

# **Anne Arundel County, Maryland**

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013

### **County Executive**

Laura Neuman

### **County Council**

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

Prepared by: Office of Finance – Julie Mussog, Controller

**Anne Arundel County, Maryland  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013**

**Table of Contents**

**Introductory Section**

<i>Transmittal Letter</i> .....	1
<i>GFOA Certificate of Achievement</i> .....	7
<i>Organizational Chart</i> .....	8

**Financial Section**

<i>Report of Independent Public Accountants</i> .....	9
<i>Management's Discussion and Analysis</i> .....	11

**Basic Financial Statements**

*Government-wide Financial Statements*

Statement of Net Position .....	28
Statement of Activities .....	30

*Fund Financial Statements*

Balance Sheet - Governmental Funds .....	32
Reconciliation of Governmental Fund Balance to Governmental Net Position - Governmental Funds .....	33
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds .....	34
Reconciliation of Changes in Fund Balances to Changes in Net Position - Governmental Funds .....	35
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund .....	36
Statement of Net Position - Proprietary Funds .....	37
Reconciliation of Enterprise Funds Net Position to Business-type Net Position .....	38
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds .....	39
Statement of Cash Flows - Proprietary Funds .....	40
Statement of Fiduciary Net Position - Fiduciary Funds .....	42
Statement of Changes in Fiduciary Net Position - Pension Trust Funds .....	43

*Notes to the Basic Financial Statements* .....

	44
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**Required Supplementary Information**

<i>Schedule of Funding Progress for Single Employer Defined Benefit Pension Plans</i> .....	78
<i>Schedule of Funding Progress for Post-employment benefits</i> .....	79

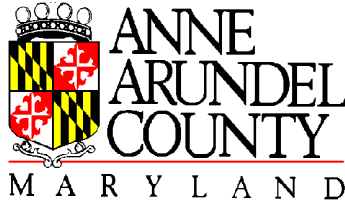
**Combining Fund Statements, Budgetary Statements, and Other Supporting Schedules**

Detail Schedule of Revenues - Estimated and Actual - General Fund .....	82
Detail Schedule of Appropriations, Expenditures, and Encumbrances - General Fund .....	84
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund - Separately Budgeted Components .....	86
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Impact Fees Fund .....	87
<i>Combining Fund Statements and Individual Fund Schedules</i>	
Combining Balance Sheet - Nonmajor Governmental Funds .....	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	94
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Special Revenue Funds .....	98
Schedule of Revenues and Expenditures - Budget and Actual - Erosion District Funds .....	102
Schedule of Revenues and Expenditures - Budget and Actual - Roads and Special Benefit Districts .....	104
Schedule of Funding Sources Authorized and Realized - General County Capital Projects .....	106
Schedule of Appropriations, Expenditures, and Encumbrances - General County Capital Projects .....	108
Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Capital Projects Funds .....	110
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Funds .....	111
Schedule of Revenues and Expenditures- Budget and Actual - Special Taxing Districts .....	114
Combining Statement of Net Position - Water and Wastewater Fund .....	116
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Water and Wastewater Fund .....	117
Combining Statement of Cash Flows - Water and Wastewater Fund .....	118
Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual - Enterprise Funds .....	120
Schedule of Funding Sources Authorized and Realized - Enterprise Funds Capital Projects .....	122

**Anne Arundel County, Maryland  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013**

**Table of Contents (continued)**

Schedule of Appropriations, Expenditures, and Encumbrances - Enterprise Funds Capital Projects .....	124
Combining Statement of Net Position - Internal Service Funds .....	126
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds .....	127
Combining Statement of Cash Flows - Internal Service Funds .....	128
Schedule of Revenues, Expenses, and Encumbrances - Budget and Actual - Internal Service Funds .....	129
Combining Statement of Plan Net Position - Pension Trust Funds .....	132
Combining Statement of Changes in Net Position - Pension Trust Funds .....	133
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	134
<i>Nonmajor Component Unit Financial Statements</i>	
Combining Statements	
Combining Statement of Net Position - Nonmajor Component Units .....	136
Combining Statement of Activities - Nonmajor Component Units .....	138
Library Component Unit Financial Statements	
Balance Sheet .....	140
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	141
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund .....	142
<i>Other Schedules</i>	
Details of Long-term Debt and Interest .....	144
Schedule of Debt Service Requirements for Long-term Debt and Interest .....	148
<b>Statistical Section</b>	
<i>Net Position by Category</i> .....	153
<i>Changes in Net Position</i> .....	154
<i>Fund Balances, Governmental Funds</i> .....	156
<i>Changes in Fund Balances, Governmental Funds</i> .....	158
<i>Taxable Assessed Value and Estimated Actual Value of Property</i> .....	160
<i>Direct and Overlapping Property Tax Rates</i> .....	161
<i>Principal Property Tax Payers</i> .....	162
<i>Property Tax Levies and Collections</i> .....	163
<i>Ratio of Outstanding Debt by Type</i> .....	164
<i>Ratios of General Bonded Debt Outstanding</i> .....	165
<i>Direct and Overlapping Governmental Activities Debt</i> .....	166
<i>Legal Debt Margin</i> .....	167
<i>Pledged Revenue Bond Coverage</i> .....	168
<i>Demographic and Economic Statistics</i> .....	169
<i>Principal Employers</i> .....	170
<i>County Government Employees by Function</i> .....	171
<i>Operating Indicators by Function / Program</i> .....	172
<i>Capital Asset Statistics by Function</i> .....	173



**OFFICE OF FINANCE**

Laura Neuman,  
County Executive

Julie Mussog,  
Controller

**ARUNDEL CENTER  
P.O. BOX 2700  
ANNAPOLIS, MARYLAND 21404-2700  
(410) 222-1781**

December 23, 2013

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

I am pleased to submit to you the Comprehensive Annual Financial Report of the County for the fiscal year ended June 30, 2013 in compliance with the Anne Arundel County Charter Section 513. The purpose of this report is to comply with the County Charter and to provide you and the taxpayers of Anne Arundel County with sufficient information to evaluate the County's financial performance during fiscal year 2013.

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

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

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

**About Anne Arundel County**

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

engraved on her tombstone, "Farewell, you most lovely of earthly beauties". The following year, in 1650, the General Assembly of the Maryland Colony named this county in her honor.

## **Profile of the 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 and selects a Chair person annually, is the County's legislative body. The Council members are elected by 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 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.

## **Budgetary Controls**

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

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

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

After a thorough review of the departmental requests, the comprehensive budget document is submitted to the County Council by May 1<sup>st</sup>. The County Council then conducts a series of public hearings and work sessions in May to review the proposed budget. The County Council cannot change the budget as submitted by the County Executive to alter the revenue estimates or to increase any expenditure for current or capital purposes, unless expressly provided in state law and to correct mathematical errors. The County Council can reduce the Executive's budget, but not increase it, except in the case of the Board of Education's budget. After its review, the County Council finalizes the budget and sets tax rates, fees and charges needed to generate enough revenue to balance the budget. The budget must be adopted by the County Council on or before the first day of the last month of the fiscal year currently ending.

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

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

**Local Economy:** Anne Arundel has one of the strongest economies in Maryland and continues to be a leader for job growth in the State. Anne Arundel County benefits from its central location between two large metropolitan areas. Because of this distinct location advantage, Anne Arundel County is located in the “Washington-Baltimore-Northern Virginia Combined Statistical Area,” the fourth largest United States market, as defined by the U.S. Census Bureau. This combined region contains a population of more than 8.7 million; its regional economy generates a Gross Domestic Product valued in excess of \$586 billion; and its jurisdictions have household incomes at the highest levels in the country.

The County has three powerful generators of regional economic and employment activity located within its boundary:

- 1) The City of Annapolis
- 2) Baltimore-Washington International Thurgood Marshall Airport (BWI-TM airport)
- 3) Fort George G. Meade

The City of Annapolis is an independent municipality that supports more than 38,000 jobs generated by the combined attributes of it being a major federal, state and county government center, a national historic tourist destination and a maritime recreational center with a reputation of being “America’s Sailing Capital”. BWI-TM airport supports more than 93,000 direct and indirect jobs and serves a business and traveler market that encompasses significant portions of five states. Fort Meade is a 5,000 acre federal facility that hosts 100 plus Department of Defense organizations with an estimated total employment on the base of 56,787 military and civilians. Major tenants on the base include National Security Agency, Defense Information Systems Agency and the expanding U.S. Cyber Command.

Anne Arundel County’s civilian workforce measuring more than 307,000 workers serves businesses, government agencies and institutions throughout the Washington-Baltimore Region. Within the County, there are approximately 245,000 “in-place” jobs (the County’s largest employer, the National Security Agency, does not report its employee numbers to any of the state or county statistical reporting agencies). This workforce is highly skilled with an educational attainment that reports 36.1% workers 25 years and older with a college or advanced graduate degree. The 2013 average unemployment rate for Anne Arundel County is 6.2 percent as compared to the average for 2012 of 6.1 percent. This rate is favorable in contrast to the State unemployment rate of 6.8 percent and the national rate of 7.5 percent. Over the past five years strong employment gains have been realized in government, education, health and the professional business service sectors. This has enabled Anne Arundel County to recover all “in-place” jobs that declined during the national recession. Presently the County is experiencing an all-time-high in payroll employment with 245,774 jobs in the County.

The largest employment growth in the County has been realized due to the continued expansion of department of defense entities inside Ft. Meade. Defense contract work generated by Ft. Meade has attracted not only larger national prime contractors like Lockheed Martin, Boeing, Northrop Grumman, Computer Sciences Corporation and General Dynamics, but many smaller technology companies. Today there are more than 12,900 defense contractor employees hosted by the National Business Park alone. Fort Meade will continue to experience growth as U.S. Cyber Command expands its operations on the base. It is projected that cyber operations will grow to 4,900 military and civilian positions in the coming years.

**Housing Market:** The demand for real estate in Anne Arundel County is up with the number of housing units sold in 2012 experiencing a 14.0 percent increase over 2011. The average price for existing homes was up 2.8 percent in 2012, with the average sold price at \$356,297. Median price for existing home sales at \$295,000 was up 5.4 percent over 2011. The average time homes were on the market was down 11.5 percent with homes selling in 108 days. Recordation and transfer taxes collected in FY 2013 were up 37 percent over the prior fiscal year and have been experiencing increases since FY 2009.

**Commercial Real Estate:** Currently there is 55,147,560 square feet of commercial real estate in Anne Arundel County representing 1,783 properties. The average vacancy rate for all commercial property (office, flex, industrial) in the County is 11.4 percent, up slightly from the five-year average of 10.6 percent. Average rental rates are \$14.54 per square foot, an 8.3 percent increase when compared to the five-year average cost at \$13.71 per square foot. Currently average rental rates per square foot are \$24.12 for office, \$13.23 for flex and \$5.98 for industrial space.

## Long Term Financial Planning

**Rainy Day Fund:** The County maintains a Revenue Reserve Fund (rainy day fund) and the Fund has increased from a low of about \$9 million at the end of fiscal year 2009 to approximately \$23.5 million at the end of fiscal year 2013. This increase is the result of revenues exceeding expenditures for fiscal years subsequent to 2009 and transfers to this Fund as part of the budget process. Another \$20 million will be transferred to the Fund during fiscal year 2014.

**Spending Affordability Committee:** The Spending Affordability Committee was established by Resolution No. 31-90 to provide recommendations and projections for the upcoming budget year. Specifically, the Committee is charged to review in detail the status and projections of revenues and expenditures for the County for the next budget year and subsequent five years; to evaluate future County revenue levels and consider the impact of economic indicators such as changes in personal income, assessable base growth; and to evaluate expenditure levels with consideration of the long-term obligations facing the County and the best way to pay for them.

The Committee recommends revenue projections and the amount of new County debt authorization for the upcoming fiscal year. The Committee report includes the effect its recommendations will have on future budgets. It is also the task of this Committee to assess the County's ability to repay bond debt and the Committee issues an annual report defining debt capacity of the County.

**Economic Outlook:** The economic outlook for the County is very favorable and will continue to grow in the future. Anne Arundel County's low property and income tax make the County attractive for both businesses and families. At \$0.95 per \$100 assessed value, the property tax is the lowest among the State's seven largest metropolitan jurisdictions and its local income tax rate at 2.56% is the 3<sup>rd</sup> lowest in the State of Maryland. Revenues from property and income taxes for fiscal year 2013 supported 82% of the County's budget, and growth in both sources should continue in the future. Anne Arundel County will continue to be a formidable competitor in the State with many businesses making the County their first choice as a location to do business.

In spite of recent economic difficulties, the County is positioned to handle its current fiscal challenges. A strong defense and technology industry, a business community with global reach, a highly educated and skilled workforce, key transportation assets and a strategic location in the Baltimore/Washington DC corridor, the nation's 4th largest marketplace, favorable property and income tax rates and years of conservative budgeting and prudent financial management create a solid foundation for economic stability for the future.

## Financial Policies

**Debt Management Policy:** The County has established a local debt policy to manage its debt as required by State law. The policy sets the parameters for issuing debt and managing the outstanding debt. It provides guidance to de-

ANNE ARUNDEL COUNTY

cision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. The policy ensures that the County maintains a sound debt position and that credit quality is protected. As a result of the above, the County's financial strength has been attested to by Standard & Poors and Moody's as these rating agencies have assigned AAA and Aa1 ratings, respectively for the County's general obligation (GO) bonds. In addition both agencies upgraded the County's outlook from negative to stable this year.

**Investment Policy:** The County's investment policy provides for the safety and liquidity of public funds by minimizing credit and market risk while maintaining a competitive yield on the investment portfolio. All deposits of the Primary Government at June 30, 2013 were either insured by federal depository insurance or collateralized with the collateral held by an independent third party in the County's name. There were funds of a component unit totaling approximately \$2.6 million which were uninsured and uncollateralized at June 30, 2013. We have worked with this component unit to ensure that these funds are appropriately insured and collateralized going forward. Investment activities are governed by State laws and, accordingly, the County invests in accordance with these laws.

### **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, 2012. This was the thirty-second consecutive year that the County has received this prestigious award.

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

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

I want to give a very special thank you to the entire accounting staff in the Office of Finance for their dedication and hard work. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. Of special note is Laureen Toney, Assistant Controller. I would also like to thank the County Executive, the Chief Administrative Officer and the County Council for their leadership and support in attaining the highest standards of professionalism in the management of Anne Arundel County's finances.

Sincerely,



Julie Mussog  
Controller



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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

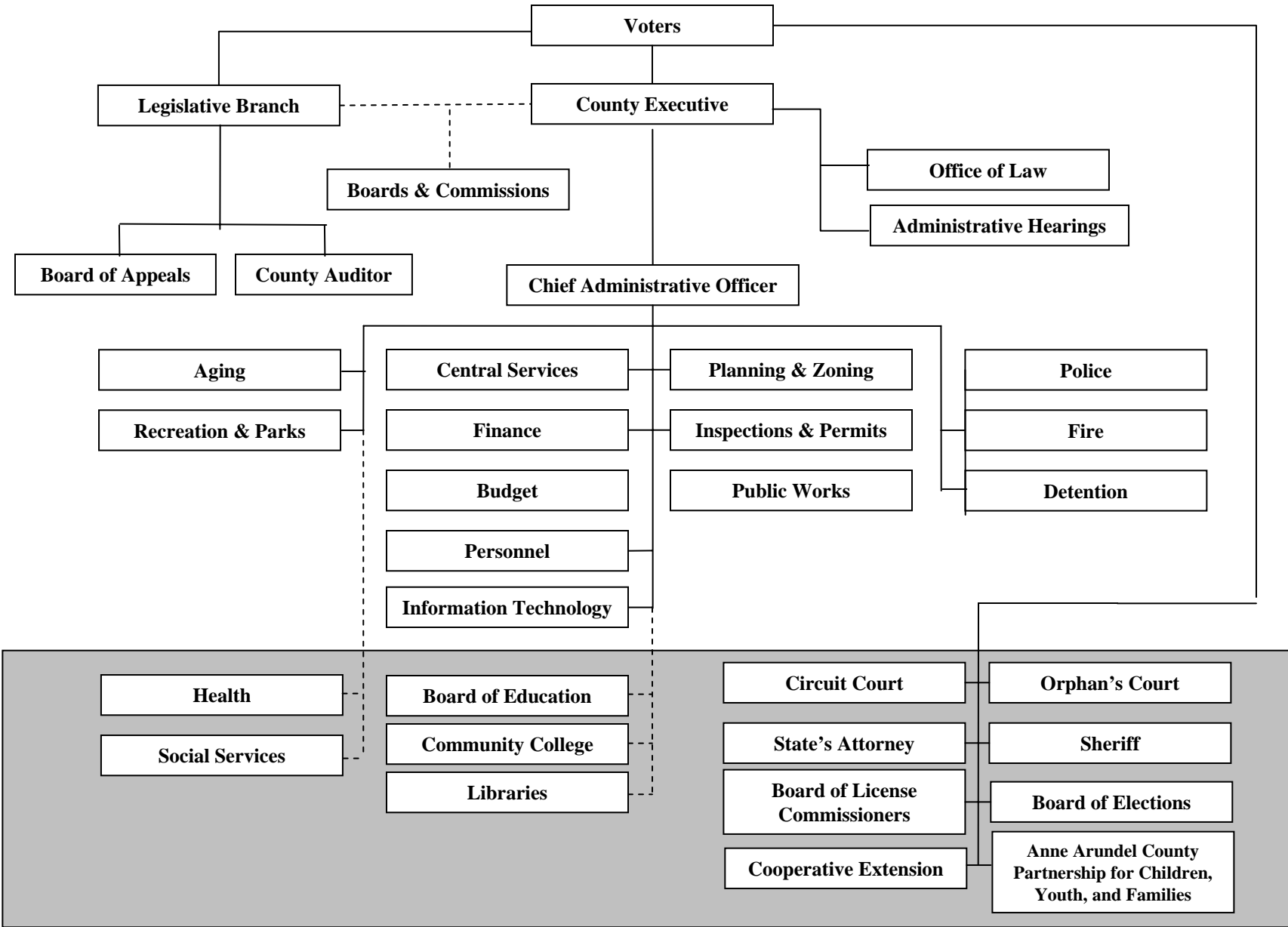
**Anne Arundel County  
Maryland**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# Anne Arundel County, Maryland





**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison for the General Fund, and the aggregate remaining fund information of Anne Arundel County, Maryland, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Anne Arundel County Community College, the Anne Arundel Economic Development Corporation, Tipton Airport Authority, and the Anne Arundel Workforce Development Corporation, which represent 13 percent, 14 percent, and 13 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Anne Arundel County Community College, the Anne Arundel Economic Development Corporation, Tipton Airport Authority, and the Anne Arundel Workforce Development Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Anne Arundel County Community College Foundation, which are included in the financial statements of the Anne Arundel County Community College, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, budgetary comparison for the General Fund, and the aggregate remaining fund information of Anne Arundel County, Maryland, as of June 30, 2013, and the respective changes in

financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and the schedules of funding progress as referenced in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We, and the other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Anne Arundel County Maryland’s basic financial statements. The combining fund statements, budgetary statements, and other supporting schedules, as referenced 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining fund statements, budgetary statements, and other supporting schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as referenced in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2013 on our consideration of the Anne Arundel County Maryland’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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Anne Arundel County, Maryland’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
December 23, 2013

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

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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, 2012 have been provided.

**Financial Highlights**

**Government-wide:**

- The County's assets exceeded its liabilities at the close of the fiscal year by \$1.2 billion. The unrestricted portion of this is a negative \$709.4 million and is composed of an unrestricted deficit in the governmental activities of \$726.1 million and a balance of \$16.7 million unrestricted in the Water and Sewer fund. The unrestricted deficit occurred in the governmental funds due to Board of Education debt being recorded on the County's balance sheet, but not the corresponding capital assets.
- Total net position of the County has decreased by \$14.1 million or 1.2% over the prior year. In the governmental activities, total revenue increased \$33.5 million or 2.5% while expenses increased \$57.9 or 4.2% from the prior fiscal year, resulting in a \$64.9 million decrease in net position, which is \$24.4 million more than the fiscal year 2012 decrease. In the business type activities, total revenues exceeded total expenditures by \$50.8 million, which is a \$9.2 million less than the fiscal year 2012 increase.

**Fund Level:**

- The County's governmental funds reported combined fund balances of \$247.4 million, an increase of \$42.5 million from the prior year. The greatest net change in fund balance, \$36.2 million increase from the prior year, occurred in the General Fund, due to a \$37.7 million increase in cash and investments from general obligation bonds and revenues exceeding expenditures. For fiscal year 2013, the Impact Fees Capital Projects fund balance decreased \$14.8 million due to funding of capital projects. General County Capital Projects fund balance increases \$2.8 million due to general bond issuance exceeding capital spending. Nonmajor Governmental Funds had an increase in fund balance of \$18.3 million primarily due to revenues exceeding expenditures.
- Approximately 63.6% of the total governmental fund balance, \$157.2 million, is available to meet the County's current and future needs as mandated by the appropriate level of authority within the County and are properly designated as committed, assigned and unassigned.
- Available fund balance for the General Fund was \$113.5 million or 98.1% of total fund balance, which is 9.5% of the current year expenditures. Non spendable fund balance of the General Fund was \$1.9 million or 1.6% of the total fund balance. The restricted fund balance in the General Fund of \$0.3 million, or 0.3% has been restricted for BRAC zone capital improvements.
- The business type activities operating revenue decreased by \$9.0 million, other revenues decreased by \$3.6 million and operating expenditures decreased by \$3.4 million or 2.0%, for a decrease in net position of \$9.2 million or 15.3% from the prior fiscal year. Fiscal year 2013 capital grants and contributions were \$71.1 million, a decrease of \$5.4 million, or 7.0%, under fiscal year 2012.

**Changes to debt:**

- The County's total bonded debt balance increased by \$40.5 million in fiscal year 2013. The County issued \$116.0 million of bonds for governmental activities including education, public safety, infrastructure improvements, community college, recreation and parks, and general government improvements. The County also issued \$38.1 million for business-type activities which will be used for utility improvements. Of the issue of \$154.1 million, \$75.7 million was used to liquidate BANS issued in December 2012. The County also issued \$20.6 million in MD Water Quality bonds for water and waste water improvements.

### Overview of Basic Financial Statements

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

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

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

*Statement of Net Positions* – The Statement of Net Positions presents the components of the County's assets and deferred outflows of resources with the difference between the two reported as net position. This statement includes long-term capital assets and long-term liabilities. In addition, capital assets are shown at their depreciated value. Over time, increases or decreases in net position may indicate an improvement in, or deterioration of, the County's financial condition.

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

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

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

**Governmental Funds** – The governmental funds of the Primary government include the General Fund; the General County Capital Projects Fund, which is used to accumulate and spend resources to construct capital assets; the special revenue funds, which segregate revenue sources to ensure these funds are spent on the intended purpose; and the debt service funds, which accumulate resources to pay certain long-term debt issued by the County or separate districts.

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

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

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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 County maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government wide financial statements. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. Because these services predominately benefit governmental rather than business type functions, they have been included within governmental activities in the government-wide financial statements. Transactions for these funds are recorded using the full-accrual basis of accounting whereby transactions are recorded when the underlying economic event takes place, regardless of the timing of cash flows. Moreover, long-term assets and liabilities are recorded on the statements.

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

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

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

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

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

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

Below is a condensed Statement of Net Positions 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**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

Anne Arundel County, Maryland Statement of Net Position						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets:</b>						
Current	\$ 404,964,895	\$ 344,749,475	\$ 118,046,191	\$ 112,069,252	\$ 523,011,086	\$ 456,818,727
Restricted - Current	118,581,385	121,192,393	254,924,473	234,067,121	373,505,858	355,259,514
Restricted - Noncurrent	-	-	48,244,433	55,267,470	48,244,433	55,267,470
Capital	1,106,868,593	1,089,196,483	1,341,901,726	1,261,481,083	2,448,770,319	2,350,677,566
Total	<u>1,630,414,873</u>	<u>1,555,138,351</u>	<u>1,763,116,823</u>	<u>1,662,884,926</u>	<u>3,393,531,696</u>	<u>3,218,023,277</u>
<b>Liabilities:</b>						
Current	192,480,457	189,433,225	60,219,666	54,365,906	252,700,123	243,799,131
Restricted - current	14,717,091	13,305,533	34,827,693	28,647,748	49,544,784	41,953,281
Noncurrent	1,424,167,767	1,288,433,061	488,760,312	451,365,678	1,912,928,079	1,739,798,739
Total	<u>1,631,365,315</u>	<u>1,491,171,819</u>	<u>583,807,671</u>	<u>534,379,332</u>	<u>2,215,172,986</u>	<u>2,025,551,151</u>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	630,965,090	633,818,542	892,816,991	853,676,904	1,523,782,081	1,487,495,446
Restricted	94,189,773	87,910,567	269,791,768	254,976,360	363,981,541	342,886,927
Unrestricted	(726,105,305)	(657,762,577)	16,700,393	19,852,330	(709,404,912)	(637,910,247)
Total	<u>\$ (950,442)</u>	<u>\$ 63,966,532</u>	<u>\$ 1,179,309,152</u>	<u>\$ 1,128,505,594</u>	<u>\$ 1,178,358,710</u>	<u>\$ 1,192,472,126</u>

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

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

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

**Management's Analysis** – Unrestricted current assets of governmental activities are \$60.2 million more in fiscal year 2013 due primarily to increase in cash and temporary investments of \$61.3 million, a decrease in taxes and other revenue receivables of \$2.0 million, and an increase in prepaid and other receivables of \$0.9 million. The business-type activities current assets increased by \$6.0 million, primarily due to an increase in cash and temporary investments of \$7.0 million and a decrease in service billing receivables of \$1.8 million.

Restricted assets in governmental activities decreased by \$2.6 million or 2.2%. This was mainly as a result of a change in restricted cash which decreased in the Impact Fee Fund by \$14.9 million, and increase in the Bond Premium Fund by \$15.7 million. The increase in current restricted assets in business-type activities of \$20.9 million or 8.9% was due to the restriction of additional bond proceeds.

Restricted noncurrent assets in business-type activities decreased by \$7.0 million from fiscal year 2012 or 12.7%. These assets result from a decrease in long-term receivables for front foot benefit charges and capital connection charges.

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

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The governmental net capital assets balance increased by \$17.7 million from the previous year or 1.6%. Capital assets in the business-type activities increased by \$80.4 million or 6.4%. This increase is the result of the completion of certain capital projects.

Current unrestricted liabilities for governmental activities increased by \$3.0 million or 1.6%, from the previous fiscal year. This occurred primarily due to increase in accrued liabilities and amounts due to component units of \$1.1 million and \$2.2 million, respectively. The current unrestricted liabilities in business-type activities increased by \$5.9 million or 10.8%, from fiscal year 2012. This increase was primarily caused by an increase in accrued liabilities and the current portion of non-current liabilities of \$4.2 million and \$1.5 million, respectively.

Restricted current liabilities for governmental activities increased by \$1.4 million or 10.6%, from fiscal year 2012. The change was primarily caused by increases in escrow and other deposits in the amount of \$0.3 million, and accrued liabilities in the amount of \$1.0 million. Restricted current liabilities for business-type activities increased by \$6.2 million or 21.6% primarily due to a increase in unearned revenues of \$6.2 million.

Noncurrent liabilities consist of bonded debt, OPEB obligation, self insurance reserves, loans, capital leases, and other liabilities. These liabilities increased \$135.7 million or 10.5%, in governmental activities, and increased by \$37.4 million or 8.3%, in business-type activities. The increase in governmental activities was due to the following increases, the recording of the annual OPEB obligation of \$79.7 million, \$41.3 in additional long term debt, \$8.7 million in unearned revenue and \$6.1 in unpaid insurance claims. The increase noted in the noncurrent liabilities in business-type activities for fiscal year 2013 was caused primarily by an increase in the net bonded debt of \$32.3 million, and the recording of the OPEB obligation of \$8.0 million this was offset by a decrease in unearned revenue of \$1.8 million.

The components of governmental and business-type net position were discussed in the financial highlights above. It should be noted the negative unrestricted balance in governmental activities have increased from a negative \$657.8 million to a negative \$726.1 million, an increase of 10.4%. 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 \$726.1 million reflects this treatment. The Board of Education and Community College net investment in capital assets of approximately \$894.1 million and \$92.4 million, respectively, are evidence of the significant level of capital assets constructed primarily from County incurred debt.

The table below shows the fluctuations in the unrestricted fund balance in the governmental activities over the past four years. The decrease is the result of assets used for capital improvements classified in the net investment in capital assets and the recording of the OPEB obligation.

<u>Fiscal year</u>	<u>Balance (in millions)</u>	<u>Fiscal year</u>	<u>Balance (in millions)</u>
2010	\$ (482.0)	2012	(657.8)
2011	(594.4)	2013	(726.1)

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

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

	Statement of Net Position					
	Governmental		Business type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Program revenues:						
Charges for services	\$ 114,706,213	\$ 106,344,741	\$ 137,800,364	\$ 141,448,505	\$ 252,506,577	\$ 247,793,246
Operating grants & contributions	42,873,764	47,165,195	-	-	42,873,764	47,165,195
Capital grants & contributions	41,688,939	42,656,158	71,140,606	76,527,093	112,829,545	119,183,251
	<u>199,268,916</u>	<u>196,166,094</u>	<u>208,940,970</u>	<u>217,975,598</u>	<u>408,209,886</u>	<u>414,141,692</u>
General revenue:						
General property taxes	620,348,134	593,914,041	-	-	620,348,134	593,914,041
Local income taxes	403,622,963	400,465,253	-	-	403,622,963	400,465,253
State shared taxes	27,868,159	10,333,497	-	-	27,868,159	10,333,497
Recordation & transfer taxes	81,036,685	59,088,413	-	-	81,036,685	59,088,413
In County Contributions	-	-	-	2,000,000	-	2,000,000
Local sales taxes	32,689,945	32,258,227	-	-	32,689,945	32,258,227
Investment income	(1,206,390)	1,418,470	559,881	1,071,939	(646,509)	2,490,409
Other revenue	7,493,974	12,323,348	11,138,884	12,214,796	18,632,858	24,538,144
County Transfer	-	32,663,346	-	-	-	32,663,346
	<u>1,171,853,470</u>	<u>1,142,464,595</u>	<u>11,698,765</u>	<u>15,286,735</u>	<u>1,183,552,235</u>	<u>1,157,751,330</u>
Total revenues	<u>1,371,122,386</u>	<u>1,338,630,689</u>	<u>220,639,735</u>	<u>233,262,333</u>	<u>1,591,762,121</u>	<u>1,571,893,022</u>
Expenses:						
Education	708,818,190	669,191,184	-	-	708,818,190	669,191,184
Public safety	304,563,193	290,833,066	-	-	304,563,193	290,833,066
General government	118,774,412	116,145,906	-	-	118,774,412	116,145,906
Health & human services	74,569,357	72,906,731	-	-	74,569,357	72,906,731
Public works	82,066,089	80,934,525	-	-	82,066,089	80,934,525
Recreation & community services	56,379,574	56,129,078	-	-	56,379,574	56,129,078
Judicial	29,057,435	28,011,439	-	-	29,057,435	28,011,439
Code enforcement	13,734,346	13,787,761	-	-	13,734,346	13,787,761
Land use & development	10,391,768	11,471,808	-	-	10,391,768	11,471,808
Interest expense on debt	37,684,996	39,711,911	-	-	37,684,996	39,711,911
Water & wastewater	-	-	118,049,398	121,553,106	118,049,398	121,553,106
Waste collection	-	-	47,767,319	47,932,547	47,767,319	47,932,547
Child care	-	-	4,019,460	3,776,785	4,019,460	3,776,785
Total expenses	<u>1,436,039,360</u>	<u>1,379,123,409</u>	<u>169,836,177</u>	<u>173,262,438</u>	<u>1,605,875,537</u>	<u>1,552,385,847</u>
Change in net assets	(64,916,974)	(40,492,720)	50,803,558	59,999,895	(14,113,416)	19,507,175
Net Position, beg of year	<u>63,966,532</u>	<u>104,459,252</u>	<u>1,128,505,594</u>	<u>1,068,505,699</u>	<u>1,192,472,126</u>	<u>1,172,964,951</u>
Net Position, end of year	<u>\$ (950,442)</u>	<u>\$ 63,966,532</u>	<u>\$ 1,179,309,152</u>	<u>\$ 1,128,505,594</u>	<u>\$ 1,178,358,710</u>	<u>\$ 1,192,472,126</u>

The Statement of Net Position presents some significant changes in revenues. These fluctuations were explained in the financial highlights section. Governmental activities' overall revenue has increased from fiscal year 2012 by \$33.5 million or 2.5%. The majority of the increase is due to growth in property taxes of \$26.4 million, local income taxes of \$3.2 million, state shared taxes of \$17.5 million and recordation and transfer taxes of \$21.9 million which was offset by a decrease in the forgiveness of debt by the State of Maryland of \$32.7 million to replenish the local income tax reserve fund. There was also an increase in charges for services of \$8.4 million and decreases in operating grants and contributions of \$3.5 million, other revenue of \$4.8 million and investment income of \$2.6 million.

The governmental activities' expenses had an increase of \$57.9 million or 4.2% from fiscal year 2012. Certain functional categories of expenditures had significant fluctuations during fiscal year 2013. The most notable fluctuations was in education which increased by \$39.6 million or 5.9%. The increase in education was a result of an increase in operational support in the amount of \$32.0 million and an increase in the amount of funds spent on education related capital projects in the amount of \$7.6 million in fiscal year 2013. There was also an increase in public safety of \$13.7 million or 4.7%.

In business-type activities there was a decrease in charges for services of \$3.6 million or 2.6% in fiscal year 2013. The decrease in charges for services was in part caused by a decrease in refuse pick up fees from \$315 to \$298 in fiscal year 13 and a decrease in user allocation charges of \$2.4 million for the Utilities Operating Fund. Capital grants and contributions decreased by \$5.4 million or 7% from the previous year which resulted from a decrease in developer allocation fees. In general revenue, other revenue decreased by \$1.1 million or 8.8% as a result of a

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

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decrease in lower market prices for single stream recycling revenue. Investment income decreased \$0.5 million or 47.8% from fiscal year 2012 to 2013 due to low interest rates.

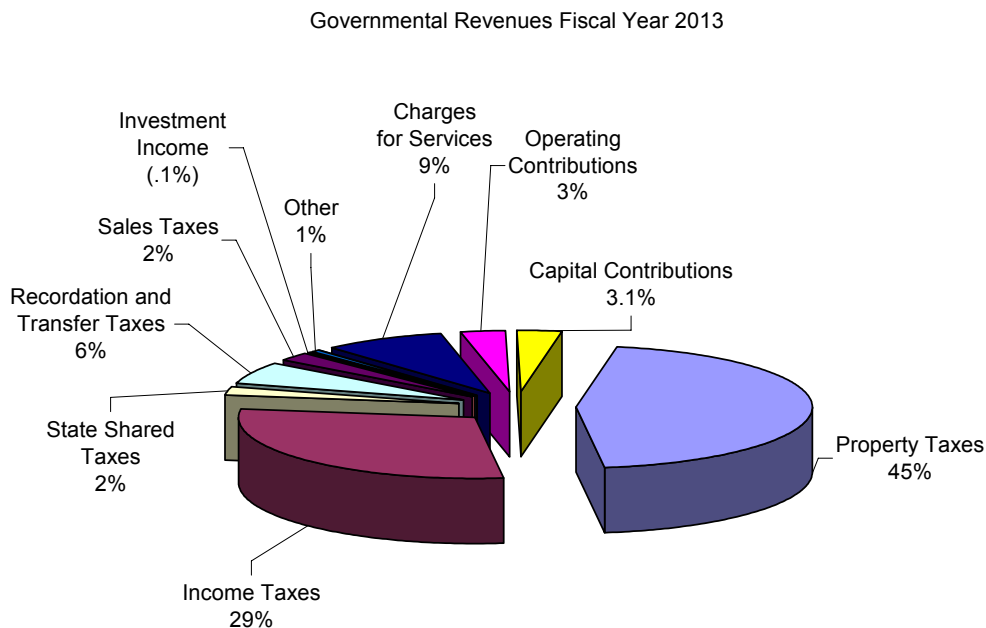
Business-type expenses had an overall decrease of \$3.4 million or 2% from the previous year which was primarily caused by decrease in the water and waste water expenses charged.

**Distribution of Revenues and Expenses**

The next two charts show the percentage distribution of revenues from governmental activities and the percentage expended on each function, respectively. Discussion of the 2013 distribution and significant changes since 2012 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 tax provided about 85.0% of our revenue base, which is consistent with prior fiscal years. Charges for services, paid to the County by the user, was 8.4% for fiscal year 2013, a small increase from fiscal year 2012 which was 8%.

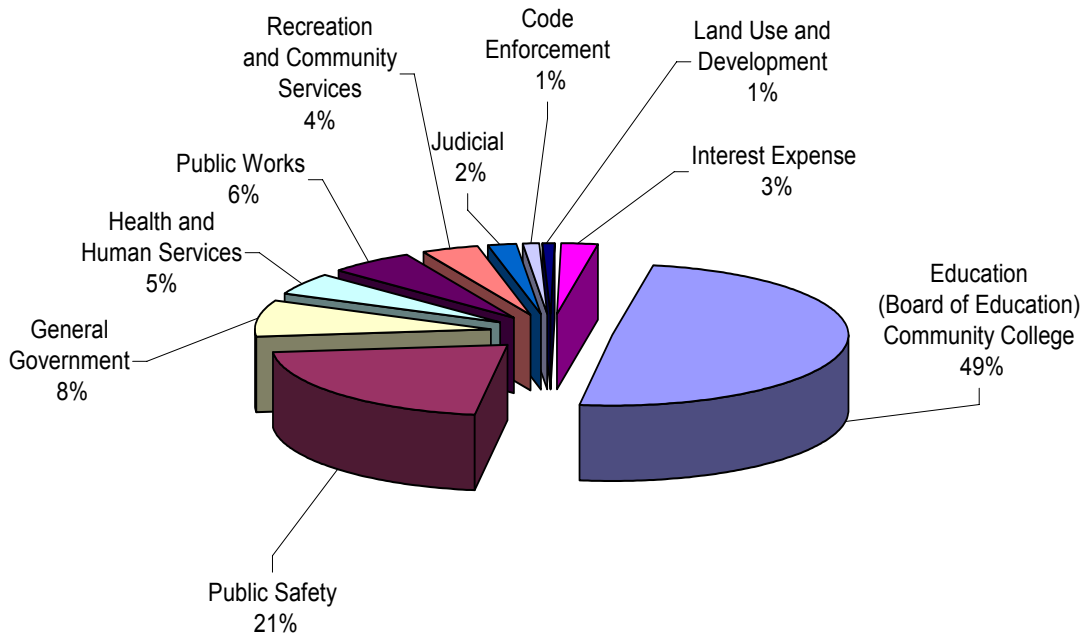
An analysis of the percentage distribution of revenues revealed that there was a slight increase in recordation and transfer taxes which increased from 5.0% in FY12 to 6% in FY13. An analysis of the percentage distribution of expenses by function revealed that there was no change in any of the functions as a percent of the total from 2012.



**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

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Governmental Expenses Fiscal Year 2013



The next two charts show the percentage distribution of revenues from business type activities and the percentage expended on each function, respectively. Discussion of the 2013 distribution and significant changes since 2012 follows.

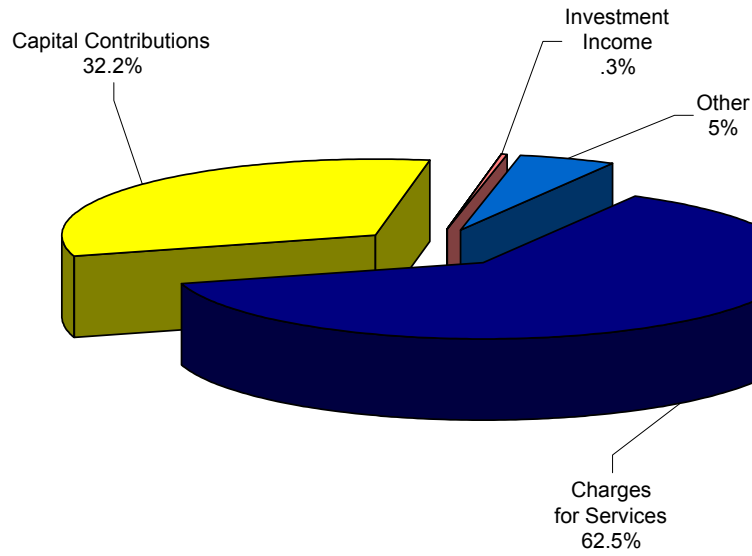
Charges for services and capital contributions continue to provide the vast majority of the County's business type activities revenue. Together these account for 95% of the revenue in fiscal 2013. This is a 2% increase from 2012 which was 93%.

An analysis of the percentage distribution of expenses by function revealed that there was no significant change in any of the functions as a percent of the total from 2012.

Anne Arundel County, Maryland  
Management Discussion and Analysis  
Year Ended June 30, 2013

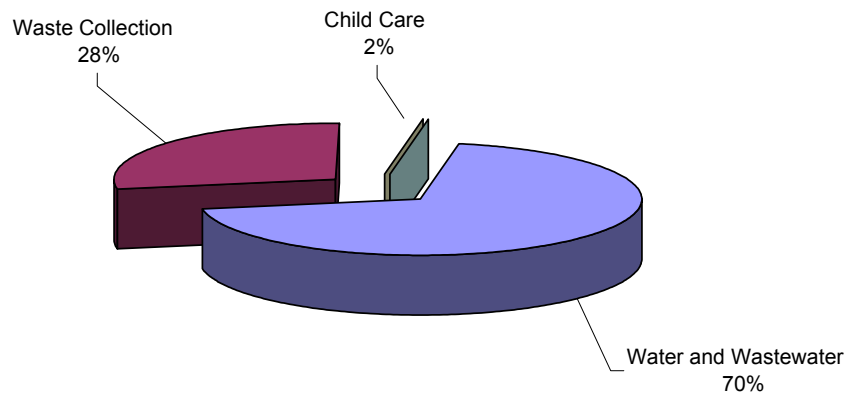
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Business Type Activities  
Revenues Fiscal Year 2013



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Business Type Activities  
Expenses Fiscal Year 2013



**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

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**Fund Statements**

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

The focus of the county's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, committed, assigned and unassigned fund balances can serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Total assets in the General Fund increased from \$196.2 million to \$229.1 million or \$32.9 million, from fiscal year 2012. The increase primarily occurred in cash and investments of \$37.7 million and a net decrease in various receivables of \$5.2 million. Total fund balance increased from \$79.5 million to \$115.7 million or an increase of \$36.2 million. The increase in the fund balance resulted primarily from increases in cash and investments during 2013.

General Fund expenditures increased from \$1,146.6 million to \$1,199.1 million or \$52.5 million. The revenues outpaced the increase in expenditures by \$25.9 million. Other sources and uses brought a net inflow to the General Fund of \$36.2 million in fiscal year 2013, compared to a net inflow of \$18.5 million in 2012.

The County has a Revenue Stabilization Fund (rainy day fund) which is included in the unassigned category of General fund balance. At the end of fiscal year 2013, a balance of \$23.0 million remained in this Fund which had an increase from fiscal year 2012 due the fiscal year 2013 budget including \$1.1 million appropriated to be returned to this Fund and decrease in investment earnings due to a year end FMV adjustment. This reserve may only be used when revenues fall below budget expectations and legislative action is required. This fund has been in existence since fiscal year 1994 and has been drawn on by Management in fiscal year 2009 and fiscal year 2010 in the amounts of \$16.8 million and \$16.0 million, respectively, as a result of underperforming revenues during the recession of 2008 and 2009.

The Impact Fee Fund retains developer impact fees until needed for the construction of capital assets. The total assets within this fund have decreased from \$60.5 million in fiscal year 2012 to \$45.7 million in 2013. The fund balance decreased by \$14.8 million, mainly as a result of an increase in transfers to other funds of \$18.8. Impact fees recognized decreased \$4.0 million, from \$20.3 million in fiscal year 2012 to \$16.3 million in 2013. The transfers to other funds increased as \$30.3 million was transferred in fiscal year 2013 compared to \$11.5 million in 2012 as impact fees were used to support capital projects and the debt related to impact fee projects.

