481,071	5,101,149	2,115,442
Transfers from (to) proprietary funds	-	-	-	-	-	999,489	(800,000)
Payments to escrow agent	-	(24,039,670)	(51,047,973)	(50,398,473)	(91,361,801)	-	-
Total other financing sources (uses)	115,173,174	100,955,236	62,650,868	86,382,446	72,113,014	101,675,581	69,091,921
Net change in fund balances	\$ 31,621,601	\$ 1,345,115	\$ 35,405,869	\$ 39,307,873	\$ 31,026,059	\$ 43,911,838	\$ (38,356,044)
Debt service as a percentage of noncapital expenditures	6.4%	6.3%	7.4%	7.0%	6.9%	6.7%	6.7%

Information for years prior to fiscal year 2002 is not presented due to the unavailability of source financial statements.

ANNE ARUNDEL COUNTY, MARYLAND

Taxable Assessed Value and Estimated Actual Value of Property

Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year Ended June 30,	Real Property (a)				Total Real Property	Personal Property			Total Taxable Assessed Value	Weighted Average Tax Rate (a)	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Agricultural Property	Use Value Property		Railroad/Utility Property	Other Business Property	Total Personal Property				
1999	\$ 9,424,070	\$ 2,190,308	\$ 97,132	\$ 7,744	\$ 11,719,254	\$ 1,553,235	\$ 830,083	\$ 2,383,318	\$ 14,102,572	\$ 2.29	\$ 31,681,453	44.51%
2000	9,738,635	2,284,258	97,891	8,293	12,129,077	1,639,652	892,728	2,532,380	14,661,457	2.29	32,855,073	44.62%
2001	10,182,016	2,417,021	105,964	5,839	12,710,840	1,458,739	950,392	2,409,131	15,119,971	2.33	34,186,231	44.23%
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%

(a) In the fiscal year which began July 1, 2001, the Maryland Truth in Taxation Act requires that real property be assessed at 100% of market value. Upon becoming effective on October 1, 2000, this legislation provided that real property tax rates generally shall be reduced to 40% of the current rates effective July 1, 2000. The legislation is intended to be revenue neutral.

ANNE ARUNDEL COUNTY, MARYLAND
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Per \$100 of Assessed Value)

FISCAL YEAR	Anne Arundel County					Overlapping		Total	
	Other than City of Annapolis		Within City of Annapolis		Weighted Average Tax Rate (a)	City of Annapolis Real Property	State of Maryland Real Property	Other than City of Annapolis	
	Real Property (a)	Personal Prop.	Real Property (a)	Personal Prop.				Real Property	Real Property
1999	\$ 2.36	\$ 2.36	\$ 1.35	\$ 1.35	\$ 2.29	\$ 1.70	\$ 0.21	\$ 2.57	\$ 3.26
2000	2.36	2.36	1.35	1.35	2.29	1.68	0.21	2.57	3.24
2001	2.40	2.40	1.39	1.39	2.33	1.67	0.21	2.61	3.27
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

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.

(a) In the fiscal year which began July 1, 2001, the Maryland Truth in Taxation Act requires that real property be assessed at 100% of market value. Upon becoming effective on October 1, 2000, this legislation provided that real property tax rates generally shall be reduced to 40% of the current rates effective July 1, 2000. The legislation is intended to be revenue neutral.

ANNE ARUNDEL COUNTY, MARYLAND

Principal Property Tax Payers

Current Year and Nine Years Ago

2008			1999		
Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Constellation Power Source Gen. Inc.	\$ 611,674,120	0.85%	Baltimore Gas and Electric Company	\$ 1,356,077,960	9.62%
Baltimore Gas and Electric Company	563,243,999	0.78%	Bell Atlantic	234,772,970	1.66%
Arundel Mills Limited Partnership (Arundel Mills Mall)	287,401,560	0.40%	Westfield Annapolis Mall	58,759,830	0.42%
Westfield Annapolis Mall	285,069,490	0.40%	Northrop Grumman Corp.	59,298,850	0.42%
Verizon	258,522,550	0.36%	TKL East (Marley Station Mall)	46,396,930	0.33%
Northrop Grumman Corp.	106,651,209	0.15%	Wal-mart	18,972,150	0.13%
Wal-mart Stores, Inc.	91,874,616	0.13%	Parole Town Center Association	15,551,730	0.11%
TKL East (Marley Station Mall)	75,717,880	0.11%	Aetna Life Insurance Company	14,884,790	0.11%
Annapolis Harbour Center Assoc. LLLP	72,859,202	0.10%	Riva Retail, Inc. (Festival at Riva)	14,415,930	0.10%
Annapolis Towne Center	69,406,188	0.10%	West Terra Ltd. Partnership	12,024,280	0.09%
	<u>\$ 2,422,420,814</u>	<u>3.37%</u>		<u>\$ 1,831,155,420</u>	<u>12.98%</u>