The General County Capital Projects Fund's total assets increased from \$64.3 million in fiscal year 2012 to \$74.1 million in 2013, or \$9.8 million. This increase is primarily due to a increase in cash and investments of \$10.2 million in the fund at the end of the fiscal year which resulted from an increase in the amount of funds received through the issuance of bonds in fiscal year 2013. Liabilities increased by \$7.0 million, primarily due to an increase in unearned revenue in the amount of \$3.0 million, an increase in accounts payable and accrued liabilities of \$1.9 million and an increase in the amount due to the Board of Education and Community College for its capital improvement projects of \$2.0 million. The net effect was an increase in fund balance from \$31.2 million in fiscal year 2012 to \$34.0 million in 2013.

Revenues in the General County Capital Projects Fund increased from \$15.1 million in fiscal year 2012 to \$15.7 million in fiscal year 2013, or by \$0.6 million. Expenditures in this fund increased by \$10.3 million which is attributed to a increase of \$7.6 million for amounts paid to the Board of Education and Community College and an increase in capital outlays in the amount of \$2.6 million.

**Proprietary Funds:**

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

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

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The Water and Wastewater Fund's assets, totaled \$1.668 billion at the end of fiscal year 2013 which was an increase of \$98.6 million over fiscal year 2012. The increase primarily occurred as a result of a net increase of \$79.6 million in capital assets and a net increase in cash and investments of \$24.4 million. This was offset by a reduction in unearned connection and assessment charges of \$7.0 million. Capital assets increase each year as capital projects are completed and developer donated water and sewer facilities are added. The increase in cash and investment increases were the result of net cash received from the bond sale of \$27.4 million. Liabilities have increased by \$51.3 million. The increase resulted primarily from additional long-term bonded debt of \$34.5 million, the recording of the liability for OPEB benefits of \$6.3 million, and increases in accounts payable and accrued liabilities, and current portion of long term debt of \$6.2 million and an increase in unearned revenue of \$4.3 million. As a result of the changes in assets and liabilities, the Water and Wastewater Fund's net position increased \$47.3 million or 4.3%.

The Statement of Revenues, Expenses, and Changes in Fund Net Position has a decrease in operating revenues of \$3.7 million or 4.0%. Operating expenses decreased by \$3.1 million or 2.7%. Nonoperating components increased from the previous year by \$1.0 million, due to an increase in other revenues of \$1.4 million and a decrease in investment income of \$0.5 million. Capital contributions, fees and grants, decreased by \$5.4 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 \$1.3 million due primarily to an increase in net capital assets in the amount of \$0.8 million and an increase in cash and investments and service billing receivables of \$0.6 million. Liabilities decreased by \$2.0 million or 2.7% from fiscal year 2012 to 2013. A decrease in long term debt of \$2.1 million, the landfill closure and post closure liability of \$1.0 million and accounts payable and accrued liabilities of \$0.5 million, and an increase in the OPEB obligation of \$1.6 million contributed to this change.

Operating revenue decreased by \$2.1 million as a result of a decrease in charges for services of \$2.2 million. Expenses decreased by \$0.1 million due to decreased costs from normal operations of \$0.9 million, a decrease of landfill closure and post closure costs of \$1.5 million and an increase in depreciation of \$2.3 million.

**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, 2012. Investment growth increased slightly from calendar year 2011 to 2012 as net position increased from \$1.335 billion to \$1.489 billion or \$154.0 million. Contributions increased from \$61.9 million in 2011 to \$66.3 million during 2012 and investment activity increased significantly from 2011 by \$151.4 million. Agency funds increased from \$16.0 million in FY12 to \$41.0 million in FY13. The largest increase resulted from a refunding of bonds related to Dorchester Special Tax District which increased by \$15.4 million.

**Budgetary Variations:**

The budgetary statements of the General Fund show actual revenues of \$1.276 billion compared to budgeted amounts of \$1.220 billion, resulting in \$55.8 million increase in revenue than anticipated. The most significant budgetary variations within components of revenue were recordation and transfer taxes and local income taxes which exceeded budgetary expectation by \$21.0 million or 35% and \$18.2 million or 5%, respectively. The remaining increase was due to increases in general property taxes, State shared taxes and fees for services and other revenue of \$3.5 million, \$4.1 million, and \$5.6 million, respectively.

Total expenditures on a budgetary basis were \$1.241 billion compared to appropriation authority of \$1.254 billion, resulting in \$12.2 million or 1%, less than planned. Only modest variances were noted in the various expenditure categories which were attributed to a continued focus on cost avoidance and containment during fiscal year 2013.

In reviewing the changes from the original budget to the final budget, budgeted revenue remained the same. The final budgeted expenditures was increased \$6.4 million over the original budget. Education, public safety, health and human services and public works final budgets increased over their original budgets by \$5.0, \$4.3, \$1.6 and \$1.1 million respectively. The only expenditure category with a decrease from the original budget to the final budget was general government of \$5.8 million. Nominal increases were noted for several other categories. Management is not



**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

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aware of any reasons why these and other budgetary variations would have a significant effect on future liquidity or services.

**Capital Assets**

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

*Governmental capital assets* - Total governmental capital assets show an increase from the prior year of \$17.7 million or 1.6%. The table below shows an increase in land and easements \$2.3 million or 1.1%. Construction in progress has increased by \$28.8 million or 16.7% and increases were also noted in sidewalks, curbs and gutters of \$1.6 million or 5.9%. The continued progress on capital projects and the significant amount of expenditures related to those projects that reached substantial completion during fiscal year 2013 contributed to these increases. The primary declines were noted in land improvements, buildings, roads, bridges and signals, and furniture and equipment of \$2.4 million, \$5.4 million, \$3.1 million and \$3.0 million, respectively, due to continued depreciation of these assets.

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

- \$9.1 million for road reconstruction
- \$8.4 million for infrastructure at National Business Park North
- \$1.2 million for improvements to the Broadneck Peninsula Trail
- \$1.1 million for improvements to the intersection of MD 214 and MD 468

*Business-type capital assets* – The capital assets in business-type activities increased by \$80.4 million or 6.4%, from fiscal year 2012. This increase was almost entirely due to the increase in Construction in progress. Construction in progress increased by \$81.5 million or 25.3%. The remaining categories of assets show modest variations since new additions are negated by the continued depreciation of existing assets.

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

- \$46.0 million for Water Reclamation Facility Enhanced Nutrient Removal projects at the following locations:
  - Broadneck
  - Annapolis
  - Patuxent
  - Mayo
  - Broadwater
  - Maryland City
  - Cox Creek

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and easements	\$ 205,784,127	\$ 203,497,852	\$ 12,109,239	\$ 12,109,239	\$ 217,893,366	\$ 215,607,091
Historical property and works of art	4,166,465	4,166,465	-	-	4,166,465	4,166,465
Land improvements	129,461,157	131,842,580	-	-	129,461,157	131,842,580
Landfills	-	-	12,116,117	11,750,695	12,116,117	11,750,695
Buildings	205,874,533	211,264,900	22,546,694	22,963,510	228,421,227	234,228,410
Roads, bridges and signals	168,919,276	172,027,728	-	-	168,919,276	172,027,728
Sidewalks, curbs and gutters	28,106,219	26,528,655	-	-	28,106,219	26,528,655
Storm drains and culverts	119,260,544	119,807,087	-	-	119,260,544	119,807,087
Water and sewer plants and lines	-	-	876,303,616	876,860,885	876,303,616	876,860,885
Automobiles and rolling stock	16,552,752	17,044,182	2,490,519	2,505,335	19,043,271	19,549,517
Furniture and equipment	26,107,952	29,145,270	13,090,449	13,518,577	39,198,401	42,663,847
Software	1,368,346	1,432,089	-	-	1,368,346	1,432,089
Construction in progress	201,267,222	172,439,675	403,245,092	321,772,842	604,512,314	494,212,517
<b>Total</b>	<b>\$ 1,106,868,593</b>	<b>\$ 1,089,196,483</b>	<b>\$ 1,341,901,726</b>	<b>\$ 1,261,481,083</b>	<b>\$ 2,448,770,319</b>	<b>\$ 2,350,677,566</b>

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

**Anne Arundel County, Maryland**  
**Analysis of Depreciable Assets**

	Total depreciable capital assets	Accumulated depreciation	Net depreciable capital assets	Accumulated depreciation as a percent of total
<b>Governmental</b>				
2013	\$ 1,411,067,951	\$ (715,417,172)	\$ 695,650,779	(51%)
2012	1,386,454,990	(677,362,499)	709,092,491	(49%)
2011	1,350,208,675	(640,855,387)	709,353,288	(47%)
2010	1,309,691,255	(603,437,179)	706,254,076	(46%)
2009	1,246,657,859	(563,355,211)	683,302,648	(45%)
2008	1,216,718,686	(526,660,068)	690,058,618	(43%)
<b>Business-type</b>				
2013	\$ 1,601,506,749	\$ (674,959,354)	\$ 926,547,395	(42%)
2012	1,563,975,835	(636,376,833)	927,599,002	(41%)
2011	1,512,942,554	(599,641,441)	913,301,113	(40%)
2010	1,450,293,037	(564,824,823)	885,468,214	(39%)
2009	1,403,968,594	(529,293,347)	874,675,247	(38%)
2008	1,366,755,548	(483,446,657)	883,308,891	(35%)

This analysis shows that the governmental capital assets percent depreciated has increased in recent years to 51% in fiscal year 2013. The business-type capital assets also show a continual increase in the total depreciation as a percent of the asset values. The percent has increased from 35% in fiscal year 2008 to 42% in fiscal year 2013.

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.

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

**Debt Administration**

The County's outstanding debt at the end of fiscal years 2013 and 2012 is presented in the table below. The County had been using short-term BANS to fund capital project expenditures and converting this debt to long-term after the funds had been spent. The County issued general obligation bonds, of \$154.1 million in June 2013, including \$116.0 million for governmental activities and \$38.1 million for business-type activities. The proceeds were used to pay off \$75.7 million of bond anticipation notes issued in December, 2012. The additional bonds funds of \$78.4 million were used to fund \$51.0 million of improvements for general county projects and \$27.4 million for water and sewer and landfill capital projects. As a result of cash available for the capital projects from the bonds sold in June 2013, BANS will not be issued until fiscal year 2014 to fund capital project expenditures at that time.

The changes to the Federal and State loans were not significant as there were no new State loans in fiscal year 2013 and principal payments of \$326,971 were made on existing loans. The Federal HUD loan was paid off during fiscal year 2012. No new capital leases were added in 2013 and payments totaling \$3,907 were made which resulted in a decrease in the capital lease balance to \$3,907. The County did not initiate new agricultural easements through installment purchase agreements during fiscal year 2013. Other changes to debt balances resulted from principal payments during fiscal year 2013. Additional information about the County's debt and changes therein is provided in Note 8 to the basic financial statements.

<b>Anne Arundel County, Maryland</b>							
<b>Outstanding Debt</b>							
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		
	2013	2012	2013	2012	2013	2012	
General obligation bonds	\$ 869,357,597	823,494,997	\$ 440,788,959	406,802,481	\$ 1,310,146,556	\$ 1,230,297,478	
Special assessment debt	90,815,000	93,155,000	-	-	90,815,000	93,155,000	
State loans	3,888,091	4,215,062	-	-	3,888,091	4,215,062	
Capital leases	3,907	7,814	-	-	3,907	7,814	
Installment purchase agreements	13,625,000	13,645,000	-	-	13,625,000	13,645,000	
Total	<u>\$ 977,689,595</u>	<u>\$ 934,517,873</u>	<u>\$ 440,788,959</u>	<u>\$ 406,802,481</u>	<u>\$ 1,418,478,554</u>	<u>\$ 1,341,320,354</u>	

**Fiscal Year 2013 and Beyond**

- The County Real Property Tax Rate for fiscal year 2014 is \$0.95 per \$100 of assessed valuation. This is a 0.9 cent increase and consistent with the County's Property Tax Revenue Cap. Fiscal Year 2014 property tax receipts are estimated to increase 2.6% over the revised FY13 budget. Declining real property assessments associated with the current housing market do not significantly impact the property tax revenue yield because of the wide gap between assessable values and "taxable" assessable values, the growth in which was limited by the Homestead Property Credit Program to 2% per year during the housing boom years.
- The County Council has set the fiscal year 2014 County income tax rate at 2.56% which is unchanged from the prior fiscal year. Fiscal year 2014 income tax revenue is projected to increase over the approved fiscal year 2013 income tax revenue by 4.0%. The increase in income tax revenue is largely due, in part to an improving economy and lower unemployment in Maryland. Income tax is budgeted at \$417.3 million for fiscal year 2014.
- A new State mandate for 2013 requires the County to collect a stormwater fee from taxpayers to fund the implementation of a local watershed protection and restoration program. As of July 1, 2013, these fees shall be collected and maintained in a dedicated fund, the Watershed Protection and Restoration Fund. For fiscal year 2014, the Watershed Protection and Restoration Fund has an approved budget of \$12.3 million.

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2013**

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- For fiscal year 2014, the Anne Arundel County Public Schools are funded by the County at \$596.5 million, a \$16.9 million or 3% increase over the prior year. This funding level meets the required Maintenance of Effort for fiscal 2014. Due to legislation passed by the State in May 2012, 100% of the teachers' normal pension costs will be shifted to the County. The transfer of these pension costs will be phased in over a four-year period. \$14.6 million has been included in the FY14 budget to cover the cost this pension shift. Anne Arundel County Public Schools fiscal year 2014 capital budget contains thirty-one planned projects totaling \$129.4 million or 62% of the capital budget. Of the total General Fund debt service budget, 55% is allocated for school debt.
- The County's support of the Anne Arundel Community College fiscal year 2014 increased \$3.1 million over fiscal year 2013 to a total of \$35.1 million, \$31.4 million from general fund and \$3.7 million from VLT special revenue fund. The County has appropriated \$1.9 million for Anne Arundel County Community College's fiscal year 2014 capital projects, which will be financed by issuing general obligation bonds. The Community College's debt service of \$5.6 million is paid by the County.
- 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.) During the year ended June 30, 2013 the County adopted GASB 63- *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. GASB has continued to issue various Statements and the County is analyzing the effects of these pronouncements and plans to adopt them as applicable by their effective date.

These and other economic factors were considered when preparing the fiscal year 2014 General Fund budget, which estimates total revenues at \$1.3 billion; an increase of \$88.9 million or 7.1% over fiscal year 2013 original budgeted amounts. Mindful of the economic struggles the County has faced for the past several years as a result of national economic uncertainties, cuts in revenue funding streams and the status of the State of Maryland's budget, the County will continue to carefully monitor expenditures and apply cost containment efforts. Expenditures for fiscal year 2014 will continue to be tightened and trimmed where possible with some strategic investments, particularly in technology. The County also anticipates issuing bonds during fiscal year 2014.

There are no new taxes to fund the fiscal year 2014 budget. The income tax rate of 2.56% is unchanged and continues to be the third lowest in the State. The real property rate of \$0.95 per \$100 of assessed value is 0.9 cents higher compared to fiscal year 2013 and consistent with the County's Property Tax Revenue Cap. The Homestead Tax Credit rate is 2.0% and remains unchanged from the past fiscal year.

The Water and Sewer Fund rates for fiscal year 2014 are \$2.76/1,000gal and \$4.85/1,000gal, respectively. This is a 3% increase from prior year. No changes were made to the annual refuse and recycling fees or the water and sewer ad valorem.

#### **Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those interested. Questions concerning any information provided in this report or requests for additional finance information should be addressed to the Office of Finance, 44 Calvert Street, Annapolis, Maryland 21401. Complete financial reports are also available on our website [www.aacounty.org](http://www.aacounty.org).

The County's component units issue their own separately audited financial statements. These statements may be obtained by directly contacting the component unit, contact information can be found on Note 1A of this report.

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**Basic  
Financial  
Statements**

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Anne Arundel County, Maryland

Statement of Net Position

Year Ended June 30, 2013

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Nonmajor
<b>ASSETS</b>						
Current Assets						
Cash and temporary investments	\$ 247,551,019	\$ 90,193,467	\$ 337,744,486	\$ 166,605,620	\$ 17,724,392	\$ 5,039,566
Taxes and other revenue receivable	128,886,438	-	128,886,438	18,073,944	4,182,167	-
Service billings receivable	-	25,868,588	25,868,588	-	-	63,856
Prepaid and other assets	25,779,670	26,955	25,806,625	7,344,129	13,374,633	1,759,330
Inventories	2,740,277	1,957,181	4,697,458	2,122,443	1,280,791	49,732
Receivables	-	-	-	-	-	97,114
Due from primary government	-	-	-	22,017,682	858,769	1,616,792
Due from component units	7,491	-	7,491	-	-	-
Restricted assets						
Cash and temporary investments	102,339,323	31,153,333	133,492,656	-	-	51,165
Investments	-	203,914,843	203,914,843	-	-	-
Receivables						
Due from other governmental agencies	15,916,577	9,039,041	24,955,618	-	-	-
Other, net	325,485	10,817,256	11,142,741	-	-	500
Total current assets	<u>523,546,280</u>	<u>372,970,664</u>	<u>896,516,944</u>	<u>216,163,818</u>	<u>37,420,752</u>	<u>8,678,055</u>
Noncurrent Assets						
Restricted assets						
Long term assessment and connection charges	-	48,244,433	48,244,433	-	-	-
Long term debt restructuring	-	-	-	-	384,590	-
Total noncurrent restricted assets	-	48,244,433	48,244,433	-	384,590	-
Loans receivable and other assets	-	-	-	-	8,906,427	1,755,852
Capital assets not being depreciated	411,217,814	415,354,331	826,572,145	212,816,715	5,497,283	-
Capital assets being depreciated	1,411,067,951	1,601,506,749	3,012,574,700	1,327,305,617	173,091,293	28,709,118
Less accumulated depreciation	(715,417,172)	(674,959,354)	(1,390,376,526)	(646,005,466)	(76,463,377)	(13,040,830)
	<u>695,650,779</u>	<u>926,547,395</u>	<u>1,622,198,174</u>	<u>681,300,151</u>	<u>96,627,916</u>	<u>15,668,288</u>
Total capital assets	<u>1,106,868,593</u>	<u>1,341,901,726</u>	<u>2,448,770,319</u>	<u>894,116,866</u>	<u>102,125,199</u>	<u>15,668,288</u>
Total noncurrent assets	<u>1,106,868,593</u>	<u>1,390,146,159</u>	<u>2,497,014,752</u>	<u>894,116,866</u>	<u>111,416,216</u>	<u>17,424,140</u>
Total assets	<u>1,630,414,873</u>	<u>1,763,116,823</u>	<u>3,393,531,696</u>	<u>1,110,280,684</u>	<u>148,836,968</u>	<u>26,102,195</u>



Anne Arundel County, Maryland

Statement of Net Position

Year Ended June 30, 2013

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Nonmajor
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable and accrued liabilities	51,924,603	30,535,927	82,460,530	123,648,937	10,689,053	1,713,941
Current portion of non-current liabilities	114,977,538	29,329,502	144,307,040	21,533,694	-	819,368
Notes payable	-	-	-	-	23,714	2,155,024
Internal balances	394,478	(394,478)	-	-	-	-
Due to primary government	-	-	-	7,491	-	-
Due to component units	24,493,243	-	24,493,243	-	-	-
Escrow deposits	690,595	748,715	1,439,310	-	-	6,551
Unearned revenue	-	-	-	6,411,480	11,482,428	409,857
Liabilities related to restricted assets						
Accounts payable and accrued liabilities	7,612,841	4,529,556	12,142,397	-	-	427,888
Escrow and other deposits	5,822,652	-	5,822,652	-	-	-
Unearned revenue	1,281,598	30,298,137	31,579,735	-	-	-
Total current liabilities	<u>207,197,548</u>	<u>95,047,359</u>	<u>302,244,907</u>	<u>151,601,602</u>	<u>22,195,195</u>	<u>5,532,629</u>
Noncurrent liabilities						
Compensated absences and other obligations	19,847	38,554	58,401	21,202,380	1,742,678	-
Accrued liability for other post-employment benefits	392,565,278	37,507,699	430,072,977	317,193,000	26,388,000	14,361,637
Unpaid insurance claims	57,991,000	-	57,991,000	-	-	-
Estimated landfill closure and postclosure	-	34,527,385	34,527,385	-	-	-
Long-term debt, net of unamortized refunding gain/loss	902,970,804	414,376,100	1,317,346,904	8,607,183	12,699,006	84,181
Unearned revenue	70,620,838	2,310,574	72,931,412	-	-	-
Total noncurrent liabilities	<u>1,424,167,767</u>	<u>488,760,312</u>	<u>1,912,928,079</u>	<u>347,002,563</u>	<u>40,829,684</u>	<u>14,445,818</u>
Total liabilities	<u>1,631,365,315</u>	<u>583,807,671</u>	<u>2,215,172,986</u>	<u>498,604,165</u>	<u>63,024,879</u>	<u>19,978,447</u>
<b>NET POSITION</b>						
Net investment in capital assets	630,965,090	892,816,991	1,523,782,081	894,116,866	92,356,300	15,486,048
Restricted for:						
Debt service	3,999,512	260,752,727	264,752,239	-	-	-
Capital improvements	74,937,323	-	74,937,323	-	-	-
Scholarships/endowments	-	-	-	-	6,592,840	-
Reforestation	7,662,442	-	7,662,442	-	-	-
Other purposes	7,590,496	9,039,041	16,629,537	17,217,858	-	41,700
Unrestricted	<u>(726,105,305)</u>	<u>16,700,393</u>	<u>(709,404,912)</u>	<u>(299,658,205)</u>	<u>(13,137,051)</u>	<u>(9,404,000)</u>
Total net position (deficit)	\$ <u>(950,442)</u>	\$ <u>1,179,309,152</u>	\$ <u>1,178,358,710</u>	\$ <u>611,676,519</u>	\$ <u>85,812,089</u>	\$ <u>6,123,748</u>

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

Anne Arundel County, Maryland

Statement of Activities

Year Ended June 30, 2013

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities				
Education	\$ 708,818,190	\$ -	\$ -	\$ 12,297,368
Public safety	304,563,193	15,743,726	3,073,581	583,160
General government	118,774,412	51,240,468	102,957	7,355,337
Health and human services	74,569,357	7,139,180	28,242,939	-
Public works	82,066,089	4,192,805	3,505,265	17,839,848
Recreation and community services	56,379,574	17,995,059	6,134,950	1,338,392
Judicial	29,057,435	2,996,727	1,864,605	1,716,122
Code enforcement	13,734,346	13,214,739	-	-
Land use and development	10,391,768	2,183,509	(99,079)	558,712
Interest on debt and leases	37,684,996	-	48,546	-
	<u>1,436,039,360</u>	<u>114,706,213</u>	<u>42,873,764</u>	<u>41,688,939</u>
Business-type activities				
Water and wastewater	118,049,398	84,555,353	-	71,140,606
Waste collection	47,767,319	49,174,861	-	-
Child care	4,019,460	4,070,150	-	-
	<u>169,836,177</u>	<u>137,800,364</u>	<u>-</u>	<u>71,140,606</u>
<b>Total primary government</b>	<b>\$ <u>1,605,875,537</u></b>	<b>\$ <u>252,506,577</u></b>	<b>\$ <u>42,873,764</u></b>	<b>\$ <u>112,829,545</u></b>
<b>Component units</b>				
Board of Education	\$ 1,167,723,615	\$ 13,452,666	\$ 158,875,844	\$ 104,576,518
Community College	153,667,709	51,623,666	28,274,670	9,439,494
Library System	22,281,500	855,985	3,248,901	-
Economic Development Corp	2,757,681	213,109	43,688	-
Tipton Airport Authority	2,227,315	1,712,142	-	254,367
Workforce Development	6,429,978	-	6,457,470	-
<b>Total component units</b>	<b>\$ <u>1,355,087,798</u></b>	<b>\$ <u>67,857,568</u></b>	<b>\$ <u>196,900,573</u></b>	<b>\$ <u>114,270,379</u></b>

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

Changes in net position

Net position, July 1

Net position, June 30

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

Net (Expense) Revenues and Changes in Net Position

Primary Government			Discretely Presented Component Units		
Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Nonmajor
\$ (696,520,822)	\$ -	\$ (696,520,822)	\$ -	\$ -	\$ -
(285,162,726)	-	(285,162,726)	-	-	-
(60,075,650)	-	(60,075,650)	-	-	-
(39,187,238)	-	(39,187,238)	-	-	-
(56,528,171)	-	(56,528,171)	-	-	-
(30,911,173)	-	(30,911,173)	-	-	-
(22,479,981)	-	(22,479,981)	-	-	-
(519,607)	-	(519,607)	-	-	-
(7,748,626)	-	(7,748,626)	-	-	-
(37,636,450)	-	(37,636,450)	-	-	-
<u>(1,236,770,444)</u>	<u>-</u>	<u>(1,236,770,444)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	37,646,561	37,646,561	-	-	-
-	1,407,542	1,407,542	-	-	-
-	50,690	50,690	-	-	-
-	<u>39,104,793</u>	<u>39,104,793</u>	-	-	-
(1,236,770,444)	39,104,793	(1,197,665,651)	-	-	-
-	-	-	(890,818,587)	-	-
-	-	-	-	(64,329,879)	-
-	-	-	-	-	(18,176,614)
-	-	-	-	-	(2,500,884)
-	-	-	-	-	(260,806)
-	-	-	-	-	27,492
-	-	-	(890,818,587)	(64,329,879)	(20,910,812)
620,348,134	-	620,348,134	-	-	-
403,622,963	-	403,622,963	-	-	-
27,868,159	-	27,868,159	-	-	1,000,000
81,036,685	-	81,036,685	-	-	-
32,689,945	-	32,689,945	-	-	-
-	-	-	869,698,806	65,357,703	17,672,793
(1,206,390)	559,881	(646,509)	150,117	766,797	19,287
7,493,974	11,138,884	18,632,858	1,449,170	443,345	37,508
<u>1,171,853,470</u>	<u>11,698,765</u>	<u>1,183,552,235</u>	<u>871,298,093</u>	<u>66,567,845</u>	<u>18,729,588</u>
(64,916,974)	50,803,558	(14,113,416)	(19,520,494)	2,237,966	(2,181,224)
<u>63,966,532</u>	<u>1,128,505,594</u>	<u>1,192,472,126</u>	<u>631,197,013</u>	<u>83,574,123</u>	<u>8,304,972</u>
\$ <u>(950,442)</u>	\$ <u>1,179,309,152</u>	\$ <u>1,178,358,710</u>	\$ <u>611,676,519</u>	\$ <u>85,812,089</u>	\$ <u>6,123,748</u>

Anne Arundel County, Maryland

Balance Sheet

Governmental Funds

June 30, 2013

	Major Funds			Nonmajor	Totals
	General	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	
<b>ASSETS</b>					
Cash and investments	\$ 84,024,953	\$ 45,592,863	\$ 64,321,812	\$ 64,397,122	\$ 258,336,750
Receivables					
Property taxes (net of \$1,670,063 allowance)	2,408,363	-	-	-	2,408,363
Local sales taxes	4,167,809	-	-	-	4,167,809
State shared revenues	6,116,735	-	-	-	6,116,735
Due from other governmental agencies	3,111,174	-	5,603,837	10,312,740	19,027,751
Due from other funds	5,225,203	-	-	-	5,225,203
Due from Board of Education	7,491	-	-	-	7,491
Local income tax	113,082,357	-	-	-	113,082,357
Other, net	8,048,571	124,807	17,973	200,678	8,392,029
Inventories	1,891,254	-	-	-	1,891,254
Other assets	984,286	-	4,160,413	-	5,144,699
Total assets	\$ 229,068,196	\$ 45,717,670	\$ 74,104,035	\$ 74,910,540	\$ 423,800,441
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 27,016,929	\$ 2,869,814	\$ 12,791,429	\$ 4,743,027	\$ 47,421,199
Due to other funds	2,973,539	-	-	5,225,203	8,198,742
Due to component units					
Board of Education	337,331	-	21,680,351	-	22,017,682
Community College	-	-	858,769	-	858,769
Library	1,616,792	-	-	-	1,616,792
Escrow and other deposits	660,987	-	29,608	5,822,652	6,513,247
Unearned revenue	80,723,403	-	4,772,012	4,290,547	89,785,962
Total liabilities	113,328,981	2,869,814	40,132,169	20,081,429	176,412,393
<b>FUND BALANCES</b>					
Non spendable					
Inventories	1,891,254	-	-	-	1,891,254
Restricted					
Impact fees capital projects	-	42,847,856	-	-	42,847,856
Forfeiture and asset seizure team	-	-	-	1,493,139	1,493,139
Reforestation	-	-	-	7,662,442	7,662,442
Laurel racetrack community benefit	-	-	-	24,381	24,381
Grants	-	-	-	949,725	949,725
Bond Premium	-	-	-	30,871,985	30,871,985
Other purposes	302,017	-	-	100,291	402,308
Debt service	-	-	-	3,999,512	3,999,512
Committed					
Roads and special benefits	-	-	-	265,188	265,188
Storm drain fees	-	-	-	953,128	953,128
Erosion districts	-	-	-	449,835	449,835
Recreation and land fees	-	-	-	264,354	264,354
Assigned					
Street lights	-	-	-	3,674,575	3,674,575
Installment purchase agreements	-	-	-	7,650,662	7,650,662
General County capital projects	-	-	33,971,866	-	33,971,866
General County	69,233,918	-	-	-	69,233,918
Unassigned	44,312,026	-	-	(3,530,106)	40,781,920
Total fund balances	115,739,215	42,847,856	33,971,866	54,829,111	247,388,048
Total liabilities and fund balances	\$ 229,068,196	\$ 45,717,670	\$ 74,104,035	\$ 74,910,540	\$ 423,800,441

Anne Arundel County, Maryland

Reconciliation of Governmental Fund Balance to Governmental Net Position

Governmental Funds

June 30, 2013

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Total fund balance for governmental funds as shown on the Balance Sheet	\$ 247,388,048
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on governmental funds balance sheet.	
Capital assets	1,756,633,164
Accumulated depreciation	(663,335,917)
Certain liabilities are not due and payable in the current period and, therefore, are not included on governmental funds balance sheet.	
Long-term bonded debt	(979,481,717)
Federal and state loans	(3,888,091)
Unamortized loss on refunding	5,684,120
Other post-employment benefits	(386,180,790)
Compensated absences	(21,099,278)
Long-term leases	(3,907)
Accrued interest payable on debt is recorded in governmental activities.	(9,379,793)
Unearned revenues:	
Revenues not available for use in the current fiscal year have been deferred until future periods on the governmental funds balance sheet.	88,886,438
Premiums received on certain bond issues have been deferred on the Statement of Net Position.	(71,002,912)
The assets and liabilities recorded in the internal service funds have been added to governmental net position because these funds are used to provide services to other funds.	
Net position of the Internal Service Funds	27,957,707
Business-type activities allocation of Internal Service Funds net position	(519,939)
Certain expenditures paid with current resources have been deferred to future periods on the Statement of Net Position.	<u>7,392,425</u>
Total net position for governmental activities as shown on Statement of Net Position	<u>\$ (950,442)</u>

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

## Anne Arundel County, Maryland

## Statement of Revenues, Expenditures and Changes in Fund Balances

## Governmental Funds

Year Ended June 30, 2013

	Major Funds			Nonmajor	Totals
	General	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	
<b>REVENUES</b>					
General property taxes	\$ 589,899,231	\$ -	\$ -	\$ 32,160,623	\$ 622,059,854
Local income taxes	407,582,398	-	-	-	407,582,398
State shared taxes	30,436,273	-	-	-	30,436,273
Grants and aid	-	-	11,975,331	37,264,962	49,240,293
Recordation and transfer taxes	81,036,685	-	-	-	81,036,685
Local sales taxes	32,689,945	-	-	-	32,689,945
License and permit fees	15,306,284	-	-	-	15,306,284
Impact fees	-	16,166,890	-	-	16,166,890
Special community benefit taxes	-	-	-	6,869,374	6,869,374
Investment income	(197,940)	146,244	(220,663)	(695,802)	(968,161)
Fees for services and other revenue	58,328,306	-	3,738,283	6,439,047	68,505,636
Total revenues	1,215,081,182	16,313,134	15,492,951	82,038,204	1,328,925,471
<b>EXPENDITURES</b>					
<b>Current</b>					
Education	616,627,400	349,283	90,755,094	-	707,731,777
Public safety	242,280,879	-	-	2,503,793	244,784,672
General government	77,475,809	-	-	2,230,402	79,706,211
Health and human services	40,865,031	-	-	28,781,472	69,646,503
Public works	37,457,212	475,150	-	908,084	38,840,446
Recreation and community services	35,786,424	-	-	12,550,808	48,337,232
Judicial	21,023,465	-	-	2,315,614	23,339,079
Code enforcement	11,583,462	-	-	-	11,583,462
Land use and development	7,796,934	-	-	1,217,160	9,014,094
Capital outlay	-	-	73,051,659	-	73,051,659
<b>Debt service</b>					
Interest payments on debt	37,111,936	-	-	3,201,890	40,313,826
Principal payments on debt	71,091,984	-	-	2,686,969	73,778,953
Interest payments on leases	2,008	-	-	-	2,008
Principal payments on leases	3,907	-	-	-	3,907
Total expenditures	1,199,106,451	824,433	163,806,753	56,396,192	1,420,133,829
Revenues over (under) expenditures	15,974,731	15,488,701	(148,313,802)	25,642,012	(91,208,358)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	35,517,352	-	86,090,469	1,291,565	122,899,386
Transfers out	(67,767,891)	(30,337,663)	-	(24,793,832)	(122,899,386)
General obligation bonds issued	116,000,000	-	-	-	116,000,000
Bond anticipation notes issued	-	-	65,040,000	-	65,040,000
Payment of bond anticipation notes	(65,040,000)	-	-	-	(65,040,000)
Premiums from sale of bonds	-	-	-	16,130,659	16,130,659
Transfers to internal service funds	1,545,790	-	-	-	1,545,790
Total other financing sources (uses)	20,255,251	(30,337,663)	151,130,469	(7,371,608)	133,676,449
Net change in fund balances	36,229,982	(14,848,962)	2,816,667	18,270,404	42,468,091
Fund balances, July 1	79,509,233	57,696,818	31,155,199	36,558,707	204,919,957
Fund balances, June 30	\$ 115,739,215	\$ 42,847,856	\$ 33,971,866	\$ 54,829,111	\$ 247,388,048

Accompanying notes to 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, 2013

Changes in fund balances as shown on Statement of Revenues,  
Expenditures, and Changes in Fund Balances, Governmental Funds \$ 42,468,091

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	55,467,751
Current year donations of capital assets	5,536,334
Current year disposals of capital assets	(666,763)
Depreciation expense recorded in the Statement of Activities	(42,796,950)

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	(181,040,000)
Principal payments on debt	138,818,955
Lease Payments	3,907
Change in accrued interest payable	2,630,838
Amortization of prior year refunding gain/loss	(954,584)
Accrual of compensated absences	1,349,699
Accrual of other post-employment benefit liability	(78,318,328)

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	2,710,052
Amortization of expenditures deferred in previous years	(1,565,515)

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:

Unearned revenue	(16,130,659)
Amortization of amounts deferred	7,506,102

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.

(931,648)

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.

995,744

Changes in net position as shown in governmental activities on the Statement of Activities \$ (64,916,974)

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

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

## General Fund

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
General property taxes	\$ 586,351,000	\$ 586,351,000	\$ 589,899,231	\$ 3,548,231
Local income taxes	389,400,000	389,400,000	407,582,398	18,182,398
State shared taxes	26,357,000	26,357,000	30,436,273	4,079,273
Recordation and transfer taxes	60,000,000	60,000,000	81,036,685	21,036,685
Local sales taxes	32,700,000	32,700,000	32,689,945	(10,055)
Licenses and permits	15,206,800	15,206,800	15,306,284	99,484
Investment income	400,000	400,000	189,172	(210,828)
Interfund recoveries	58,038,300	58,038,300	61,518,784	3,480,484
Fees for services and other revenues	51,524,100	51,524,100	57,142,988	5,618,888
Total revenues	<u>1,219,977,200</u>	<u>1,219,977,200</u>	<u>1,275,801,760</u>	<u>55,824,560</u>
<b>EXPENDITURES</b>				
Current				
Education	638,983,300	643,998,800	643,179,582	819,218
Higher education	37,371,400	37,371,400	37,159,926	211,474
Public safety	243,192,000	247,530,100	243,635,879	3,894,221
General government	107,306,200	101,521,600	100,284,604	1,236,996
Health and human services	44,446,900	46,078,000	43,391,255	2,686,745
Public works	35,382,400	36,444,600	36,325,759	118,841
Recreation and community services	38,397,600	38,408,800	37,864,130	544,670
Judicial	21,498,600	21,575,000	21,366,544	208,456
Land use and development	8,453,100	8,460,000	7,969,926	490,074
Code enforcement	11,891,700	11,934,900	11,564,151	370,749
Debt service	44,914,000	44,914,000	43,287,233	1,626,767
Pay go funding - capital projects	15,462,500	15,462,500	15,462,500	-
Total expenditures	<u>1,247,299,700</u>	<u>1,253,699,700</u>	<u>1,241,491,489</u>	<u>12,208,211</u>
Revenues over (under) expenditures	(27,322,500)	(33,722,500)	34,310,271	<u>\$ 68,032,771</u>
Fund balances, budgetary, July 1	<u>51,045,502</u>	<u>51,045,502</u>	<u>51,045,502</u>	
Fund balances, budgetary, June 30	\$ <u>23,723,002</u>	\$ <u>17,323,002</u>	\$ <u>85,355,773</u>	
Fund balances - Unreserved				
Undesignated - GAAP basis			\$ 44,312,026	
Health encumbrance adjustment			175,006	
Effect of Rainy Day Fund			(23,000,203)	
Budgetary Fund Balance Inmate Benefits			(537,376)	
Parking Garage transfer to General Fund - GAAP			143,299	
Parking Garage change in budgetary fund balance			(141,235)	
Restricted BRAC GAAP			302,017	
Self Insurance Fund surplus allocation			2,973,539	
Undesignated - Non-GAAP basis			<u>24,227,073</u>	
Designated for subsequent years			<u>61,128,700</u>	
			<u>\$ 85,355,773</u>	

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



## Statement of Net Position

## Proprietary Funds

June 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Totals	Internal
	Water and Wastewater	Solid Waste	Child Care		Service Funds
<b>ASSETS</b>					
Current assets					
Cash and temporary investments	\$ 61,603,194	\$ 27,168,018	\$ 1,422,255	\$ 90,193,467	\$ 23,207,711
Investments	-	-	-	-	68,345,881
Service billings receivable, net	25,013,470	831,037	24,081	25,868,588	3,825,154
Due from other funds	-	-	-	-	3,099,000
Inventories	1,811,693	145,488	-	1,957,181	849,023
Other	26,955	-	-	26,955	1,350,849
Restricted assets					
Cash and temporary investments	10,527,159	20,626,174	-	31,153,333	-
Investments	203,914,843	-	-	203,914,843	-
Receivables					
Due from other governmental agencies	9,039,041	-	-	9,039,041	-
Other, net	10,817,256	-	-	10,817,256	-
Total current assets	<u>322,753,611</u>	<u>48,770,717</u>	<u>1,446,336</u>	<u>372,970,664</u>	<u>100,677,618</u>
Noncurrent assets					
Restricted assets					
Deferred connection and assessment charges	48,244,433	-	-	48,244,433	-
Capital assets					
	1,925,002,093	91,858,987	-	2,016,861,080	65,652,601
Less accumulated depreciation	(627,594,125)	(47,365,229)	-	(674,959,354)	(52,081,255)
Total capital assets, net of depreciation	<u>1,297,407,968</u>	<u>44,493,758</u>	<u>-</u>	<u>1,341,901,726</u>	<u>13,571,346</u>
Total noncurrent assets	<u>1,345,652,401</u>	<u>44,493,758</u>	<u>-</u>	<u>1,390,146,159</u>	<u>13,571,346</u>
Total assets	<u>1,668,406,012</u>	<u>93,264,475</u>	<u>1,446,336</u>	<u>1,763,116,823</u>	<u>114,248,964</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued liabilities	27,626,425	2,846,402	63,100	30,535,927	2,736,452
Current portion of long-term debt and obligations	25,813,937	3,482,795	32,770	29,329,502	19,159,470
Due to other funds	95,107	27,396	2,958	125,461	-
Escrow deposits	670,968	77,747	-	748,715	-
Liabilities related to restricted assets					
Accounts payable and accrued liabilities	4,529,556	-	-	4,529,556	-
Unearned revenue	30,298,137	-	-	30,298,137	-
Total current liabilities	<u>89,034,130</u>	<u>6,434,340</u>	<u>98,828</u>	<u>95,567,298</u>	<u>21,895,922</u>
Noncurrent liabilities					
Unpaid insurance claims	-	-	-	-	57,991,000
Accrued liability for compensated absences	23,268	11,810	3,476	38,554	19,847
Accrued liability for other post-employment benefits	29,881,929	7,151,462	474,308	37,507,699	6,384,488
Estimated landfill closure and postclosure	-	34,527,385	-	34,527,385	-
Long-term debt, net of unamortized refunding gain/loss	390,488,819	23,887,281	-	414,376,100	-
Unearned revenue	2,063,987	-	246,587	2,310,574	-
Total noncurrent liabilities	<u>422,458,003</u>	<u>65,577,938</u>	<u>724,371</u>	<u>488,760,312</u>	<u>64,395,335</u>
Total liabilities	<u>511,492,133</u>	<u>72,012,278</u>	<u>823,199</u>	<u>584,327,610</u>	<u>86,291,257</u>
<b>NET POSITION</b>					
Net investment in capital assets	872,503,051	20,313,940	-	892,816,991	13,571,346
Restricted for debt service	260,752,727	-	-	260,752,727	-
Restricted for other purposes	9,039,041	-	-	9,039,041	-
Unrestricted	14,619,060	938,257	623,137	16,180,454	14,386,361
Total net position	<u>\$ 1,156,913,879</u>	<u>\$ 21,252,197</u>	<u>\$ 623,137</u>	<u>\$ 1,178,789,213</u>	<u>\$ 27,957,707</u>

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

Anne Arundel County, Maryland

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

Proprietary Funds

June 30, 2013

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Net position as shown on Statement of Net Position - Proprietary Funds	\$ 1,178,789,213
The allocation of the net deficit in the Internal Service Funds to various activities, funds, etc. as it relates to business-type activities.	<u>519,939</u>
Net position shown on government wide Statement of Net Position	\$ <u><u>1,179,309,152</u></u>

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

## Statement of Revenues, Expenses, and Changes in Fund Net Position

## Proprietary Funds

Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund		Activities
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 84,555,353	\$ 45,599,267	\$ 4,070,150	\$ 134,224,770	\$ 44,911,382
Landfill charges	-	3,575,594	-	3,575,594	-
Medical premiums	-	-	-	-	93,892,410
Other revenues	5,141,149	1,840,146	293	6,981,588	464,764
Total operating revenues	89,696,502	51,015,007	4,070,443	144,781,952	139,268,556
<b>OPERATING EXPENSES</b>					
Personnel services	34,029,594	8,117,538	2,987,108	45,134,240	7,047,298
Contractual services	26,339,748	31,505,267	228,610	58,073,625	1,967,353
Supplies and materials	6,061,145	1,803,894	324,831	8,189,870	157,292
Business and travel	109,143	30,310	25,928	165,381	14,592
Cost of goods issued	-	-	-	-	9,434,324
Depreciation	35,224,618	3,972,300	-	39,196,918	4,087,514
Provision for claims and estimated losses	-	-	-	-	111,280,283
Landfill closure and postclosure costs	-	(983,054)	-	(983,054)	-
Other	9,134,430	2,908,946	454,500	12,497,876	1,366,100
Total operating expenses	110,898,678	47,355,201	4,020,977	162,274,856	135,354,756
Operating income (loss)	(21,202,176)	3,659,806	49,466	(17,492,904)	3,913,800
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	434,900	124,981	-	559,881	(1,397,466)
Interest earned on long-term receivables	1,132,508	-	-	1,132,508	-
Other revenues (expenses)	3,014,782	(76,175)	-	2,938,607	-
Interest expense	(7,195,283)	(336,322)	-	(7,531,605)	-
Gain (loss) on disposal of assets	10,006	(17,653)	-	(7,647)	89,312
Income (loss) before contributions and transfers	(23,805,263)	3,354,637	49,466	(20,401,160)	2,605,646
Capital contributions, fees, and grants	71,140,606	-	-	71,140,606	-
Net equity transfers between funds	-	-	-	-	(1,545,790)
Change in net position	47,335,343	3,354,637	49,466	50,739,446	1,059,856
Net position, July 1	1,109,578,536	17,897,560	573,671	1,128,049,767	26,897,851
Net position, June 30	\$ 1,156,913,879	\$ 21,252,197	\$ 623,137	\$ 1,178,789,213	\$ 27,957,707