Note - In the fiscal year which began July 1, 2001, the Maryland Truth in Taxation Act requires that real property be assessed at 100% of market value. Upon becoming effective on October 1, 2000, this legislation provided that real property tax rates generally shall be reduced to 40% of the current rates effective July 1, 2000. The legislation is intended to be revenue neutral.

ANNE ARUNDEL COUNTY, MARYLAND
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collection to Date		
	Taxes Levied for the Fiscal Year	Amount		Percentage of Levy	Amount	Percentage of Levy
1999	\$ 316,838,803	\$ 314,140,913	99.15%	\$ 2,680,289	\$ 316,821,202	99.99%
2000	329,847,238	326,352,858	98.94%	3,483,997	329,836,855	100.00%
2001	345,227,111	342,441,550	99.19%	2,574,887	345,016,437	99.94%
2002	361,424,971	355,998,775	98.50%	5,150,498	361,149,273	99.92%
2003	375,682,304	373,310,763	99.37%	2,212,053	375,522,816	99.96%
2004	393,762,892	391,557,058	99.44%	1,999,191	393,556,249	99.95%
2005	412,089,133	410,206,824	99.54%	1,701,090	411,907,914	99.96%
2006	439,775,209	438,118,642	99.62%	1,349,011	439,467,653	99.93%
2007	472,038,379	470,209,494	99.61%	1,317,488	471,526,982	99.89%
2008	498,477,749	497,250,354	99.75%	-	497,250,354	99.75%

ANNE ARUNDEL COUNTY, MARYLAND
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands of dollars, except per capita)

Fiscal Year	Governmental Activities							Business-Type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	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			
1999	\$ 338,614	\$ 58,000	\$ -	\$ 4,760	\$ 59	\$ -	\$ 401,433	\$ 280,874	\$ 28,000	\$ 710,307	4.39%	\$ 1,471
2000	362,378	50,000	28,000	4,314	-	-	444,692	283,975	17,850	746,517	4.18%	1,525
2001	376,209	34,500	42,000	3,857	1,010	1,669	459,245	276,137	11,500	746,882	3.91%	1,503
2002	433,115	56,000	42,000	3,547	341	3,837	538,840	277,780	24,000	840,620	4.26%	1,675
2003	493,017	29,000	50,300	3,058	210	6,690	582,275	277,039	13,000	872,314	4.28%	1,729
2004	499,547	32,500	56,215	2,724	162	8,398	599,546	269,205	20,000	888,751	4.05%	1,750
2005	534,773	34,500	55,520	2,383	112	8,679	635,967	285,688	7,000	928,655	3.99%	1,823
2006	553,117	38,000	54,795	3,177	57	9,031	658,177	285,960	21,000	965,137	3.90%	1,895
2007	597,181	39,000	53,960	3,803	-	9,939	703,883	317,271	19,000	1,040,154	4.13%	2,031
2008	599,704	49,800	53,085	3,782	82	11,398	717,851	329,448	17,000	1,064,299	4.12%	2,067

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

ANNE ARUNDEL COUNTY, MARYLAND
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(in thousands of dollars, except per capita)

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (a)	Per Capita (b)
1999	\$ 619,488	1.96%	\$ 1,283
2000	674,353	2.05%	1,377
2001	694,346	2.03%	1,397
2002	752,895	2.09%	1,500
2003	820,356	2.15%	1,626
2004	824,967	1.99%	1,625
2005	875,982	1.90%	1,720
2006	893,871	1.70%	1,755
2007	968,412	1.58%	1,891
2008	982,238	1.36%	1,907

(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, 2008

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Annapolis	\$ 71,962,479	100.00%	\$ <u>71,962,479</u>
Subtotal, overlapping debt			<u>71,962,479</u>
Anne Arundel County direct debt			<u>717,851,393</u>
Total direct and overlapping debt			<u>\$ <u>789,813,872</u></u>

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)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed value (1)										
Real property	\$ 11,719,254	\$ 12,129,077	\$ 12,710,840	\$ 33,561,715	\$ 35,715,595	\$ 39,116,262	\$ 43,802,722	\$ 50,253,450	\$ 58,869,765	\$ 69,445,611
Personal and operating real property	2,383,318	2,532,380	2,409,131	2,420,032	2,445,954	2,379,732	2,406,886	2,479,719	2,589,549	2,518,178
Total assessed value	14,102,572	14,661,457	15,119,971	35,981,747	38,161,549	41,495,994	46,209,608	52,733,169	61,459,314	71,963,789
Legal debt margin										
Debt limit (5.2% of assessed value of real property, 13% for fiscal years 2001 and prior)	1,523,503	1,576,780	1,652,409	1,745,209	1,857,211	2,034,046	2,277,742	2,613,179	3,061,228	3,611,172
Debt limit (13% of assessed value of personal and operating real property)	309,831	329,209	313,187	314,604	317,974	309,365	312,895	322,363	336,641	327,363
Total debt limit	1,833,334	1,905,989	1,965,596	2,059,813	2,175,185	2,343,411	2,590,637	2,935,543	3,397,869	3,938,535
Debt applicable to limit:										
General obligation bonds	338,614	362,378	376,209	433,115	493,017	499,547	534,773	553,117	597,181	599,704
Bonded debt for solid waste projects (2)	36,681	33,642	30,691	27,700	24,763	23,083	21,042	19,963	20,399	17,976
Installment Purchase Agreement	-	-	1,669	3,837	6,690	8,398	8,679	9,031	9,939	11,398
Tax Increment Bonds	-	28,000	42,000	42,000	50,300	56,215	55,520	54,795	53,960	53,085
Bond anticipation notes (3)	61,000	56,850	38,500	56,000	30,250	33,500	35,500	38,000	39,000	49,800
Total debt applicable to limit	436,295	480,870	489,069	562,652	605,020	620,743	655,514	674,906	720,479	731,963
Legal debt margin	\$ 1,397,039	\$ 1,425,119	\$ 1,476,527	\$ 1,497,161	\$ 1,570,165	\$ 1,722,668	\$ 1,935,123	\$ 2,260,637	\$ 2,677,390	\$ 3,206,572
Total debt applicable to the limit as a percentage of debt limit	23.80%	25.23%	24.88%	27.32%	27.81%	26.49%	25.30%	22.99%	21.20%	18.58%

(1) In the fiscal year which began July 1, 2001, the Maryland Truth in Taxation Act requires that real property be assessed at 100% of market value. Upon becoming effective on October 1, 2000, this legislation provided that real property tax rates generally shall be reduced to 40% of the current rates effective July 1, 2000. The legislation is intended to be revenue neutral.

(2) See Note 8 of the General Purpose Financial Statements for explanations of the bonded debt limits.

(3) 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)

Fiscal Year	Water and Wastewater Revenue Backed Bonds							Solid Waste Revenue Backed Bonds						
	Utility Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Service Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage		
Principal	Interest	Principal	Interest	Principal	Interest									
1999	\$ 69,053	\$ 42,985	\$ 26,068	\$ 17,661	\$ 11,426	0.90	\$ 34,672	\$ 18,865	\$ 15,807	\$ 3,043	\$ 1,976	3.15		
2000	63,454	44,494	18,960	18,860	11,452	0.63	36,207	25,250	10,957	3,189	2,015	2.11		
2001	63,809	47,122	16,687	18,737	10,875	0.56	36,120	26,428	9,692	5,800	1,802	1.27		
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		