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

Change in net position shown above	\$ 50,739,446
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.	64,112
Increase in net position as shown on the government-wide statement of activities	\$ 50,803,558

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

## Anne Arundel County, Maryland

## Statement of Cash Flows

## Proprietary Funds

Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Totals	Internal
	Water and Wastewater	Solid Waste	Child Care		Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received for services	\$ 91,871,966	\$ 50,750,326	\$ 4,100,006	\$ 146,722,298	\$ 134,197,370
Cash received for expense reimbursement	-	-	-	-	607,152
Cash payments to suppliers for goods and services	(39,872,784)	(33,172,927)	(1,023,133)	(74,068,844)	(11,724,704)
Cash payments for insurance claims	-	-	-	-	(106,595,896)
Cash payments to employees for services	(27,990,046)	(6,571,053)	(2,861,817)	(37,422,916)	(5,752,426)
Contributions to other funds	-	(2,874,500)	-	(2,874,500)	-
Escrow deposits refunded	-	(2,000)	-	(2,000)	-
Other operating receipts	-	-	-	-	77,142
Other operating payments	-	-	-	-	(1,366,100)
Net cash provided by operating activities	<u>24,009,136</u>	<u>8,129,846</u>	<u>215,056</u>	<u>32,354,038</u>	<u>9,442,538</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Payments of long-term debt related to closure activities	-	(436,560)	-	(436,560)	-
Interest payments related to closure activities	-	(106,739)	-	(106,739)	-
Net cash used for noncapital financing activities	<u>-</u>	<u>(543,299)</u>	<u>-</u>	<u>(543,299)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Proceeds from sale of bonds and bond anticipation notes	38,080,000	-	-	38,080,000	-
Proceeds from grant funds	19,363,145	-	-	19,363,145	-
Proceeds from loan	20,617,493	-	-	20,617,493	-
Proceeds from developers' contributions	467,619	-	-	467,619	-
Refunds to developers	(194,678)	-	-	(194,678)	-
Assessments and connection charges	36,917,227	-	-	36,917,227	-
Environmental protection fees for capital assets	18,593,893	-	-	18,593,893	-
Escrow deposits	5,704	-	-	5,704	-
Payments of long-term debt	(23,164,231)	(1,646,456)	-	(24,810,687)	-
Payments of bond anticipation notes	-	-	-	-	-
Interest payments	(15,803,625)	(1,184,065)	-	(16,987,690)	-
Acquisition and construction of capital assets	(96,944,077)	(4,667,568)	-	(101,611,645)	(2,176,684)
Payments of debt issuance costs	(572,169)	-	-	(572,169)	-
Other income	1,097,141	-	-	1,097,141	-
Premium on sale of bonds	1,897,794	-	-	1,897,794	-
Proceeds from sale of equipment	-	-	-	-	116,089
Payment of capital related fees	<u>(759,474)</u>	<u>-</u>	<u>-</u>	<u>(759,474)</u>	<u>-</u>
Net cash (used for) capital and related financing activities	<u>(398,238)</u>	<u>(7,498,089)</u>	<u>-</u>	<u>(7,896,327)</u>	<u>(2,060,595)</u>

Anne Arundel County, Maryland

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Totals	Activities
	Water and Wastewater	Solid Waste	Child Care		Internal Service Funds
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Purchase of investment securities	(736,627,722)	-	-	(736,627,722)	(148,130,507)
Sale of investment securities	719,770,572	-	-	719,770,572	147,893,014
Interest on investments	296,374	124,981	-	421,355	(1,570,015)
Net cash provided by (used for) investing activities	(16,560,776)	124,981	-	(16,435,795)	(1,807,508)
Net increase in cash and cash equivalents	7,050,122	213,439	215,056	7,478,617	5,574,435
Cash and temporary investments, July 1	65,080,231	47,580,753	1,207,199	113,868,183	17,633,276
Cash and temporary investments, June 30	\$ 72,130,353	\$ 47,794,192	\$ 1,422,255	\$ 121,346,800	\$ 23,207,711
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (21,202,176)	\$ 3,659,806	\$ 49,466	\$ (17,492,904)	\$ 3,913,800
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	35,224,618	3,972,300	-	39,196,918	4,087,514
Donation of capital assets	-	(70,000)	-	(70,000)	-
Noncapital construction costs	936,583	-	-	936,583	-
Effect of changes in operating assets and liabilities:					
Accounts receivable	2,160,286	(347,415)	1,800	1,814,671	(3,819,079)
Adjustment of accrued interest	-	152,734	-	152,734	-
Due from other funds	41,760	-	-	41,760	-
Prepaid expenses	(26,955)	-	-	(26,955)	(12,794)
Deposit with provider	-	-	-	-	-
Inventories	(655,891)	(8,297)	-	(664,188)	(218,523)
Decrease (increase) in deposit with provider	-	-	-	-	-
Accounts payable and accrued liabilities	1,340,499	173,537	8,438	1,522,474	110,448
Unearned revenue	-	-	29,294	29,294	-
Unpaid claims	-	-	-	-	5,675,791
Landfill closure and postclosure costs	-	(983,054)	-	(983,054)	-
Due to other funds	95,107	34,446	2,958	132,511	(1,574,000)
Escrow deposits	15,179	(2,000)	-	13,179	-
Accrued liability for compensated absences	(204,282)	(40,037)	(1,105)	(245,424)	(58,254)
Accrued liability for OPEB benefits	6,284,408	1,587,826	124,205	7,996,439	1,337,635
Net cash provided by operating activities	\$ 24,009,136	\$ 8,129,846	\$ 215,056	\$ 32,354,038	\$ 9,442,538
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Contributions of capital assets from developers	\$ 7,916,919	\$ -	\$ -	\$ 7,916,919	\$ -
Trade in of capital assets	-	100,445	-	100,445	-
Change in capital contributions, fees and grants; accruals and deferrals	(11,974,451)	-	-	(11,974,451)	-
Increase (decrease) in fair value of investments	(548,462)	-	-	(548,462)	(2,578,759)
Amortization of refunding gains (losses)	(535,918)	-	-	(535,918)	-
	\$ (5,141,912)	\$ 100,445	\$ -	\$ (5,041,467)	\$ (2,578,759)

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

Anne Arundel County, Maryland

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2013

	Pension Trust Funds (December 31, 2012)	Agency Funds
<b>ASSETS</b>		
Investments, at fair value:		
Cash and temporary investments	\$ 39,174,289	\$ 41,003,679
U. S. government obligations	16,017,369	-
Corporate obligations	184,617,969	-
Domestic fixed income mutual funds	85,580,002	-
International fixed income mutual funds	128,845,142	-
Global asset pools	316,268,502	-
Domestic equity	226,915,487	-
International equity investment pools	243,680,303	-
Private markets	86,857,839	-
Portable Alpha	85,242,232	-
Real estate investment pools	54,806,457	-
Aetna insurance pooled fixed income	30,068,778	-
Absolute return funds	-	-
Total investments	<u>1,498,074,369</u>	<u>41,003,679</u>
Collateral from securities lending transactions	66,931,325	-
Receivables:		
Employer contributions	4,867,655	-
Participant contributions	828,362	-
Accrued interest and dividends	2,688,347	-
Investment sales proceeds	<u>2,488,672</u>	<u>-</u>
Total receivables	10,873,036	-
Deposits on hand	<u>235,603</u>	<u>-</u>
Total assets	<u>1,576,114,333</u>	<u>41,003,679</u>
<b>LIABILITIES</b>		
Accounts payable	1,769,539	-
Escrow and other deposits	-	41,003,679
Investment commitments payable	18,071,799	-
Obligation for collateral received under securities lending transactions	<u>66,931,325</u>	<u>-</u>
Total liabilities	<u>86,772,663</u>	<u>41,003,679</u>
Net position held in trust for pension benefits	<u>\$ 1,489,341,670</u>	<u>\$ -</u>

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

Anne Arundel County, Maryland

Statement of Changes in Fiduciary Net Position

Pension Trust Funds

Year Ended June 30, 2013

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	Pension Trust Funds (December 31, 2012)
ADDITIONS	
Contributions:	
Employer	\$ 55,733,520
Participant	10,544,744
Total contributions	<u>66,278,264</u>
Investment income:	
Net appreciation in fair value of investments	149,564,466
Interest income	17,645,102
Dividend income	17,350,864
Total investment income	<u>184,560,432</u>
Less investment expense	<u>(8,453,940)</u>
Net income from investing activities	<u>176,106,492</u>
Securities lending activities:	
Securities lending income	<u>376,062</u>
Securities lending expenses:	
Borrower rebates	44,130
Management fees	99,644
Securities lending expense	<u>143,774</u>
Securities lending net income	<u>232,288</u>
Total net investment income	<u>176,338,780</u>
Total additions	<u>242,617,044</u>
DEDUCTIONS	
Participant benefit payments and refunds	87,155,588
Administrative expenses	1,527,986
Total deductions	<u>88,683,574</u>
Net increase	153,933,470
Net position, beginning of year	<u>1,335,408,200</u>
Net position, end of year	<u>\$ 1,489,341,670</u>

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

**1 Summary of Significant Accounting Policies**

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

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

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

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

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

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

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

Anne Arundel Community College  
101 College Parkway  
Arnold, MD 21012

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

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

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



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

### **Government-Wide Financial Statements**

The government-wide financial statements, consisting of the Statement of Net Position 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 position 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 Positions as "Internal balances." In addition, transactions between these activities and the internal service funds, which primarily serve the primary government, have been eliminated. Certain residual assets, liabilities, and net positions of the internal service funds have been added to governmental activities. In addition, transactions between the internal service funds and component units or other non-County agencies have been included in governmental activities.

### **Fund Financial Statements**

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

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

The County considers revenue collected within ninety days of the end of the year as available, except for property taxes, which must be collected within sixty days. Therefore, property taxes, income taxes, certain shared taxes, and grants that have not been received within the availability period have been deferred to future periods and recorded as unearned revenue.

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

**Proprietary fund financial statements** - The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are

recognized when a liability is incurred, regardless of the timing of cash flows. These funds account for County services that operate as self-supporting activities. Those who benefit from these services bear the cost through the payment of user fees. The proprietary fund financial statements separately present the following major enterprise funds:

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

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

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

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

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

## **Budgetary Statements**

The basic financial statements include a Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the General Fund. This statement is prepared using the budgetary basis of accounting in which revenues are recognized when available. This non-GAAP basis of accounting recognizes that the County's budget is adopted in accordance with legal requirements regarding appropriation authority and the certification of the availability of funds to support those appropriations. Pursuant to the County Charter, the capital and operating budgets are presented by the County Executive to the County Council during April. The County

Council holds public hearings regarding the budget. The annual appropriation ordinance must be approved by June 15<sup>th</sup> and provides the spending authority at the department level for the operations of the County. Unexpended or unencumbered appropriations in the operating budget expire the following June 30<sup>th</sup>. The County also recognizes revenue collected within ninety days of the end of the fiscal year as available for the prior year's appropriation, except for property taxes, which must be collected within sixty days, and grant revenue when the County Controller has determined that sufficient documentation exists to support that revenues not yet collected within ninety days of the end of the year are available to support appropriations in that fiscal year. Budgetary expenditures are recognized when encumbered or when goods or services are received. The General County Capital Projects Fund has a legally adopted budget and unspent appropriations at year-end carry forward to the subsequent year. All non-major governmental funds have legally adopted budgets except the Storm Drain Fees Fund and the Recreation Land Fees Fund, which are expended through the Capital Projects Fund.

### **Combining and Other Supplementary Schedules**

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

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

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

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

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

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

**E Program Revenues** – The government-wide Statement of Activities is presented using a net-cost format. Total costs are presented on a functional basis. Some of these functional activities are financed in whole or in part by program revenues received from parties outside the County government. These program revenues are subtracted from the functional costs to arrive at net costs. General County revenues are then applied against the net costs to arrive at changes in net position 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 Positions. These asset balances include all constructed, purchased, or developer-donated public domain infrastructure (roads, bridges, and similar items). Infrastructure with an individual value of \$50,000 or more, intangible assets and software with an individual value of \$50,000 or more, and other assets with an individual value of \$5,000 or more are capitalized. Capital assets are valued at historical cost or estimated historical cost. Donated assets are valued at the estimated fair value on the date donated. Depreciable assets are depreciated on a straight-line basis over the respective useful lives. The estimated useful lives of the capital assets are determined by the category. They are listed as follows:

<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, intangible assets, software, and telecommunications	
Roads and bridges	17 – 30	systems	5 – 7
Landfills	15 – 20	Automobiles and small rolling stock	5

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

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

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

**I Capitalized interest** – The primary government’s Statement of Net Positions for business-type activities includes capitalized interest. Management estimates the fiscal year interest expensed on debt used for the

construction of capital assets. This interest is added to the value of the capital assets and is depreciated over the life of the related water and sewer lines, structures and capital assets constructed for Solid Waste bond-funded projects.

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

**K Encumbrances** – The governmental funds utilize encumbrance accounting under which purchase orders, contracts, and other commitments are recorded in order to reserve budget appropriations for that purpose. Open encumbrances at fiscal year-end are shown as part of the restricted, committed or assigned fund balance in the governmental fund statements and are recorded as expenditures on the budgetary statements. Encumbrances as of June 30, 2013 totaled \$43,147,228 in the governmental fund types, of which \$29,501,608 is for construction activity. The proprietary funds utilize encumbrance accounting for budgetary purposes. As of June 30, 2013, the proprietary funds had encumbrances totaling \$191,439,704, of which \$184,658,341 is for construction activity.

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County has classified inventories, and prepaid items as non-spendable.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The County has classified Impact Fees for capital projects, Reforestation, Laurel Race Track Community Benefit and the Circuit Court fund as restricted based on State Enabling Legislation. Impact Fee Funds are restricted based on 1986 Maryland State Law, chapter 350 which allows the County to impose impact fees to be used for specific purposes. Reforestation is restricted based on the State of Maryland, Natural Resources Article, section 5-1610 which allows the County to assess a fee for the purpose of reforestation. Laurel Race Track Community Benefit Fund is restricted based on Maryland's Annotated Code, section 11-404 which restricts impact aid funds received from the State of Maryland to be used for certain services and facilities. The Circuit Court Fund is restricted based on Maryland's Annotated Code, Court and Judicial Proceeding Article, section 7-204 which states certain fees must be used for the Court library. Forfeitures are restricted since their use is restricted by Federal regulations for certain law enforcement activities. Debt service resources will be used for future servicing of General Obligation Bonds, Tax Increment Funds and Special Taxing Districts and are restricted through debt covenants. Grants are restricted based on various State and Federal laws and regulations which specify how funds will be spent.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision making authority through the passing of ordinances. These amounts cannot be used for any other purpose unless the County removes or changes the ordinance that was employed when the funds were initially committed. Erosion Control District, Recreation Land Fees, Storm Drain Fees, and Roads and Special Benefits are committed based on legislation in the County code.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. The policy to assign funds is established through the Budget Ordinance each year which is approved by both the County Council and the County Executive. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Capital Projects and Street Lights are assigned for the repair and replacement of equipment. The Installment Purchase Agreement fund is assigned for the purchase of agricultural and woodland

preservation programs.

- **Unassigned:** This classification includes the residual fund balance for the General Fund. The Grant Funds have a negative unassigned fund balance which represents the timing difference between the grant expenditures and payments received for the reimbursable grants.

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

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

**N Compensated absences** - The primary government's Statements of Net Position include an accrual for compensated absences. This accrual is an estimate of unused annual leave as of June 30, 2013. The annual leave accrual is calculated using unused annual leave hours as of June 30, 2013 and pay rates in place for each employee at fiscal year-end.

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

**O New Pronouncements** - In fiscal year ended June 30, 2013 the County implemented GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in pre-November 30, 1989 FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

The adoption of this standard did not have a material impact on the County's financial statements.

In fiscal year ended June 30, 2013 the County implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and defined the residual of assets and deferred outflows less liabilities and deferred inflows as net position. The County has implemented the effects of this Statement for the reporting period ending June 30, 2013. The effect of this Statement on the County was a change in the format of the entity wide statements to include the concept of net position.

The County is analyzing the effects of the following pronouncements and plans to adopt them as applicable by their effective date; GASB issued Statement No. 65, entitled Items Previously Reported as Assets and Liabilities, effective June 30, 2014; Statement No. 66; Technical Corrections 2012 – an amendment of GASB Statements No. 10, and No. 62, effective June 30, 2014; Statement No. 67, entitled Financial Reporting for Pension Plans, effective June 30, 2014; Statement No. 68, entitled Accounting, Financial Reporting for Pensions, effective June 30, 2015; Statement No. 69, Government Combinations and Disposals of Government Operations, effective June 30, 2015; and Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, effective June 30, 2014.

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

## **2      Budgetary Information**

**A      *Supplemental Budgetary Appropriations*** - During the fiscal year, the County Council may adopt supplemental appropriations. For the year ended June 30, 2013, supplemental appropriations were adopted in the following funds: General Fund for \$6,400,000; Grant Fund for \$3,710,516; Workforce Development for \$1,200,000; Arundel Community Development Service for \$600; Arundel Mill Tax Incremental Fund for \$2,470,000; Installment Purchase Agreements for \$60,000; and the Central Garage and Transportation Fund for \$300,000. During the year, the County Executive has the authority to approve various interdepartmental transfers which require the County Councils approval.

**B      *Excess Expenditures over Appropriation and Fund Deficits*** - The County limits the spending of departments and funds by granting budgetary appropriation authority. These limits are established at the department level in the General Fund, separate funds are controlled at the fund level, and capital projects are controlled at the project level. Expenditures and encumbrances of the funds may not legally exceed appropriations at the department level. The Grants fund has a negative Fund Balance in the amount of (\$2,635,321). This is as a result of funds being expended in the current fiscal year and not being reimbursed by the grantor within 90 days for the modified accrual basis of accounting. The Library Fund and the Central Garage Fund have negative fund balances of (\$4,567,778) and (2,560,071) respectively, as a result of the OPEB accrual entries. The County plans to address the negative fund balance in the Garage Internal Service Fund by allocating OPEB charges in Internal Service Funds to the major County operating funds which are General County, Utilities and the Solid Waste Fund. The County is looking into setting up a trust fund for OPEB funding in the future. In the General Fund at a department level, Circuit Court was over budget by \$16,169 and Ethics Commission was over budget by \$707. These departments were put over budget by a year end pension allocation entry. The County is looking into processing the final pension true up entry at year end on a non department level as not to put departments over budget for costs not directly related to employees working within their department.

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

Revenue (under) over expenditures - budgetary basis	\$ 34,310,271
Net effect of encumbrances	3,957,087
Street Light Accrual - GAAP	157,438
Change in Revenue Reserve Fund Balance	474,120
OPEB Deficit Adjustment - GAAP Only	1,545,790
Change in Self Insurance Fund	(4,014,314)
Health Department encumbrance - GAAP Only	(175,006)
Effects of Inmate Benefit Fund	165,319
Net inventory change	(190,723)
Change in fund balance - modified accrual basis	<u>\$ 36,229,982</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. Policy requires that for repurchase agreement investments made by the County, the initial collateral securities underlying repurchase agreement investments have a market value of at least 102% of the cost of the repurchase agreement. The collateral is in the County's name and held by an independent third party or at the Federal Reserve. When the collateral falls under 101% or is \$100,000 less than the 102%, additional collateral is required to bring the total to the required level.

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

Either the Retirement System or the borrower may terminate security loans on demand, although the average term of the loans is one week. Cash collateral is invested in the lending agent's money market mutual fund, which had a weighted average duration of 34 days at December 31, 2012, the year-end for the Retirement System. Because the loans were terminable at will, the loans' duration did not generally match the durations of the investments made with cash collateral. The Retirement System cannot pledge or sell collateral securities received unless the borrower defaults.

**B Balances and Custodial Credit Risk** – As of June 30, 2013, the carrying amount of the primary government's bank deposits was (\$2,783,245), bank balances were \$8,923,873. All bank balances were fully secured by Federal Deposit insurance or fully collateralized.

Cash balances of the Board of Education are fully secured by Federal Deposit insurance and by collateral held in the Board's name at the Federal Reserve and by the financial institution's Trust Department. Deposits for Anne Arundel Community College are secured and properly protected. The cash balances of the other nonmajor component units are insured or collateralized except \$2,673,136, 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 as counterparty or the counterparty's trust department or agent, but not in the primary government's name. The primary government's Investment Policy requires that the Controller maintain a list of financial institutions authorized to provide investment services, including custodial services and collateral requirements. Internal procedures establish the methods for evaluating eligible institutions. Custodial credit risk for deposits is not addressed in the policy.

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



The table that follows uses the *Segmented Time Distribution* method to display debt investments 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 \$90,450,031 of callable issues and \$3,788,000 for issues that have both callable and variable rate features. The component units' issues have no variable rate securities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>over 10</u>
<u>Primary Government</u>					
Repurchase agreements	\$ 65,000,000	\$ 65,000,000	\$ -	\$ -	\$ -
U.S. Government securities	23,648,300	10,606,553	5,416,352	-	7,625,395
Agency / instrumentalities	430,176,198	339,726,167	29,854,820	60,595,211	-
Money market pools	152,777,488	152,777,488	-	-	-
Tax exempt municipals bonds	47,334,211	2,942,596	44,391,615	-	-
	<u>\$ 718,936,197</u>	<u>\$ 571,052,804</u>	<u>\$ 79,662,787</u>	<u>\$ 60,595,211</u>	<u>\$ 7,625,395</u>
<u>Board of Education</u>					
Money market pools	142,576,764	142,576,764	-	-	-
	<u>\$ 142,576,764</u>	<u>\$ 142,576,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Community College</u>					
Money market pools	\$ 4,462,001	\$ 4,462,001	\$ -	\$ -	\$ -
Bond mutual funds	2,564,510	2,564,510	-	-	-
	<u>\$ 7,026,511</u>	<u>\$ 7,026,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other nonmajor component units</u>					
Money market pools	6,805	6,805	-	-	-
	<u>\$ 6,805</u>	<u>\$ 6,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The following table uses *Segmented Time Distribution* to display the Retirement System's debt holdings by maturity term and investment type as of December 31, 2012. 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 \$9,884,342 as of December 31, 2012.

The following 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 \$102,224,851 with call dates ranging from January 1, 2013 for continuously callable issues to March 1, 2041. Stated call prices are generally at par. The callable holdings include issues with floating interest rates which have market value of \$8,667,782.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1 year</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>over 10</u>
U.S. Treasuries	\$ 16,017,369	\$ 5,313,146	\$ 390,892	\$ 4,628,817	\$ 5,684,514
Agency/Instrumentalities	36,611,339	7,028,381	-	1,009,275	28,573,683
Corporate Bonds	129,522,016	1,284,720	55,757,341	61,930,237	10,549,718
Bond Mutual Funds	214,425,143	-	85,580,002	128,845,141	-
Collateralized Mrtg Obligations	6,578,944	-	60,779	427,962	6,090,203
Other Asset-Backed Securities	2,810,208	-	278,150	102,009	2,430,049
Foreign and Yankee Bonds	9,095,463	135,279	4,803,095	3,867,949	289,140
Totals	<u>\$ 415,060,482</u>	<u>\$ 13,761,526</u>	<u>\$ 146,870,259</u>	<u>\$ 200,811,390</u>	<u>\$ 53,617,307</u>

**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.

<u>Investment Issuer or Type</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>%</u>	<u>Investment Type</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>%</u>
<u>Primary Government</u>							
Federal Home Loan Bank	AA	Aaa	18.41	Tax Exempt Municipal	AAA	Aaa	3.79
Federal Home Loan Mortgage	AA	Aaa	18.42	Tax Exempt Municipal	AA	Aaa	0.35
Federal Nat'l. Mortgage Assoc.	AA	Aaa	17.30	Tax Exempt Municipal	AA	Aa	1.60
Federal Farm Credit	AA	Aaa	4.24	Tax Exempt Municipal	AA	A	0.04
Farmer Mac	NR	NR	3.49	Tax Exempt Municipal	AAA	NR	0.41
Money market pool	AAAm	Aaa	9.08	Tax Exempt Municipal	AA	NR	0.02
Money market pool	AAAm	NR	11.31	Tax Exempt Municipal	A	NR	0.17
Money market pool	NR	NR	1.59	Tax Exempt Municipal	NR	Aaa	0.32
Repurchase Agreements	NR	NR	9.35	Tax Exempt Municipal	NR	A	0.11
							<u>100.00</u>
<u>Board of Education</u>							
Money market pool	AAAm	NR	<u>100.00</u>				
			<u>100.00</u>				
<u>Community College</u>							
Money market pool	AAAm	NR	63.50	Bond Mutual Funds	NR	NR	36.50
							<u>100.00</u>
<u>Nonmajor component units</u>							
Money Market pool	AAAm	N/R	<u>100.00</u>				
			<u>100.00</u>				

The Retirement System's Investment Policy Statement (IPS) provides guidelines to all fixed income managers related to allowable quality ratings. Holdings as of December 31, 2012 are displayed next.

<u>Investment Type</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>%</u>	<u>Investment Type</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>%</u>
Agency/Instrumentalities	AA	AAA	4.33	Other Asset-backed	CCC	Ca	0.08
"	AA	Aaa	0.59	Obligations	CC	Caa	0.07
"	AA	NR	1.65	"	D	Ca	0.02
"	A	Aa	0.04	"	D	NR	0.01
"	A	NR	0.15	Yankee & Foreign Gov	AA	Aa	0.15
"	NR	NR	1.06	Issued Debt	AA	A	0.02
Collateralized Mort. Oblig.	AAA	Aaa	0.03	"	A	Aa	0.05
"	AAA	Aa	0.01	"	A	A	0.40
"	AAA	NR	0.09	"	A	Baa	0.06
"	AA	Aaa	0.02	"	BBB	A	0.10
"	NR	Aaa	0.02	"	BBB	Baa	0.37
"	AA	Aa	0.02	"	BB	Baa	0.08
"	AA	Baa	0.06	"	BB	Ba	0.01
"	AA	B	0.03	"	BB	B	0.28
"	A	Aaa	0.02	"	BB	NR	0.12
"	A	Aa	0.03	"	B	B	0.30
"	A	A	0.01	Corporate Bonds	AA	Aa	0.09
"	A	NR	0.03	"	AA	A	0.27
"	BBB	Aaa	0.02	"	A	Aa	0.08
"	BBB	A	0.09	"	A	A	1.19
"	BBB	Caa	0.03	"	NR	A	0.12
"	BB	B	0.01	"	A	Baa	0.77
"	B	Caa	0.06	"	BBB	A	0.12
"	NR	B	0.02	"	BBB	Baa	1.87
"	CCC	Caa	0.38	"	BBB	Ba	0.23
"	CCC	C	0.05	"	BBB	NR	0.26
"	NR	C	0.01	"	BB	Baa	0.14
"	D	Caa	0.06	"	BB	Ba	3.11
"	D	Ca	0.01	"	BB	B	4.79
"	NR	Baa	0.02	"	BB	NR	0.17
"	NR	NR	0.29	"	B	Ba	0.50
Other Asset-backed	AAA	Aaa	0.07	"	B	B	11.00
Obligations	AA	Aaa	0.02	"	B	BB	0.18
"	AA	B	0.03	"	B	Caa	0.85
"	AA	NR	0.02	"	B	NR	0.38
"	NR	Aaa	0.06	"	NR	B	0.20
"	BBB	Baa	0.03	"	CCC	B	1.28
"	BBB	Ba	0.04	"	NR	NR	0.06
"	BBB	B	0.05	Mutual Funds	NR	NR	45.79
"	B	B	0.03	Guaranteed Invest Contracts	NR	NR	6.42
"	B	Caa	0.01	Short Term Invest. Pool	NR	NR	8.36
"	CCC	A	0.01				
"	CCC	Baa	0.01				
"	CCC	Caa	0.03				
							<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, 2013, Federal Home Loan Bank and Federal Home Loan Mortgage Bank each represented 18.5% of the primary government's investments and Federal National Mortgage Association represented 17.4%. Exposure to all other issuers was less than 5% each, excluding investment pools. The primary government's Investment Policy requires diversification of investments by security type and institution. Issuer limits are not addressed. There was no investment greater than 5% for the Board of Education or the Community

College excluding pools. The Retirement System's IPS sets maximum concentration limits by asset type and manager style. As of December 31, 2012, there was no exposure to a single issuer greater than 5% of the Retirement System's plan net assets, excluding investment pools.

**F Foreign Currency Risk** – This risk relates to the potential, unfavorable fluctuation of exchange rates compared with the U.S. Dollar. Neither the primary government nor its component units had exposure to foreign currency as of June 30, 2013. 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, 2012, the Retirement System's had no direct exposure to fixed income foreign currency. International/global equities and fixed income assets totaled \$688,793,947 in fair market value, managed in pooled funds as of December 31, 2012.

#### **4 Receivables**

**A Property Taxes Receivable** - The County's property tax is levied each July 1<sup>st</sup> based on values assessed and certified by the Maryland State Department of Assessments as of that date. Liens are placed on property at that time. A revaluation of each property is required to be completed every three years. For owner-occupied residential property, owners can choose to pay one payment due September 30<sup>th</sup> or two installments due on September 30<sup>th</sup> and December 31<sup>st</sup>. Property taxes are due from all other taxpayers on September 30<sup>th</sup>. 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 unearned connection and assessment charges. The unearned charges are primarily for front foot benefit assessments, capital connections, and capital facility assessments. These receivables are collected over five to thirty years and include an interest charge that varies from 1.6% to 8.0%. The balance as of June 30, 2013 for the unearned charges is \$48,244,433.

#### **5 Capital Assets**

The components of capital assets, changes in asset categories, and accumulated depreciation for the fiscal year ended June 30, 2013 are presented as follows.

Anne Arundel County, Maryland  
Notes to the Financial Statements

Category	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land and easements	\$ 203,497,852	\$ 2,573,404	\$ (287,129)	\$ 205,784,127
Historical property/works of art	4,166,465	-	-	4,166,465
Construction in progress	<u>172,439,675</u>	<u>58,174,416</u>	<u>(29,346,869)</u>	<u>201,267,222</u>
Total assets not depreciated	<u>380,103,992</u>	<u>60,747,820</u>	<u>(29,633,998)</u>	<u>411,217,814</u>
<i>Capital assets being depreciated:</i>				
Land improvements	206,681,967	4,345,429	(126,413)	210,900,983
Buildings	310,062,399	853,685	(70,405)	310,845,679
Roads and bridges	358,347,493	9,430,957	(5,077,076)	362,701,374
Sidewalks, curbs, and gutters	42,433,545	2,572,177	(590,613)	44,415,109
Storm drains and culverts	291,303,184	9,413,651	(622,980)	300,093,855
Automobiles and rolling stock	80,362,571	4,554,969	(2,434,715)	82,482,825
Furniture, fixtures, and equipment	76,222,120	1,737,103	(274,596)	77,684,627
Software	21,041,711	941,193	(39,405)	21,943,499
Total assets depreciated	<u>1,386,454,990</u>	<u>33,849,164</u>	<u>(9,236,203)</u>	<u>1,411,067,951</u>
<i>Less accumulated depreciation for:</i>				
Land improvements	(74,839,387)	(6,609,902)	9,463	(81,439,826)
Buildings	(98,797,499)	(6,218,590)	44,943	(104,971,146)
Roads and bridges	(186,319,765)	(12,451,039)	4,988,706	(193,782,098)
Sidewalks, curbs, and gutters	(15,904,890)	(900,115)	496,115	(16,308,890)
Storm drains and culverts	(171,496,097)	(9,940,510)	603,296	(180,833,311)
Automobiles and rolling stock	(63,318,389)	(5,007,485)	2,395,801	(65,930,073)
Furniture, fixtures, and equipment	(47,076,850)	(4,751,888)	252,063	(51,576,675)
Software	<u>(19,609,622)</u>	<u>(1,004,936)</u>	<u>39,405</u>	<u>(20,575,153)</u>
Total accumulated depreciation	<u>(677,362,499)</u>	<u>(46,884,465)</u>	<u>8,829,792</u>	<u>(715,417,172)</u>
Total capital assets being depreciated, net	<u>709,092,491</u>	<u>(13,035,301)</u>	<u>(406,411)</u>	<u>695,650,779</u>
Total governmental activities, net	<u>\$ 1,089,196,483</u>	<u>\$ 47,712,519</u>	<u>\$ (30,040,409)</u>	<u>\$ 1,106,868,593</u>
<b>Business-type activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land and easements	\$ 12,109,239	\$ -	\$ -	\$ 12,109,239
Construction in progress	<u>321,772,842</u>	<u>103,486,337</u>	<u>(22,014,087)</u>	<u>403,245,092</u>
Total assets not depreciated	<u>333,882,081</u>	<u>103,486,337</u>	<u>(22,014,087)</u>	<u>415,354,331</u>
<i>Capital assets being depreciated:</i>				
Buildings	30,394,941	189,904	-	30,584,845
Landfills	45,698,783	2,281,923	-	47,980,706
Water and sewer plants and lines	1,458,044,350	33,455,095	-	1,491,499,445
Automobiles and rolling stock	9,114,931	637,332	(190,853)	9,561,410
Furniture, fixtures, and equipment	<u>20,722,830</u>	<u>1,699,154</u>	<u>(541,641)</u>	<u>21,880,343</u>
Total assets depreciated	<u>1,563,975,835</u>	<u>38,263,408</u>	<u>(732,494)</u>	<u>1,601,506,749</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(7,431,431)	(606,720)	-	(8,038,151)
Landfills	(33,948,088)	(1,916,501)	-	(35,864,589)
Water and sewer plants and lines	(581,183,465)	(34,012,364)	-	(615,195,829)
Automobiles and rolling stock	(6,609,596)	(652,148)	190,853	(7,070,891)
Furniture, fixtures, and equipment	<u>(7,204,253)</u>	<u>(2,009,185)</u>	<u>423,544</u>	<u>(8,789,894)</u>
Total accumulated depreciation	<u>(636,376,833)</u>	<u>(39,196,918)</u>	<u>614,397</u>	<u>(674,959,354)</u>
Total capital assets being depreciated, net	<u>927,599,002</u>	<u>(933,510)</u>	<u>(118,097)</u>	<u>926,547,395</u>
Total business-type activities, net	<u>\$ 1,261,481,083</u>	<u>\$ 102,552,827</u>	<u>\$ (22,132,184)</u>	<u>\$ 1,341,901,726</u>

Anne Arundel County, Maryland  
Notes to the Financial Statements

Category	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
<b>Board of Education:</b>				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 61,029,194	\$ 46,840	\$ -	\$ 61,076,034
Computer software in progress	-	396,539	-	396,539
Construction in progress	85,497,027	85,257,425	(19,410,310)	151,344,142
Total assets not depreciated	<u>146,526,221</u>	<u>85,700,804</u>	<u>(19,410,310)</u>	<u>212,816,715</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,255,106,953	18,849,848	-	1,273,956,801
Computer software	3,274,354	1,060,306	-	4,334,660
Furniture, fixtures, and equipment	46,589,406	3,248,678	(823,928)	49,014,156
Total assets depreciated	<u>1,304,970,713</u>	<u>23,158,832</u>	<u>(823,928)</u>	<u>1,327,305,617</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(575,543,020)	(37,800,183)	-	(613,343,203)
Computer software	(327,435)	(385,807)	-	(713,242)
Furniture, fixtures, and equipment	(30,262,463)	(2,497,955)	811,397	(31,949,021)
Total accumulated depreciation	<u>(606,132,918)</u>	<u>(40,683,945)</u>	<u>811,397</u>	<u>(646,005,466)</u>
Total capital assets being depreciated, net	<u>698,837,795</u>	<u>(17,525,113)</u>	<u>(12,531)</u>	<u>681,300,151</u>
Total Board of Education, net	<u>\$ 845,364,016</u>	<u>\$ 68,175,691</u>	<u>\$ (19,422,841)</u>	<u>\$ 894,116,866</u>
<b>Community College:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,377,178	\$ -	\$ -	\$ 2,377,178
Construction in progress	16,437,006	10,922,892	(24,239,793)	3,120,105
Total assets not depreciated	<u>18,814,184</u>	<u>10,922,892</u>	<u>(24,239,793)</u>	<u>5,497,283</u>
<i>Capital assets being depreciated:</i>				
Land improvements	8,034,454	453,192	-	8,487,646
Buildings and improvements	120,861,732	16,980,590	(216,006)	137,626,316
Furniture, fixtures, and equipment	23,063,879	2,634,050	(813,355)	24,884,574
Leasehold improvements	-	1,546,015	-	1,546,015
Intangible assets	-	546,742	-	546,742
Total assets depreciated	<u>151,960,065</u>	<u>22,160,589</u>	<u>(1,029,361)</u>	<u>173,091,293</u>
<i>Less accumulated depreciation for:</i>				
Land improvements	(4,297,012)	(332,374)	-	(4,629,386)
Buildings and improvements	(50,086,842)	(4,197,021)	138,815	(54,145,048)
Furniture, fixtures, and equipment	(16,547,612)	(1,800,073)	812,953	(17,534,732)
Leasehold improvements	-	(141,193)	-	(141,193)
Intangible assets	-	(13,018)	-	(13,018)
Total accumulated depreciation	<u>(70,931,466)</u>	<u>(6,483,679)</u>	<u>951,768</u>	<u>(76,463,377)</u>
Total capital assets being depreciated, net	<u>81,028,599</u>	<u>15,676,910</u>	<u>(77,593)</u>	<u>96,627,916</u>
Total Community College, net	<u>\$ 99,842,783</u>	<u>\$ 26,599,802</u>	<u>\$ (24,317,386)</u>	<u>\$ 102,125,199</u>

Anne Arundel County, Maryland  
Notes to the Financial Statements

Category	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
<b>Other non-major:</b>				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ -	\$ -	\$ -	\$ -
<i>Capital assets being depreciated:</i>				
Airport improvements	9,644,406	21,700	-	9,666,106
Library collection	15,327,360	2,779,273	(2,500,687)	15,605,946
Automobiles and rolling stock	31,915	-	-	31,915
Furniture, fixtures, and equipment	3,266,736	182,328	(43,913)	3,405,151
Total assets depreciated	<u>28,270,417</u>	<u>2,983,301</u>	<u>(2,544,600)</u>	<u>28,709,118</u>
<i>Less accumulated depreciation for:</i>				
Airport improvements	(3,657,728)	(483,796)	-	(4,141,524)
Library collection	(6,217,252)	(1,360,359)	1,316,674	(6,260,937)
Automobiles and rolling stock	(8,512)	(6,383)	-	(14,895)
Furniture, fixtures, and equipment	(2,474,692)	(182,820)	34,038	(2,623,474)
Total accumulated depreciation	<u>(12,358,184)</u>	<u>(2,033,358)</u>	<u>1,350,712</u>	<u>(13,040,830)</u>
Total capital assets being depreciated, net	<u>15,912,233</u>	<u>949,943</u>	<u>(1,193,888)</u>	<u>15,668,288</u>
Total other non-major, net	<u>\$ 15,912,233</u>	<u>\$ 949,943</u>	<u>\$ (1,193,888)</u>	<u>\$ 15,668,288</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 their estimated useful lives.

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

<i>Governmental activities:</i>		<i>Business-type activities:</i>	
Education	\$ 42,568	Water and wastewater	\$ 35,224,618
Public Safety	8,251,639	Waste collection	3,972,300
General government	6,306,836		<u>\$ 39,196,918</u>
Health and human services	332,728	<i>Component units:</i>	
Public works	23,719,224	Board of Education	\$ 40,683,945
Recreation and community services	6,692,891	Community College	6,483,679
Judicial	1,327,950	Library System	1,435,517
Code Enforcement	73,187	Economic Development Corp	44,748
Land use and development	137,442	Tipton Airport Authority	490,122
	<u>\$ 46,884,465</u>	Workforce Development	62,974
			<u>\$ 49,200,985</u>

## **6 Restricted Assets and Liabilities**

The following funds are shown as restricted on the Statement of Net Positions of the government wide financial statements; Impact Fees, Forfeiture and Asset Seizures, Roads and Special Benefits District, AA County Partnership for Children, Youth and Family, Reforestation, Laurel Racetrack, Workforce Development, Arundel Community Development Services, Grant Funds, Circuit Court, Street Lights, Erosion Districts, Storm Drain Fees, Recreation Land Fees, Bond Premium, Tax Increment Funds and Special Taxing Districts. In addition, fees collected by the Water and Wastewater proprietary fund, including capital connection, front foot benefit, and environmental protection fees are restricted for the payment of debt service incurred for the construction of capital

facilities. Utilities capital grants are restricted and the Solid Waste Financial Assurance fund is restricted for the payment of closure and post-closure costs.

**7 Interfund and Intra-Entity Balances and Transfers**

The interfund balances of the primary government consist of the following as of June 30, 2013:

<u>Fund With Receivable</u>	<u>Fund With Payable</u>	<u>Amount</u>
General Fund	Special Revenue Funds	\$ 5,225,203
Internal Service Funds	Enterprise Funds	125,461
Internal Service Funds	General Fund	<u>2,973,539</u>
		<u>\$ 8,324,203</u>

Interfund balances between the General Fund and internal service funds have been eliminated on the government-wide Statement of Net Position. The \$5,225,203 balance represents special revenue funds' implicit borrowing from the General Fund as of June 30, 2013. The \$2,973,539 balance represents the Self Insurance Funds' deficit allocation to the General Fund as of June 30, 2013. The \$125,461 balance represents the Self Insurance Funds' deficit allocation to the Proprietary Funds as of June 30, 2013.

Transfers between the primary government's governmental funds presented as follows totaled \$122,899,386 for fiscal year 2013. The purposes of these transfers are bond proceeds transferred for capital projects; investment losses on capital project investments retained by the General Fund; transfers from the General Fund to the Grants and Arundel Community Development Services funds for grants, and to the Installment Purchase Agreements fund for land preservation; transfers from the Bond Premium Fund to the General Fund for debt service payments, transfers from Erosion Districts special revenue fund to the Special Taxing Districts to the debt service fund for project maintenance; transfers from tax increment funds legally appropriated for transfer to the General Fund; transfers from the Storm Drain fund for capital projects; impact fee funding for capital projects; and impact fees transferred to the General Fund for debt service on impact fee bonds.

<u>Originating Fund</u>	<u>Recipient Fund</u>	<u>Amount</u>
General	General County Capital Projects	\$ 66,643,163
General	Nonmajor Governmental	1,124,728
Nonmajor Governmental	Nonmajor Governmental	166,837
Nonmajor Governmental	General	24,367,260
Nonmajor Governmental	General County Capital Projects	259,735
Impact Fees	General County Capital Projects	19,187,571
Impact Fees	General	<u>11,150,092</u>
		<u>\$ 122,899,386</u>

Transfers between the primary government's proprietary funds and governmental funds presented as follows totaled \$1,545,790 for fiscal year 2013. The purpose of this transfer is a transfer from the General Fund to the Central Garage fund for accrued OPEB costs.