Fiscal Year	Tax Increment Bonds							Installment Purchase Agreements Bonds						
	Revenues and Transfers In	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Revenues and Transfers In	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage		
Principal	Interest	Principal	Interest	Principal	Interest									
1999	\$ 1,472	\$ 0	\$ 1,472	\$ 449	\$ 74	2.81	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.00		
2000	7,658	0	7,658	283	56	22.59	0	0	0	0	0	0.00		
2001	6,016	16	6,000	285	2,621	2.07	2,825	69	2,756	0	57	0.00		
2002	5,943	129	5,814	310	3,054	1.73	140	21	119	5	179	0.00		
2003	7,559	74	7,485	323	2,891	2.33	1,554	71	1,483	9	296	4.86		
2004	9,062	568	8,495	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		

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) <i>(thousands of dollars)</i>	Per Capita Personal Income (b)	Public School Enrollment (d)	Unemployment Rate % (e)
1999	482,869	\$ 16,197,358	\$ 33,544	74,663	2.8
2000	489,656	17,854,816	36,464	74,495	2.9
2001	496,975	19,102,725	38,438	75,094	3.1
2002	501,954	19,733,318	39,313	74,798	3.7
2003	504,449	20,399,918	40,440	74,519	3.9
2004	507,735	21,949,384	43,230	74,000	3.8
2005	509,397	23,252,954	45,648	73,633	3.5
2006	509,300	24,741,794	48,580	73,111	3.3
2007	512,154	25,190,294	49,185	73,405	3.1
2008	515,024	25,802,187	50,099	73,852	3.3

Sources:

(a) Population for 2000 is from U.S. Bureau of the Census. Remaining years are estimates derived by the Anne Arundel County Office of Planning and Zoning.

(b) U.S. Bureau of Economic Analysis and the Anne Arundel County Office of Planning and Zoning Estimates.

(c) Maryland State Department of Education and the Anne Arundel County Board of Education.

(d) Anne Arundel County Board of Education.

(e) Maryland Department of Labor, Licensing and Regulation.

ANNE ARUNDEL COUNTY, MARYLAND

Principal Employers

Current Year and Nine Years Ago

2008			1999		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Ft. George G. Meade	36,209	10.22%	National Security Agency	25,000	10.11%
Anne Arundel Co. Public Schools	14,041	3.96%	Ft. George G. Meade	11,500	4.65%
BWI Thurgood Marshall Airport	10,659	3.01%	State of Maryland	9,116	3.69%
State of Maryland	8,879	2.51%	Anne Arundel County Public Schools	8,000	3.23%
Northrop Grumman Corp.	8,000	2.26%	Northrop Grumman Corp.	6,595	2.67%
Anne Arundel County Government	4,326	1.22%	Anne Arundel County General Government	3,783	1.53%
Southwest Airlines	3,200	0.90%	US Airways	2,350	0.95%
Anne Arundel Health System	2,800	0.79%	U.S. Naval Academy	2,300	0.93%
Baltimore Washington Medical Center	2,544	0.72%	North Anne Arundel Health Systems, Inc.	1,900	0.77%
U.S. Naval Academy	2,052	0.58%	Anne Arundel Health Systems, Inc.	1,900	0.77%
	<u>92,710</u>	<u>26.18%</u>		<u>72,444</u>	<u>29.29%</u>

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/program	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government	516	525	536	557	586	554	535	537	540	536
Public safety										
Police	884	886	895	895	1,047	1,037	904	921	923	933
Fire	633	633	643	654	654	675	721	833	833	860
Detention center	404	404	434	434	434	409	408	409	415	415
Health and human services	105	104	133	141	173	175	161	163	175	178
Public works	341	344	341	340	347	339	295	299	304	308
Recreation and community services	100	102	106	107	109	99	99	102	110	113
Judicial	293	300	309	312	273	260	261	264	270	270
Code enforcement	165	166	171	175	173	158	156	168	172	178
Land use and development	99	92	96	98	94	104	101	101	105	90
Water and wastewater	374	367	368	362	353	353	348	348	348	348
Solid waste	68	68	76	83	83	83	83	84	85	85
Child care	6	6	6	6	7	7	7	7	8	8
Total	<u>3,989</u>	<u>3,997</u>	<u>4,115</u>	<u>4,164</u>	<u>4,334</u>	<u>4,253</u>	<u>4,079</u>	<u>4,236</u>	<u>4,288</u>	<u>4,322</u>