<u>Originating Fund</u>	<u>Recipient Fund</u>	<u>Amount</u>
General	Internal Service Funds	\$ 1,545,790
		<u>\$ 1,545,790</u>

As of June 30, 2013, 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 and a return of funding. Those balances and the payments from the primary government to or on behalf of these parties are presented as follows:

**Receivables/Payables**

<u>Entity with Receivable</u>	<u>Entity with Payable</u>	<u>Amount</u>
Board of Education	Primary Government	\$ 22,017,682
Community College	Primary Government	858,769
Other Nonmajor	Primary Government	1,616,792
Primary Government	Board of Education	7,491
		<u>\$ 24,500,734</u>

**Primary Government Expenditures**

<u>Originating Entity</u>	<u>Recipient Entity</u>	<u>Amount</u>
Primary Government	Board of Education	\$ 667,659,855
Primary Government	Community College	40,071,922
Primary Government	Other Nonmajor	18,456,161
		<u>\$ 726,187,938</u>

**8 Bonded Debt and Other Obligations**

The primary government's Statement of Net Positions 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 2013 are provided as follows.

**A Bond Anticipation Notes** – The County periodically incurs short-term debt by issuing bond anticipation notes in the form of commercial paper for the purchase of capital related assets. Notes are sold with an initial maturity from 1 to 270 days, and, on refinancing, at the notes' maturities, with additional notes marketed at then-current interest rates. This remarketing is backed for liquidity purposes by a letter of credit, the terms of which provide that no principal repayments are due by the County (if there is a call on the letter of credit) until the termination of the agreement, which is maintained at two years at all times. The original maturity date of this liquidity arrangement was November 22, 2013. The agreement has been extended to February 21, 2014. The maturities of notes outstanding during fiscal year 2013 ranged from 41 to 105 days, and interest rates ranged from 0.14% to 0.19%. The County issued \$75,720,000 of bond anticipation notes in December, 2012. The County paid off \$75,720,000 bond anticipation notes on June 28, 2013.

**B General County Debt** – Substantially all long-term bonded debt is issued as general obligation bonds for the purchase of capital related assets and guaranteed by the full faith and credit of the County, subject to limitations set forth in section 710 (d) of the County Charter, which restricts the growth of revenue derived from property taxes. The following Governmental Debt table includes General Obligation bonds but excludes the Tax Increment Bonds, Installment Purchase Agreements, and State loans which are listed in the following sections. Business Type Debt includes Solid Waste Bonds and Water Wastewater Bonds. The debt service requirements for the bonds outstanding as of June 30, 2013 are presented as follows:

Year ending June 30,	General County Debt			
	Governmental		Business-type	
	Principal	Interest	Principal	Interest
2014	\$ 73,837,430	\$ 39,506,279	\$ 26,917,007	\$ 18,238,624
2015	69,720,383	37,641,178	26,024,107	17,816,026
2016	68,523,999	34,369,503	25,789,551	16,799,653
2017	66,752,422	31,045,318	25,542,470	15,691,127
2018	63,419,401	27,784,970	23,206,020	14,652,946
2019-2023	272,282,260	97,154,456	108,269,665	59,937,267
2024-2028	185,075,490	41,794,443	88,670,025	39,365,097
2029-2033	75,430,332	7,690,755	61,342,613	21,921,804
2034-2038	-	-	40,475,000	9,560,093
2039-2043	-	-	18,225,000	1,938,888
	<u>\$ 875,041,717</u>	<u>\$ 316,986,902</u>	<u>\$ 444,461,458</u>	<u>\$ 215,921,525</u>

**C Tax Increment and Other Debt** - As of June 30, 2013, there was \$90,815,000 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 Positions. The County has pledged its full faith and credit for the following Special Obligation Tax Increment Bonds; Arundel Mills Refunding 2004, National Business Park Refunding 2004, and West Nursery Road.

During the fiscal year ended June 30, 2013, \$32,160,623 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. Of this amount, \$867,387 is related to Park Place which is not considered part of the County's debt. The table that follows outlines the debt service requirements for these bonds.

Year ending June 30,	Principal	Interest	Year ending June 30,	Principal	Interest
2014	\$ 1,430,000	\$ 5,010,210	2019-2023	\$ 16,650,000	\$ 21,128,475
2015	1,580,000	4,942,383	2024-2028	25,320,000	15,615,093
2016	1,720,000	4,868,808	2029-2033	13,535,000	9,773,832
2017	2,020,000	4,784,394	2034-2038	14,475,000	5,979,328
2018	2,320,000	4,684,532	2039-2043	11,765,000	1,120,053
				<u>\$ 90,815,000</u>	<u>\$ 77,907,108</u>

In addition, there were \$4,892,000 and \$14,950,826 of special tax district bonds related to the Farmington Village Project and the Villages of Dorchester outstanding as of June 30, 2013, 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 Positions. The County acts only as a fiduciary in collecting the taxes and servicing the debt.

**D State Loans** - The County has interest free loans outstanding as of June 30, 2013 of \$3,888,091. These loans were received from the State for waterway improvements. During fiscal year 2013, the County paid \$326,971 for principal. The table that follows outlines the debt service requirements:

<b>Year ended June 30,</b>	<b>Principal</b>	<b>Year ended June 30,</b>	<b>Principal</b>
2014	\$ 325,325	2019-2023	\$ 1,025,143
2015	320,477	2024-2028	858,230
2016	320,477	2029-2033	478,393
2017	320,476	2034-2038	12,260
2018	227,310		
			<u>\$ 3,888,091</u>

**E Leases** – The County has entered into lease agreements for assets that qualify as a capital lease for accounting purposes. These agreements have resulted in capital assets totaling \$19,533 for a postage inserter, which is used for governmental activities. The net present value of these minimum lease payments as of June 30, 2013 and the future minimum lease obligations were as follows:

<b>Year ending June 30,</b>	<b>Present Value of Minimum Lease Payments</b>	<b>Interest</b>	<b>Total Minimum Payments</b>
2014	\$ 3,907	\$ 2,008	\$ 5,915
	<u>\$ 3,907</u>	<u>\$ 2,008</u>	<u>\$ 5,915</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 2013 were \$2,570,065. 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. The lease payments for fiscal year 2013 were \$123,351. Because the amount varies, the future value of these lease payments is not included in the next table. Minimum annual rental costs required by the leases are summarized as follows:

<b>Year ending June 30,</b>	<b>Annual Rentals</b>	<b>Year ending June 30,</b>	<b>Annual Rentals</b>
2014	\$ 2,257,490	2019-2023	\$ 1,414,621
2015	1,908,709	2024-2028	1,200,019
2016	1,820,119	2029-2033	1,200,015
2017	718,747	2034-2038	1,100,015
2018	511,478	2039-2043	143
			<u>\$ 12,131,356</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, 2013 are presented as follows:

Year ended June 30,	Principal	Interest	Year ended June 30,	Principal	Interest
2014 \$	20,000	\$ 728,300	2019-2023 \$	100,000	\$ 3,602,461
2015	20,000	727,185	2024-2028	8,960,000	3,574,572
2016	20,000	726,070	2029-2033	1,534,000	848,604
2017	20,000	724,954	2034-2038	1,444,000	602,308
2018	20,000	723,838	2039-2043	1,487,000	202,976
				<u>\$ 13,625,000</u>	<u>\$ 12,461,268</u>

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

	Due Dates	Interest Rates	Amount of Original Issue	Amount Outstanding
<b>Governmental activities:</b>				
General obligation bonds	2013-2033	1.00% to 5.375%	\$ 1,285,492,664	\$ 875,041,717
Tax increment district bonds	2013-2041	2.00% to 6.25%	102,875,000	90,815,000
Installment purchase agreements	2013-2041	4.55% to 6.00%	13,819,916	13,625,000
Loans payable	2013-2038	0%	7,229,556	3,888,091
Total governmental activities			<u>1,409,417,136</u>	<u>983,369,808</u>
<b>Business-type activities:</b>				
Water and wastewater serial bonds	2013-2043	1.00% to 6.00%	617,207,654	418,433,175
Solid waste serial bonds	2013-2032	2.00% to 6.00%	46,067,488	26,028,283
Total business-type activities			<u>663,275,142</u>	<u>444,461,458</u>
			<u>\$ 2,072,692,278</u>	<u>\$ 1,427,831,266</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 base 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 base of real property and 14% of the assessable base of personal property and certain operating real property within the County's sanitary district. As of June 30, 2013, a review of the legal debt limitations reveals the following:

	<b>General Bonds (5.2%/13% Limitations)</b>	<b>Water and Wastewater (5.6%/14% Limitations)</b>
Charter imposed limitation	\$ 4,197,492,032	\$ 4,162,859,778
<b>Bonded debt outstanding</b>		
Installment purchase agreements	13,625,000	-
General obligation-serial bonds	875,041,717	418,433,173
General obligation-serial bonds, Solid Waste	26,028,283	-
Tax increment bonds	90,815,000	-
	<u>1,005,510,000</u>	<u>418,433,173</u>
Legal debt margin	<u>\$ 3,191,982,032</u>	<u>\$ 3,744,426,605</u>

As of June 30, 2013, the County had the authority to issue bonds in the amount of \$770,554,037 more than bonds already issued, including \$569,090,827 of water and wastewater series bonds and \$23,814,145 of solid waste series bonds. This unused authority will be used to fund existing capital projects and those appropriated through the budgetary process.

**H Loans Payable** - On April 15, 2002, the Anne Arundel Community College Foundation finalized an agreement between Anne Arundel County, Maryland and The Bank of New York whereby the Foundation borrowed

\$16,090,000 from the issuance of revenue bonds by the County. The proceeds of the loan were used to finance the cost of the construction of educational facilities. On July 25, 2012, the Foundation finalized an agreement between Anne Arundel County, Maryland (the issuer) and The Bank of New York (the Trustee) whereby the Foundation refinanced \$12,180,000 of the economic development revenue bonds. Interest-only payments are due semi-annually on September 1 and March 1 until 2014. Principal payments begin September 1, 2014 with the final principal payment being due on September 1, 2028. Interest on the bonds varies from 2.00% to 4.00%. The loan balance as of June 30, 2013 was \$12,180,000. Scheduled principal payments due on the bonds payable for future years ending June 30 are shown as follows:

<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>
2014	\$ -	2017	\$ 730,000	2024-2028	\$ 4,755,000
2015	100,000	2018	750,000	2029-2033	1,045,000
2016	715,000	2019-2023	4,085,000		
					\$ 12,180,000

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

	<u>Balance June 30,2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30,2013</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bond anticipation notes	\$ -	\$ 65,040,000	\$ 65,040,000	\$ -	\$ -
Bonds payable:					
General obligation bonds	830,133,701	116,000,000	71,091,984	875,041,717	73,837,430
Deferred refunding loss	(6,638,704)	-	(954,584)	(5,684,120)	(897,871)
Tax incremental and other debt	93,155,000	-	2,340,000	90,815,000	1,430,000
Total bonds payable	916,649,997	116,000,000	72,477,400	960,172,597	74,369,559
State loans	4,215,062	-	326,971	3,888,091	325,325
Capital leases	7,814	-	3,907	3,907	3,907
Installment purchase agreements	13,645,000	-	20,000	13,625,000	20,000
Unpaid insurance claims	71,146,755	111,598,029	105,922,238	76,822,546	18,831,546
OPEB obligation	312,909,315	79,655,963	-	392,565,278	-
Compensated absences	22,855,003	22,766,798	24,174,753	21,447,048	21,427,201
Total long-term	1,341,428,946	330,020,790	202,925,269	1,468,524,467	114,977,538
Total governmental activities	\$ 1,341,428,946	\$ 395,060,790	\$ 267,965,269	\$ 1,468,524,467	\$ 114,977,538
<b>Business-type activities:</b>					
Bond anticipation notes	\$ -	\$ 10,680,000	\$ 10,680,000	\$ -	\$ -
Bonds payable:					
General obligation bonds	411,011,210	58,697,492	25,247,244	444,461,458	26,917,007
Deferred refunding loss	(4,208,729)	-	(536,230)	(3,672,499)	(504,149)
Total bonds payable	406,802,481	58,697,492	24,711,014	440,788,959	26,412,858
OPEB obligation	29,511,260	7,996,439	-	37,507,699	-
Compensated absences	2,208,893	1,920,476	2,165,899	1,963,470	1,924,916
Total long-term	438,522,634	68,614,407	26,876,913	480,260,128	28,337,774
Total business-type activities	\$ 438,522,634	\$ 79,294,407	\$ 37,556,913	\$ 480,260,128	\$ 28,337,774

**J Advance Refundings** – In prior years, the County in-substance defeased certain general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County’s financial statements. On June 30, 2013, \$109,695,000 of governmental debt and \$47,805,000 of business-type debt outstanding from prior years is considered defeased.

## **9 Governmental Fund Balance**

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

### **General Fund**

The General Fund has Unassigned Fund Balance of \$44,312,026 and an Assigned Fund Balance of \$69,233,918 as of June 30, 2013. The Non-spendable Fund Balance of \$1,891,254 is for inventory items. The restricted fund balance of \$302,017 is for BRAC Zone capital improvements as mandated by the State of Maryland. The Grants fund has a negative Unassigned Fund Balance in the amount of (\$3,530,106), as a result of funds being expended in the current fiscal year and not being reimbursed by the grantor within 90 days for the modified accrual basis of accounting.

### **Other Major Funds**

The Capital Projects Fund has Assigned Funds of \$33,971,866 at June 30, 2013, consisting primarily of unspent bond funds. The Impact Fee Fund has Restricted Funds of \$42,847,856 is to be used for the construction of additional school capacity, road improvements and public safety facilities. These funds are restricted based the 1986 Maryland State Law, Chapter 350 which allows the County to impose an impact fee for the capital costs of expanded public works, improvements, and facilities to accommodate new construction.

### **Other Funds**

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

Forfeiture and Asset Seizure Team: Law enforcement activities \$1,493,139

Reforestation: Reforestation of County Properties \$7,662,442

Laurel Racetrack Community benefit: Benefits services and facilities within three miles of Laurel Race Course \$24,381

Circuit Court: Court House operations \$100,291

The remaining Special Revenue Funds Restricted Fund Balances of \$949,725; 30,871,985 and \$3,999,512 relate to grants, capital projects and debt service, respectively. The restricted grant balance is comprised of the Grant Fund and Anne Arundel County Partnership for Children, Youth and Family. Committed Funds of \$265,188 relates to Roads and Special Benefits; \$953,128 relates to Storm Drain Fees; \$449,835 relates to Erosion Districts; and \$264,354 relates to Recreation and Land Fees.

The following funds have assigned fund balances; \$3,674,575 relates to Street Lights and \$7,650,662 relates to Installment Purchase Agreements.

### **Encumbrances**

Encumbrance accounting is employed as part of the budgetary integration for the General Fund, special revenue funds, and capital projects funds. As of June 30, 2013, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances included in:	
	Restricted Fund Balance	Assigned Fund Balance
General Fund	\$ -	\$ 8,105,218
FAST Fund	187,165	-
Grants Fund	2,625,650	-
Street Light Fund	-	2,717,587
General County Capital Projects Fund	-	29,501,608
Intallment Purchase Agreements	-	10,000
<b>Total</b>	<b>\$ 2,812,815</b>	<b>\$ 40,334,413</b>

## **10 Unearned Revenue**

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

<b><u>Deferred Revenue Governmental Funds</u></b>	<b><u>Unavailable</u></b>	<b><u>Unearned</u></b>	<b><u>Total</u></b>
<b>General Fund</b>			
Property Taxes	\$ 734,456	\$ -	\$ 734,456
State Income Taxes	79,036,823	-	79,036,823
911 Fees	952,124	-	952,124
<b>Grants</b>			
General County Grants	3,391,023	-	3,391,023
Grant Drawdown's in excess of Expenditures	-	899,524	899,524
General Capital Projects Fund	<u>4,772,012</u>	<u>-</u>	<u>4,772,012</u>
<b>Total</b>	<b><u>\$ 88,886,438</u></b>	<b><u>\$ 899,524</u></b>	<b><u>\$ 89,785,962</u></b>

## **11 Conduit Debt**

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

As of June 30, 2013, 154 Industrial Revenue Bonds series had been issued. The aggregate principal amounts payable for the six series issued after July 1, 1996 that are still outstanding was \$20,053,631. The aggregate principal amounts payable for the 145 issued prior to July 1, 1996, could not be determined; however, the original issues totaled \$582,700,000. The County is not obligated in any manner for payment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

## **12 Pension Plan**

Most County employees participate in one of four single-employer defined benefit pension plans, which are in separate trust funds and administered by the Anne Arundel County Retirement and Pension System (Retirement System). The Retirement System issues a separate financial report for these plans. A copy of this report can be

obtained from Anne Arundel County on the Personnel page of the County website at [www.aacounty.org](http://www.aacounty.org). Some County employees participate in two multi-employer cost sharing pension plans administered by the State. The County plans were established under authority created by County Charter and legislation, while the State plans were created by State legislation.

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

Membership in each plan consisted of the following as of January 1, 2013, the date of the latest actuarial valuation:

	<b>Employees Plan</b>	<b>Police Plan</b>	<b>Fire Plan</b>	<b>Detention Plan</b>	<b>Total</b>
Retirees and beneficiaries receiving payments	1,468	629	459	197	2,753
Terminated plan members entitled to but not yet receiving payments	273	-	-	12	285
Deferred Retirement Option Program (DROP)	-	60	127	-	187
Active plan members	<u>2,152</u>	<u>580</u>	<u>586</u>	<u>338</u>	<u>3,656</u>
	<u>3,893</u>	<u>1,269</u>	<u>1,172</u>	<u>547</u>	<u>6,881</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 Plan may participate in the deferred retirement option program (DROP) if they were actively employed by the County in a position covered by the plan and have completed 20 years of actual Plan service. The participant's initial DROP term is three years, but he or she may extend participation for two additional one-year terms. A DROP participant continues as an active employee of the County, but the participant no longer makes employee contributions to the plan and accrues no additional pension benefit. During the term of DROP participation, the participant's annual retirement benefit as of the date DROP participation begins is credited to the participant in an account earning 8% interest annually. Participants entering the DROP program subsequent to June 30, 2009 earn 4.25% annually. When the DROP participation ends and the employee terminates service to the County, the account balance is distributed to the participant.



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

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

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

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

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

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

Anne Arundel County, Maryland  
Notes to the Financial Statements

	<b>Employees Plan</b>	<b>Police Plan</b>	<b>Fire Plan</b>	<b>Detention Plan</b>
Contribution rates:				
County	Legislated amount	Legislated amount	Legislated amount	Legislated amount
Plan members:				
Tier One	4.00%	5.00% to 7.25%	5.00% to 7.25%	5.00% to 6.75%
Tier Two	-	Not applicable	Not applicable	Not applicable
Annual Pension Cost (APC)	\$23,958,375	\$18,934,063	\$16,409,138	\$6,006,849
Contributions made	\$23,958,375	\$18,934,063	\$16,409,138	\$6,006,849
Actuarial valuation date	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll
Remaining amortization period	Range 21-30 yrs Average 26 yrs Closed	Range 21-30 yrs Average 26 yrs Closed	Range 21-30 yrs Average 26 yrs Closed	Range 22-30 yrs Average 26 yrs Closed
Asset valuation method	5-yr smoothed market	5-yr smoothed market	5-yr smoothed market	5-yr smoothed market
Actuarial assumptions:				
Investment rate of return	4.50%	4.50%	4.50%	4.50%
Inflation rate	3.50%	3.50%	3.50%	3.50%
Projected salary increases	Varies by age 4.0% to 7.0%	Varies by age 4.5% to 6.5%	Varies by age 4.5% to 7.0%	Varies by age 4.75% to 6.5%
Cost of living adjustments	3.0% pre 2/97 2.1% post 2/97	3.5% pre 2/97 2.1% post 2/97	3.5% pre 2/97 2.1% post 2/97	3.5% pre 2/97 2.1% post 2/97

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

	Five Year Trend Information - Schedule of Employer Contributions				
	Fiscal Year Ended June 30,				
	2009	2010	2011	2012	2013
<i>Employees Plan</i>					
Annual Pension Cost (APC)	\$ 13,414,470	\$ 17,078,045	\$ 17,490,119	\$ 18,882,680	\$ 20,764,948
Percentage of APC Contributed	100.0%	100.0%	100.0%	100.0%	100.0%
Net Pension Obligation	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Police Plan</i>					
Annual Pension Cost (APC)	\$ 11,268,277	\$ 13,588,002	\$ 13,803,470	\$ 14,502,900	\$ 16,557,738
Percentage of APC Contributed	100.0%	100.0%	100.0%	100.0%	100.0%
Net Pension Obligation	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Fire Plan</i>					
Annual Pension Cost (APC)	\$ 11,185,312	\$ 14,217,007	\$ 14,209,656	\$ 14,580,535	\$ 15,895,667
Percentage of APC Contributed	100.0%	100.0%	100.0%	100.0%	100.0%
Net Pension Obligation	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Detention Plan</i>					
Annual Pension Cost (APC)	\$ 4,019,403	\$ 4,678,430	\$ 4,899,725	\$ 5,089,053	\$ 5,193,501
Percentage of APC Contributed	100.0%	100.0%	100.0%	100.0%	100.0%
Net Pension Obligation	\$ -	\$ -	\$ -	\$ -	\$ -

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

ended June 30, 2013, 2012, and 2011 equal the required contributions and are summarized as follows along with the State's contribution on behalf on the employees discussed previously.

	<b>Fiscal Year Ended June 30,</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>
County contributions:			
Primary Government	\$ 1,681,986	\$ 1,601,891	\$ 1,525,610
Board of Education	19,141,696	9,462,169	8,676,048
Community College	308,172	365,384	334,674
State contributions on behalf of:			
Board of Education	54,632,314	70,640,804	71,593,291
Community College	3,463,220	3,511,596	3,619,650
Library	1,100,658	1,211,713	1,308,229
	<u>\$ 80,328,046</u>	<u>\$ 86,793,557</u>	<u>\$ 87,057,502</u>

**D Funded Status and Funding Progress** - The funded status of each plan as of January 1, 2013, the actuarial valuation date related to the fiscal year 2012 contributions and financial statements, is as follows:

	(A) <i>Actuarial Value of Assets</i>	(B) <i>Actuarial Accrued Liability (AAL)</i>	(B-A) <i>Unfunded AAL (UAAL)</i>	(A/B) <i>Funded Ratio</i>	(C) <i>Covered Payroll</i>	((A-B)/C) <i>UAAL as a percentage of Covered Payroll</i>
Employee's Plan	\$508,232,321	\$693,580,675	\$185,348,354	73.3%	\$116,024,717	159.7%
Police Service Plan	420,675,703	555,292,097	134,616,394	75.8%	40,521,944	332.2%
Fire Service Plan	426,659,036	510,470,652	83,811,616	83.6%	43,361,686	193.3%
Det.Officers'& Sheriffs Plan	92,617,788	133,678,085	41,060,297	69.3%	17,896,574	229.4%

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

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

A derivative policy statement is included in the Investment Policy Statement (IPS). Prohibited instruments include options, commodities, uncovered options or futures, uncovered short positions, short selling, and use of financial leverage. The derivative exposure as of 12/31/2012 within the mutual funds is comprised of allowable instruments based on the IPS.

**F Commitments** - The System has committed to fund various private equity investments totaling \$140 million at December 31, 2012, of which \$56.4 million remains unfunded. The expected funding dates for these commitments extend through 2017.

**G Teacher pension funding shift** - Legislation enacted by the Maryland General Assembly during 2012 requires County Boards of Education to pay a certain portion of certain employer contributions for certain members of the Teachers' Retirement System or the Teachers' Pension System beginning in fiscal year 2013. Anne Arundel County's contribution for fiscal year 2013 was \$19.1 million and increases to at least \$21.4 million by fiscal year 2015. Beginning in fiscal year 2016, each local Board will pay its local share equal to the normal contribution rate

for the Teachers' Retirement System and the Teachers' Pension System multiplied by the aggregate annual earnable compensation of the local employees of that local employer.

### **13 Other Post-employment Benefits**

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

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

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

Anne Arundel County Public Schools (AACPS) employees eligible to retire and receive Maryland State Retirement Agency (MSRA) benefits may be eligible for retiree healthcare benefits based on service criteria. In FY 2012, the Board funded 75% of the premiums for medical, prescription drug, and dental plans for employees hired on or before September 15, 2002. For employees hired after September 15, 2002, the Board funds a portion of the medical premium ranging from 25% with 10 years of service to 75% with 20 or more years of service, but no dental funding is available. No Board funding is provided for vision coverage regardless of service date. Active employees and retirees have the same medical, dental, and vision plans while retirees over 65 have three Medicare Supplemental Plans available. The retiree and active prescription plan co-payments differ. The retiree plan is evaluated separately based on claims experience however, a blended percentage increase has been applied to the retiree rates.

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

The number of participants eligible to participate in the plans as of July 1, 2012 are presented as follows. Inactive individuals include both retirees and those who are terminated and vested.

	<u>Active</u>	<u>Inactive</u>	<u>Total</u>
Primary Government	3,685	2,185	5,870
Board of Education	8,569	4,485	13,054
College	296	270	566
Library	172	122	294
	<u>12,722</u>	<u>7,062</u>	<u>19,784</u>

**B Funding Policy** – Neither the primary government nor the component units have established irrevocable trust funds. The entities currently fund the retirees’ healthcare costs on a pay-as-you-go basis. The County established a Collaborative Benefits Study Group through resolution to review existing benefits, assess the impact of continued increases in the costs of these benefits on current and projected revenues and expenditures, determine the fair and equitable priorities in the reduction of the benefit costs and reported these findings and recommendations to the County Executive and County Council. The County Council is currently reviewing legislation that incorporates many of the recommendations from the Collaborative Benefits Study Group report. The County anticipates utilizing a trust fund in the future to manage the retiree health care unfunded actuarial accrued liability. The County has established under its Charter, a Reserve Fund for Retiree Health Benefits into which funds may be appropriated for the sole purpose of funding retiree health benefits, and \$12.5 million is to be contributed to this fund in FY2014.

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

(Amounts shown in thousands)

	<u>Primary Government</u>	<u>Board of Education</u>	<u>College</u>	<u>Library</u>	<u>Total</u>
Actuarial accrued liability (AAL)	\$ 1,265,890	\$ 1,423,684	\$ 64,617	\$ 40,073	\$ 2,794,264
Actuarial value of plan assets	-	-	-	-	-
Unfunded actuarial accrued liability (end of year)	<u>\$ 1,265,890</u>	<u>\$ 1,423,684</u>	<u>\$ 64,617</u>	<u>\$ 40,073</u>	<u>\$ 2,794,264</u>
Annual Required Contribution	\$ 109,939	\$ 98,580	\$ 5,857	\$ 3,669	\$ 218,045
Interest on Net OPEB Obligations	13,581	3,943	856	456	18,836
Adjustment to ARC	<u>(13,913)</u>	<u>1,059</u>	<u>(877)</u>	<u>(468)</u>	<u>(14,199)</u>
Total Annual OPEB Cost	109,607	103,582	5,836	3,657	222,682
Less: Pay-As-You-Go Contributions	<u>(21,955)</u>	<u>(33,532)</u>	<u>(1,191)</u>	<u>(986)</u>	<u>(57,664)</u>
Increase in Net OPEB obligation	87,652	70,050	4,645	2,671	165,018
Net OPEB obligation beginning of year	<u>342,421</u>	<u>247,143</u>	<u>21,743</u>	<u>11,691</u>	<u>622,998</u>
Net OPEB obligation end of year	<u>\$ 430,073</u>	<u>\$ 317,193</u>	<u>\$ 26,388</u>	<u>\$ 14,362</u>	<u>\$ 788,016</u>
Percent of Annual OPEB Cost contributed	<u>20.03%</u>	<u>32.37%</u>	<u>20.41%</u>	<u>26.96%</u>	<u>25.90%</u>
Covered payroll	<u>\$ 213,899</u>	<u>\$ 578,137</u>	<u>\$ 89,089</u>	<u>\$ 9,760</u>	<u>\$ 890,885</u>
UALL as a % of Covered Payroll	591.82%	246.25%	72.53%	410.58%	313.65%

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

Actuarial Assumptions for Primary Government

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Closed (level % of the projected payroll)
Amortization Period	27 years remaining
Asset Valuation Method	Market Value of Assets

Actuarial Assumptions

Discount Rate	4.00 %
Payroll Increase	3.50%
Medical Trend	Based on Society of Actuaries Long Term Medical Trend Model, the initial rate was 8 percent which is decreasing gradually. The rate in 2050 is 4.2 percent.
Inflation Rate	3.2 %

**14 Risk Management**

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

The Self Insurance Fund has recognized a liability at fiscal year-end for those claims where a loss has occurred and the amount of loss can be reasonably estimated. This estimate includes reserves for non-incremental claims adjustment expense. An actuarial review of all claims is used as the basis for determining the liability at the end of the year. Management, with the assistance of claims administrators, estimates the liabilities for the Health Insurance Fund. Both funds include estimated liabilities for claims that have been incurred but not reported. Claims are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. As of June 30, 2013 the Self Insurance Fund liability of \$71,286,000 is discounted since discounting is more reflective of the nature of the claims. The Health Insurance Fund liability of \$5,536,546 is undiscounted since claims will be paid within one year of the date incurred. Settlements have not exceeded coverage for each of the past three years. Changes in the balances of claims liabilities during fiscal years 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Liability balance, July 1	\$ 71,146,755	\$ 78,401,360
Current year claims and changes in estimates:		
Changes in estimates - prior periods	2,054,000	(8,607,000)
Changes in estimates - current year	109,544,029	104,109,801
Claims payments	(105,922,238)	(102,757,406)
Liability balance, June 30	<u>\$ 76,822,546</u>	<u>\$ 71,146,755</u>

**15 Landfill Closure, Postclosure, and Remediation**

The primary government has utilized three landfill sites; however, only one site, the Millersville Landfill, is still accepting trash. The others, Glen Burnie and Sudley, ceased accepting solid waste in 1983 and 1993, respectively. The Millersville site consists of nine individual cells. Cells 1 through 7 are closed, cell 8 is active and 87.9% full, and cell 9 has not yet opened. Cells 8 and 9 have useful lives to at least 2017 and 2041, respectively. The table that follows presents the costs and liabilities related to all sites. The costs for cells 8 and 9 at the Millersville Landfill are determined by applying the percent of capacity used to the total estimated closure and postclosure costs.

	<u>Millersville</u>	<u>Closed Sites</u>	<u>Total</u>
Total costs:			
Closure	\$ 54,590,340	\$ 18,163,719	\$ 72,754,059
Post closure	<u>39,966,503</u>	<u>3,340,288</u>	<u>43,306,791</u>
	94,556,843	21,504,007	116,060,850
Less:			
Amount recognized thru June 30, 2013	<u>53,246,797</u>	<u>21,504,007</u>	<u>74,750,804</u>
Costs remaining to be recognized	<u>\$ 41,310,046</u>	<u>\$ -</u>	<u>\$ 41,310,046</u>
Liability recorded at June 30, 2013			
Closure	\$ 11,543,350	\$ -	\$ 11,543,350
Current portion post closure	772,072	219,654	991,726
Post closure	<u>19,863,401</u>	<u>3,120,634</u>	<u>22,984,035</u>
	<u>\$ 32,178,823</u>	<u>\$ 3,340,288</u>	<u>\$ 35,519,111</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. The closure reserves decreased in the amount of \$153,410 and post closure reserves decreased by \$829,644 in FY13. These amounts include changes to the estimates in the reserves, payments, and other adjustments.

The Financial Assurance fund has reserved \$20,626,174 for post closure care as of June 30, 2013.

## **16    Contingent Liabilities**

**A    *Impact Fees*** – As of June 30, 2013, the primary government held impact fees accumulated for construction of schools and roads in designated districts of the County. County legislation authorizes the collection of such fees. As of June 30, 2013, the County held \$45,592,863 in impact fees. In addition, the County has entered into impact fee agreements with developers who provide offsite improvements designed to lessen the impact of development on the immediate community. Unredeemed impact fee credits totaled \$17,430,355 as of June 30, 2013.

**B    *Lawsuits*** – Certain current owners of property on which impact fees were paid in fiscal years 1988 through 1996 have pursued a class action suit against the County seeking refunds of development impact fees paid to the County during these fiscal years on grounds that they were not expended or encumbered in a timely manner under the County Code. The case was originally dismissed by the Circuit Court on July 26, 2001 but following an appeal, the Court of Special Appeals remanded the case to Circuit Court August 21, 2002. On December 15, 2006, the Circuit Court issued a judgment, finding that, without the consideration of encumbrances, impact fee refunds of \$4,719,359, plus statutory interest, were due to the current owners of certain specified impact fee paying properties. On February 7, 2008, the Court of Special Appeals issued an opinion agreeing with the County's position regarding the use of encumbrances. After a clarifying opinion of the intermediate appellate court was issued on May 7, 2008 and a Court of Appeals decision on other issues was issued on May 6, 2009, the Court of Special Appeals remanded the case to the Circuit Court for a new determination of the amount of impact fee refunds with consideration of encumbrances. The Circuit Court held evidentiary hearings on various dates throughout 2010 and early 2011. On July 24, 2012, the Circuit Court issued a revised judgment finding that with consideration of encumbrance's impact fee refunds of \$1,342,360 (subject to 5% interest from the date of payment of each impact fee) are due to the current owners of certain specified impact fee paying properties. On July 29, 2013, the Court of Special Appeals issued an Opinion in which it affirmed the Circuit Court's July 24, 2012 judgment. At this time the County estimates that the interest will be approximately \$1,530,000. This estimate was based on the assumptions that (1) every fee or portion of a fee that will be refunded was paid on January 1 of the fiscal year in which the fee was paid, and (2) the refunds will be paid on January 1, 2014. The actual dates of payment of the fees and the refunds have not yet been



determined. Because of the significant reduction on remand of the award of impact fee refunds it is anticipated that the class plaintiffs will file another appeal.

In the opinion of the County Attorney, it is probable that the July 24, 2012 Circuit Court judgment will be affirmed, but the possibility that the loss might exceed \$1,342,360 plus 5% interest from the date of payment of each impact fee as a result of an appeal by the class plaintiffs is remote. The County believes that its position is on solid legal grounds.

On November 14, 2011, four individuals served a new class action complaint on the County seeking refunds of impact fees paid to the County in FYs subsequent to 1996 on grounds that they were not expended or encumbered in a timely manner under the County Code. On April 25, 2013, the Circuit Court certified a class action of persons who are current property owners of property upon which impact fees were paid to the County in certain fiscal years subsequent to fiscal year 1996 and for which impact fees were not timely expended or encumbered. At this juncture, however, the likelihood of a loss in any specified amount cannot be characterized as either probable or remote.

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

The County is a defendant in lawsuits and other claims that occur in the ordinary course of County operations. It is the opinion of the County Attorney that such lawsuits and claims will not have a material adverse impact on the County's financial condition. The County is also following the appeal of a case in which it is not a party, *Comptroller v. Wynne*, 431 Md. 147 (2013). In that case, the State has filed a writ of certiorari with the United States Supreme Court to review the judgment of the Court of Appeals of Maryland, which ruled that counties are prohibited from collecting personal income taxes from their own residents to the extent that the income was earned from sources in another state where the income is subject to tax by that state. The ruling has not affected County income tax revenues because the Court of Appeals stayed the effect of the ruling pending appeal to the United States Supreme Court. If the Court of Appeals ruling stands, each county in Maryland will see a reduction in income tax revenue, including Anne Arundel County. The final fiscal impact of the ruling on the County is not determinable at this time.

**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, 2013, the County estimates that no material liabilities will result from such audits.

**D Brownsfield Tax Credit** - There is a brownsfield tax credit available for the County's real property taxes levied on qualified property which is authorized by Tax Property Article 9-229 of the State Code. The Annapolis Towne Center is a qualified Brownsfield site per Maryland Department of the Environment. Brownsfield tax credits are effective for five taxable years following the issuance of the notice of revaluation by the State Department of Assessment and Taxation. The Annapolis Town Center became eligible for this credit during the 2012-2013 tax year. The amount of the credit is not determinable at this time but the County does not believe it will have a material effect on the financial statements.

## Required Supplementary Information

Year Ended June 30, 2013

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)	((A-B)/C)
		Actuarial	Actuarial	Unfunded	(A/B)	(C)	((A-B)/C)
		Value	Accrued	AAL	Funded	Covered	UAAL as a
		of Assets	Liability (AAL)	(UAAL)	Ratio	Payroll	Percentage of
							Covered
							Payroll
<b>Employees Retirement Plan:</b>							
January 1,	2011	\$ 522,165,145	\$ 627,269,587	\$ 105,104,442	83.2%	\$ 123,498,129	85.1%
	2012	516,070,401	653,653,058	137,582,657	79.0%	120,415,534	114.3%
	2013	508,232,321	693,580,675	185,348,354	73.3%	116,024,717	159.7%
<b>Police Service Retirement Plan:</b>							
January 1,	2011	\$ 435,891,125	\$ 502,001,669	\$ 66,110,544	86.8%	\$ 42,449,204	155.7%
	2012	430,342,941	526,154,978	95,812,037	81.8%	41,334,580	231.8%
	2013	420,675,703	555,292,097	134,616,394	75.8%	40,521,944	332.2%
<b>Fire Service Retirement Plan:</b>							
January 1,	2011	\$ 425,830,155	\$ 464,489,607	\$ 38,659,452	91.7%	\$ 47,840,812	80.8%
	2012	426,196,539	486,095,747	59,899,208	87.7%	45,673,006	131.1%
	2013	426,659,036	510,470,652	83,811,616	83.6%	43,361,686	193.3%
<b>Detention Officers' and Deputy Sheriffs' Pension Plan:</b>							
January 1,	2011	\$ 87,911,133	\$ 119,767,203	\$ 31,856,070	73.4%	\$ 19,310,216	165.0%
	2012	90,334,022	125,987,284	35,653,262	71.7%	18,760,664	190.0%
	2013	92,617,788	133,678,085	41,060,297	69.3%	17,896,574	229.4%
<b>State Retirement and Pension System of Maryland (dollar amounts in thousands):</b>							
June 30,	2010	\$ 34,688,345	\$ 54,085,081	\$ 19,396,735	64.1%	\$ 10,657,944	182.0%
	2011	36,177,656	55,917,543	19,739,887	64.7%	10,478,800	188.4%
	2012	37,248,401	57,869,145	20,620,745	64.4%	10,336,537	199.5%

**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.

## Required Supplementary Information

Year Ended June 30, 2013

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

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

## Schedule of Funding Progress

(Amounts shown in thousands)

	(A)	(B)	(B - A)	(A / B)	(C)	(B - A / C)
	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
<b>Primary Government:</b>						
June 30, 2011	\$ -	\$ 1,068,536	\$ 1,068,536	0.0%	\$ 227,115	470%
2012	-	1,187,938	1,187,938	0.0%	215,209	552%
2013	-	1,265,890	1,265,890	0.0%	213,899	592%
<b>Board of Education:</b>						
June 30, 2011	\$ -	\$ 1,241,299	\$ 1,241,299	0.0%	\$ 578,559	215%
2012	-	1,304,189	1,304,189	0.0%	572,923	228%
2013	-	1,423,684	1,423,684	0.0%	578,137	246%
<b>College:</b>						
June 30, 2011	\$ -	\$ 54,322	\$ 54,322	0.0%	\$ 87,780	62%
2012	-	60,287	60,897	0.0%	89,955	67%
2013	-	64,617	64,617	0.0%	89,089	73%
<b>Library:</b>						
June 30, 2011	\$ -	\$ 35,741	\$ 35,741	0.0%	\$ 10,374	345%
2012	-	37,684	37,684	0.0%	9,819	384%
2013	-	40,073	40,073	0.0%	9,760	411%

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**Combining Fund Statements,  
Budgetary Schedules, and  
Other Supporting Schedules**

## **General Fund Budget Detail**

The General Fund includes the budgets to pay for police and fire protection, maintain roads and plow the snow, operate the detention centers, provide grants to community social service agencies and a host of other activities, including the County's contribution toward the operation of the County schools, community college and library system. The revenue to support the general fund comes primarily from local property and income taxes.

### **General Fund - Detail Schedule of Revenues**

### **General Fund - Detail Schedule of Appropriations, Expenditures, and Encumbrances**

#### ***Separately budgeted General Fund component 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.

**Piney Orchard Wastewater Service** – In accordance with the County's agreement with the 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.

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

## **Impact Fees Fund Budget Detail**

The Impact Fees special revenue fund accounts for impact fees collected from developers to pay a share of the cost of schools, road capacity improvements and public safety necessitated by development. Appropriations are budgeted in the Impact Fee Fund to allow for transfer of funds to General County Capital Projects as eligible expenditures are incurred and to reimburse the General Fund for debt service related to Impact Fee projects.

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>GENERAL PROPERTY TAXES</b>				
Real and personal taxes	\$ 585,181,000	\$ 585,181,000	\$ 588,798,318	\$ 3,617,318
Interest and penalties	1,170,000	1,170,000	1,100,913	(69,087)
	<u>586,351,000</u>	<u>586,351,000</u>	<u>589,899,231</u>	<u>3,548,231</u>
<b>LOCAL INCOME TAXES</b>	<u>389,400,000</u>	<u>389,400,000</u>	<u>407,582,398</u>	<u>18,182,398</u>
<b>STATE SHARED TAXES</b>				
Highway user	2,555,000	2,555,000	2,568,114	13,114
Admissions	8,800,000	8,800,000	8,407,658	(392,342)
Auto-boat	2,000	2,000	3,625	1,625
VLT impact aid	15,000,000	15,000,000	19,456,876	4,456,876
	<u>26,357,000</u>	<u>26,357,000</u>	<u>30,436,273</u>	<u>4,079,273</u>
<b>RECORDATION AND TRANSFER TAXES</b>				
Recordation	30,000,000	30,000,000	42,040,038	12,040,038
Transfer	30,000,000	30,000,000	38,996,647	8,996,647
	<u>60,000,000</u>	<u>60,000,000</u>	<u>81,036,685</u>	<u>21,036,685</u>
<b>LOCAL SALES TAXES</b>				
Electricity	5,200,000	5,200,000	5,086,422	(113,578)
Gas	780,000	780,000	814,719	34,719
Telephone	5,900,000	5,900,000	6,347,591	447,591
Fuel	50,000	50,000	54,458	4,458
Hotel-motel	14,200,000	14,200,000	13,653,147	(546,853)
Parking	5,500,000	5,500,000	5,509,234	9,234
Trailer park rental pmts	910,000	910,000	916,672	6,672
Gross receipt tax - heavy equipment	160,000	160,000	307,702	147,702
	<u>32,700,000</u>	<u>32,700,000</u>	<u>32,689,945</u>	<u>(10,055)</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>LICENSES AND PERMITS</b>				
Amusements	233,000	233,000	183,870	(49,130)
Special events	7,000	7,000	7,950	950
Beer, wine, liquor	970,000	970,000	1,019,593	49,593
Trade licenses	277,200	277,200	274,810	(2,390)
Traders	800,000	800,000	854,505	54,505
Permits	8,204,000	8,204,000	8,028,610	(175,390)
Fines	71,500	71,500	77,409	5,909
Mobile home parks	32,600	32,600	29,490	(3,110)
Taxicabs	119,000	119,000	123,836	4,836
Animal control	340,000	340,000	340,111	111
Other	2,277,500	2,277,500	2,420,632	143,132
Health department	1,088,000	1,088,000	1,033,963	(54,037)
Public space	787,000	787,000	911,505	124,505
	<u>15,206,800</u>	<u>15,206,800</u>	<u>15,306,284</u>	<u>99,484</u>
<b>INVESTMENT INCOME</b>	<u>400,000</u>	<u>400,000</u>	<u>189,172</u>	<u>(210,828)</u>
<b>INTER-FUND RECOVERIES</b>	<u>58,038,300</u>	<u>58,038,300</u>	<u>61,518,784</u>	<u>3,480,484</u>
<b>OTHER REVENUES</b>				
Sale of surplus property	50,000	50,000	-	(50,000)
Health department fees	2,323,200	2,323,200	1,986,260	(336,940)
Certification of liens	140,000	140,000	134,650	(5,350)
Recreation and parks	10,523,400	10,523,400	11,057,886	534,486
Developers fees - street lighting	50,000	50,000	107,302	57,302
Sheriff	75,000	75,000	74,553	(447)
Sub-division	1,000,000	1,000,000	3,220,373	2,220,373
Administrative fees	6,570,000	6,570,000	4,300,663	(2,269,337)
Rental income	1,280,000	1,280,000	1,432,095	152,095
Cable fees	9,100,000	9,100,000	10,229,615	1,129,615
Reimbursements	11,800,100	11,800,100	11,306,302	(493,798)
Fines and fees	805,000	805,000	924,669	119,669
Miscellaneous	7,807,400	7,807,400	12,368,620	4,561,220
	<u>51,524,100</u>	<u>51,524,100</u>	<u>57,142,988</u>	<u>5,618,888</u>
<b>Total revenues</b>	<u>\$ 1,219,977,200</u>	<u>\$ 1,219,977,200</u>	<u>\$ 1,275,801,760</u>	<u>\$ 55,824,560</u>



## Anne Arundel County, Maryland

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

## General Fund

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EDUCATION</b>				
Board of Education	\$ 638,983,300	\$ 643,998,800	\$ 643,179,582	\$ 819,218
Community College	37,371,400	37,371,400	37,159,926	211,474
	<u>676,354,700</u>	<u>681,370,200</u>	<u>680,339,508</u>	<u>1,030,692</u>
<b>PUBLIC SAFETY</b>				
Police	106,222,100	106,061,900	105,660,390	401,510
Fire	95,777,800	100,788,500	99,276,787	1,511,713
Detention Facilities	41,192,100	40,679,700	38,698,702	1,980,998
	<u>243,192,000</u>	<u>247,530,100</u>	<u>243,635,879</u>	<u>3,894,221</u>
<b>GENERAL GOVERNMENT</b>				
County Executive	4,319,200	4,319,200	4,292,569	26,631
Chief Administrative Officer	8,052,400	1,552,400	1,530,426	21,974 *
Office of Budget	883,300	883,300	878,118	5,182
Office of Finance	7,228,000	7,243,600	7,237,847	5,753
Office of Finance (non departmental)	34,992,900	34,992,900	34,779,036	213,864 **
Mandated Transfers	4,255,000	4,355,000	4,338,377	16,623 **
Central Services	17,198,100	17,326,500	17,233,005	93,495
Personnel	5,638,900	5,638,900	5,500,682	138,218
Information Technology	14,595,500	14,795,900	14,292,959	502,941
Law	3,629,400	3,629,400	3,594,218	35,182
Legislative Branch	3,347,300	3,347,300	3,210,196	137,104
Ethics Commission	172,100	172,100	172,807	(707)
Board of Election Supervisors	2,994,100	3,265,100	3,224,364	40,736
	<u>107,306,200</u>	<u>101,521,600</u>	<u>100,284,604</u>	<u>1,236,996</u>
<b>HEALTH AND HUMAN SERVICES</b>				
Health	31,340,600	31,341,700	29,143,078	2,198,622
Social Services	4,389,100	4,389,100	4,006,019	383,081
Services for the Aging	7,720,700	7,850,700	7,745,658	105,042
Other Grants	996,500	2,496,500	2,496,500	- *
	<u>44,446,900</u>	<u>46,078,000</u>	<u>43,391,255</u>	<u>2,686,745</u>
<b>PUBLIC WORKS</b>				
	<u>35,382,400</u>	<u>36,444,600</u>	<u>36,325,759</u>	<u>118,841</u>
<b>RECREATION AND COMMUNITY SERVICES</b>				
Recreation and Parks	22,394,800	22,406,000	21,861,330	544,670
Public Library System	16,002,800	16,002,800	16,002,800	-
	<u>38,397,600</u>	<u>38,408,800</u>	<u>37,864,130</u>	<u>544,670</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>JUDICIAL</b>				
States Attorney	9,098,500	9,098,500	9,000,524	97,976
Sheriffs Office	7,587,300	7,597,200	7,480,326	116,874
Circuit Court	4,691,300	4,756,300	4,772,469	(16,169)
Orphans Court	121,500	123,000	113,225	9,775
Total Judicial	<u>21,498,600</u>	<u>21,575,000</u>	<u>21,366,544</u>	<u>208,456</u>
<b>LAND USE AND DEVELOPMENT</b>				
Planning and Zoning	7,965,400	7,972,300	7,489,477	482,823
Office of Administrative Hearings	263,900	263,900	263,265	635
Cooperative Extension Service	223,800	223,800	217,184	6,616
	<u>8,453,100</u>	<u>8,460,000</u>	<u>7,969,926</u>	<u>490,074</u>
<b>CODE ENFORCEMENT</b>				
Inspections and Permits	11,246,300	11,274,500	10,908,146	366,354
Board of License Commissioners	645,400	660,400	656,005	4,395
	<u>11,891,700</u>	<u>11,934,900</u>	<u>11,564,151</u>	<u>370,749</u>
DEBT SERVICE	<u>44,914,000</u>	<u>44,914,000</u>	<u>43,287,233</u>	<u>1,626,767</u> **
PAY GO FUNDING - CAPITAL PROJECTS	<u>15,462,500</u>	<u>15,462,500</u>	<u>15,462,500</u>	<u>-</u>
Total expenditures and encumbrances \$	<u><u>1,247,299,700</u></u>	<u><u>1,253,699,700</u></u>	<u><u>1,241,491,489</u></u>	<u><u>12,208,211</u></u>

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

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

Anne Arundel County, Maryland

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

General Fund - Separately Budgeted Components

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>COUNTY PARKING GARAGE</b>				
Revenues				
Parking fees	\$ 542,500	\$ 542,500	\$ 551,162	\$ 8,662
Other	-	-	6,003	6,003
	<u>542,500</u>	<u>542,500</u>	<u>557,165</u>	<u>14,665</u>
Expenditures				
General government	418,700	418,700	415,930	(2,770)
Revenues over (under) expenditures	\$ <u>123,800</u>	\$ <u>123,800</u>	\$ <u>141,235</u>	\$ <u>17,435</u>
<b>PINEY ORCHARD WASTEWATER SERVICE</b>				
Revenues				
Commissions and fees	\$ <u>1,000,000</u>	\$ <u>1,000,000</u>	\$ 967,792	\$ (32,208)
Expenditures				
Public works	<u>1,000,000</u>	<u>1,000,000</u>	<u>967,792</u>	<u>(32,208)</u>
Revenues over (under) expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<b>INMATE BENEFIT AND MORALE</b>				
Revenues				
Commissary sales	\$ 660,500	\$ 660,500	\$ 643,056	\$ (17,444)
Commissions and fees	350,000	350,000	293,602	(56,398)
Investment income	1,300	1,300	1,904	604
Other	-	-	75,146	75,146
	<u>1,011,800</u>	<u>1,011,800</u>	<u>1,013,708</u>	<u>1,908</u>
Expenditures				
Commissary purchases	690,500	690,500	690,533	33
Inmate benefits/morale	<u>268,900</u>	<u>268,900</u>	<u>235,095</u>	<u>(33,805)</u>
	<u>959,400</u>	<u>959,400</u>	<u>925,628</u>	<u>(33,772)</u>
Revenues over (under) expenditures	\$ <u>52,400</u>	\$ <u>52,400</u>	\$ <u>88,080</u>	\$ <u>35,680</u>

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

Anne Arundel County, Maryland

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

Impact Fees Fund

Year Ended June 30, 2013

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
IMPACT FEES				
Expenditures				
Other inter-fund reimbursements	11,201,500	11,201,500	11,150,092	(51,408)
Pay-as-you-go	<u>46,716,500</u>	<u>46,716,500</u>	<u>19,187,571</u>	<u>(27,528,929)</u>
	<u>57,918,000</u>	<u>57,918,000</u>	<u>30,337,663</u>	<u>(27,580,337)</u>
Revenues over (under) expenditures	\$ <u>(57,918,000)</u>	\$ <u>(57,918,000)</u>	\$ <u>(30,337,663)</u>	\$ <u>27,580,337</u>

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

## **Nonmajor Governmental Funds**

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

### ***Special Revenue Funds***

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

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

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

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

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

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

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

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

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

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

**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.

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

### ***Capital Projects Funds***

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

### **Nonmajor Governmental Funds (continued)**

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

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

#### ***Debt Service Funds***

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

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

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

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

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

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

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

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

Anne Arundel County, Maryland

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2013

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF	Reforestation	Laurel Racetrack Community Benefit
<b>ASSETS</b>					
Cash and investments	\$ 1,407,093	\$ 262,698	\$ 331,682	\$ 13,406,596	\$ 24,381
Receivables					
Due from other governmental agencies (net of allowances)	-	-	113,462	-	-
Other, net	95,500	23,205	-	-	-
Total assets	<u>\$ 1,502,593</u>	<u>\$ 285,903</u>	<u>\$ 445,144</u>	<u>\$ 13,406,596</u>	<u>\$ 24,381</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 9,454	\$ 20,715	\$ 263,125	\$ 54,131	\$ -
Due to General Fund	-	-	-	-	-
Escrow and other deposits	-	-	-	5,690,023	-
Unearned revenue	-	-	127,079	-	-
Total liabilities	<u>9,454</u>	<u>20,715</u>	<u>390,204</u>	<u>5,744,154</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	1,493,139	-	54,940	7,662,442	24,381
Committed	-	265,188	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,493,139</u>	<u>265,188</u>	<u>54,940</u>	<u>7,662,442</u>	<u>24,381</u>
Total liabilities and fund balances	<u>\$ 1,502,593</u>	<u>\$ 285,903</u>	<u>\$ 445,144</u>	<u>\$ 13,406,596</u>	<u>\$ 24,381</u>

Special Revenue Funds

Workforce Development	Arundel Community Development Services	Grants	Circuit Court	Park Place Tax Increment	Street Light	Erosion Districts
\$ -	\$ -	\$ 455,273	\$ 220,183	\$ -	\$ 3,969,113	\$ 578,773
364,918	1,370,023	8,464,337	-	-	-	-
-	-	68,008	12,737	-	-	328
<u>\$ 364,918</u>	<u>\$ 1,370,023</u>	<u>\$ 8,987,618</u>	<u>\$ 232,920</u>	<u>\$ -</u>	<u>\$ 3,969,113</u>	<u>\$ 579,101</u>
\$ -	\$ 946,869	\$ 3,022,340	\$ -	\$ -	\$ 294,538	\$ 129,266
364,918	423,154	4,437,131	-	-	-	-
-	-	-	132,629	-	-	-
-	-	4,163,468	-	-	-	-
<u>364,918</u>	<u>1,370,023</u>	<u>11,622,939</u>	<u>132,629</u>	<u>-</u>	<u>294,538</u>	<u>129,266</u>
-	-	894,785	100,291	-	-	-
-	-	-	-	-	-	449,835
-	-	-	-	-	3,674,575	-
-	-	(3,530,106)	-	-	-	-
-	-	(2,635,321)	100,291	-	3,674,575	449,835
<u>\$ 364,918</u>	<u>\$ 1,370,023</u>	<u>\$ 8,987,618</u>	<u>\$ 232,920</u>	<u>\$ -</u>	<u>\$ 3,969,113</u>	<u>\$ 579,101</u>

(continued)



Anne Arundel County, Maryland

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2013

	Capital Projects Funds			Debt Service Funds	
	Storm Drain Fees	Recreational Land Fees	Bond Premium	Nursery Road Tax Increment	West County Tax Increment
<b>ASSETS</b>					
Cash and investments	\$ 953,128	\$ 264,354	\$ 30,871,985	\$ -	\$ 80
Receivables					
Due from other governmental agencies (net of allowances)	-	-	-	-	-
Other, net	-	-	-	-	-
Total assets	<u>\$ 953,128</u>	<u>\$ 264,354</u>	<u>\$ 30,871,985</u>	<u>\$ -</u>	<u>\$ 80</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 80
Due to General Fund	-	-	-	-	-
Escrow and other deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80</u>
<b>FUND BALANCES</b>					
Restricted	-	-	30,871,985	-	-
Committed	953,128	264,354	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>953,128</u>	<u>264,354</u>	<u>30,871,985</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 953,128</u>	<u>\$ 264,354</u>	<u>\$ 30,871,985</u>	<u>\$ -</u>	<u>\$ 80</u>

Debt Service Funds

Arundel Mills Tax Increment	Parole Tax Increment	NBP North Tax Increment	Village South Tax Increment	Special Taxing Districts	Installment Purchase Agreements	Totals
\$ 80	\$ -	\$ 1,956,695	\$ 1,222,508	\$ 821,838	\$ 7,650,662	\$ 64,397,122
-	-	-	-	-	-	10,312,740
-	-	-	-	900	-	200,678
<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 1,956,695</u>	<u>\$ 1,222,508</u>	<u>\$ 822,738</u>	<u>\$ 7,650,662</u>	<u>\$ 74,910,540</u>
\$ 80	\$ -	\$ -	\$ -	\$ 2,429	\$ -	\$ 4,743,027
-	-	-	-	-	-	5,225,203
-	-	-	-	-	-	5,822,652
-	-	-	-	-	-	4,290,547
<u>80</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,429</u>	<u>-</u>	<u>20,081,429</u>
-	-	1,956,695	1,222,508	820,309	-	45,101,475
-	-	-	-	-	-	1,932,505
-	-	-	-	-	7,650,662	11,325,237
-	-	-	-	-	-	(3,530,106)
-	-	1,956,695	1,222,508	820,309	7,650,662	54,829,111
<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 1,956,695</u>	<u>\$ 1,222,508</u>	<u>\$ 822,738</u>	<u>\$ 7,650,662</u>	<u>\$ 74,910,540</u>

Anne Arundel County, Maryland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2013

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF	Reforestation	Laurel Racetrack Community Benefit
<b>REVENUES</b>					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	-	-	1,358,004	-	-
Seized / forfeited funds	946,670	-	-	-	-
Special community benefit taxes	-	6,119,494	-	-	-
Fees and commissions	-	-	-	1,426,091	-
Investment income	2,956	-	564	-	71
Other	-	-	100	-	-
Total revenues	<u>949,626</u>	<u>6,119,494</u>	<u>1,358,668</u>	<u>1,426,091</u>	<u>71</u>
<b>EXPENDITURES</b>					
Current					
Public safety	413,036	-	-	-	-
General government	-	-	-	-	-
Health and human services	-	-	1,446,341	-	-
Public works	-	-	-	-	-
Recreation and community services	-	5,962,605	-	-	-
Judicial	-	-	-	-	-
Code enforcement	-	-	-	-	-
Land use and development	-	-	-	527,569	-
Debt service					
Interest payments on debt	-	-	-	-	-
Principal payments on debt	-	-	-	-	-
Total expenditures	<u>413,036</u>	<u>5,962,605</u>	<u>1,446,341</u>	<u>527,569</u>	<u>-</u>
Revenues over (under) expenditures	<u>536,590</u>	<u>156,889</u>	<u>(87,673)</u>	<u>898,522</u>	<u>71</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
General Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Transfers out					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	(59,735)	-
Erosion Districts Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Premiums from sale of bonds	-	-	-	-	-
Transfers to internal service fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,735)</u>	<u>-</u>
Net change in fund balances	536,590	156,889	(87,673)	838,787	71
Fund balances, July 1	956,549	108,299	142,613	6,823,655	24,310
Fund balances, June 30	<u>\$ 1,493,139</u>	<u>\$ 265,188</u>	<u>\$ 54,940</u>	<u>\$ 7,662,442</u>	<u>\$ 24,381</u>

Special Revenue Funds

Workforce Development	Arundel Community Development Services	Grants	Circuit Court	Park Place Tax Increment	Street Light	Erosion Districts
\$ -	\$ -	\$ -	\$ -	\$ 867,387	\$ -	\$ -
2,229,720	6,126,383	27,550,855	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	229,302
-	-	-	-	-	1,489,648	-
-	-	-	-	1,743	-	-
-	-	1,588,364	170,955	-	32,659	-
<u>2,229,720</u>	<u>6,126,383</u>	<u>29,139,219</u>	<u>170,955</u>	<u>869,130</u>	<u>1,522,307</u>	<u>229,302</u>
-	-	2,090,757	-	-	-	-
-	-	490,219	-	869,130	-	-
2,229,720	-	25,105,411	-	-	-	-
-	-	-	-	-	629,586	278,498
-	6,396,383	8,496	-	-	-	-
-	-	2,166,896	148,718	-	-	-
-	-	-	-	-	-	-
-	-	689,591	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,229,720</u>	<u>6,396,383</u>	<u>30,551,370</u>	<u>148,718</u>	<u>869,130</u>	<u>629,586</u>	<u>278,498</u>
-	(270,000)	(1,412,151)	22,237	-	892,721	(49,196)
-	270,000	787,728	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(166,837)
-	-	-	-	-	-	-
-	<u>270,000</u>	<u>787,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(166,837)</u>
-	-	(624,423)	22,237	-	892,721	(216,033)
-	-	(2,010,898)	78,054	-	2,781,854	665,868
\$ <u>-</u>	\$ <u>-</u>	\$ <u>(2,635,321)</u>	\$ <u>100,291</u>	\$ <u>-</u>	\$ <u>3,674,575</u>	\$ <u>449,835</u>

(continued)

Anne Arundel County, Maryland

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

Nonmajor Governmental Funds

Year Ended June 30, 2013

	Capital Projects Funds			Debt Service Funds	
	Storm Drain Fees	Recreation Land Fees	Bond Premium	Nursery Road Tax Increment	West County Tax Increment
<b>REVENUES</b>					
General property taxes	\$ -	\$ -	\$ -	\$ 4,693,256	\$ 5,356,105
Grants and aid	-	-	-	-	-
Seized / forfeited funds	-	-	-	-	-
Special community benefit taxes	-	-	-	-	-
Other fees and commissions	716,760	67,800	-	-	-
Investment income	-	-	-	8,863	7,738
Other	-	-	-	-	-
Total revenues	<u>716,760</u>	<u>67,800</u>	<u>-</u>	<u>4,702,119</u>	<u>5,363,843</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	-	-	-	-
General government	-	-	812,580	3,640	11,229
Health and human services	-	-	-	-	-
Public works	-	-	-	-	-
Recreation and community services	-	-	-	-	-
Judicial	-	-	-	-	-
Code enforcement	-	-	-	-	-
Land use and development	-	-	-	-	-
Debt service					
Interest payments on debt	-	-	-	89,911	716,800
Principal payments on debt	-	-	-	85,000	450,000
Total expenditures	<u>-</u>	<u>-</u>	<u>812,580</u>	<u>178,551</u>	<u>1,178,029</u>
Revenues over (under) expenditures	<u>716,760</u>	<u>67,800</u>	<u>(812,580)</u>	<u>4,523,568</u>	<u>4,185,814</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
General Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Transfers out					
General Fund	-	-	(154,858)	(4,523,568)	(4,185,814)
General County Capital Projects Fund	(200,000)	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Premiums from sale of bonds	-	-	16,130,659	-	-
Garage Replacement Fund	-	-	-	-	-
Total other financing sources (uses)	<u>(200,000)</u>	<u>-</u>	<u>15,975,801</u>	<u>(4,523,568)</u>	<u>(4,185,814)</u>
Change in fund balances	516,760	67,800	15,163,221	-	-
Fund balances, July 1	436,368	196,554	15,708,764	-	-
Fund balances, June 30	<u>\$ 953,128</u>	<u>\$ 264,354</u>	<u>\$ 30,871,985</u>	<u>\$ -</u>	<u>\$ -</u>

Debt Service Funds

Arundel Mills Tax Increment	Parole Tax Increment	NBP North Tax Increment	Village South Tax Increment	Special Taxing Districts	Installment Purchase Agreements	Totals
\$ 7,453,594	\$ 11,319,460	\$ 1,842,434	\$ 628,387	\$ -	\$ -	\$ 32,160,623
-	-	-	-	-	-	37,264,962
-	-	-	-	-	-	946,670
-	-	-	-	520,578	-	6,869,374
-	-	-	-	-	-	3,700,299
4,470	20,186	4,699	2,590	-	(749,682)	(695,802)
-	-	-	-	-	-	1,792,078
<u>7,458,064</u>	<u>11,339,646</u>	<u>1,847,133</u>	<u>630,977</u>	<u>520,578</u>	<u>(749,682)</u>	<u>82,038,204</u>
-	-	-	-	-	-	2,503,793
10,134	2,000	31,470	-	-	-	2,230,402
-	-	-	-	-	-	28,781,472
-	-	-	-	-	-	908,084
-	-	-	-	183,324	-	12,550,808
-	-	-	-	-	-	2,315,614
-	-	-	-	-	-	-
-	-	-	-	-	-	1,217,160
1,451,931	25,625	188,207	-	-	729,416	3,201,890
<u>780,000</u>	<u>1,025,000</u>	<u>-</u>	<u>-</u>	<u>326,969</u>	<u>20,000</u>	<u>2,686,969</u>
<u>2,242,065</u>	<u>1,052,625</u>	<u>219,677</u>	<u>-</u>	<u>510,293</u>	<u>749,416</u>	<u>56,396,192</u>
<u>5,215,999</u>	<u>10,287,021</u>	<u>1,627,456</u>	<u>630,977</u>	<u>10,285</u>	<u>(1,499,098)</u>	<u>25,642,012</u>
-	-	-	-	-	67,000	1,124,728
-	-	-	-	166,837	-	166,837
-	-	-	-	-	-	-
(5,215,999)	(10,287,021)	-	-	-	-	(24,367,260)
-	-	-	-	-	-	(259,735)
-	-	-	-	-	-	-
-	-	-	-	-	-	(166,837)
-	-	-	-	-	-	16,130,659
-	-	-	-	-	-	-
<u>(5,215,999)</u>	<u>(10,287,021)</u>	<u>-</u>	<u>-</u>	<u>166,837</u>	<u>67,000</u>	<u>(7,371,608)</u>
-	-	1,627,456	630,977	177,122	(1,432,098)	18,270,404
-	-	329,239	591,531	643,187	9,082,760	36,558,707
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,956,695</u>	<u>\$ 1,222,508</u>	<u>\$ 820,309</u>	<u>\$ 7,650,662</u>	<u>\$ 54,829,111</u>

Anne Arundel County, Maryland

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

Special Revenue Funds

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>FORFEITURE AND ASSET SEIZURE TEAM</b>				
Revenues				
Seized and forfeited funds	\$ 240,000	\$ 240,000	\$ 946,670	\$ 706,670
Investment income			2,956	2,956
	<u>240,000</u>	<u>240,000</u>	<u>949,626</u>	<u>709,626</u>
Expenditures				
Public safety	<u>687,000</u>	<u>687,000</u>	580,356	106,644
Revenues over (under) expenditures	(447,000)	(447,000)	369,270	<u>\$ 816,270</u>
Fund balance, budgetary, July 1	<u>936,704</u>	<u>936,704</u>	<u>936,704</u>	
Fund balance, budgetary, June 30	<u>\$ 489,704</u>	<u>\$ 489,704</u>	<u>\$ 1,305,974</u>	
<b>ROADS AND SPECIAL BENEFITS</b>				
Revenues				
Special community benefit taxes	\$ <u>6,200,472</u>	\$ <u>6,200,472</u>	\$ 6,119,494	\$ (80,978)
Expenditures				
Recreation and community services	<u>9,433,313</u>	<u>9,433,313</u>	5,962,605	3,470,708
Revenues over (under) expenditures	(3,232,841)	(3,232,841)	156,889	<u>\$ 3,389,730</u>
Fund balance, budgetary, July 1	<u>108,299</u>	<u>108,299</u>	<u>108,299</u>	
Fund balance, budgetary, June 30	<u>\$ (3,124,542)</u>	<u>\$ (3,124,542)</u>	<u>\$ 265,188</u>	
<b>ANNE ARUNDEL COUNTY PARTNERSHIP FOR CHILDREN, YOUTH &amp; FAMILIES</b>				
Revenues				
Grants and aid	\$ 1,618,300	\$ 1,618,300	\$ 1,343,073	\$ (275,227)
Investment income	-	-	564	564
Other	-	-	100	100
	<u>1,618,300</u>	<u>1,618,300</u>	<u>1,343,737</u>	<u>(274,563)</u>
Expenditures				
Health and human services	<u>1,687,200</u>	<u>1,687,200</u>	1,446,341	240,859
Revenues over (under) expenditures	(68,900)	(68,900)	(102,604)	<u>\$ (33,704)</u>
Fund balance, budgetary, July 1	<u>142,613</u>	<u>142,613</u>	<u>142,613</u>	
Fund balance, budgetary, June 30	<u>\$ 73,713</u>	<u>\$ 73,713</u>	<u>\$ 40,009</u>	

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

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

## Special Revenue Funds

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REFORESTATION</b>				
Revenues				
Commissions and fees	\$ 1,350,000	\$ 1,350,000	\$ 1,447,811	\$ 97,811
Expenditures				
Land use and development	3,623,600	3,623,600	573,739	3,049,861
Revenues over (under) expenditures	(2,273,600)	(2,273,600)	874,072	\$ 3,147,672
Fund balance, budgetary, July 1 (as restated)	6,788,370	6,788,370	6,788,370	
Fund balance, budgetary, June 30	\$ 4,514,770	\$ 4,514,770	\$ 7,662,442	
<b>LAUREL RACETRACK COMMUNITY BENEFIT</b>				
Revenues				
Fees and commissions	\$ -	\$ -	\$ -	\$ -
Other	-	-	71	71
Revenues over (under) expenditures	-	-	71	71
Expenditures				
Recreation and community services	55,000	55,000	-	55,000
Revenues over (under) expenditures	(55,000)	(55,000)	71	\$ 55,071
Fund balance, budgetary, July 1	24,310	24,310	24,310	
Fund balance, budgetary, June 30	\$ (30,690)	\$ (30,690)	\$ 24,381	
<b>WORKFORCE DEVELOPMENT</b>				
Revenues				
Grants and aid	\$ 1,200,000	\$ 2,400,000	\$ 2,229,720	\$ (170,280)
Expenditures				
Health and human services	1,200,000	2,400,000	2,229,720	170,280
Revenues over (under) expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	

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



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

## Special Revenue Funds

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>ARUNDEL COMMUNITY DEVELOPMENT SERVICES</b>				
Revenues				
Grants and aid	\$ 5,614,800	\$ 5,615,400	\$ 5,615,384	\$ (16)
Expenditures				
Recreation and community services	5,614,800	5,615,400	5,615,384	16
Revenues over (under) expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	
<b>GRANTS</b>				
Revenues				
Grants and aid	\$ 30,222,700	\$ 33,883,900	\$ 28,023,465	\$ (5,860,435)
Fees, General Fund contributions and other	2,395,700	2,395,784	2,688,336	292,552
	<u>32,618,400</u>	<u>36,279,684</u>	<u>30,711,801</u>	<u>(5,567,883)</u>
Expenditures				
Public safety	2,984,300	4,019,300	2,063,016	1,956,284
General government	426,000	612,700	495,335	117,365
Health and human services	25,449,700	27,893,700	25,142,883	2,750,817
Recreation and community services	15,000	23,700	8,496	15,204
Judicial	2,634,300	2,655,100	2,164,792	490,308
Land use and development	778,700	794,016	521,521	272,495
	<u>32,288,000</u>	<u>35,998,516</u>	<u>30,396,043</u>	<u>5,602,473</u>
Revenues over (under) expenditures	330,400	281,168	315,758	\$ 34,590
Fund balance, budgetary, July 1	(2,153,211)	(2,153,211)	(2,153,211)	
Fund balance, budgetary, June 30	\$ (1,822,811)	\$ (1,872,043)	\$ (1,837,453)	
<b>CIRCUIT COURT</b>				
Revenues				
Bond Forfeited Funds	\$ 181,000	\$ 181,000	\$ 170,955	\$ (10,045)
Expenditures				
Circuit Court	181,000	181,000	148,718	32,282
Revenues over (under) expenditures	-	-	22,237	\$ 22,237
Fund balance, budgetary, July 1	78,054	78,054	78,054	
Fund balance, budgetary, June 30	\$ 78,054	\$ 78,054	\$ 100,291	

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

## Anne Arundel County, Maryland

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

## Special Revenue Funds

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>PARK PLACE TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 928,000	\$ 928,000	\$ 867,387	\$ (60,613)
Investment income	2,000	2,000	1,743	(257)
	<u>930,000</u>	<u>930,000</u>	<u>869,130</u>	<u>(60,870)</u>
Expenditures				
Other	1,100,000	1,100,000	869,130	230,870
Revenues over (under) expenditures	(170,000)	(170,000)	-	<u>170,000</u>
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ <u>(170,000)</u>	\$ <u>(170,000)</u>	\$ <u>-</u>	
<b>STREET LIGHT</b>				
Revenues				
Developer fees	\$ 1,000,000	\$ 1,000,000	\$ 1,489,648	\$ 489,648
Other	-	-	42,590	42,590
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,532,238</u>	<u>532,238</u>
Expenditures				
Public works	1,000,000	1,000,000	958,858	41,142
Revenues over (under) expenditures	-	-	573,380	<u>573,380</u>
Fund balance, budgetary, July 1	383,608	383,608	383,608	
Fund balance, budgetary, June 30	\$ <u>383,608</u>	\$ <u>383,608</u>	\$ <u>956,988</u>	
<b>EROSION DISTRICTS</b>				
Revenues				
Special community benefit taxes	\$ 236,825	\$ 236,825	\$ 229,302	\$ (7,523)
Expenditures				
Capital outlay	564,706	564,706	278,498	286,208
Revenues over (under) expenditures	(327,881)	(327,881)	(49,196)	<u>278,685</u>
Fund balance, budgetary, July 1 (as restated)	499,031	499,031	499,031	
Fund balance, budgetary, June 30	\$ <u>171,150</u>	\$ <u>171,150</u>	\$ <u>449,835</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)

Erosion Districts Fund

Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Cedarhurst	\$ 57,840	\$ 57,840	\$ 52,805	\$ (5,035)
Franklin Manor	65,000	65,000	61,807	(3,193)
Idlewilde	16,065	16,065	14,276	(1,789)
Riviera Beach	97,920	97,920	100,414	2,494
Total revenues	<u>\$ 236,825</u>	<u>\$ 236,825</u>	<u>\$ 229,302</u>	<u>\$ (7,523)</u>
<b>EXPENDITURES</b>				
Cedarhurst	\$ 106,040	\$ 106,040	\$ 36,130	\$ 69,910
Franklin Manor	185,300	185,300	2,532	182,768
Idlewilde	32,346	32,346	6,761	25,585
Riviera Beach	241,020	241,020	233,075	7,945
Total expenditures	<u>\$ 564,706</u>	<u>\$ 564,706</u>	<u>\$ 278,498</u>	<u>\$ 286,208</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, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Amberly	\$ 30,001	\$ 30,001	\$ 30,001	\$ -
Annapolis Roads - Roads	401,322	401,322	388,400	(12,922)
Arundel on the Bay-Special Benefits	141,400	141,400	134,876	(6,524)
Avalon Shores - Special Benefits	41,500	41,500	41,429	(71)
Bay Highlands - Roads	67,400	67,400	66,644	(756)
Bay Ridge - Special Officer	241,582	241,582	241,061	(521)
Bayside Beach	7,691	7,691	5,076	(2,615)
Beverly Beach - Special Benefits	33,210	33,210	33,120	(90)
Birchwood	6,882	6,882	7,104	222
Bittersweet	7,150	7,150	7,150	-
Cape Anne - Special Benefits	7,550	7,550	7,550	-
Cape St. Claire-Special Benefits	218,025	218,025	218,405	380
Capetown	46,528	46,528	46,528	-
Carrolton Manor	80,700	80,700	80,400	(300)
Cedarhurst-Special Benefits	137,370	137,370	125,412	(11,958)
Chartwell-Special Benefits	36,905	36,905	36,905	-
Columbia Beach - Roads	97,219	97,219	85,644	(11,575)
Crofton - Special Benefits	813,498	813,498	787,849	(25,649)
Deale Beach - Special Benefits	7,360	7,360	7,320	(40)
Eden Woods - Special Benefits	4,800	4,800	4,800	-
Epping Forest - Special Benefits	242,400	242,400	242,976	576
Fairhaven Cliffs - Special Benefits	4,350	4,350	4,200	(150)
Felicity Cove - Special Benefits	12,895	12,895	12,895	-
Franklin Manor - Special Benefits	52,000	52,000	49,446	(2,554)
Gibson Island - Roads	314,000	314,000	312,703	(1,297)
Greenbriar Gardens	18,144	18,144	18,144	-
Greenbriar II	21,000	21,000	21,000	-
Heritage Pool	41,915	41,915	42,330	415
Hillsmere Estates - Roads	242,244	242,244	245,550	3,306
Holland Point - Special Officer	-	-	-	-
Homewood	8,000	8,000	8,202	202
Hunters Harbor - Roads	16,200	16,200	16,200	-
Idlewild	9,775	9,775	9,775	-
Indian Hills (Winchester)-Special Benefits	89,961	89,961	91,117	1,156
Landhaven - Special Benefits	6,473	6,473	6,473	-
Little Magothy River	35,700	35,700	35,700	-
Long Point on the Severn - Roads	13,750	13,750	13,750	-
Magothy Beach	3,975	3,975	3,975	-
Magothy Forge	5,008	5,008	5,008	-
Manhattan Beach - Roads	92,550	92,550	92,700	150
Owings Beach - Roads	14,775	14,775	13,455	(1,320)
Owings Cliffs	1,900	1,900	1,850	(50)
Oyster Harbor - Roads	344,320	344,320	328,469	(15,851)
Parke West-Special Benefits	44,205	44,205	44,205	-
Pine Grove Village Special Benefits	11,040	11,040	11,040	-
Pines on the Severn	46,202	46,202	46,202	-
Provinces - Special Benefits	10,584	10,584	10,572	(12)
Queen's Park - Special Benefits	37,052	37,052	37,218	166
Rockview Beach / Riviera Isles	9,602	9,602	9,644	42
Selby on the Bay - Roads	77,580	77,580	77,310	(270)
Severn Grove	14,560	14,560	14,430	(130)
Severdale - Special Benefits	6,549	6,549	6,549	-
Sherwood Forest - Special Benefits	1,228,760	1,228,760	1,228,760	-
Shoreham Beach - Roads	42,000	42,000	42,000	-
South River Heights - Roads	12,158	12,158	12,015	(143)
South River Manor-Special Benefits	4,500	4,500	4,500	-
South River Park - Roads	33,900	33,900	34,200	300
Steedman Point - Roads	3,750	3,750	4,000	250
Stone Haven	5,038	5,038	5,038	-
Sylvan View on the Magothy	11,829	11,829	11,829	-
Upper Magothy Beach	14,750	14,750	14,700	(50)
Venice Beach - Roads	32,300	32,300	31,803	(497)
Venice on the Bay	7,105	7,105	7,175	70
Warthen Knolls	-	-	-	-
Wilelinor	22,400	22,400	22,400	-
Woodland Beach / Londontowne	498,880	498,880	505,112	6,232
Woodland Beach / Pasadena	6,300	6,300	7,200	900
Total revenues	\$ 6,200,472	\$ 6,200,472	\$ 6,119,494	\$ (80,978)

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, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>				
Amberly	\$ 58,554	\$ 58,554	\$ 29,908	\$ 28,646
Annapolis Roads - Roads	466,174	466,174	388,324	77,850
Arundel on the Bay-Special Benefits	264,533	264,533	134,300	130,233
Avalon Shores - Special Benefits	94,968	94,968	2,000	92,968
Bay Highlands - Roads	74,000	74,000	67,900	6,100
Bay Ridge - Special Officer	245,619	245,619	238,532	7,087
Bayside Beach	7,691	7,691	5,012	2,679
Beverly Beach - Special Benefits	33,210	33,210	1,662	31,548
Birchwood	6,882	6,882	7,025	(143)
Bittersweet	9,927	9,927	7,148	2,779
Cape Anne - Special Benefits	13,250	13,250	7,492	5,758
Cape St. Claire-Special Benefits	298,960	298,960	219,170	79,790
Capetown	46,528	46,528	46,533	(5)
Carrolton Manor	80,712	80,712	59,500	21,212
Cedarhurst-Special Benefits	140,870	140,870	124,097	16,773
Chartwell-Special Benefits	77,593	77,593	36,843	40,750
Columbia Beach - Roads	117,993	117,993	81,226	36,767
Crofton - Special Benefits	1,350,882	1,350,882	788,700	562,182
Deale Beach - Special Benefits	7,360	7,360	7,262	98
Eden Woods - Special Benefits	19,355	19,355	4,800	14,555
Epping Forest - Special Benefits	587,499	587,499	242,900	344,599
Fairhaven Cliffs - Special Benefits	18,714	18,714	560	18,154
Felicity Cove - Special Benefits	38,095	38,095	12,895	25,200
Franklin Manor - Special Benefits	107,000	107,000	49,150	57,850
Gibson Island - Roads	465,990	465,990	312,300	153,690
Greenbriar Gardens	22,657	22,657	17,707	4,950
Greenbriar II	28,500	28,500	20,270	8,230
Heritage Pool	48,394	48,394	41,900	6,494
Hillsmere Estates - Roads	282,663	282,663	245,300	37,363
Holland Point - Special Officer	21,583	21,583	-	21,583
Homewood	8,200	8,200	8,179	21
Hunters Harbor - Roads	26,299	26,299	16,210	10,089
Idlewild	9,775	9,775	9,679	96
Indian Hills (Winchester)-Special Benefits	131,224	131,224	91,215	40,009
Landhaven - Special Benefits	12,073	12,073	324	11,749
Little Magothy River	166,250	166,250	35,700	130,550
Long Point on the Severn - Roads	38,002	38,002	13,887	24,115
Magothy Beach	4,915	4,915	3,898	1,017
Magothy Forge	5,284	5,284	4,950	334
Manhattan Beach - Roads	205,764	205,764	92,700	113,064
Owings Beach - Roads	71,596	71,596	672	70,924
Owings Cliffs	2,200	2,200	1,650	550
Oyster Harbor - Roads	860,400	860,400	323,513	536,887
Parke West-Special Benefits	97,829	97,829	44,150	53,679
Pine Grove Village Special Benefits	24,820	24,820	11,001	13,819
Pines on the Severn	62,962	62,962	46,200	16,762
Provinces - Special Benefits	27,096	27,096	10,456	16,640
Queen's Park - Special Benefits	45,052	45,052	37,211	7,841
Rockview Beach / Riviera Isles	15,779	15,779	9,684	6,095
Selby on the Bay - Roads	255,861	255,861	75,500	180,361
Severn Grove	17,130	17,130	14,265	2,865
Severndale - Special Benefits	33,795	33,795	6,529	27,266
Sherwood Forest - Special Benefits	1,228,760	1,228,760	1,227,877	883
Shoreham Beach - Roads	49,040	49,040	41,600	7,440
South River Heights - Roads	12,158	12,158	12,105	53
South River Manor-Special Benefits	8,453	8,453	4,318	4,135
South River Park - Roads	43,561	43,561	22,364	21,197
Steedman Point - Roads	12,579	12,579	200	12,379
Stone Haven	5,399	5,399	4,893	506
Sylvan View on the Magothy	17,605	17,605	11,491	6,114
Upper Magothy Beach	33,172	33,172	14,127	19,045
Venice Beach - Roads	83,679	83,679	30,387	53,292
Venice on the Bay	14,460	14,460	7,159	7,301
Warthen Knolls	41,114	41,114	(35)	41,149
Wilelinor	85,771	85,771	22,380	63,391
Woodland Beach / Londontowne	629,091	629,091	499,450	129,641
Woodland Beach / Pasadena	10,009	10,009	6,300	3,709
Total expenditures	\$ 9,433,313	\$ 9,433,313	\$ 5,962,605	\$ 3,470,708

## Anne Arundel County, Maryland

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

## General County Capital Projects

Year Ended June 30, 2013

	Total	School Construction	Higher Education	Storm Drains	Recreation
<b>AUTHORIZED PER ORIGINAL BUDGET</b>					
County bonds	\$ 842,008,945	\$ 523,720,140	\$ 31,279,000	\$ 18,922,090	\$ 28,835,476
Grants and aid	322,293,889	219,338,144	12,828,000	492,000	41,477,092
Contributions from other funds	148,001,870	60,687,913	4,415,000	1,373,171	8,016,575
Special fees	136,806,728	46,000	-	-	-
Impact fees	90,500,150	49,594,400	-	-	-
Other sources	21,063,823	6,590,000	-	530,800	3,340,455
Total	<u>\$ 1,560,675,405</u>	<u>\$ 859,976,597</u>	<u>\$ 48,522,000</u>	<u>\$ 21,318,061</u>	<u>\$ 81,669,598</u>
<b>AUTHORIZED PER FINAL BUDGET</b>					
County bonds	\$ 765,860,265	\$ 486,914,140	\$ 27,871,000	\$ 13,402,236	\$ 28,460,851
Grants and aid	302,848,446	204,707,144	11,778,000	492,000	40,161,921
Contributions from other funds	127,058,823	52,551,913	4,415,000	772,976	4,640,744
Special fees	136,760,728	-	-	-	-
Impact fees	77,390,150	36,484,400	-	-	-
Other sources	16,739,816	6,590,000	-	-	905,455
Total	1,426,658,228	787,247,597	44,064,000	14,667,212	74,168,971
Less: Completed projects	146,274,152	96,999,500	2,567,000	1,788,915	4,479,933
	<u>1,280,384,076</u>	<u>690,248,097</u>	<u>41,497,000</u>	<u>12,878,297</u>	<u>69,689,038</u>
<b>REALIZED</b>					
Current year					
Bonds and bond anticipation notes	116,000,000	74,900,000	7,370,000	2,050,000	1,990,000
Grants and aid	14,982,523	233,000	3,154,546	90,454	2,976,625
Contributions from the general fund	15,462,500	7,149,500	-	510,000	1,010,000
Special fees	1,856,667	-	-	-	-
Impact fees	19,187,571	15,220,000	-	-	-
Other sources	2,141,351	-	-	-	59,735
Total	169,630,612	97,502,500	10,524,546	2,650,454	6,036,360
Prior years	743,729,829	385,533,666	21,635,009	5,293,448	56,379,896
Total realized funding sources	913,360,441	483,036,166	32,159,555	7,943,902	62,416,256
Less: Completed projects and adjustments	121,798,774	72,701,639	2,447,516	1,788,915	4,456,634
	791,561,667	410,334,527	29,712,039	6,154,987	57,959,622
Funding sources authorized - June 30, 2013	<u>\$ 488,822,409</u>	<u>\$ 279,913,570</u>	<u>\$ 11,784,961</u>	<u>\$ 6,723,310</u>	<u>\$ 11,729,416</u>

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

Libraries	Roads and Bridges	Police and Fire	Waterway Improvements	Other
\$ 1,078,131	\$ 125,355,680	\$ 16,626,190	\$ 29,674,331	\$ 66,517,907
124,319	13,417,331	1,866,000	15,971,257	16,779,746
3,824,680	1,706,648	2,629,641	8,792,644	56,555,598
-	728	-	-	136,760,000
-	39,175,750	1,730,000	-	-
-	4,341,505	-	3,601,300	2,659,763
<u>\$ 5,027,130</u>	<u>\$ 183,997,642</u>	<u>\$ 22,851,831</u>	<u>\$ 58,039,532</u>	<u>\$ 279,273,014</u>
\$ 278,131	\$ 102,093,366	\$ 16,324,226	\$ 27,604,962	\$ 62,911,353
124,319	13,374,059	1,866,000	14,315,257	16,029,746
911,924	1,651,370	1,596,463	3,957,384	56,561,049
-	728	-	-	136,760,000
-	39,175,750	1,730,000	-	-
-	4,341,505	-	2,343,093	2,559,763
<u>1,314,374</u>	<u>160,636,778</u>	<u>21,516,689</u>	<u>48,220,696</u>	<u>274,821,911</u>
<u>377,810</u>	<u>31,188,581</u>	<u>1,088,881</u>	<u>2,844,968</u>	<u>4,938,564</u>
<u>936,564</u>	<u>129,448,197</u>	<u>20,427,808</u>	<u>45,375,728</u>	<u>269,883,347</u>
-	20,025,000	1,725,000	4,250,000	3,690,000
29,253	1,102,679	94,325	4,195,902	3,105,739
350,000	650,000	(147,000)	1,640,000	4,300,000
-	-	-	-	1,856,667
-	3,527,916	439,655	-	-
-	48,637	-	200,000	1,832,979
<u>379,253</u>	<u>25,354,232</u>	<u>2,111,980</u>	<u>10,285,902</u>	<u>14,785,385</u>
<u>708,565</u>	<u>76,467,440</u>	<u>7,033,686</u>	<u>21,941,606</u>	<u>168,736,513</u>
1,087,818	101,821,672	9,145,666	32,227,508	183,521,898
<u>377,810</u>	<u>31,186,544</u>	<u>1,072,870</u>	<u>2,842,432</u>	<u>4,924,414</u>
<u>710,008</u>	<u>70,635,128</u>	<u>8,072,796</u>	<u>29,385,076</u>	<u>178,597,484</u>
<u>\$ 226,556</u>	<u>\$ 58,813,069</u>	<u>\$ 12,355,012</u>	<u>\$ 15,990,652</u>	<u>\$ 91,285,863</u>