ANNE ARUNDEL COUNTY, MARYLAND

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Physical arrests	17,772	17,502	16,507	16,609	15,858	16,419	16,321	16,644	16,424	21,476
Parking violations	2,797	2,857	2,003	3,255	3,325	4,010	4,382	4,562	3,772	4,887
Traffic violations	55,926	58,664	68,882	56,225	53,055	53,855	61,161	69,022	81,142	133,507
Fire										
Emergency responses	49,786	53,355	54,198	59,587	59,435	62,565	61,412	62,304	65,724	66,349
Inspections	9,408	12,630	8,848	8,842	12,301	10,353	11,436	12,992	11,308	12,201
Streets and highways										
Resurfacing (miles)	49.7	63.6	81.7	65.4	45.0	31.1	78.2	124.5	65.2	47.0
Recreation and community services										
Facility use applications	N/A	N/A	N/A	N/A	5,685	5,754	6,032	6,916	7,177	7,208
Water										
New water connections	2,115	2,241	2,392	1,649	1,354	4,856	1,477	1,094	894	937
Water main breaks	103	140	88	116	150	162	129	152	124	176
Average daily water consumption (thousands of gallons)	32,633	31,359	34,694	32,763	31,920	30,886	31,484	33,460	30,980	35,976
Number of customers	87,935	90,175	92,600	94,200	95,570	100,427	101,623	102,878	103,775	104,609
Wastewater										
Average daily sewage treatment (thousands of gallons)	27,829	31,468	30,806	29,294	33,443	33,953	32,457	31,077	32,340	30,959
Number of customers	98,008	100,985	100,800	101,900	103,361	108,017	109,179	110,637	111,574	112,487
Solid waste										
Trash collected (tons per year)	207,843	214,684	219,512	242,813	226,559	271,233	268,855	255,788	244,454	226,707
Recyclables collected (tons per year)	78,570	89,752	93,782	98,415	103,703	131,253	112,118	125,996	122,721	130,645
Child care										
Enrollment	1,372	1,328	N/A	1,414	1,533	1,619	1,689	1,921	1,982	2,477

ANNE ARUNDEL COUNTY, MARYLAND

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function/program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Stations	8	8	8	8	9	10	10	10	10	10
Patrol units (vehicles)	392	394	393	399	414	414	429	468	484	487
Fire										
County owned stations	15	15	15	17	17	17	17	18	18	18
Volunteer stations	14	14	14	12	12	12	12	12	12	12
Pumpers/tankers	58	63	60	67	62	60	68	61	64	64
Ladder trucks	20	18	19	19	21	22	22	24	24	23
Paramedic units	39	39	40	39	40	41	39	41	40	40
Streets and highways										
Streets (miles)	1,628	1,654	1,669	1,691	1,710	1,735	1,754	1,761	1,765	1,767
Streetlights	33,455	33,926	34,290	34,467	34,877	35,081	35,423	35,800	36,130	36,561
Traffic signals	134	143	150	156	156	161	162	162	168	177
Recreation and community services										
Open space acreage	2,794	3,234	3,348	4,517	4,517	5,240	5,467	3,505	3,505	4,137
Playgrounds and Parks acreage	3,751	3,953	4,102	5,644	5,644	5,647	5,671	6,029	6,029	6,897
Parks										
Playgrounds	149	81	92	93	93	94	92	70	71	70
Baseball/softball fields	376	193	199	206	206	210	213	240	239	241
Football fields	207	151	155	161	161	162	169	107	110	112
Basketball courts	143	111	111	113	113	113	111	76	78	78
Tennis courts	231	219	219	219	219	214	212	86	84	84
Water										
Water mains (miles)	1,221	1,236	1,242	1,263	1,293	1,302	1,315	1,330	1,338	1,354
Water treatment plants	20	20	13	13	13	14	13	13	13	13
Wastewater										
Maximum daily treatment capacity (thousands of gallons)	42,115	42,115	43,615	43,615	43,615	43,615	43,615	43,615	43,615	46,615
Wastewater mains (miles)	1,093	1,103	1,120	1,142	1,156	1,346	1,363	1,376	1,397	1,417
Wastewater treatment plants	7	7	7	7	7	7	7	7	7	7
Wastewater pumping stations	239	240	241	241	242	243	243	245	248	251

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