Anne Arundel County, Maryland

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

General County Capital Projects

Year Ended June 30, 2013

APPROPRIATIONS	<u>Total</u>	<u>School Construction</u>	<u>Higher Education</u>	<u>Storm Drains</u>
Original Budget	\$ <u>1,560,675,405</u>	\$ <u>859,976,597</u>	\$ <u>48,522,000</u>	\$ <u>21,318,061</u>
Final Budget				
Prior years	\$ 1,239,003,711	\$ 663,517,582	\$ 37,126,000	\$ 11,465,212
Current year	<u>187,654,517</u>	<u>123,730,015</u>	<u>6,938,000</u>	<u>3,202,000</u>
	1,426,658,228	787,247,597	44,064,000	14,667,212
Less: Completed projects	<u>146,274,152</u>	<u>96,999,500</u>	<u>2,567,000</u>	<u>1,788,915</u>
Total appropriations	<u>1,280,384,076</u>	<u>690,248,097</u>	<u>41,497,000</u>	<u>12,878,297</u>
 EXPENDITURES AND ENCUMBRANCES				
Prior years expenditures and transfers	711,104,222	379,817,524	25,846,943	5,497,840
Current year expenditures	73,051,658	-	-	2,701,390
Operating transfers	<u>90,755,095</u>	<u>82,730,872</u>	<u>8,024,223</u>	<u>-</u>
	874,910,975	462,548,396	33,871,166	8,199,230
Less: Completed projects	<u>121,721,046</u>	<u>72,702,639</u>	<u>2,447,516</u>	<u>1,788,915</u>
Total	753,189,929	389,845,757	31,423,650	6,410,315
Encumbrances outstanding	<u>29,501,608</u>	<u>-</u>	<u>-</u>	<u>1,277,555</u>
Total expenditures and encumbrances	<u>782,691,537</u>	<u>389,845,757</u>	<u>31,423,650</u>	<u>7,687,870</u>
Unencumbered appropriations - June 30, 2013	\$ <u>497,692,539</u>	\$ <u>300,402,340</u>	\$ <u>10,073,350</u>	\$ <u>5,190,427</u>

<u>Recreation</u>	<u>Libraries</u>	<u>Roads and Bridges</u>	<u>Police and Fire</u>	<u>Waterway Improvements</u>	<u>Other</u>
\$ <u>81,669,598</u>	\$ <u>5,027,130</u>	\$ <u>183,997,642</u>	\$ <u>22,851,831</u>	\$ <u>58,039,532</u>	\$ <u>279,273,014</u>
\$ 72,437,971	\$ 914,374	\$ 139,601,777	\$ 10,284,188	\$ 43,976,196	\$ 259,680,411
<u>1,731,000</u>	<u>400,000</u>	<u>21,035,001</u>	<u>11,232,501</u>	<u>4,244,500</u>	<u>15,141,500</u>
74,168,971	1,314,374	160,636,778	21,516,689	48,220,696	274,821,911
<u>4,479,933</u>	<u>377,810</u>	<u>31,188,581</u>	<u>1,088,881</u>	<u>2,844,968</u>	<u>4,938,564</u>
<u>69,689,038</u>	<u>936,564</u>	<u>129,448,197</u>	<u>20,427,808</u>	<u>45,375,728</u>	<u>269,883,347</u>
54,352,320	534,742	75,293,285	7,127,530	18,009,167	144,624,871
<u>4,745,226</u>	<u>266,691</u>	<u>28,972,335</u>	<u>1,582,069</u>	<u>8,556,451</u>	<u>26,227,496</u>
-	-	-	-	-	-
59,097,546	801,433	104,265,620	8,709,599	26,565,618	170,852,367
<u>4,456,634</u>	<u>377,810</u>	<u>31,107,816</u>	<u>1,072,870</u>	<u>2,842,432</u>	<u>4,924,414</u>
54,640,912	423,623	73,157,804	7,636,729	23,723,186	165,927,953
<u>1,343,288</u>	<u>338,957</u>	<u>17,555,368</u>	<u>1,112,834</u>	<u>3,995,680</u>	<u>3,877,926</u>
<u>55,984,200</u>	<u>762,580</u>	<u>90,713,172</u>	<u>8,749,563</u>	<u>27,718,866</u>	<u>169,805,879</u>
\$ <u>13,704,838</u>	\$ <u>173,984</u>	\$ <u>38,735,025</u>	\$ <u>11,678,245</u>	\$ <u>17,656,862</u>	\$ <u>100,077,468</u>

Anne Arundel County, Maryland

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

Non Major Capital Projects

Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>BOND PREMIUM</b>				
Revenues				
Misc Income - Premium	\$ -	\$ -	\$ 15,318,079	\$ 15,318,079
Expenditures				
Capital expenditures	1,733,400	1,733,400	154,858	1,578,542
Revenues over (under) expenditures	(1,733,400)	(1,733,400)	15,163,221	\$ 16,896,621
Fund balance, budgetary, July 1	15,708,764	15,708,764	15,708,764	
Fund balance, budgetary, June 30	\$ 13,975,364	\$ 13,975,364	\$ 30,871,985	

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

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

## Debt Service Funds

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>NURSERY ROAD TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 5,024,000	\$ 5,024,000	\$ 4,693,256	\$ (330,744)
Investment income	15,000	15,000	8,863	(6,137)
	<u>5,039,000</u>	<u>5,039,000</u>	<u>4,702,119</u>	<u>(336,881)</u>
Expenditures				
Contractual services	10,000	10,000	3,640	6,360
Interest payments on debt	95,000	95,000	89,911	5,089
Principal payments on debt	80,000	80,000	85,000	(5,000)
Other	4,854,000	4,854,000	4,523,568	330,432
	<u>5,039,000</u>	<u>5,039,000</u>	<u>4,702,119</u>	<u>336,881</u>
Revenues over (under) expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	
<b>WEST COUNTY TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 5,388,000	\$ 5,388,000	\$ 5,356,105	\$ (31,895)
Investment income	10,000	10,000	7,738	(2,262)
	<u>5,398,000</u>	<u>5,398,000</u>	<u>5,363,843</u>	<u>(34,157)</u>
Expenditures				
Contractual services	46,000	46,000	11,229	34,771
Interest payments on debt	752,000	752,000	716,800	35,200
Principal payments on debt	415,000	415,000	450,000	(35,000)
Other	4,185,000	4,185,000	4,185,814	(814)
	<u>5,398,000</u>	<u>5,398,000</u>	<u>5,363,843</u>	<u>34,157</u>
Revenues over (under) expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	
<b>ARUNDEL MILLS TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 5,126,000	\$ 5,126,000	\$ 7,453,594	\$ 2,327,594
Investment income	10,000	10,000	4,470	(5,530)
	<u>5,136,000</u>	<u>5,136,000</u>	<u>7,458,064</u>	<u>2,322,064</u>
Expenditures				
Contractual services	66,000	66,000	10,134	55,866
Interest payments on debt	1,480,600	1,480,600	1,451,931	28,669
Principal payments on debt	751,400	751,400	780,000	(28,600)
Other	2,838,000	5,308,000	5,215,999	92,001
	<u>5,136,000</u>	<u>7,606,000</u>	<u>7,458,064</u>	<u>147,936</u>
Revenues over (under) expenditures	-	(2,470,000)	-	\$ 2,470,000
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ (2,470,000)	\$ -	

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

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

Debt Service Funds

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>PAROLE TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 11,650,000	\$ 11,650,000	\$ 11,319,460	\$ (330,540)
Investment income	15,000	15,000	20,186	5,186
	<u>11,665,000</u>	<u>11,665,000</u>	<u>11,339,646</u>	<u>(325,354)</u>
Expenditures				
Contractual services	5,000	5,000	2,000	3,000
Interest payments on debt	26,000	26,000	25,625	375
Principal payments on debt	1,025,000	1,025,000	1,025,000	-
Other	10,609,000	10,609,000	10,287,021	321,979
	<u>11,665,000</u>	<u>11,665,000</u>	<u>11,339,646</u>	<u>325,354</u>
Revenues over (under) expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	
<b>NATIONAL BUSINESS PARK NORTH TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 1,730,600	\$ 1,730,600	\$ 1,842,434	\$ 111,834
Investment income	-	-	4,699	4,699
	<u>1,730,600</u>	<u>1,730,600</u>	<u>1,847,133</u>	<u>116,533</u>
Expenditures				
Interest payments on debt	1,811,000	1,811,000	188,207	1,622,793
Other	70,900	70,900	31,470	39,430
	<u>1,881,900</u>	<u>1,881,900</u>	<u>219,677</u>	<u>1,662,223</u>
Revenues over (under) expenditures	(151,300)	(151,300)	1,627,456	\$ 1,778,756
Fund balance, budgetary, July 1	329,239	329,239	329,239	
Fund balance, budgetary, June 30	\$ 177,939	\$ 177,939	\$ 1,956,695	
<b>VILLAGE SOUTH AT WAUGH CHAPEL TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 1,069,800	\$ 1,069,800	\$ 628,387	\$ (441,413)
Investment income	-	-	2,590	2,590
	<u>1,069,800</u>	<u>1,069,800</u>	<u>630,977</u>	<u>(438,823)</u>
Expenditures				
Interest payments on debt	1,000,000	1,000,000	-	1,000,000
Other	69,800	69,800	-	69,800
	<u>1,069,800</u>	<u>1,069,800</u>	<u>-</u>	<u>1,069,800</u>
Revenues over (under) expenditures	-	-	630,977	\$ 630,977
Fund balance, budgetary, July 1	591,531	591,531	591,531	
Fund balance, budgetary, June 30	\$ 591,531	\$ 591,531	\$ 1,222,508	

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

Anne Arundel County, Maryland

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

Debt Service Funds

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>SPECIAL TAXING DISTRICTS</b>				
Revenues				
Special assessments	\$ 551,791	\$ 551,791	\$ 520,578	\$ (31,213)
Expenditures				
Principal payments on debt	326,969	326,969	326,969	-
Other	1,250,377	1,250,377	183,324	1,067,053
	<u>1,577,346</u>	<u>1,577,346</u>	<u>510,293</u>	<u>1,067,053</u>
Revenues over (under) expenditures	(1,025,555)	(1,025,555)	10,285	\$ <u>1,035,840</u>
Fund balance, budgetary, July 1 (as restated)	<u>810,024</u>	<u>810,024</u>	<u>810,024</u>	
Fund balance, budgetary, June 30	\$ <u>(215,531)</u>	\$ <u>(215,531)</u>	\$ <u>820,309</u>	
<b>INSTALLMENT PURCHASE AGREEMENTS</b>				
Revenues				
Investment income	\$ 2,000	\$ 2,000	\$ (749,682)	\$ (751,682)
Other	67,000	67,000	67,000	-
	<u>69,000</u>	<u>69,000</u>	<u>(682,682)</u>	<u>(751,682)</u>
Expenditures				
Contractual services	10,000	10,000	-	10,000
Interest payments on debt	695,000	755,000	729,416	25,584
Principal payments on debt	-	-	20,000	(20,000)
Other	-	-	-	-
	<u>705,000</u>	<u>765,000</u>	<u>749,416</u>	<u>15,584</u>
Revenues over (under) expenditures	(636,000)	(696,000)	(1,432,098)	\$ <u>(736,098)</u>
Fund balance, budgetary, July 1	<u>9,072,760</u>	<u>9,072,760</u>	<u>9,072,760</u>	
Fund balance, budgetary, June 30	\$ <u>8,436,760</u>	\$ <u>8,376,760</u>	\$ <u>7,640,662</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, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Amberly - Waterway	\$ 5,789	\$ 5,789	\$ 5,790	\$ 1
Annapolis Cove	5,460	5,460	5,460	-
Annapolis Landing	2,993	2,993	2,969	(24)
Arundel on the Bay	35,350	35,350	33,719	(1,631)
Bay Ridge	103,084	103,084	103,022	(62)
Browns Pond - Waterway	10,953	10,953	10,953	-
Buckingham Cove	9,270	9,270	9,270	-
Camp Wabanna	9,687	9,687	9,687	-
Cape Anne	10,627	10,627	9,989	(638)
Cattail Creek	5,400	5,400	4,785	(615)
Columbia Beach	60,062	60,062	52,911	(7,151)
Elizabeths Landing	14,144	14,144	14,494	350
Holland Point	111,012	111,012	90,432	(20,580)
John's Creek - Waterway	7,650	7,650	7,650	-
Lake Hillsmere II - Waterway	8,050	8,050	8,050	-
Masons Beach	41,280	41,280	40,216	(1,064)
Romar Estates	12,559	12,559	12,559	-
Snug Harbor - Erosion	334	334	338	4
Snug Harbor - Special Benefits	18,949	18,949	19,147	198
Snug Harbor - Waterway	57,200	57,200	57,200	-
Spriggs Pond - Waterway	14,850	14,850	14,850	-
Whitehall	7,088	7,088	7,087	(1)
Total revenues	\$ <u>551,791</u>	\$ <u>551,791</u>	\$ <u>520,578</u>	\$ <u>(31,213)</u>
<b>EXPENDITURES</b>				
Amberly - Waterway	\$ 5,789	\$ 5,789	\$ 5,689	\$ 100
Annapolis Cove	6,060	6,060	5,123	937
Annapolis Landing	3,293	3,293	3,291	2
Arundel on the Bay	86,150	86,150	9,446	76,704
Bay Ridge	327,615	327,615	125,468	202,147
Browns Pond - Waterway	49,580	49,580	16,497	33,083
Buckingham Cove	9,170	9,170	9,166	4
Camp Wabanna	9,687	9,687	9,687	-
Cape Anne	37,340	37,340	8,600	28,740
Cattail Creek	5,400	5,400	5,361	39
Columbia Beach	347,789	347,789	54,667	293,122
Elizabeths Landing	13,444	13,444	13,310	134
Holland Point	288,909	288,909	102,166	186,743
John's Creek - Waterway	10,050	10,050	7,303	2,747
Lake Hillsmere II - Waterway	8,050	8,050	7,949	101
Masons Beach	155,400	155,400	15,855	139,545
Romar Estates	12,959	12,959	12,827	132
Snug Harbor - Erosion	6,334	6,334	5,917	417
Snug Harbor - Special Benefits	66,655	66,655	19,071	47,584
Snug Harbor - Waterway	91,200	91,200	53,301	37,899
Spriggs Pond - Waterway	27,984	27,984	12,679	15,305
Whitehall	8,488	8,488	6,920	1,568
Total expenditures	\$ <u>1,577,346</u>	\$ <u>1,577,346</u>	\$ <u>510,293</u>	\$ <u>1,067,053</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 Vehicle Replacement – This fund accounts for a replacement reserve for of the County's motor pool. Revenues consist of charges to County funds for replacement of vehicles, and gasoline usage.



## Anne Arundel County, Maryland

## Combining Statement of Net Position

## Water and Wastewater Fund

June 30, 2013

	Operating	Debt Service	Capital Projects	Total
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 16,016,529	\$ -	\$ 45,586,665	\$ 61,603,194
Service billings receivable	25,013,470	-	-	25,013,470
Receivables				
Due from other funds	-	-	-	-
Inventories	1,811,693	-	-	1,811,693
Other	26,955	-	-	26,955
Restricted for debt service and capital projects				
Cash and temporary investments	-	10,527,159	-	10,527,159
Investments	-	203,914,843	-	203,914,843
Receivables				
Due from other governmental agencies	-	-	9,039,041	9,039,041
Other, net	-	10,817,256	-	10,817,256
Total current assets	<u>42,868,647</u>	<u>225,259,258</u>	<u>54,625,706</u>	<u>322,753,611</u>
Noncurrent assets				
Restricted assets				
Deferred connection and assessment charges	-	48,244,433	-	48,244,433
Capital assets				
Land and buildings	22,920,336	-	-	22,920,336
Water and sewer plants	541,433,000	-	-	541,433,000
Water and sewer lines	950,066,447	-	-	950,066,447
Machinery and equipment	11,044,631	-	-	11,044,631
	<u>1,525,464,414</u>	<u>-</u>	<u>-</u>	<u>1,525,464,414</u>
Less accumulated depreciation	<u>(627,594,125)</u>	<u>-</u>	<u>-</u>	<u>(627,594,125)</u>
	897,870,289	-	-	897,870,289
Construction work in progress	<u>19,620,455</u>	<u>-</u>	<u>379,917,224</u>	<u>399,537,679</u>
Total capital assets, net of depreciation	<u>917,490,744</u>	<u>-</u>	<u>379,917,224</u>	<u>1,297,407,968</u>
Total noncurrent assets	<u>917,490,744</u>	<u>48,244,433</u>	<u>379,917,224</u>	<u>1,345,652,401</u>
Total assets	<u>960,359,391</u>	<u>273,503,691</u>	<u>434,542,930</u>	<u>1,668,406,012</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities	6,981,311	-	20,645,114	27,626,425
Current portion of long-term debt and obligations	26,317,774	(503,837)	-	25,813,937
Due to other funds	95,107	-	-	95,107
Escrow deposits	183,311	14,384	473,273	670,968
Liabilities related to restricted assets				
Accounts payable and accrued liabilities	-	4,529,556	-	4,529,556
Unearned revenue	-	22,390,221	7,907,916	30,298,137
Total current liabilities	<u>33,577,503</u>	<u>26,430,324</u>	<u>29,026,303</u>	<u>89,034,130</u>
Noncurrent liabilities				
Accrued liability for compensated absences	23,268	-	-	23,268
Accrued liability for other post-employment benefits	29,881,929	-	-	29,881,929
Long-term debt, net of unamortized refunding gain/loss	115,883,060	(3,164,918)	277,770,677	390,488,819
Unearned revenue	2,063,987	-	-	2,063,987
Total noncurrent liabilities	<u>147,852,244</u>	<u>(3,164,918)</u>	<u>277,770,677</u>	<u>422,458,003</u>
Total liabilities	<u>181,429,747</u>	<u>23,265,406</u>	<u>306,796,980</u>	<u>511,492,133</u>
<b>NET POSITION</b>				
Net investment in capital assets	776,828,246	(10,514,442)	106,189,247	872,503,051
Restricted	-	260,752,727	9,039,041	269,791,768
Unrestricted	2,101,398	-	12,517,662	14,619,060
Total net position	<u>\$ 778,929,644</u>	<u>\$ 250,238,285</u>	<u>\$ 127,745,950</u>	<u>\$ 1,156,913,879</u>

Anne Arundel County, Maryland

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

Water and Wastewater Fund

Year Ended June 30, 2013

	Operating	Debt Service	Capital Projects	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 84,555,353	\$ -	\$ -	\$ 84,555,353
Other revenues	5,141,149	-	-	5,141,149
Total operating revenues	<u>89,696,502</u>	<u>-</u>	<u>-</u>	<u>89,696,502</u>
<b>OPERATING EXPENSES</b>				
Personnel services	34,029,594	-	-	34,029,594
Contractual services	26,339,748	-	-	26,339,748
Supplies and materials	6,061,145	-	-	6,061,145
Business and travel	109,143	-	-	109,143
Depreciation	35,224,618	-	-	35,224,618
Other	9,134,430	-	-	9,134,430
Total operating expenses	<u>110,898,678</u>	<u>-</u>	<u>-</u>	<u>110,898,678</u>
Operating loss	(21,202,176)	-	-	(21,202,176)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	38,449	396,451	-	434,900
Interest on long-term receivables	-	1,132,508	-	1,132,508
Other revenues (expenses)	-	3,014,782	-	3,014,782
Interest expense	-	(7,195,283)	-	(7,195,283)
Gain on the disposal of assets	10,006	-	-	10,006
Loss before contributions and transfers	<u>(21,153,721)</u>	<u>(2,651,542)</u>	<u>-</u>	<u>(23,805,263)</u>
Capital contributions and grants	9,018,561	25,591,817	17,848,001	52,458,379
Environmental protection fees	-	18,682,227	-	18,682,227
Net equity transfers between funds	<u>27,649,289</u>	<u>(32,547,413)</u>	<u>4,898,124</u>	<u>-</u>
Change in net position	15,514,129	9,075,089	22,746,125	47,335,343
Net position, July 1	<u>763,415,515</u>	<u>241,163,196</u>	<u>104,999,825</u>	<u>1,109,578,536</u>
Net position, June 30	<u>\$ 778,929,644</u>	<u>\$ 250,238,285</u>	<u>\$ 127,745,950</u>	<u>\$ 1,156,913,879</u>

Anne Arundel County, Maryland

Combining Statement of Cash Flows

Water and Wastewater Fund

Year Ended June 30, 2013

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Water and Wastewater</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 91,871,966	\$ -	\$ -	\$ 91,871,966
Cash payments to suppliers for goods and services	(39,872,784)	-	-	(39,872,784)
Cash payments to employees for services	(27,990,046)	-	-	(27,990,046)
Net cash provided by operating activities	<u>24,009,136</u>	<u>-</u>	<u>-</u>	<u>24,009,136</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of County bonds and bond anticipation notes	-	-	38,080,000	38,080,000
Proceeds from grant funds	-	-	19,363,145	19,363,145
Proceeds from loan	-	-	20,617,493	20,617,493
Proceeds from developers' contributions	-	-	467,619	467,619
Refunds to developers	-	-	(194,678)	(194,678)
Assessment and connection charges	1,101,643	35,815,584	-	36,917,227
Environmental protection fees for capital assets	-	18,593,893	-	18,593,893
Escrow deposits	-	5,704	-	5,704
Payments of long-term debt	-	(23,164,231)	-	(23,164,231)
Interest payments	-	(15,803,625)	-	(15,803,625)
Operating funds used in construction	(20,480,000)	-	20,480,000	-
Acquisition and construction of capital assets	(501,490)	-	(96,442,587)	(96,944,077)
Payments of debt issuance costs	-	(572,169)	-	(572,169)
Other income	-	1,097,141	-	1,097,141
Premium on sale of bonds	-	1,897,794	-	1,897,794
Payment of capital related fees	-	(759,474)	-	(759,474)
Net cash provided by (used for) capital and related financing activities	<u>(19,879,847)</u>	<u>17,110,617</u>	<u>2,370,992</u>	<u>(398,238)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of investment securities	-	(736,627,722)	-	(736,627,722)
Sale of investment securities	-	719,770,572	-	719,770,572
Interest on investments	38,449	257,925	-	296,374
Net cash used for investing activities	<u>38,449</u>	<u>(16,599,225)</u>	<u>-</u>	<u>(16,560,776)</u>
Net increase in cash and cash equivalents	4,167,738	511,392	2,370,992	7,050,122
Cash and temporary investments, July 1	11,848,791	10,015,767	43,215,673	65,080,231
Cash and temporary investments, June 30	<u>\$ 16,016,529</u>	<u>\$ 10,527,159</u>	<u>\$ 45,586,665</u>	<u>\$ 72,130,353</u>

Anne Arundel County, Maryland

Combining Statement of Cash Flows

Water and Wastewater Fund

Year Ended June 30, 2013

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	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Water and Wastewater</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating loss	\$ (21,202,176)	\$ -	\$ -	\$ (21,202,176)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	35,224,618	-	-	35,224,618
Noncapital construction costs	936,583	-	-	936,583
Effect of changes in assets and liabilities:				
Accounts receivable	2,160,286	-	-	2,160,286
Due from other funds	41,760	-	-	41,760
Inventories	(655,891)	-	-	(655,891)
Prepaid expenses	(26,955)	-	-	(26,955)
Accounts payable and accrued liabilities	1,340,499	-	-	1,340,499
Due to other funds	95,107	-	-	95,107
Escrow deposits	15,179	-	-	15,179
Accrued liability for compensated absences	(204,282)	-	-	(204,282)
Accrued liability for OPEB benefits	6,284,408	-	-	6,284,408
Net cash provided by operating activities	<u>\$ 24,009,136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,009,136</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Contributions of capital assets from developers	\$ 7,916,919	\$ -	\$ -	7,916,919
Change in capital contributions, fees and grants; accruals and deferrals	-	(10,135,433)	(1,839,018)	(11,974,451)
Decrease in fair value of investments	-	(548,462)	-	(548,462)
Amortization of refunding losses	-	(535,918)	-	(535,918)
Total Noncash investing, capital, and financing activates	<u>\$ 7,916,919</u>	<u>\$ (11,219,813)</u>	<u>\$ (1,839,018)</u>	<u>\$ (5,141,912)</u>

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

## Enterprise Funds

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>WATER AND WASTEWATER OPERATIONS</b>				
Revenues				
Charges for services	\$ 90,067,300	\$ 90,067,300	\$ 85,656,995	\$ (4,410,305)
Investment income	10,000	10,000	38,449	28,449
Other	5,087,300	5,087,300	6,732,613	1,645,313
	<u>95,164,600</u>	<u>95,164,600</u>	<u>92,428,057</u>	<u>(2,736,543)</u>
Expenses				
Personal services	29,056,300	29,056,300	27,776,481	1,279,819
Contractual services	29,773,200	29,123,200	26,603,617	2,519,583
Supplies and materials	6,743,800	7,393,800	7,016,002	377,798
Business and travel	176,800	176,800	136,098	40,702
Capital outlay	972,300	1,372,300	1,425,733	(53,433)
Administrative costs	9,684,000	9,284,000	8,997,563	286,437
Pay-as-you-go	20,480,000	20,480,000	20,480,000	-
	<u>96,886,400</u>	<u>96,886,400</u>	<u>92,435,494</u>	<u>4,450,906</u>
Revenues over (under) expenditures	<u>\$ (1,721,800)</u>	<u>\$ (1,721,800)</u>	<u>\$ (7,437)</u>	<u>\$ 1,714,363</u>
<b>WATER AND WASTEWATER DEBT SERVICE</b>				
Revenues				
Water and sewer assessments	\$ 4,698,000	\$ 4,698,000	\$ 10,591,171	\$ 5,893,171
Capital connection charges	16,578,000	16,578,000	31,850,560	15,272,560
Environmental protection fees	19,674,600	19,674,600	18,682,227	(992,373)
Investment income	1,570,000	1,570,000	392,544	(1,177,456)
Other	693,000	693,000	2,210,957	1,517,957
	<u>43,213,600</u>	<u>43,213,600</u>	<u>63,727,459</u>	<u>20,513,859</u>
Expenses				
Principal payments on debt	23,702,200	23,702,200	23,164,231	537,969
Interest expense	17,405,200	17,405,200	16,268,113	1,137,087
Other	530,000	530,000	530,000	-
	<u>41,637,400</u>	<u>41,637,400</u>	<u>39,962,344</u>	<u>1,675,056</u>
Revenues over (under) expenditures	<u>\$ 1,576,200</u>	<u>\$ 1,576,200</u>	<u>\$ 23,765,115</u>	<u>\$ 22,188,915</u>

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

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

Enterprise Funds

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>SOLID WASTE</b>				
Revenues				
Charges for services	\$ 45,468,800	\$ 45,468,800	\$ 45,599,267	\$ 130,467
Landfill charges	2,828,500	2,828,500	3,575,594	747,094
Other	2,003,000	2,003,000	2,294,905	291,905
	<u>50,300,300</u>	<u>50,300,300</u>	<u>51,469,766</u>	<u>1,169,466</u>
Expenses				
Personal services	6,892,700	6,892,700	6,529,712	362,988
Contractual services	32,534,500	32,214,500	32,075,959	138,541
Supplies and materials	1,525,400	1,845,400	1,778,162	67,238
Business and travel	16,700	16,700	30,310	(13,610)
Capital outlay	952,700	952,700	915,166	37,534
Principal payments on debt	2,128,200	2,128,200	2,083,016	45,184
Interest expense	1,255,800	1,255,800	1,283,661	(27,861)
Administrative costs	2,523,500	2,523,500	2,523,500	-
Contributions/Solid Waste Assurance Fund	748,800	748,800	748,800	-
Contributions/Self Insurance Fund	176,000	176,000	176,000	-
Contributions/Northeast Maryland Solid	175,000	175,000	175,000	-
Other	300,000	300,000	-	300,000
Capital improvements	600,000	600,000	600,000	-
	<u>49,829,300</u>	<u>49,829,300</u>	<u>48,919,286</u>	<u>910,014</u>
Revenues over (under) expenditures	<u>\$ 471,000</u>	<u>\$ 471,000</u>	<u>\$ 2,550,480</u>	<u>\$ 2,079,480</u>
<b>SOLID WASTE FINANCIAL ASSURANCE</b>				
Revenues				
Payments from other funds	\$ 748,800	\$ 748,800	\$ 748,800	\$ -
Other	85,000	85,000	60,197	(24,803)
	<u>833,800</u>	<u>833,800</u>	<u>808,997</u>	<u>(24,803)</u>
Expenses				
Other	941,000	941,000	941,000	-
Revenues over (under) expenditures	<u>\$ (107,200)</u>	<u>\$ (107,200)</u>	<u>\$ (132,003)</u>	<u>\$ (24,803)</u>
<b>CHILD CARE</b>				
Revenues				
Child care fees	\$ 4,211,200	\$ 4,211,200	\$ 4,070,150	\$ (141,050)
Other	-	-	17,485	17,485
	<u>4,211,200</u>	<u>4,211,200</u>	<u>4,087,635</u>	<u>(123,565)</u>
Expenses				
Personal services	3,111,000	3,111,000	2,862,903	248,097
Contractual services	237,600	237,600	224,415	13,185
Supplies and materials	367,700	367,700	320,692	47,008
Business and travel	20,300	20,300	25,928	(5,628)
Capital outlay	4,000	4,000	4,139	(139)
Other	454,500	454,500	454,500	-
	<u>4,195,100</u>	<u>4,195,100</u>	<u>3,892,577</u>	<u>302,523</u>
Revenues over (under) expenditures	<u>\$ 16,100</u>	<u>\$ 16,100</u>	<u>\$ 195,058</u>	<u>\$ 178,958</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, 2013

	Water and			
	Total Water and Wastewater	Capital Projects	Water Normal Extensions	Total
<b>AUTHORIZED PER ORIGINAL BUDGET</b>				
County bonds	\$ 785,833,878	\$ 314,023,170	\$ 1,750,825	\$ 315,773,995
Maryland Water Quality Loan	68,094,343	3,951,750	-	3,951,750
Grants and aid	176,462,895	1,000,000	-	1,000,000
Pay-as-you-go	114,681,194	10,531,798	-	10,531,798
Contributions by developers	3,771,240	430,000	-	430,000
Other sources	4,532,000	2,000,000	-	2,000,000
Total	<u>\$ 1,153,375,550</u>	<u>\$ 331,936,718</u>	<u>\$ 1,750,825</u>	<u>\$ 333,687,543</u>
<b>AUTHORIZED PER FINAL BUDGET</b>				
County bonds	\$ 764,616,774	\$ 312,284,900	\$ 1,747,671	\$ 314,032,571
Maryland Water Quality Loan	68,094,343	3,951,750	-	3,951,750
Grants and aid	176,462,895	1,000,000	-	1,000,000
Pay-as-you-go	104,063,521	8,965,873	-	8,965,873
Contributions by developers	3,745,237	430,000	-	430,000
Other sources	4,532,000	2,000,000	-	2,000,000
Total	1,121,514,770	328,632,523	1,747,671	330,380,194
Less: Completed projects	21,584,160	2,819,963	457,919	3,277,882
	<u>1,099,930,610</u>	<u>325,812,560</u>	<u>1,289,752</u>	<u>327,102,312</u>
<b>REALIZED</b>				
Current year				
Bonds and bond anticipation notes	38,080,000	12,535,427	342,629	12,878,056
Proceeds from State loan	21,110,046	1,787,135	-	1,787,135
Grants and aid	25,499,077	493,287	-	493,287
Pay-as-you-go	20,480,000	3,179,755	-	3,179,755
Developer contributions	323,874	-	-	-
Total	105,492,997	17,995,604	342,629	18,338,233
Prior years	331,826,458	120,467,316	596,530	121,063,846
Total realized funding sources	437,319,455	138,462,920	939,159	139,402,079
Less: Completed projects	21,472,075	2,707,878	457,919	3,165,797
	<u>415,847,380</u>	<u>135,755,042</u>	<u>481,240</u>	<u>136,236,282</u>
Funding sources authorized - June 30, 2013	<u>\$ 684,083,230</u>	<u>\$ 190,057,518</u>	<u>\$ 808,512</u>	<u>\$ 190,866,030</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		
\$ 435,525,115	\$ 1,824,145	\$ 437,349,260	\$ 32,710,623	\$ 49,093,034		
64,142,593	-	64,142,593	-	-		
175,462,895	-	175,462,895	-	-		
43,605,995	-	43,605,995	60,543,401	6,781,785		
-	-	-	3,341,240	-		
<u>2,532,000</u>	<u>-</u>	<u>2,532,000</u>	<u>-</u>	<u>750,000</u>		
<u>\$ 721,268,598</u>	<u>\$ 1,824,145</u>	<u>\$ 723,092,743</u>	<u>\$ 96,595,264</u>	<u>\$ 56,624,819</u>		
\$ 419,944,115	\$ 1,824,145	\$ 421,768,260	\$ 28,815,943	\$ 48,817,762		
64,142,593	-	64,142,593	-	-		
175,462,895	-	175,462,895	-	-		
41,717,892	-	41,717,892	53,379,756	6,781,785		
-	-	-	3,315,237	-		
<u>2,532,000</u>	<u>-</u>	<u>2,532,000</u>	<u>-</u>	<u>750,000</u>		
703,799,495	1,824,145	705,623,640	85,510,936	56,349,547		
7,155,860	134,716	7,290,576	11,015,702	15,757,599		
<u>696,643,635</u>	<u>1,689,429</u>	<u>698,333,064</u>	<u>74,495,234</u>	<u>40,591,948</u>		
24,771,027	108,693	24,879,720	322,224	-		
19,322,911	-	19,322,911	-	-		
25,005,790	-	25,005,790	-	-		
6,466,065	-	6,466,065	10,834,180	1,541,000		
40,000	-	40,000	283,874	-		
<u>75,605,793</u>	<u>108,693</u>	<u>75,714,486</u>	<u>11,440,278</u>	<u>1,541,000</u>		
<u>179,545,082</u>	<u>375,967</u>	<u>179,921,049</u>	<u>30,841,563</u>	<u>30,244,402</u>		
255,150,875	484,660	255,635,535	42,281,841	31,785,402		
7,155,860	134,716	7,290,576	11,015,702	15,747,541		
<u>247,995,015</u>	<u>349,944</u>	<u>248,344,959</u>	<u>31,266,139</u>	<u>16,037,861</u>		
<u>\$ 448,648,620</u>	<u>\$ 1,339,485</u>	<u>\$ 449,988,105</u>	<u>\$ 43,229,095</u>	<u>\$ 24,554,087</u>		



Anne Arundel County, Maryland

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

Enterprise Funds Capital Projects

Year Ended June 30, 2013

	Water and			
	Total Water and Wastewater	Capital Projects	Water Normal Extensions	Total
<b>APPROPRIATIONS</b>				
Original Budget	\$ <u>1,153,375,550</u>	\$ <u>331,936,718</u>	\$ <u>1,750,825</u>	\$ <u>333,687,543</u>
Final Budget:				
Prior years	\$ 1,006,928,064	\$ 312,573,523	\$ 1,547,671	\$ 314,121,194
Current year	<u>114,586,706</u>	<u>16,059,000</u>	<u>200,000</u>	<u>16,259,000</u>
	1,121,514,770	328,632,523	1,747,671	330,380,194
Less: Completed projects	<u>21,584,160</u>	<u>2,819,963</u>	<u>457,919</u>	<u>3,277,882</u>
Total appropriations	<u>1,099,930,610</u>	<u>325,812,560</u>	<u>1,289,752</u>	<u>327,102,312</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Prior years expenditures	301,546,485	107,011,262	699,461	107,710,723
Current year expenditures	<u>99,842,814</u>	<u>17,626,729</u>	<u>239,698</u>	<u>17,866,427</u>
	401,389,299	124,637,991	939,159	125,577,150
Less: Completed projects	<u>21,472,075</u>	<u>2,707,878</u>	<u>457,919</u>	<u>3,165,797</u>
Total	379,917,224	121,930,113	481,240	122,411,353
Encumbrances outstanding	<u>182,453,753</u>	<u>24,885,502</u>	<u>16,077</u>	<u>24,901,579</u>
Total expenditures and encumbrances	<u>562,370,977</u>	<u>146,815,615</u>	<u>497,317</u>	<u>147,312,932</u>
Unencumbered appropriations - June 30, 2013	\$ <u>537,559,633</u>	\$ <u>178,996,945</u>	\$ <u>792,435</u>	\$ <u>179,789,380</u>

Wastewater				
	Wastewater			
Capital Projects	Normal Extension	Total	Oversize Connections	Solid Waste
\$ <u>721,268,598</u>	\$ <u>1,824,145</u>	\$ <u>723,092,743</u>	\$ <u>96,595,264</u>	\$ <u>56,624,819</u>
\$ <u>624,126,790</u>	\$ <u>1,424,145</u>	\$ <u>625,550,935</u>	\$ <u>67,255,935</u>	\$ <u>37,739,547</u>
<u>79,672,705</u>	<u>400,000</u>	<u>80,072,705</u>	<u>18,255,001</u>	<u>18,610,000</u>
<u>703,799,495</u>	<u>1,824,145</u>	<u>705,623,640</u>	<u>85,510,936</u>	<u>56,349,547</u>
<u>7,155,860</u>	<u>134,716</u>	<u>7,290,576</u>	<u>11,015,702</u>	<u>15,757,599</u>
<u>696,643,635</u>	<u>1,689,429</u>	<u>698,333,064</u>	<u>74,495,234</u>	<u>40,591,948</u>
<u>161,837,182</u>	<u>453,628</u>	<u>162,290,810</u>	<u>31,544,952</u>	<u>20,974,919</u>
<u>71,562,393</u>	<u>31,074</u>	<u>71,593,467</u>	<u>10,382,920</u>	<u>2,326,882</u>
<u>233,399,575</u>	<u>484,702</u>	<u>233,884,277</u>	<u>41,927,872</u>	<u>23,301,801</u>
<u>7,155,860</u>	<u>134,716</u>	<u>7,290,576</u>	<u>11,015,702</u>	<u>10,495,900</u>
<u>226,243,715</u>	<u>349,986</u>	<u>226,593,701</u>	<u>30,912,170</u>	<u>12,805,901</u>
<u>148,178,765</u>	<u>67,544</u>	<u>148,246,309</u>	<u>9,305,865</u>	<u>2,204,588</u>
<u>374,422,480</u>	<u>417,530</u>	<u>374,840,010</u>	<u>40,218,035</u>	<u>15,010,489</u>
\$ <u>322,221,155</u>	\$ <u>1,271,899</u>	\$ <u>323,493,054</u>	\$ <u>34,277,199</u>	\$ <u>25,581,459</u>

Anne Arundel County, Maryland

Combining Statement of Net Position

Internal Service Funds

June 30, 2013

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
<b>ASSETS</b>					
Current assets					
Cash and temporary investments	\$ 694,425	\$ 17,403,444	\$ 1,917,039	\$ 3,192,803	\$ 23,207,711
Investments	68,345,881	-	-	-	68,345,881
Service billings receivable	401,462	3,404,457	19,235	-	3,825,154
Due from other funds	3,099,000	-	-	-	3,099,000
Inventories	-	-	849,023	-	849,023
Other assets	1,375	1,338,055	11,419	-	1,350,849
Total current assets	<u>72,542,143</u>	<u>22,145,956</u>	<u>2,796,716</u>	<u>3,192,803</u>	<u>100,677,618</u>
Noncurrent assets					
Capital assets					
Land and buildings	-	-	2,073,990	-	2,073,990
Machinery and equipment	-	-	398,612	63,179,999	63,578,611
	-	-	2,472,602	63,179,999	65,652,601
Less accumulated depreciation	-	-	(1,850,494)	(50,230,761)	(52,081,255)
Total capital assets, net of depreciation	<u>-</u>	<u>-</u>	<u>622,108</u>	<u>12,949,238</u>	<u>13,571,346</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>622,108</u>	<u>12,949,238</u>	<u>13,571,346</u>
Total assets	<u>72,542,143</u>	<u>22,145,956</u>	<u>3,418,824</u>	<u>16,142,041</u>	<u>114,248,964</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued liabilities	70,313	224,374	432,466	2,009,299	2,736,452
Current portion of long-term obligations	13,342,963	5,536,546	279,961	-	19,159,470
Total current liabilities	<u>13,413,276</u>	<u>5,760,920</u>	<u>712,427</u>	<u>2,009,299</u>	<u>21,895,922</u>
Noncurrent liabilities					
Unpaid claims	57,991,000	-	-	-	57,991,000
Accrued liability for compensated absences	-	-	19,847	-	19,847
Accrued liability for other post-employment benefits	1,137,867	-	5,246,621	-	6,384,488
Total noncurrent liabilities	<u>59,128,867</u>	<u>-</u>	<u>5,266,468</u>	<u>-</u>	<u>64,395,335</u>
Total liabilities	<u>72,542,143</u>	<u>5,760,920</u>	<u>5,978,895</u>	<u>2,009,299</u>	<u>86,291,257</u>
<b>NET POSITION</b>					
Net investment in capital assets	-	-	622,108	12,949,238	13,571,346
Unrestricted	<u>-</u>	<u>16,385,036</u>	<u>(3,182,179)</u>	<u>1,183,504</u>	<u>14,386,361</u>
Total net position (deficit)	<u>\$ -</u>	<u>\$ 16,385,036</u>	<u>\$ (2,560,071)</u>	<u>\$ 14,132,742</u>	<u>\$ 27,957,707</u>

## Anne Arundel County, Maryland

## Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

## Internal Service Funds

Year Ended June 30, 2013

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
<b>OPERATING REVENUES</b>					
Charges for services	\$ 24,098,822	\$ -	\$ 15,954,740	\$ 4,857,820	\$ 44,911,382
Medical premiums	-	93,892,410	-	-	93,892,410
Other	-	371,841	63,960	28,963	464,764
Total operating revenues	<u>24,098,822</u>	<u>94,264,251</u>	<u>16,018,700</u>	<u>4,886,783</u>	<u>139,268,556</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,255,550	-	5,791,748	-	7,047,298
Contractual services	144,357	604,038	1,207,912	11,046	1,967,353
Supplies and materials	31,483	32,668	92,413	728	157,292
Business and travel	11,472	895	2,225	-	14,592
Cost of goods issued	-	-	9,434,324	-	9,434,324
Depreciation	-	-	48,559	4,038,955	4,087,514
Provision for claims and estimated losses	20,918,295	90,361,988	-	-	111,280,283
Other	278,000	590,000	455,800	42,300	1,366,100
Total operating expenses	<u>22,639,157</u>	<u>91,589,589</u>	<u>17,032,981</u>	<u>4,093,029</u>	<u>135,354,756</u>
Operating income (loss)	1,459,665	2,674,662	(1,014,281)	793,754	3,913,800
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	(1,459,665)	62,199	-	-	(1,397,466)
Gain on disposal of assets	-	-	-	89,312	89,312
Gain (loss) before transfers	-	2,736,861	(1,014,281)	883,066	2,605,646
Net equity transfers between funds	-	-	(1,545,790)	-	(1,545,790)
Change in net position	-	2,736,861	(2,560,071)	883,066	1,059,856
Net position, July 1	-	13,648,175	-	13,249,676	26,897,851
Net position, June 30	<u>\$ -</u>	<u>\$ 16,385,036</u>	<u>\$ (2,560,071)</u>	<u>\$ 14,132,742</u>	<u>\$ 27,957,707</u>

Anne Arundel County, Maryland

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2013

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 19,425,822	\$ 93,906,987	\$ 15,996,284	\$ 4,868,277	\$ 134,197,370
Cash received for expense reimbursement	607,152	-	-	-	607,152
Cash payments to suppliers for goods and services	(182,559)	(617,984)	(10,913,115)	(11,046)	(11,724,704)
Cash payments for insurance claims	(15,981,447)	(90,614,449)	-	-	(106,595,896)
Cash payments to vendor for deposit	-	-	-	-	-
Cash payments to employees for services	(1,026,836)	-	(4,725,590)	-	(5,752,426)
Other operating receipts	-	-	58,636	18,506	77,142
Other operating payments	(278,000)	(590,000)	(455,800)	(42,300)	(1,366,100)
Net cash provided by operating activities	<u>2,564,132</u>	<u>2,084,554</u>	<u>(39,585)</u>	<u>4,833,437</u>	<u>9,442,538</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Asset transfers between funds	-	-	-	-	-
Net cash used for non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	-	-	(2,176,684)	(2,176,684)
Proceeds from sale of equipment	-	-	-	116,089	116,089
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,060,595)</u>	<u>(2,060,595)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investment securities	(148,130,507)	-	-	-	(148,130,507)
Sale of investment securities	147,893,014	-	-	-	147,893,014
Investment income	(1,632,214)	62,199	-	-	(1,570,015)
Net cash provided by investing activities	<u>(1,869,707)</u>	<u>62,199</u>	<u>-</u>	<u>-</u>	<u>(1,807,508)</u>
Net increase (decrease) in cash and cash equivalents	694,425	2,146,753	(39,585)	2,772,842	5,574,435
Cash and temporary investments, July 1	-	15,256,691	1,956,624	419,961	17,633,276
Cash and temporary investments, June 30	<u>\$ 694,425</u>	<u>\$ 17,403,444</u>	<u>\$ 1,917,039</u>	<u>\$ 3,192,803</u>	<u>\$ 23,207,711</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 1,459,665	\$ 2,674,662	\$ (1,014,281)	\$ 793,754	\$ 3,913,800
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	-	-	48,559	4,038,955	4,087,514
Effect of changes in assets and liabilities					
Accounts receivable	(3,099,000)	(761,623)	41,544	-	(3,819,079)
Prepaid expenses	(1,375)	-	(11,419)	-	(12,794)
Deposit with provider	-	-	-	-	-
Inventories	-	-	(218,523)	-	(218,523)
Accounts payable and accrued expenses	17,097	39,724	52,899	728	110,448
Unpaid claims	5,544,000	131,791	-	-	5,675,791
Due to other funds	(1,574,000)	-	-	-	(1,574,000)
Escrow deposits	-	-	-	-	-
Accrued liability for compensated absences	(22,595)	-	(35,659)	-	(58,254)
Accrued liability for OPEB benefits	240,340	-	1,097,295	-	1,337,635
Net cash provided by (used for) operating activities	<u>\$ 2,564,132</u>	<u>\$ 2,084,554</u>	<u>\$ (39,585)</u>	<u>\$ 4,833,437</u>	<u>\$ 9,442,538</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Decrease in fair value of investments	\$ (2,578,759)	\$ -	\$ -	\$ -	\$ (2,578,759)
Total Noncash investing, capital, and financing activities	<u>\$ (2,578,759)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,578,759)</u>

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

## Internal Service Funds

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>SELF INSURANCE</b>				
Revenues				
Charges for services	\$ 19,909,000	\$ 19,909,000	\$ 19,909,000	\$ -
Investment income	878,900	878,900	(1,459,665)	(2,338,565)
Reimbursements	200,000	200,000	607,152	407,152
Other	-	-	10,579	10,579
	<u>20,987,900</u>	<u>20,987,900</u>	<u>19,067,066</u>	<u>(1,920,834)</u>
Expenses				
Personal services	1,101,200	1,101,200	1,015,210	85,990
Contractual services	17,350,100	17,349,100	15,539,206	1,809,894
Supplies and materials	25,500	25,500	26,108	(608)
Business and travel	11,000	12,000	11,972	28
Capital outlay	8,000	8,000	5,375	2,625
Administrative costs	278,000	278,000	278,000	-
	<u>18,773,800</u>	<u>18,773,800</u>	<u>16,875,871</u>	<u>1,897,929</u>
Revenues over (under) expenditures	<u>\$ 2,214,100</u>	<u>\$ 2,214,100</u>	<u>\$ 2,191,195</u>	<u>\$ (22,905)</u>
<b>HEALTH INSURANCE</b>				
Revenues				
Charges for services	\$ 97,010,000	\$ 97,010,000	\$ 93,892,410	\$ (3,117,590)
Investment income	-	-	62,199	62,199
Other	-	-	430,281	430,281
	<u>97,010,000</u>	<u>97,010,000</u>	<u>94,384,890</u>	<u>(2,625,110)</u>
Expenses				
Medical claim costs	98,400,000	98,400,000	90,361,988	8,038,012
Contractual services	831,000	831,000	597,888	233,112
Supplies and materials	34,900	34,900	32,668	2,232
Business and travel	3,900	3,900	895	3,005
Other	590,000	590,000	590,000	-
	<u>99,859,800</u>	<u>99,859,800</u>	<u>91,583,439</u>	<u>8,276,361</u>
Revenues over (under) expenditures	<u>\$ (2,849,800)</u>	<u>\$ (2,849,800)</u>	<u>\$ 2,801,451</u>	<u>\$ 5,651,251</u>

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

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

Internal Service Funds

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>CENTRAL GARAGE AND TRANSPORTATION</b>				
Revenues				
Charges for services	\$ 15,426,700	\$ 15,426,700	\$ 15,954,740	\$ 528,040
Other	14,100	14,100	63,960	49,860
	<u>15,440,800</u>	<u>15,440,800</u>	<u>16,018,700</u>	<u>577,900</u>
Expenses				
Personal services	4,619,600	4,619,600	4,694,453	(74,853)
Contractual services	774,400	1,274,400	1,249,900	24,500
Supplies and materials	10,369,400	10,169,400	9,733,943	435,457
Business and travel	10,000	10,000	2,225	7,775
Capital outlay	14,900	14,900	11,317	3,583
Other	455,800	455,800	455,800	-
	<u>16,244,100</u>	<u>16,544,100</u>	<u>16,147,638</u>	<u>396,462</u>
Revenues over (under) expenditures	<u>\$ (803,300)</u>	<u>\$ (1,103,300)</u>	<u>\$ (128,938)</u>	<u>\$ 974,362</u>
<b>GARAGE VEHICLE REPLACEMENT</b>				
Revenues				
Charges for services	\$ 4,846,000	\$ 4,846,000	\$ 4,857,820	\$ 11,820
Other	62,000	62,000	145,780	83,780
	<u>4,908,000</u>	<u>4,908,000</u>	<u>5,003,600</u>	<u>95,600</u>
Expenses				
Contractual services	8,000	8,000	11,046	(3,046)
Capital outlay	4,481,400	4,481,400	4,470,050	11,350
Other	42,300	42,300	42,300	-
	<u>4,531,700</u>	<u>4,531,700</u>	<u>4,523,396</u>	<u>8,304</u>
Revenues over (under) expenditures	<u>\$ 376,300</u>	<u>\$ 376,300</u>	<u>\$ 480,204</u>	<u>\$ 103,904</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.

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

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



	Defined Benefit Pension Plans (December 31, 2012)				
	Employees' Retirement	Police Service Retirement	Fire Service Retirement	Detention Officers' & Deputy Sheriffs' Retirement	Totals
<b>ASSETS</b>					
Investments, at fair value:					
Cash and temporary investments	\$ 13,806,879	\$ 11,356,147	\$ 11,533,480	\$ 2,477,783	\$ 39,174,289
U. S. Government obligations	5,644,600	4,642,858	4,716,892	1,013,019	16,017,369
Corporate obligations	65,060,285	53,514,093	54,367,419	11,676,172	184,617,969
Domestic fixed income mutual funds	30,158,816	24,806,557	25,202,118	5,412,511	85,580,002
International fixed income mutual funds	45,405,665	37,347,561	37,943,099	8,148,817	128,845,142
Global assets and pools	111,454,584	91,674,835	93,136,666	20,002,417	316,268,502
Domestic equity	79,966,140	65,774,618	66,823,448	14,351,281	226,915,487
International equity investment pools	85,874,144	70,634,134	71,760,453	15,411,572	243,680,303
Private markets	30,609,132	25,176,956	25,578,423	5,493,328	86,857,839
Portable Alpha	30,039,784	24,708,650	25,102,649	5,391,149	85,242,232
Real estate investment pools	19,314,066	15,886,416	16,139,738	3,466,237	54,806,457
Aetna insurance pooled fixed income	10,596,386	8,715,855	8,854,836	1,901,701	30,068,778
Absolute return funds	-	-	-	-	-
Total investments	<u>527,930,481</u>	<u>434,238,680</u>	<u>441,159,221</u>	<u>94,745,987</u>	<u>1,498,074,369</u>
Collateral from securities lending transactions	<u>23,586,930</u>	<u>19,400,978</u>	<u>19,710,342</u>	<u>4,233,075</u>	<u>66,931,325</u>
Receivables:					
Employer contributions	1,730,412	1,379,812	1,324,639	432,792	4,867,655
Participant contributions	365,442	196,953	180,712	85,255	828,362
Accrued interest and dividends	947,385	779,255	791,680	170,027	2,688,347
Investment sales proceeds	<u>877,020</u>	<u>721,376</u>	<u>732,880</u>	<u>157,396</u>	<u>2,488,672</u>
Total receivables	3,920,259	3,077,396	3,029,911	845,470	10,873,036
Deposits on hand	<u>14,895</u>	<u>154,793</u>	<u>65,915</u>	<u>-</u>	<u>235,603</u>
Total assets	<u>555,452,565</u>	<u>456,871,847</u>	<u>463,965,389</u>	<u>99,824,532</u>	<u>1,576,114,333</u>
<b>LIABILITIES</b>					
Accounts payable	622,537	514,856	520,421	111,725	1,769,539
Investment commitments payable	6,368,591	5,238,363	5,321,893	1,142,952	18,071,799
Obligation for collateral received under securities lending transactions	<u>23,586,930</u>	<u>19,400,978</u>	<u>19,710,342</u>	<u>4,233,075</u>	<u>66,931,325</u>
Total liabilities	<u>30,578,058</u>	<u>25,154,197</u>	<u>25,552,656</u>	<u>5,487,752</u>	<u>86,772,663</u>
Net position held in trust for pension benefits	<u>\$ 524,874,507</u>	<u>\$ 431,717,650</u>	<u>\$ 438,412,733</u>	<u>\$ 94,336,780</u>	<u>\$ 1,489,341,670</u>

Combining Statement of Changes in Net Position

Pension Trust Funds

Year Ended June 30, 2013

	<u>Defined Benefit Pension Trust (December 31, 2012)</u>				
	<u>Employees'</u>	<u>Police</u>	<u>Fire</u>	<u>Detention</u>	
	<u>Retirement</u>	<u>Service</u>	<u>Service</u>	<u>Officers' &amp;</u>	
		<u>Retirement</u>	<u>Retirement</u>	<u>Deputy Sheriffs'</u>	
				<u>Retirement</u>	<u>Totals</u>
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 19,823,814	\$ 15,530,322	\$ 15,238,104	\$ 5,141,280	\$ 55,733,520
Participant	4,416,529	2,553,740	2,453,627	1,120,848	10,544,744
Total contributions	<u>24,240,343</u>	<u>18,084,062</u>	<u>17,691,731</u>	<u>6,262,128</u>	<u>66,278,264</u>
Investment income:					
Net appreciation (depreciation) in fair value of investments	52,776,856	43,634,734	43,827,004	9,325,872	149,564,466
Interest income	7,110,315	4,561,884	4,993,511	979,392	17,645,102
Dividend income	6,118,751	5,049,951	5,093,815	1,088,347	17,350,864
Total investment income	<u>66,005,922</u>	<u>53,246,569</u>	<u>53,914,330</u>	<u>11,393,611</u>	<u>184,560,432</u>
Less investment expense	<u>(2,987,251)</u>	<u>(2,486,001)</u>	<u>(2,459,683)</u>	<u>(521,005)</u>	<u>(8,453,940)</u>
Net income from investing activities	<u>63,018,671</u>	<u>50,760,568</u>	<u>51,454,647</u>	<u>10,872,606</u>	<u>176,106,492</u>
Securities lending activities:					
Securities lending income	132,650	109,587	110,294	23,531	376,062
Securities lending expenses:					
Borrower rebates	15,566	12,860	12,943	2,761	44,130
Management fees	35,148	29,037	29,224	6,235	99,644
Securities lending expense	<u>50,714</u>	<u>41,897</u>	<u>42,167</u>	<u>8,996</u>	<u>143,774</u>
Securities lending net income	<u>81,936</u>	<u>67,690</u>	<u>68,127</u>	<u>14,535</u>	<u>232,288</u>
Total net investment income	<u>63,100,607</u>	<u>50,828,258</u>	<u>51,522,774</u>	<u>10,887,141</u>	<u>176,338,780</u>
Total additions	<u>87,340,950</u>	<u>68,912,320</u>	<u>69,214,505</u>	<u>17,149,269</u>	<u>242,617,044</u>
<b>DEDUCTIONS</b>					
Participant benefit payments and refunds	34,375,282	28,241,364	19,520,674	5,018,268	87,155,588
Administrative expenses	546,061	444,328	444,256	93,341	1,527,986
Total deductions	<u>34,921,343</u>	<u>28,685,692</u>	<u>19,964,930</u>	<u>5,111,609</u>	<u>88,683,574</u>
Net increases	52,419,607	40,226,628	49,249,575	12,037,660	153,933,470
Net position, beginning of year	<u>472,454,900</u>	<u>391,491,022</u>	<u>389,163,158</u>	<u>82,299,120</u>	<u>1,335,408,200</u>
Net position, end of year	<u>\$ 524,874,507</u>	<u>\$ 431,717,650</u>	<u>\$ 438,412,733</u>	<u>\$ 94,336,780</u>	<u>\$ 1,489,341,670</u>

Anne Arundel County, Maryland

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<b>SUBDIVISION DEPOSITS</b>				
Assets				
Cash	\$ 1,467,445	\$ 4,389,570	\$ 541,579	\$ 5,315,436
Total Assets	<u>\$ 1,467,445</u>	<u>\$ 4,389,570</u>	<u>\$ 541,579</u>	<u>\$ 5,315,436</u>
Liabilities				
Escrow Deposits	\$ 1,467,445	\$ 4,389,570	\$ 541,579	\$ 5,315,436
Total Liabilities	<u>\$ 1,467,445</u>	<u>\$ 4,389,570</u>	<u>\$ 541,579</u>	<u>\$ 5,315,436</u>
<b>SEDIMENT CONTROL</b>				
Assets				
Cash	\$ 3,439,628	\$ 2,635,227	\$ 946,442	\$ 5,128,413
Total Assets	<u>\$ 3,439,628</u>	<u>\$ 2,635,227</u>	<u>\$ 946,442</u>	<u>\$ 5,128,413</u>
Liabilities				
Escrow and other deposits	\$ 3,439,628	\$ 2,635,227	\$ 946,442	\$ 5,128,413
Total Liabilities	<u>\$ 3,439,628</u>	<u>\$ 2,635,227</u>	<u>\$ 946,442</u>	<u>\$ 5,128,413</u>
<b>RECREATION</b>				
Assets				
Cash	\$ 799,806	\$ 23,005	\$ 822,811	\$ -
Total Assets	<u>\$ 799,806</u>	<u>\$ 23,005</u>	<u>\$ 822,811</u>	<u>\$ -</u>
Liabilities				
Deposits	\$ 799,806	\$ 23,005	\$ 822,811	\$ -
Total Liabilities	<u>\$ 799,806</u>	<u>\$ 23,005</u>	<u>\$ 822,811</u>	<u>\$ -</u>
<b>CITY AND STATE TAX COLLECTION</b>				
Assets				
Cash	\$ 2,753,180	\$ 133,076,156	\$ 131,754,266	\$ 4,075,070
Total Assets	<u>\$ 2,753,180</u>	<u>\$ 133,076,156</u>	<u>\$ 131,754,266</u>	<u>\$ 4,075,070</u>
Liabilities				
Escrow Deposits	\$ 2,753,180	\$ 133,076,156	\$ 131,754,266	\$ 4,075,070
Total Liabilities	<u>\$ 2,753,180</u>	<u>\$ 133,076,156</u>	<u>\$ 131,754,266</u>	<u>\$ 4,075,070</u>
<b>TAX SALE ESCROW DEPOSITS</b>				
Assets				
Cash	\$ 4,024,007	\$ 10,998,899	\$ 7,355,282	\$ 7,667,624
Total Assets	<u>\$ 4,024,007</u>	<u>\$ 10,998,899</u>	<u>\$ 7,355,282</u>	<u>\$ 7,667,624</u>
Liabilities				
Escrow Deposits	\$ 4,024,007	\$ 10,998,899	\$ 7,355,282	\$ 7,667,624
Total Liabilities	<u>\$ 4,024,007</u>	<u>\$ 10,998,899</u>	<u>\$ 7,355,282</u>	<u>\$ 7,667,624</u>
<b>NATIONAL BUSINESS PARK</b>				
Assets				
Cash	\$ -	\$ 1,410,000	\$ 1,410,000	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 1,410,000</u>	<u>\$ 1,410,000</u>	<u>\$ -</u>
Liabilities				
Escrow Deposits	\$ -	\$ 1,410,000	\$ 1,410,000	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 1,410,000</u>	<u>\$ 1,410,000</u>	<u>\$ -</u>

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<b>TWO RIVERS</b>				
Assets				
Cash	\$ -	\$ 436,329	\$ 236,329	\$ 200,000
Total Assets	<u>\$ -</u>	<u>\$ 436,329</u>	<u>\$ 236,329</u>	<u>\$ 200,000</u>
Liabilities				
Escrow Deposits	\$ -	\$ 436,329	\$ 236,329	\$ 200,000
Total Liabilities	<u>\$ -</u>	<u>\$ 436,329</u>	<u>\$ 236,329</u>	<u>\$ 200,000</u>
<b>FARMINGTON SPECIAL ASSESSMENT</b>				
Assets				
Investments	\$ 732,499	\$ 6,302,412	\$ 6,443,116	\$ 591,795
Total Assets	<u>\$ 732,499</u>	<u>\$ 6,302,412</u>	<u>\$ 6,443,116</u>	<u>\$ 591,795</u>
Liabilities				
Escrow Deposits	\$ 732,499	\$ 6,302,412	\$ 6,443,116	\$ 591,795
Total Liabilities	<u>\$ 732,499</u>	<u>\$ 6,302,412</u>	<u>\$ 6,443,116</u>	<u>\$ 591,795</u>
<b>DORCHESTER SPECIAL TAX DISTRICT</b>				
Assets				
Investments	\$ 2,302,640	\$ 18,042,099	\$ 2,612,090	\$ 17,732,649
Total Assets	<u>\$ 2,302,640</u>	<u>\$ 18,042,099</u>	<u>\$ 2,612,090</u>	<u>\$ 17,732,649</u>
Liabilities				
Escrow Deposits	\$ 2,302,640	\$ 18,042,099	\$ 2,612,090	\$ 17,732,649
Total Liabilities	<u>\$ 2,302,640</u>	<u>\$ 18,042,099</u>	<u>\$ 2,612,090</u>	<u>\$ 17,732,649</u>
<b>CONFERENCE AND VISITOR'S CENTER</b>				
Assets				
Investments	\$ -	\$ 1,986,674	\$ 1,986,674	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 1,986,674</u>	<u>\$ 1,986,674</u>	<u>\$ -</u>
Liabilities				
Escrow deposits	\$ -	\$ 1,986,674	\$ 1,986,674	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 1,986,674</u>	<u>\$ 1,986,674</u>	<u>\$ -</u>
<b>MISCELLANEOUS ESCROW DEPOSITS</b>				
Assets				
Cash	\$ 460,074	\$ 642,790	\$ 810,172	\$ 292,692
Total Assets	<u>\$ 460,074</u>	<u>\$ 642,790</u>	<u>\$ 810,172</u>	<u>\$ 292,692</u>
Liabilities				
Escrow and other deposits	\$ 460,074	\$ 642,790	\$ 810,172	\$ 292,692
Total Liabilities	<u>\$ 460,074</u>	<u>\$ 642,790</u>	<u>\$ 810,172</u>	<u>\$ 292,692</u>
<b>TOTALS - ALL FUNDS</b>				
Assets				
Cash and investments	\$ 15,979,279	\$ 179,943,161	\$ 154,918,761	\$ 41,003,679
Total Assets	<u>\$ 15,979,279</u>	<u>\$ 179,943,161</u>	<u>\$ 154,918,761</u>	<u>\$ 41,003,679</u>
Liabilities				
Escrow and other deposits	\$ 15,979,279	\$ 179,943,161	\$ 154,918,761	\$ 41,003,679
Total Liabilities	<u>\$ 15,979,279</u>	<u>\$ 179,943,161</u>	<u>\$ 154,918,761</u>	<u>\$ 41,003,679</u>

## Anne Arundel County, Maryland

## Combining Statement of Net Position

## Nonmajor Component Units

June 30, 2013

	Library	Economic Development	Tipton Airport	Workforce Development	Totals
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 18,290	\$ 4,048,104	\$ 592,994	\$ 380,178	\$ 5,039,566
Service billings receivable	-	-	63,856	-	63,856
Prepays and other assets	18,811	445,556	44,218	1,250,745	1,759,330
Inventories	-	-	49,732	-	49,732
Receivables	-	-	97,114	-	97,114
Due from primary government	1,616,792	-	-	-	1,616,792
Restricted assets					
Cash and temporary investments	-	51,165	-	-	51,165
Receivables	-	-	-	-	-
Other, net	-	500	-	-	500
Total current assets	<u>1,653,893</u>	<u>4,545,325</u>	<u>847,914</u>	<u>1,630,923</u>	<u>8,678,055</u>
Noncurrent Assets					
Loans receivable and other assets	-	1,755,852	-	-	1,755,852
Capital assets being depreciated	17,337,806	1,078,554	9,768,786	523,972	28,709,118
Less accumulated depreciation	<u>(7,682,153)</u>	<u>(838,877)</u>	<u>(4,219,807)</u>	<u>(299,993)</u>	<u>(13,040,830)</u>
Total capital assets	<u>9,655,653</u>	<u>239,677</u>	<u>5,548,979</u>	<u>223,979</u>	<u>15,668,288</u>
Total assets	<u>11,309,546</u>	<u>6,540,854</u>	<u>6,396,893</u>	<u>1,854,902</u>	<u>26,102,195</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accrued liabilities	\$ 838,660	\$ 100,003	\$ 360,612	\$ 414,666	\$ 1,713,941
Current portion on non-current liabilities	671,983	11,279	86,780	49,326	819,368
Notes payable	-	2,155,024	-	-	2,155,024
Escrow and other deposits	-	6,551	-	-	6,551
Unearned revenue	-	220,000	79,442	110,415	409,857
Liabilities related to restricted assets					
Accrued liabilities	-	9,965	-	417,923	427,888
Total current liabilities	<u>1,510,643</u>	<u>2,502,822</u>	<u>526,834</u>	<u>992,330</u>	<u>5,532,629</u>
Noncurrent liabilities					
Accrued liability for OPEB benefits	14,361,637	-	-	-	14,361,637
Long-term debt, net of deferred refunding gain/loss	<u>5,044</u>	<u>24,985</u>	<u>54,152</u>	<u>-</u>	<u>84,181</u>
Total noncurrent liabilities	<u>14,366,681</u>	<u>24,985</u>	<u>54,152</u>	<u>-</u>	<u>14,445,818</u>
Total liabilities	<u>15,877,324</u>	<u>2,527,807</u>	<u>580,986</u>	<u>992,330</u>	<u>19,978,447</u>
<b>NET POSITION</b>					
Capital assets, net of related debt	9,650,609	203,413	5,408,047	223,979	15,486,048
Restricted for:					
Other purposes	-	41,700	-	-	41,700
Unrestricted	<u>(14,218,387)</u>	<u>3,767,934</u>	<u>407,860</u>	<u>638,593</u>	<u>(9,404,000)</u>
Total net position	<u>\$ (4,567,778)</u>	<u>\$ 4,013,047</u>	<u>\$ 5,815,907</u>	<u>\$ 862,572</u>	<u>\$ 6,123,748</u>

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Anne Arundel County, Maryland

Combining Statement of Activities

Nonmajor Component Units

Year Ended June 30, 2013

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<i>Library</i>				
Community services	\$ 22,281,500	\$ 855,985	\$ 3,248,901	\$ -
<i>Economic Development</i>				
Arundel Business Loan Program	469,028	116,679	-	-
Training and other grants	24,130	-	-	-
Chesapeake Innovation Center	562,060	96,430	-	-
Administrative	1,390,289	-	-	-
Anne Arundel Agricultural Marketing, LLC	122,096	-	43,688	-
Anne Arundel Community Development, LLC	113,162	-	-	-
Video Lottery Terminal	32,168	-	-	-
Unallocated depreciation	44,748	-	-	-
	<u>2,757,681</u>	<u>213,109</u>	<u>43,688</u>	<u>-</u>
<i>Tipton Airport Authority</i>				
Airport operations	<u>2,227,315</u>	<u>1,712,142</u>	<u>-</u>	<u>254,367</u>
<i>Workforce Development</i>				
Workforce development programs				
Other WIA programs	5,987,565	-	6,136,023	-
Administration	62,974	-	-	-
Other grants, projects, initiatives	379,439	-	321,447	-
	<u>\$ 6,429,978</u>	<u>\$ -</u>	<u>\$ 6,457,470</u>	<u>\$ -</u>

General revenues:  
 Hotel tax  
 Unrestricted contributions  
 Interest earnings  
 Miscellaneous  
 Total general revenues  
  
 Changes in net position  
  
 Net position, July 1  
  
 Net position, June 30

Net (Expense) Revenues and Changes in Net Position

<u>Library</u>	<u>Economic Development</u>	<u>Tipton Airport</u>	<u>Workforce Development</u>	<u>Total</u>
\$ <u>(18,176,614)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(18,176,614)</u>
-	(352,349)	-	-	(352,349)
-	(24,130)	-	-	(24,130)
-	(465,630)	-	-	(465,630)
-	(1,390,289)	-	-	(1,390,289)
-	(78,408)	-	-	(78,408)
-	(113,162)	-	-	(113,162)
-	(32,168)	-	-	(32,168)
-	<u>(44,748)</u>	-	-	<u>(44,748)</u>
-	<u>(2,500,884)</u>	-	-	<u>(2,500,884)</u>
-	-	<u>(260,806)</u>	-	<u>(260,806)</u>
-	-	-	148,458	148,458
-	-	-	(62,974)	(62,974)
-	-	-	<u>(57,992)</u>	<u>(57,992)</u>
-	-	-	<u>27,492</u>	<u>27,492</u>
-	1,000,000	-	-	1,000,000
16,002,800	1,626,361	-	43,632	17,672,793
-	14,688	1,942	2,657	19,287
<u>12,218</u>	<u>(6,417)</u>	-	<u>31,707</u>	<u>37,508</u>
<u>16,015,018</u>	<u>2,634,632</u>	<u>1,942</u>	<u>77,996</u>	<u>18,729,588</u>
(2,161,596)	133,748	(258,864)	105,488	(2,181,224)
<u>(2,406,182)</u>	<u>3,879,299</u>	<u>6,074,771</u>	<u>757,084</u>	<u>8,304,972</u>
\$ <u><u>(4,567,778)</u></u>	\$ <u><u>4,013,047</u></u>	\$ <u><u>5,815,907</u></u>	\$ <u><u>862,572</u></u>	\$ <u><u>6,123,748</u></u>



Anne Arundel County, Maryland

Balance Sheet

Library Component Unit

June 30, 2013

	Governmental Fund		
	Operating Fund	Dedicated Revenue Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 11,485	\$ 6,805	\$ 18,290
Due from primary government	1,608,728	8,064	1,616,792
Receivables			
Other, net	18,811	-	18,811
Total assets	<u>\$ 1,639,024</u>	<u>\$ 14,869</u>	<u>\$ 1,653,893</u>
<b>LIABILITIES</b>			
Accrued liabilities	\$ 838,334	\$ 326	\$ 838,660
Total liabilities	<u>838,334</u>	<u>326</u>	<u>838,660</u>
<b>FUND BALANCES</b>			
Assigned	475,901	11,092	486,993
Unassigned	324,789	3,451	328,240
Total fund balances	<u>800,690</u>	<u>14,543</u>	<u>815,233</u>
Total liabilities and fund balances	<u>\$ 1,639,024</u>	<u>\$ 14,869</u>	<u>\$ 1,653,893</u>

Anne Arundel County, Maryland

Statement of Revenues, Expenditures, and Changes in Fund Balances

Library Component Unit

Year Ended June 30, 2013

	Governmental Fund		
	Operating Fund	Dedicated Revenue Fund	Total
<b>REVENUES</b>			
Grants and aid	\$ 19,217,096	\$ 34,605	\$ 19,251,701
Fines and fees	855,985	-	855,985
Other	2,911	9,307	12,218
Total revenues	<u>20,075,992</u>	<u>43,912</u>	<u>20,119,904</u>
<b>EXPENDITURES</b>			
Current			
Recreation and community services	19,822,580	49,972	19,872,552
Capital outlay	-	-	-
Total expenditures	<u>19,822,580</u>	<u>49,972</u>	<u>19,872,552</u>
Revenues over (under) expenditures	<u>253,412</u>	<u>(6,060)</u>	<u>247,352</u>
Fund balances, July 1	<u>547,278</u>	<u>20,603</u>	<u>567,881</u>
Fund balances, June 30	<u>\$ 800,690</u>	<u>\$ 14,543</u>	<u>\$ 815,233</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, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Grants and aid	\$ 1,965,000	\$ 1,965,000	\$ 2,113,638	\$ 148,638
Primary government contribution	16,002,800	16,002,800	16,002,800	-
Fines and fees	836,400	836,400	856,564	20,164
Other	2,000	2,000	2,911	911
Total revenues	<u>18,806,200</u>	<u>18,806,200</u>	<u>18,975,913</u>	<u>169,713</u>
<b>EXPENDITURES</b>				
Current				
Recreation and community services	18,766,200	18,766,200	18,633,105	133,095
Capital outlay	200,000	200,000	176,116	23,884
Total expenditures	<u>18,966,200</u>	<u>18,966,200</u>	<u>18,809,221</u>	<u>156,979</u>
Revenues over (under) expenditures	(160,000)	(160,000)	166,692	<u>\$ 326,692</u>
Fund balances, budgetary, July 1 (as restated)	<u>499,635</u>	<u>499,635</u>	<u>499,635</u>	
Fund balances, budgetary, June 30	<u>\$ 339,635</u>	<u>\$ 339,635</u>	<u>\$ 666,327</u>	

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## Anne Arundel County, Maryland

## Details of Long-term Debt and Interest

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

June 30, 2013

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 13</i>	<i>06/30/13 Outstanding</i>	<i>Total Due to Maturity</i>
Water and Wastewater Bonds							
Series 87 (Refunding)	02/15/87	1988-14	3.50 to 5.75	21,880,000	220,000	425,000	449,294
Maryland Water Quality Bond	11/27/90	1991-11	4.89 to 4.89	8,778,874	138,071	140,729	145,303
Series 1992 Refunding	05/01/92	1994-13	4.40 to 6.00	8,795,000	35,000	-	-
Maryland Water Quality Bond	06/30/92	1993-13	4.39 to 4.39	4,971,195	254,949	-	(0)
Maryland Water Quality Bond	06/01/93	1995-14	3.25 to 3.25	11,868,564	699,183	721,906	733,507
Maryland Water Quality Bond	03/28/96	1997-16	3.99 to 3.99	468,937	23,447	70,341	75,954
Maryland Water Quality Bond	03/28/01	2003-31	1.50 to 1.50	3,033,715	97,802	2,033,966	2,336,018
Series 03	03/01/03	2004-32	1.00 to 5.00	24,000,000	825,000	5,810,000	10,065,825
Series 03 Refunding	03/01/03	2004-23	1.00 to 5.00	65,085,000	4,490,000	24,930,000	29,171,474
Maryland Water Quality Bond	06/27/03	2005-24	1.00 to 1.00	19,362,500	952,215	11,124,248	11,802,770
Series 04	04/01/04	2005-33	2.00 to 5.00	11,750,000	405,000	405,000	425,250
Series 05	03/01/05	2006-34	3.00 to 5.00	24,500,000	845,000	8,445,000	13,351,970
Series 05 Refunding	03/01/05	2006-28	3.00 to 5.00	26,480,000	1,350,000	18,890,000	25,188,631
Series 06	03/21/06	2007-35	4.125 to 5.0	19,000,000	655,000	14,410,000	21,633,504
Series 06 Refunding	03/21/06	2007-31	4.00 to 5.00	34,060,000	1,845,000	28,940,000	39,719,389
Series 07	03/29/07	2008-36	4.25 to 5.00	42,500,000	1,470,000	33,680,000	51,214,975
Maryland Water Quality Bond	04/07/07	2008-27	1.00 to 1.00	5,854,341	341,707	3,844,404	4,071,661
Series 08	04/01/08	2009-36	3.50 to 5.00	32,000,000	1,145,000	26,275,000	40,942,249
Maryland Water Quality Bond	06/17/08	2009-28	1.10 to 1.10	1,200,475	61,807	956,251	1,046,560
Series 09	04/01/09	2010-39	2.50 to 4.75	29,200,000	975,000	25,300,000	40,376,345
Series 10 Refunding	07/22/09	2010-25	3.00 to 4.00	20,730,000	1,745,000	16,125,000	19,637,800
Maryland Water Quality Bond	12/01/09	2011-30	0.00 to 0.00	1,749,147	98,324	1,454,177	1,454,177
Series 10	04/08/10	2011-20	2.00 to 5.00	13,900,000	1,390,000	9,730,000	11,245,100
Series 10	04/08/10	2021-30	4.80 to 5.55	27,700,000	-	27,700,000	55,765,773
Series 11	04/20/11	2012-41	2.00 to 5.00	47,600,000	1,590,000	44,420,000	75,839,514
Maryland Water Quality Bond	06/16/11	2013-32	2.20 to 2.20	17,836,000	591,726	12,372,318	16,275,376
Series 11 Refunding	09/01/11	2013-25	3.00 to 5.00	8,860,000	10,000	8,850,000	11,733,500
Maryland Water Quality Bond	05/31/12	2014-33	1.80 to 1.80	574,358	-	8,820,287	11,107,452
Series 12	06/14/12	2013-42	2.00 to 4.00	27,020,000	900,000	26,120,000	39,916,700
Series 12 Refunding	06/14/12	2013-32	2.00 to 5.00	15,810,000	10,000	15,800,000	22,702,425
Maryland Water Quality Bond	12/21/12	2014-25	0.80 to 0.80	1,479,861	-	1,479,861	1,531,021
Maryland Water Quality Bond	12/21/12	2014-25	0.80 to 0.80	1,079,687	-	1,079,687	1,205,244
Series 13	06/20/13	2014-43	4.00 to 5.00	38,080,000	-	38,080,000	63,376,724
Total applicable to 5.6% and 14% debt limitations				617,207,654	23,164,231	418,433,175	624,541,485

(continued)

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

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

June 30, 2013

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 13</i>	<i>06/30/13 Outstanding</i>	<i>Total Due to Maturity</i>
Consolidated General Improvements							
Bonds	03/01/03	2004-23	1.00 to 5.00	101,000,000	6,060,000	-	-
	03/01/03	2005-14	1.00 to 5.00	21,510,000	2,670,000	2,655,000	2,787,750
	04/01/04	2005-24	2.00 to 5.00	49,500,000	2,970,000	2,970,000	3,118,500
	03/01/05	2006-25	3.00 to 5.00	55,000,000	3,305,066	8,779,410	9,601,514
	03/01/05	2006-26	3.00 to 5.00	46,625,000	4,125,000	23,445,000	27,443,875
	06/30/05	2007-28	3.00 to 5.00	24,530,000	925,000	20,470,000	28,528,694
	03/21/06	2007-26	4.00 to 5.00	64,000,000	3,213,284	41,415,353	54,191,927
	03/21/06	2007-27	4.00 to 5.00	87,115,000	8,245,000	65,650,000	80,349,969
	03/29/07	2008-27	4.25 to 5.00	91,600,000	5,502,929	58,296,024	76,465,642
	04/01/08	2009-28	3.50 to 5.00	55,200,000	3,310,000	38,650,000	51,820,838
	04/01/09	2010-29	4.00 to 5.00	113,300,000	6,831,174	85,975,304	113,333,894
	07/20/09	2010-25	1.50 to 4.00	32,520,152	4,520,000	15,665,000	18,576,218
	04/08/10	2011-20	2.00 to 5.00	66,136,440	7,421,591	51,592,935	61,875,930
	04/08/10	2021-30	4.80 to 5.55	72,888,560	-	72,888,560	121,075,187
	04/20/11	2012-31	3.00 to 5.00	117,500,000	5,985,441	105,529,118	151,429,902
	09/01/11	2013-25	3.00 to 5.00	35,835,000	10,000	35,825,000	45,685,000
	06/14/12	2013-32	3.00 to 4.00	98,900,000	5,987,745	92,912,255	128,516,950
	06/14/12	2013-32	2.00 to 5.00	36,332,512	9,754	36,322,758	48,111,074
	06/20/13	2014-33	4.00 to 5.00	116,000,000	-	116,000,000	169,115,756
				<u>1,285,492,664</u>	<u>71,091,984</u>	<u>875,041,717</u>	<u>1,192,028,620</u>
Solid Waste Bonds							
	03/01/96	1997-16	5.00 to 5.50	12,000,000	600,000	2,400,000	2,662,800
	05/01/98	1999-17	4.65 to 6.00	7,000,000	350,000	1,750,000	2,009,525
	04/01/04	2005-24	2.00 to 5.00	1,250,000	75,000	75,000	78,750
	03/01/05	2006-24	3.00 to 5.00	1,000,000	54,934	180,590	198,486
	03/21/06	2007-26	4.00 to 5.00	2,000,000	86,716	1,484,647	1,958,398
	03/29/07	2008-27	4.25 to 5.00	4,300,000	252,071	3,073,976	4,071,021
	04/01/09	2010-29	4.00 to 5.00	2,100,000	98,826	1,704,696	2,284,232
	04/08/10	2011-20	3.00 to 5.00	1,938,560	188,409	1,562,065	1,893,071
	04/08/10	2011-30	4.80 to 5.55	3,161,440	-	3,161,440	5,251,467
	04/20/11	2012-31	3.00 to 5.00	8,200,000	304,559	7,590,882	11,208,198
	06/14/12	2013-32	3.00 to 4.00	2,200,000	72,255	2,127,745	3,010,625
	06/14/12	2013-25	2.00 to 5.00	917,488	246	917,242	1,214,929
Total Waste Collection Enterprise Fund				<u>46,067,488</u>	<u>2,083,016</u>	<u>26,028,283</u>	<u>35,841,502</u>
Total applicable to 5.2% and 13% debt limitations				<u>1,331,560,152</u>	<u>73,175,000</u>	<u>901,070,000</u>	<u>1,227,870,122</u>

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

NOT APPLICABLE TO DEBT LIMITATIONS

June 30, 2013

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 13</i>	<i>06/30/13 Outstanding</i>	<i>Total Due to Maturity</i>
Installation Purchase Agreements - Agricultural Easement Program							
Adelaide F. Colhoun Trust	09/19/00	2002-30	5.85 to 5.85	401,000	1,000	389,000	767,906
Ellen H. Shepard Trust	09/22/00	2002-30	5.85 to 5.85	161,000	1,000	149,000	289,226
Harold & Jean Touchette	09/19/00	2002-30	5.85 to 5.85	378,000	1,000	366,000	722,030
Farm of the Four Winds, LLC	11/13/00	2002-30	6.00 to 6.00	587,000	1,000	575,000	1,153,340
Kenneth P. Franklin, Trustee	12/28/00	2002-30	5.60 to 5.60	142,055	1,000	130,000	246,144
Richard F. Moreland	07/18/01	2003-28	5.90 to 5.90	274,000	1,000	263,000	489,560
Mary M. Smith	07/18/01	2003-28	5.90 to 5.90	831,000	1,000	820,000	1,539,505
Francis R. Windsor	07/26/01	2003-28	5.90 to 5.90	411,174	1,000	400,000	747,805
Anita Froe/Rian LLC	03/06/02	2003-28	5.90 to 5.90	657,000	1,000	646,000	1,211,515
Lauer & Company	09/20/02	2004-28	5.25 to 5.25	197,000	1,000	187,000	328,750
Weeems Dodd Ltd	10/17/02	2004-28	5.45 to 5.45	1,521,000	1,000	1,511,000	2,740,519
Edward Hall II	12/19/02	2004-28	5.55 to 5.55	180,000	1,000	170,000	305,698
Bristol Farms LLC	01/28/03	2004-28	5.50 to 5.50	700,000	1,000	690,000	1,248,353
Shearman Talbott	05/22/03	2005-28	4.95 to 4.95	263,948	1,000	255,000	439,140
Anne Brice	06/23/04	2006-28	5.80 to 5.80	316,000	1,000	308,000	569,870
Thackray Seznec	06/30/04	2006-28	5.80 to 5.80	1,405,000	1,000	1,397,000	2,606,300
James Parks	07/07/04	2006-28	5.60 to 5.60	295,000	1,000	287,000	522,200
Dorothy Horky	12/05/05	2006-28	4.90 to 4.90	368,814	1,000	362,000	622,925
Virginia Tucker	10/05/06	2007-28	4.90 to 4.90	926,000	1,000	920,000	1,591,055
Jennifer Wade	07/26/07	2008-28	5.30 to 5.30	873,925	1,000	869,000	1,534,894
Ford/Addis	12/20/07	2008-37	4.60 to 4.60	604,000	-	604,000	1,270,816
Francis Talbott III	07/16/08	2009-37	4.55 to 4.55	840,000	-	840,000	1,757,282
Thompson Lumbei	06/21/11	2012-41	4.55 to 4.55	1,487,000	-	1,487,000	3,381,439
				<u>13,819,916</u>	<u>20,000</u>	<u>13,625,000</u>	<u>26,086,270</u>
Tax Increment Bonds							
Parole Town Center	07/12/02	2003-12	5.00 to 5.00	8,300,000	1,025,000	-	-
Arundel Mills Refunding	05/11/04	2010-29	3.00 to 5.125	30,350,000	780,000	28,565,000	42,791,958
National Business Park Ref	05/11/04	2009-28	3.00 to 5.125	15,655,000	450,000	14,220,000	20,761,164
West Nursery Road	05/11/04	2006-29	2.00 to 4.70	2,570,000	85,000	2,030,000	2,901,926
National Business Park North A	8/10/10	2011-25	5.625 to 5.625	4,000,000	-	4,000,000	6,079,281
National Business Park North B	08/10/10	2011-41	6.10 to 6.10	26,000,000	-	26,000,000	61,101,841
Village South at Waugh Chapel	11/18/10	2011-41	6.25 to 6.25	16,000,000	-	16,000,000	35,085,938
				<u>102,875,000</u>	<u>2,340,000</u>	<u>90,815,000</u>	<u>168,722,107</u>

LONG TERM DEBT NOT APPLICABLE TO DEBT LIMITATIONS

State Loans

Department of Natural Resources

Amberly	11/01/08	2008-33	0.00	135,000	5,400	108,000	108,000
Annapolis Cove	09/16/88	1989-13	0.00	121,220	4,849	4,849	4,849
Annapolis Landing	07/01/92	1993-17	0.00	78,570	3,143	15,714	15,714
Arundel on the Bay	04/28/92	1993-17	0.00	74,220	2,969	14,844	14,844
Bay Ridge	11/19/90	1992-16	0.00	669,275	26,771	107,084	107,084
Bay Ridge #2	07/01/08	2009-28	0.00	500,000	25,771	412,336	412,336
Brown's Pond	11/25/91	1992-16	0.00	185,128	7,405	29,620	29,620
Buckingham Cove	04/07/97	1997-21	0.00	217,570	8,703	78,320	78,320
Camp Wabanna SECD	04/26/05	2011-31	0.00	174,857	9,203	156,451	156,451
Cape Anne SECD	11/30/06	2009-34	0.00	190,308	8,101	162,020	162,020
Cattail Creek	04/03/98	1998-22	0.00	127,628	5,105	51,051	51,051
Columbia Beach	06/12/08	2013-38	0.00	1,042,027	53,664	988,363	988,363
Elizabeth's Landing	09/26/91	1993-17	0.00	161,310	6,453	32,262	32,262
Elizabeth's Landing II	01/22/10	2012-37	0.00	153,262	6,130	134,860	134,860
John's Creek	12/15/93	1994-19	0.00	173,206	6,920	41,520	41,520
Holland Point SECD	10/11/04	2011-31	0.00	1,050,054	55,266	939,522	939,522
Lake Hillsmere I	04/03/98	1998-22	0.00	188,660	7,546	75,460	75,460
Mason's Beach	06/03/96	1997-06	0.00	277,098	13,855	55,419	55,419
Romar Estates	03/27/97	1997-21	0.00	304,987	12,199	109,796	109,796
Snug Harbor	11/21/91	1992-16	0.00	738,599	29,544	118,176	118,176
Snug Harbor Pier	04/13/92	1992-16	0.00	91,443	3,656	14,624	14,624
Snug Harbor SECD	10/11/04	2012-31	0.00	112,600	5,817	104,706	104,706
Spriggs Pond	02/28/92	1993-17	0.00	298,400	11,936	47,744	47,744
Whitehall Cove	12/19/01	2001-25	0.00	164,134	6,565	85,350	85,350
Total not applicable to debt limitations				<u>7,229,556</u>	<u>326,971</u>	<u>3,888,091</u>	<u>-</u>
Total long-term debt				<u>\$ 2,072,692,278</u>	<u>\$ 99,026,202</u>	<u>\$ 1,427,831,266</u>	<u>\$ 2,051,108,076</u>

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

June 30, 2013

FISCAL YEAR ENDING	General County Bonds (a)							
	General Government		Solid Waste		Tax Increment		Installment Purchase Agreements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 73,837,430	\$ 39,506,279	\$ 2,137,570	\$ 1,229,177	\$ 1,430,000	\$ 5,010,210	\$ 20,000	\$ 728,300
2015	69,720,383	37,641,178	2,149,617	1,127,379	1,580,000	4,942,383	20,000	727,185
2016	68,523,999	34,369,503	2,186,001	1,018,404	1,720,000	4,868,808	20,000	726,070
2017	66,752,422	31,045,318	2,557,578	908,364	2,020,000	4,784,394	20,000	724,954
2018	63,419,401	27,784,970	1,190,599	793,012	2,320,000	4,684,532	20,000	723,838
2019	60,537,429	24,716,923	1,222,571	734,609	2,685,000	4,560,485	20,000	722,723
2020	55,792,673	21,915,526	1,277,327	676,112	3,045,000	4,410,011	20,000	721,608
2021	53,794,575	19,362,100	1,435,425	618,975	3,325,000	4,242,032	20,000	720,492
2022	53,846,475	16,849,900	1,433,526	555,210	3,635,000	4,058,312	20,000	719,377
2023	48,311,108	14,310,007	1,433,893	486,848	3,960,000	3,857,635	20,000	718,261
2024	42,342,708	12,080,459	1,432,292	419,573	4,290,000	3,639,466	20,000	717,145
2025	40,358,448	10,115,999	1,381,552	351,049	4,660,000	3,402,577	20,000	716,030
2026	37,755,733	8,260,655	1,334,267	284,466	5,045,000	3,145,506	20,000	714,915
2027	34,409,939	6,509,577	1,215,061	224,872	5,445,000	2,865,756	20,000	713,799
2028	30,208,662	4,827,753	1,011,338	165,095	5,880,000	2,561,788	8,880,000	712,683
2029	26,173,662	3,420,380	1,011,338	116,395	4,940,000	2,269,428	5,000	223,954
2030	21,663,398	2,223,691	911,602	70,761	2,335,000	2,066,501	1,529,000	223,663
2031	14,374,542	1,217,752	595,456	29,161	1,915,000	1,939,119	-	133,662
2032	8,578,730	596,932	111,270	3,756	2,080,000	1,816,214	-	133,662
2033	4,640,000	232,000	-	-	2,265,000	1,682,570	-	133,663
2034	-	-	-	-	2,455,000	1,537,418	-	133,662
2035	-	-	-	-	2,660,000	1,380,143	-	133,663
2036	-	-	-	-	2,880,000	1,209,826	-	133,662
2037	-	-	-	-	3,115,000	1,025,550	1,444,000	133,663
2038	-	-	-	-	3,365,000	826,391	-	67,658
2039	-	-	-	-	3,635,000	611,275	-	67,659
2040	-	-	-	-	3,915,000	379,283	-	67,658
2041	-	-	-	-	4,215,000	129,495	1,487,000	67,659
2042	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-
	<u>\$ 875,041,717</u>	<u>\$ 316,986,902</u>	<u>\$ 26,028,283</u>	<u>\$ 9,813,218</u>	<u>\$ 90,815,000</u>	<u>\$ 77,907,108</u>	<u>\$ 13,625,000</u>	<u>\$ 12,461,268</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 Co

(b)

Bonded debt subject to (1) 5.6% of the assessable basis of real property in the Sanitary District of Anne Arundel County; (2) 14% of the assessable basis of personal property in the Sanitary District of Anne Arundel County; and (3) 14% of the operating rea

<i>State Advances</i>		<i>Federal Advances</i>		<i>Water and Sewer Bonds (b)</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>
\$ 325,325	\$ -	\$ -	\$ -	\$ 24,779,437	\$ 17,009,447	\$ 102,529,762	\$ 63,483,413	\$ 166,013,175
320,477	-	-	-	23,874,490	16,688,647	97,664,967	61,126,772	158,791,739
320,477	-	-	-	23,603,550	15,781,249	96,374,027	56,764,034	153,138,061
320,476	-	-	-	22,984,892	14,782,763	94,655,368	52,245,793	146,901,161
227,310	-	-	-	22,015,421	13,859,934	89,192,731	47,846,286	137,039,017
214,746	-	-	-	20,931,704	12,974,451	85,611,450	43,709,191	129,320,641
207,826	-	-	-	20,363,757	12,173,669	80,706,583	39,896,926	120,603,509
207,826	-	-	-	20,271,588	11,383,398	79,054,414	36,326,997	115,381,411
207,822	-	-	-	20,280,217	10,568,201	79,423,040	32,751,000	112,174,040
186,923	-	-	-	19,619,657	9,765,794	73,531,581	29,138,545	102,670,126
174,272	-	-	-	18,567,330	8,990,492	66,826,602	25,847,135	92,673,737
174,272	-	-	-	17,188,878	8,278,437	63,783,150	22,864,092	86,647,242
174,272	-	-	-	16,424,281	7,552,494	60,753,553	19,958,036	80,711,589
167,707	-	-	-	16,041,542	6,876,343	57,299,249	17,190,347	74,489,596
167,707	-	-	-	14,073,484	6,222,276	60,221,191	14,489,595	74,710,786
167,707	-	-	-	12,359,110	5,435,614	44,656,817	11,465,771	56,122,588
141,936	-	-	-	12,350,971	4,889,921	38,931,907	9,474,537	48,406,444
77,467	-	-	-	12,342,866	4,338,135	29,305,331	7,657,829	36,963,160
71,652	-	-	-	11,425,000	3,781,184	22,266,652	6,331,748	28,598,400
19,631	-	-	-	10,235,000	3,256,877	17,159,631	5,305,110	22,464,741
6,130	-	-	-	10,230,000	2,781,309	12,691,130	4,452,389	17,143,519
6,130	-	-	-	9,390,000	2,303,516	12,056,130	3,817,322	15,873,452
-	-	-	-	8,605,000	1,861,255	11,485,000	3,204,743	14,689,743
-	-	-	-	6,125,000	1,454,913	10,684,000	2,614,126	13,298,126
-	-	-	-	6,125,000	1,159,100	9,490,000	2,053,149	11,543,149
-	-	-	-	6,075,000	858,988	9,710,000	1,537,922	11,247,922
-	-	-	-	5,050,000	561,250	8,965,000	1,008,191	9,973,191
-	-	-	-	3,660,000	313,450	9,362,000	510,604	9,872,604
-	-	-	-	2,170,000	148,050	2,170,000	148,050	2,318,050
-	-	-	-	1,270,000	57,150	1,270,000	57,150	1,327,150
\$ <u>3,888,091</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>418,433,175</u>	\$ <u>206,108,307</u>	\$ <u>1,427,831,266</u>	\$ <u>623,276,803</u>	\$ <u>2,051,108,069</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 Position by Category
- Changes in Net Position
- 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 Position by Category  
Last Ten Fiscal Years  
(acrrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ 505,949,827	\$ 496,848,918	\$ 562,505,745	\$ 591,560,429	\$ 596,362,881	\$ 623,584,525	\$ 641,108,437	\$ 622,238,204	\$ 633,818,542	\$ 630,965,090
Restricted for:										
Revenue stabilization	27,177,741	35,634,133	38,754,372	44,952,851	47,818,429	32,778,154	-	-	-	-
Debt service	13,346,926	13,155,834	9,540,764	13,333,162	9,230,823	11,683,434	5,335,123	3,996,203	1,563,957	3,999,512
Capital improvements	59,022,217	51,130,409	107,716,853	104,693,767	104,851,313	121,074,932	48,635,874	61,469,121	76,820,358	74,937,323
Reforestation	4,313,745	5,524,706	6,559,025	7,880,990	8,521,089	5,027,348	5,399,159	7,766,138	6,823,655	7,662,442
Other purposes	3,189,519	5,151,600	6,774,586	6,265,652	8,286,624	4,739,945	9,826,468	3,408,549	2,702,597	7,590,496
Unrestricted	(99,052,792)	(69,377,525)	(106,855,776)	(100,471,355)	(189,559,379)	(380,694,137)	(481,961,464)	(594,418,963)	(657,762,577)	(726,105,305)
Subtotal governmental activities net position	<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>	<u>418,194,201</u>	<u>228,343,597</u>	<u>104,459,252</u>	<u>63,966,532</u>	<u>(950,442)</u>
<b>Business-type activities</b>										
Net investment in capital assets	710,573,981	730,703,264	763,729,810	780,708,037	796,312,992	810,998,630	803,603,097	822,218,634	853,676,904	892,816,991
Restricted for:										
Debt service	156,003,350	147,894,257	156,854,325	164,718,410	180,173,819	200,012,523	207,296,505	220,812,854	250,397,620	260,752,727
Capital improvements	27,995,401	24,161,749	19,049,853	19,401,006	19,220,764	18,912,824	-	-	-	-
Other purposes	794,814	979,956	-	391,326	1,616,364	614,500	3,707,389	3,925,738	4,578,740	9,039,041
Unrestricted	3,335,282	5,692,310	9,133,869	16,368,158	13,780,022	(2,501,035)	22,282,513	21,548,473	19,852,330	16,700,393
Subtotal business-type activities net position	<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>	<u>1,028,037,442</u>	<u>1,036,889,504</u>	<u>1,068,505,699</u>	<u>1,128,505,594</u>	<u>1,179,309,152</u>
<b>Primary government</b>										
Net investment in capital assets	1,216,523,808	1,227,552,182	1,326,235,555	1,372,268,466	1,392,675,873	1,434,583,155	1,444,711,534	1,444,456,838	1,487,495,446	1,523,782,081
Restricted for:										
Revenue stabilization	27,177,741	35,634,133	38,754,372	44,952,851	47,818,429	32,778,154	-	-	-	-
Debt service	169,350,276	161,050,091	166,395,089	178,051,572	189,404,642	211,695,957	212,631,628	224,809,057	251,961,577	264,752,239
Capital improvements	87,017,618	75,292,158	126,766,706	124,094,773	124,072,077	139,987,756	48,635,874	61,469,121	76,820,358	74,937,323
Reforestation	4,313,745	5,524,706	6,559,025	7,880,990	8,521,089	5,027,348	5,399,159	7,766,138	6,823,655	7,662,442
Other purposes	3,984,333	6,131,556	6,774,586	6,656,978	9,902,988	5,354,445	13,533,857	7,334,287	7,281,337	16,629,537
Unrestricted	(95,717,510)	(63,685,215)	(97,721,907)	(84,103,197)	(175,779,357)	(383,195,172)	(459,678,951)	(572,870,490)	(637,910,247)	(709,404,912)
Total primary governmental net position	<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>	<u>\$ 1,446,231,643</u>	<u>\$ 1,265,233,101</u>	<u>\$ 1,172,964,951</u>	<u>\$ 1,192,472,126</u>	<u>\$ 1,178,358,710</u>

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
Education	\$ 460,911	\$ 506,795	\$ 545,274	\$ 604,273	\$ 648,187	\$ 685,499	\$ 663,563	\$ 697,647	\$ 669,191	\$ 708,818
Public safety	174,599	185,399	208,106	211,406	261,315	267,140	285,295	282,484	290,833	304,563
General government	89,832	90,538	87,480	99,787	108,536	119,849	121,427	115,262	116,146	118,774
Health and human services	68,205	69,009	72,130	77,363	76,399	73,669	72,731	72,096	72,907	74,569
Public works	53,981	57,416	62,300	61,129	75,748	68,103	84,000	66,553	80,934	82,066
Recreation and community services	40,949	50,097	53,132	56,820	60,227	63,032	63,688	61,005	56,129	56,380
Judicial	18,962	19,673	20,648	21,450	25,577	26,395	26,925	27,103	28,011	29,058
Code enforcement	9,996	10,700	11,176	11,455	13,543	13,378	13,905	13,305	13,788	13,735
Land use and development	10,262	9,686	10,457	9,344	10,687	12,996	11,010	14,429	11,472	10,392
Economic development	3,342	3,330	3,445	3,731	3,770	-	-	-	-	-
Interest on debt and leases	27,974	26,436	30,146	32,483	31,420	29,795	34,407	38,566	39,712	37,685
Subtotal governmental activities expenses	<u>959,013</u>	<u>1,029,079</u>	<u>1,104,294</u>	<u>1,189,241</u>	<u>1,315,409</u>	<u>1,359,856</u>	<u>1,376,951</u>	<u>1,388,450</u>	<u>1,379,123</u>	<u>1,436,040</u>
Business-type activities:										
Water and wastewater	85,920	94,416	94,109	100,136	113,666	114,150	112,694	112,709	121,553	118,049
Waste collection	42,946	38,996	47,638	40,773	44,043	47,885	46,539	49,078	47,933	47,767
Child care	2,015	2,362	2,543	2,794	3,324	3,756	3,703	3,772	3,777	4,020
Subtotal business-type activities expenses	<u>130,881</u>	<u>135,774</u>	<u>144,290</u>	<u>143,703</u>	<u>161,033</u>	<u>165,791</u>	<u>162,936</u>	<u>165,559</u>	<u>173,263</u>	<u>169,836</u>
Total primary government expenses	<u>1,089,894</u>	<u>1,164,853</u>	<u>1,248,584</u>	<u>1,332,944</u>	<u>1,476,442</u>	<u>1,525,647</u>	<u>1,539,887</u>	<u>1,554,009</u>	<u>1,552,386</u>	<u>1,605,876</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Public safety	8,939	11,936	10,439	10,770	10,718	17,048	16,183	20,116	17,843	15,744
General government	23,232	27,057	34,595	35,660	38,368	40,485	42,238	44,867	44,487	51,240
Health and human services	3,464	3,134	4,010	4,186	3,843	7,114	7,375	4,207	7,778	7,139
Public works	1,723	1,905	2,770	3,009	2,752	2,491	3,907	4,352	2,992	4,193
Recreation and community services	8,042	9,265	12,223	15,065	16,324	16,904	16,119	16,095	17,053	17,995
Judicial	2,542	2,589	2,672	2,733	2,916	2,773	2,783	2,908	3,009	2,997
Code enforcement	13,282	13,610	14,287	14,849	13,694	10,764	11,526	13,605	11,414	13,215
Land use and development	2,657	2,756	2,568	3,248	2,562	1,050	2,924	5,132	1,769	2,184
Economic development	27	-	-	-	-	-	-	-	-	-
Operating grants and contributions	68,019	75,548	86,392	89,644	89,169	70,565	47,153	45,357	47,165	42,874
Capital grants and contributions	38,717	38,942	41,829	41,767	41,288	47,574	25,738	43,293	42,656	41,689
Subtotal governmental activities revenues	<u>170,644</u>	<u>186,742</u>	<u>211,785</u>	<u>220,931</u>	<u>221,634</u>	<u>216,768</u>	<u>175,946</u>	<u>199,932</u>	<u>196,166</u>	<u>199,270</u>
Business-type activities:										
Charges for services:										
Water and wastewater	59,600	61,805	68,464	69,689	72,449	71,622	78,995	81,555	86,737	84,555
Waste collection	35,449	36,153	42,291	43,014	43,708	43,281	43,218	44,106	50,680	49,175
Child care	2,084	2,428	2,689	2,881	3,089	3,493	3,665	3,568	4,032	4,070
Capital grants and contributions	28,947	38,539	43,991	43,078	51,850	49,630	44,798	54,093	76,527	71,141
Subtotal business-type activities revenues	<u>126,080</u>	<u>138,925</u>	<u>157,435</u>	<u>158,662</u>	<u>171,096</u>	<u>168,026</u>	<u>170,676</u>	<u>183,322</u>	<u>217,976</u>	<u>208,941</u>
Total primary government program revenues	<u>296,724</u>	<u>325,667</u>	<u>369,220</u>	<u>379,593</u>	<u>392,730</u>	<u>384,794</u>	<u>346,622</u>	<u>383,254</u>	<u>414,142</u>	<u>408,211</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(788,369)	(842,337)	(892,509)	(968,310)	(1,093,775)	(1,143,088)	(1,201,005)	(1,188,518)	(1,182,957)	(1,236,770)
Business-type activities	(4,801)	3,151	13,145	14,959	10,063	2,235	7,740	17,763	44,713	39,105
Total primary government net (expense)/revenue	<u>(793,170)</u>	<u>(839,186)</u>	<u>(879,364)</u>	<u>(953,351)</u>	<u>(1,083,712)</u>	<u>(1,140,853)</u>	<u>(1,193,265)</u>	<u>(1,170,755)</u>	<u>(1,138,244)</u>	<u>(1,197,665)</u>



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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
General property taxes	393,884	412,001	437,323	470,163	497,486	540,602	557,796	577,937	593,914	620,348
Local government taxes	289,676	308,215	339,522	378,250	372,100	334,648	349,283	371,491	400,465	403,623
State shared taxes	6,919	6,614	7,120	7,192	7,739	7,931	7,521	8,665	10,334	27,868
Recordation and transfer taxes	99,053	116,713	129,933	109,258	82,776	55,811	59,727	58,000	59,089	81,036
Local sales taxes	30,830	31,249	34,176	36,546	37,380	33,269	31,682	32,406	32,258	32,690
Investment income	1,633	4,437	10,595	13,263	13,590	6,565	2,335	1,322	1,418	(1,206)
Other revenue	6,671	336	45	1,969	-	-	2,811	4,387	12,323	7,494
County transfer	-	-	-	-	-	-	-	10,426	-	-
Forgiveness of debt State of Maryland	-	-	-	-	-	-	-	-	32,663	-
Subtotal governmental activities	<u>828,666</u>	<u>879,565</u>	<u>958,714</u>	<u>1,016,641</u>	<u>1,011,071</u>	<u>978,826</u>	<u>1,011,155</u>	<u>1,064,634</u>	<u>1,142,464</u>	<u>1,171,853</u>
Business-type activities:										
In kind contributions of capital assets	-	-	-	-	-	-	-	-	2,000	-
Investment income	3,730	4,921	9,246	9,841	11,066	8,602	4,509	2,896	1,072	560
Other revenue	7,286	7,042	7,688	8,019	8,388	6,097	6,830	10,957	12,215	11,139
Subtotal business-type activities	<u>11,016</u>	<u>11,963</u>	<u>16,934</u>	<u>17,860</u>	<u>19,454</u>	<u>14,699</u>	<u>11,339</u>	<u>13,853</u>	<u>15,287</u>	<u>11,699</u>
Total primary government	<u>839,682</u>	<u>891,528</u>	<u>975,648</u>	<u>1,034,501</u>	<u>1,030,525</u>	<u>993,525</u>	<u>1,022,494</u>	<u>1,078,487</u>	<u>1,157,751</u>	<u>1,183,552</u>
<b>Change in Net Position</b>										
Governmental activities	40,297	37,228	66,205	48,331	(82,704)	(164,262)	(189,850)	(123,884)	(40,493)	(64,917)
Business-type activities	6,215	15,114	30,079	32,819	29,517	16,934	19,079	31,616	60,000	50,804
Total primary government	<u>\$ 46,512</u>	<u>\$ 52,342</u>	<u>\$ 96,284</u>	<u>\$ 81,150</u>	<u>\$ (53,187)</u>	<u>\$ (147,328)</u>	<u>\$ (170,771)</u>	<u>\$ (92,268)</u>	<u>\$ 19,507</u>	<u>\$ (14,113)</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.*

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved for:										
Encumbrances	\$ 5,834,558	\$ 7,388,713	\$ 10,147,548	\$ 7,821,979	\$ 9,931,122	\$ 5,622,556	\$ 4,962,041	\$ -	\$ -	\$ -
Revenue stabilization fund	27,177,741	35,634,133	38,754,372	44,952,851	47,818,429	32,778,154	17,106,347	-	-	-
Debt service	5,996,172	4,548,800	4,138,515	6,071,789	3,124,631	6,109,093	-	-	-	-
Inventories	939,042	900,100	959,733	1,275,968	1,494,324	1,453,732	1,869,916	-	-	-
Other funds	-	121,743	512,446	756,606	908,047	1,092,910	-	-	-	-
Unreserved	59,667,854	94,110,403	92,639,611	103,840,756	54,447,182	(2,092,456)	27,578,262	-	-	-
Non spendable	-	-	-	-	-	-	-	1,952,362	2,081,977	1,891,254
Restricted	-	-	-	-	-	-	-	-	-	302,017
Assigned	-	-	-	-	-	-	-	31,313,766	31,391,329	69,233,918
Unassigned	-	-	-	-	-	-	-	27,775,608	46,035,927	44,312,026
Total general fund	\$ 99,615,367	\$ 142,703,892	\$ 147,152,225	\$ 164,719,949	\$ 117,723,735	\$ 44,963,989	\$ 51,516,566	\$ 61,041,736	\$ 79,509,233	\$ 115,739,215
All other governmental funds										
Reserved for:										
Encumbrances	\$ 39,597,488	\$ 44,829,719	\$ 37,074,156	\$ 34,223,321	\$ 40,144,197	\$ 38,468,428	\$ 37,445,938	\$ -	\$ -	\$ -
Debt service	351,171	21,672	4,190	879	-	-	4,785,530	-	-	-
Capital projects funds	-	-	-	-	-	-	1,000,000	-	-	-
Other purposes	-	-	-	-	-	-	4,922,428	-	-	-
Unreserved, reported in:										
Special revenue funds	65,293,424	63,281,802	60,569,365	62,336,404	61,862,791	56,658,583	41,148,113	-	-	-
Capital projects funds	(1,690,760)	(9,948,301)	30,327,210	50,779,961	55,118,049	53,498,655	13,508,310	-	-	-
Debt service funds	6,999,583	8,585,362	5,373,059	7,240,494	6,096,192	5,519,844	6,302,224	-	-	-
Restricted	-	-	-	-	-	-	-	73,250,908	84,309,450	87,949,331
Committed	-	-	-	-	-	-	-	1,960,508	1,407,089	1,932,505
Assigned	-	-	-	-	-	-	-	62,694,509	43,019,813	45,297,103
Unassigned	-	-	-	-	-	-	-	(3,682,206)	(3,325,628)	(3,530,106)
Total all other governmental funds	\$ 110,550,906	\$ 106,770,254	\$ 133,347,980	\$ 154,581,059	\$ 163,221,229	\$ 154,145,510	\$ 109,112,543	\$ 134,223,719	\$ 125,410,724	\$ 131,648,833

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

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

	2004	2005	2006
<b>REVENUES</b>			
General property taxes	\$ 395,347,946	\$ 411,488,309	\$ 439,755,427
Local income taxes	298,065,106	308,536,927	328,424,355
State shared taxes	25,613,319	30,308,838	36,025,864
Grants and aid	71,002,284	73,676,115	73,526,717
Recordation and transfer taxes	99,053,108	116,713,326	129,932,542
Local sales taxes	30,830,077	31,249,156	34,175,913
License and permit fees	15,154,020	15,400,144	16,766,915
Impact fees	10,715,560	10,845,055	11,056,677
Special community benefit taxes	3,829,032	4,640,447	5,047,941
Investment income	2,230,723	6,875,983	12,484,636
Fees for services and other revenue	33,060,102	37,503,663	40,055,997
Total revenues	<u>984,901,277</u>	<u>1,047,237,963</u>	<u>1,127,252,984</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Education	460,752,519	506,228,900	544,142,829
Public safety	171,085,550	183,418,356	201,470,724
General government	65,081,101	65,989,704	65,705,062
Health and human services	68,568,311	68,169,033	71,986,178
Public works	29,590,177	26,748,272	27,410,756
Recreation and community services	28,792,726	31,320,458	43,307,136
Judicial	17,531,229	18,551,403	19,300,693
Code enforcement	9,980,085	10,600,396	11,057,654
Land use and development	8,600,126	9,672,108	10,354,631
Economic development	3,342,050	3,330,000	3,445,000
Capital outlay	77,290,143	98,203,317	94,058,820
<b>Debt service</b>			
Interest payments on debt	27,488,181	26,865,677	29,309,560
Principal payments on debt	43,977,428	45,149,091	46,729,529
Interest payments on leases	18,406	12,325	7,358
Principal payments on leases	48,244	53,496	54,009
Total expenditures	<u>1,102,146,276</u>	<u>1,094,312,536</u>	<u>1,168,339,939</u>
Revenues over (under) expenditures	<u>(27,244,999)</u>	<u>(47,074,573)</u>	<u>(41,086,955)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	46,860,616	80,248,583	144,849,136
Transfers out	(46,860,616)	(80,248,583)	(144,849,136)
General obligation bonds issued	49,500,000	56,000,000	64,000,000
Bond anticipation notes issued	32,500,000	34,500,000	38,000,000
Payment of bond anticipation notes	(29,000,000)	(32,500,000)	(34,500,000)
National Business Park North bonds issued	-	-	-
Village South Waugh Chapel bonds issued	-	-	-
Parole Tax Increment bonds issued	-	-	-
Nursery Road Tax Increment bonds issued	2,570,000	-	-
Dorchester Taxing District bonds issued	5,388,744	-	-
Compass Pointe bonds issued	-	24,530,000	-
Installment purchase contracts issued	1,721,000	295,000	368,814
Proceeds from Federal and State Loans	-	-	1,009,930
Proceeds from lease financing	-	-	-
Proceeds from refunding issue	47,724,175	50,538,271	87,115,000
Premiums (discounts) from sale of bonds	3,294,922	3,417,648	7,481,071
Transfers from (to) proprietary funds	-	-	-
Transfers from (to) component units	-	-	-
Reduction (increase) in lawsuit liability	-	-	-
Payments to escrow agent	(51,047,973)	(50,398,473)	(91,361,801)
Total other financing sources (uses)	<u>62,650,868</u>	<u>86,382,446</u>	<u>72,113,014</u>
Net change in fund balances	<u>\$ 35,405,869</u>	<u>\$ 39,307,873</u>	<u>\$ 31,026,059</u>
Debt service as a percentage of noncapital expenditures	<u>7.4%</u>	<u>7.0%</u>	<u>6.9%</u>

	2007	2008	2009	2010	2011	2012	2013
\$	472,882,091	\$ 500,153,066	\$ 543,012,780	\$ 562,011,285	\$ 577,208,014	\$ 595,707,896	\$ 622,059,854
	361,956,043	371,369,460	364,527,636	355,787,451	369,341,731	394,480,856	407,582,398
	37,005,207	36,757,373	33,038,198	9,575,679	10,637,730	11,720,894	30,436,273
	62,884,873	77,080,676	67,315,877	51,292,124	52,762,415	52,827,290	49,240,293
	109,257,440	82,775,541	55,811,003	59,727,498	58,000,447	59,088,413	81,036,685
	36,546,370	37,380,289	33,269,235	31,681,511	32,405,559	32,258,227	32,689,945
	17,681,827	17,178,944	15,034,858	15,482,651	17,589,449	15,215,772	15,306,284
	9,268,611	8,132,004	5,330,130	4,077,383	9,469,099	20,113,165	16,166,890
	5,354,940	5,623,802	5,906,041	5,817,687	6,259,372	6,744,865	6,869,374
	16,302,297	16,041,101	6,957,412	2,013,921	909,826	3,444,363	(968,161)
	51,739,060	45,036,386	53,509,319	60,660,182	65,408,953	61,101,633	68,505,636
	<u>1,180,878,759</u>	<u>1,197,528,642</u>	<u>1,183,712,489</u>	<u>1,158,127,372</u>	<u>1,199,992,595</u>	<u>1,252,703,374</u>	<u>1,328,925,471</u>
	603,635,815	648,122,349	684,489,224	663,520,201	697,648,532	667,863,748	707,731,777
	211,273,738	222,788,697	234,201,473	236,020,663	234,003,601	234,743,678	244,784,672
	74,018,822	79,521,652	90,919,568	78,041,900	81,803,707	78,732,889	79,706,211
	77,428,060	70,964,487	71,767,527	69,961,727	68,153,620	69,383,832	69,646,503
	31,498,591	35,915,362	38,773,907	54,424,790	38,773,730	38,088,334	38,840,446
	46,231,649	49,396,167	49,944,034	48,052,691	47,835,484	49,595,703	48,337,232
	20,224,216	21,772,055	22,605,782	23,042,510	22,388,457	22,399,505	23,339,079
	11,599,781	12,307,157	12,342,856	12,006,795	11,360,912	11,536,177	11,583,462
	9,379,474	9,760,651	9,459,637	9,728,506	9,500,229	9,320,020	9,014,094
	3,731,000	3,770,200	-	-	-	-	-
	69,782,081	66,054,914	69,654,252	55,510,526	66,637,667	70,480,365	73,051,659
	29,967,318	31,594,418	31,481,880	32,281,174	37,380,700	39,736,712	40,313,826
	49,811,109	52,984,045	54,288,165	58,940,763	56,468,779	69,389,373	73,778,953
	3,743	-	5,524	6,282	4,950	3,526	2,008
	57,105	24,453	18,651	23,807	25,140	26,563	3,907
	<u>1,238,642,502</u>	<u>1,304,976,607</u>	<u>1,369,952,480</u>	<u>1,341,562,335</u>	<u>1,371,985,508</u>	<u>1,361,300,425</u>	<u>1,420,133,829</u>
	(57,763,743)	(107,447,965)	(186,239,991)	(183,434,963)	(171,992,913)	(108,597,051)	(91,208,358)
	153,626,114	130,370,500	120,205,586	182,952,661	94,470,013	76,229,704	122,899,386
	(153,626,114)	(130,370,500)	(120,205,586)	(182,952,661)	(94,470,013)	(76,229,704)	(122,899,386)
	92,400,000	55,200,000	113,300,000	139,025,000	117,500,000	98,900,000	116,000,000
	39,000,000	49,800,000	36,100,000	-	60,720,000	70,400,000	65,040,000
	(38,000,000)	(39,000,000)	(49,800,000)	(36,100,000)	(60,720,000)	(70,400,000)	(65,040,000)
	-	-	-	-	30,000,000	-	-
	-	-	-	-	16,000,000	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	926,000	1,477,925	840,000	-	1,487,000	-	-
	1,248,943	191,938	911,212	814,509	1,022,164	91,035	-
	-	106,616	-	29,575	-	-	-
	-	-	-	32,610,000	-	73,085,000	-
	5,101,149	2,115,442	6,109,094	11,780,793	9,361,054	30,548,530	16,130,659
	999,489	(800,000)	-	30,700,000	15,446,397	3,294,210	1,545,790
	-	-	-	-	10,426,000	-	-
	-	-	-	-	5,386,644	(67,118)	-
	-	-	-	(33,905,304)	-	(87,600,104)	-
	<u>101,675,581</u>	<u>69,091,921</u>	<u>107,460,306</u>	<u>144,954,573</u>	<u>206,629,259</u>	<u>118,251,553</u>	<u>133,676,449</u>
\$	<u>43,911,838</u>	<u>(38,356,044)</u>	<u>(78,779,685)</u>	<u>(38,480,390)</u>	<u>34,636,346</u>	<u>9,654,502</u>	<u>42,468,091</u>
	<u>6.7%</u>	<u>6.7%</u>	<u>6.5%</u>	<u>7.0%</u>	<u>7.1%</u>	<u>8.4%</u>	<u>8.4%</u>

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					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	Total Real Property	Railroad/Utility Property	Other Business Property	Total Personal Property				
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	\$ 1.01	\$ 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	1.00	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	0.98	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	0.97	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	0.94	71,963,790	100.00%
2009	65,722,744	13,280,564	586,061	32,016	79,621,385	856,853	1,896,751	2,753,604	82,374,989	0.91	82,374,989	100.00%
2010	69,478,501	14,351,158	555,503	32,005	84,417,167	847,143	1,889,767	2,736,910	87,154,077	0.90	87,154,077	100.00%
2011	66,700,824	14,955,283	563,241	18,783	82,238,131	849,560	1,793,642	2,643,202	84,881,333	0.89	84,881,333	100.00%
2012	61,234,395	15,476,007	558,082	20,950	77,289,434	847,270	1,707,349	2,554,619	79,844,053	0.92	79,844,053	100.00%
2013	58,675,052	15,099,168	473,874	17,862	74,265,956	914,522	1,667,496	2,582,018	76,847,974	0.96	76,847,974	100.00%

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

Fiscal Year Ended June 30,	Anne Arundel County					Overlapping		Total	
	Other than City of Annapolis		Within City of Annapolis		Weighted Average Tax Rate	City of Annapolis Real Property	State of Maryland Real Property	Other than City of Annapolis Real Property	Within City of Annapolis Real Property
	Real Property	Personal Prop.	Real Property	Personal Prop.					
2004	\$ 0.96	\$ 2.39	\$ 0.56	\$ 1.39	\$ 1.00	\$ 0.60	\$ 0.13	\$ 1.09	\$ 1.29
2005	0.94	2.35	0.56	1.40	0.98	0.58	0.13	1.07	1.27
2006	0.93	2.33	0.56	1.39	0.97	0.56	0.13	1.06	1.25
2007	0.92	2.30	0.55	1.37	0.94	0.53	0.11	1.03	1.19
2008	0.89	2.23	0.53	1.33	0.91	0.53	0.11	1.00	1.17
2009	0.89	2.22	0.53	1.33	0.90	0.53	0.11	1.00	1.17
2010	0.88	2.19	0.52	1.31	0.89	0.53	0.11	0.99	1.17
2011	0.88	2.20	0.53	1.31	0.88	0.53	0.11	0.99	1.17
2012	0.91	2.28	0.54	1.36	0.92	0.56	0.11	1.02	1.22
2013	0.94	2.35	0.56	1.41	0.96	0.64	0.11	1.05	1.32

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

Anne Arundel County, Maryland  
Principal Property Tax Payers  
Current Year and Nine Years Ago

2013		
Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Baltimore Gas and Electric Company	\$ 655,160,290	0.85%
Constellation Power Source Gen. Inc.	464,152,540	0.60%
Verizon	198,554,960	0.26%
Annapolis Mall LTD Partnership (Annapolis Mall)	420,722,734	0.55%
Arundel Mills Limited Partnership (Arundel Mills Mall)	359,775,773	0.47%
PPE Casino Resorts Maryland LLC	244,204,245	0.32%
Raven FS Property Holdings LLC	222,258,200	0.29%
Northrop Grumman Corp.	114,801,167	0.15%
Annapolis Towne Center at Parole LLC	152,957,782	0.20%
Wal-mart Stores, Inc.	114,739,857	0.15%
	<u>\$ 2,947,327,548</u>	<u>3.84%</u>

2004		
Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Baltimore Gas and Electric Company	\$ 993,456,680	2.39%
Verizon	249,089,820	0.60%
Arundel Mills Limited Partnership (Arundel Mills Mall)	225,879,898	0.54%
Annapolis Mall LTD Partnership (Annapolis Mall)	195,104,766	0.47%
TKL East (Marley Station Mall)	96,754,766	0.23%
Wal-mart Stores, Inc.	77,630,031	0.19%
Northrop Grumman Corp.	66,196,400	0.16%
Parole Town Center Associates LTD Partnership	53,103,985	0.13%
Baywoods Cooperative Apartments LLC	49,300,000	0.12%
Harbour Gates Inc. (Harbour Gates Apts)	43,077,697	0.10%
	<u>\$ 2,049,594,043</u>	<u>4.94%</u>



Anne Arundel County, Maryland  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	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
2004	\$ 393,762,892	\$ 391,557,058	99.44%	\$ 2,120,592	\$ 393,677,650	99.98%
2005	412,089,133	410,206,824	99.54%	1,878,695	412,085,519	100.00%
2006	439,775,209	438,118,642	99.62%	1,542,710	439,661,352	99.97%
2007	472,038,379	470,209,494	99.61%	1,705,872	471,915,366	99.97%
2008	498,477,749	497,250,354	99.75%	1,057,221	498,307,575	99.97%
2009	542,257,507	540,376,837	99.65%	1,619,424	541,996,261	99.95%
2010	562,014,875	553,780,723	98.53%	7,863,026	561,643,749	99.93%
2011	577,037,468	563,622,256	97.68%	13,007,145	576,629,401	99.93%
2012	595,530,678	593,210,480	99.61%	1,576,930	594,787,410	99.88%
2013	619,955,595	618,157,426	99.71%	-	618,157,426	99.71%

Anne Arundel County, Maryland  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*(in thousands of dollars, except per capita)*

Fiscal Year Ended June 30,	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			
2004	\$ 493,467	\$ 32,500	\$ 56,215	\$ 2,724	\$ 162	\$ 8,398	\$ 593,466	\$ 266,560	\$ 20,000	\$ 880,026	3.79%	\$ 1,715
2005	530,960	34,500	55,520	2,383	112	8,679	632,154	283,104	7,000	922,258	3.74%	1,787
2006	550,154	38,000	54,795	3,177	57	9,031	655,214	282,827	21,000	959,041	3.65%	1,853
2007	595,201	39,000	53,960	3,803	-	9,939	701,903	314,551	19,000	1,035,454	3.76%	1,989
2008	598,692	49,800	53,085	3,782	82	11,398	716,839	327,088	17,000	1,060,927	3.68%	2,020
2009	660,246	36,100	52,170	3,722	64	12,218	764,520	336,677	35,300	1,136,497	4.02%	2,135
2010	741,762	-	51,020	4,439	60	12,198	809,479	362,890	-	1,172,369	4.02%	2,174
2011	805,197	-	95,330	4,804	34	13,665	919,030	399,233	2,200	1,320,463	4.31%	2,426
2012	823,495	-	93,155	4,215	8	13,645	934,518	406,802	-	1,341,320	4.16%	2,437
2013	869,358	-	90,815	3,888	4	13,625	977,690	440,789	-	1,418,479	4.27%	2,556

(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 Ended June 30,	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (a)	Per Capita (b)
2004	\$ 816,243	1.97%	\$ 1,590
2005	869,584	1.88%	1,685
2006	887,776	1.68%	1,715
2007	963,712	1.57%	1,852
2008	978,864	1.36%	1,863
2009	1,049,092	1.27%	1,971
2010	1,155,673	1.33%	2,143
2011	1,299,760	1.53%	2,387
2012	1,323,452	1.66%	2,404
2013	1,400,962	1.82%	2,525

*(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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Annapolis	\$ 105,425,493	100.00%	\$ <u>105,425,493</u>
Subtotal overlapping debt			<u>105,425,493</u>
Anne Arundel County direct debt			<u>977,689,595</u>
Total direct and overlapping debt			<u><u>\$ 1,083,115,088</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)*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Assessed value</b>										
Real property	\$ 39,116,262	\$ 43,802,722	\$ 50,253,450	\$ 58,869,765	\$ 69,445,611	\$ 79,621,385	\$ 84,417,167	\$ 82,238,131	\$ 77,289,434	\$ 74,265,956
Personal and operating real property	2,379,732	2,406,886	2,479,719	2,589,549	2,518,178	2,753,604	2,736,910	2,643,202	2,554,619	2,582,018
Total assessed value	<u>41,495,994</u>	<u>46,209,608</u>	<u>52,733,169</u>	<u>61,459,314</u>	<u>71,963,789</u>	<u>82,374,989</u>	<u>87,154,077</u>	<u>84,881,333</u>	<u>79,844,053</u>	<u>76,847,974</u>
<b>Legal debt margin</b>										
Debt limit (5.2% of assessed value of real property, 13% for fiscal years 2001 and prior)	2,034,046	2,277,742	2,613,179	3,061,228	3,611,172	4,140,312	4,389,693	4,276,383	4,019,051	3,861,830
Debt limit (13% of assessed value of personal and operating real property)	309,365	312,895	322,364	336,641	327,363	357,969	355,798	343,616	332,101	335,662
Total debt limit	<u>2,343,411</u>	<u>2,590,637</u>	<u>2,935,543</u>	<u>3,397,869</u>	<u>3,938,535</u>	<u>4,498,281</u>	<u>4,745,491</u>	<u>4,619,999</u>	<u>4,351,151</u>	<u>4,197,492</u>
Debt applicable to limit:										
General obligation bonds	499,547	534,773	553,117	597,181	599,704	660,269	742,132	805,528	830,134	875,042
Bonded debt for solid waste projects (1)	23,083	21,042	19,963	20,399	17,976	17,721	21,163	27,907	28,111	26,028
Installment Purchase Agreement	8,398	8,679	9,031	9,939	11,398	12,218	12,198	13,665	13,645	13,625
Tax Increment Bonds	56,215	55,520	54,795	53,960	53,085	52,170	51,020	95,330	93,155	90,815
Bond anticipation notes (2)	33,500	35,500	38,000	39,000	49,800	39,600	-	2,200	-	-
Total debt applicable to limit	<u>620,743</u>	<u>655,514</u>	<u>674,906</u>	<u>720,479</u>	<u>731,963</u>	<u>781,978</u>	<u>826,513</u>	<u>944,630</u>	<u>965,045</u>	<u>1,005,510</u>
Legal debt margin	\$ <u>1,722,668</u>	\$ <u>1,935,123</u>	\$ <u>2,260,637</u>	\$ <u>2,677,390</u>	\$ <u>3,206,572</u>	\$ <u>3,716,303</u>	\$ <u>3,918,978</u>	\$ <u>3,675,369</u>	\$ <u>3,386,106</u>	\$ <u>3,191,982</u>
Total debt applicable to the limit as a percentage of debt limit	<u>26.49%</u>	<u>25.30%</u>	<u>22.99%</u>	<u>21.20%</u>	<u>18.58%</u>	<u>17.38%</u>	<u>17.42%</u>	<u>20.45%</u>	<u>22.18%</u>	<u>23.96%</u>

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

(2) This presentation of debt for self-liquidating solid waste projects and bond anticipation notes is made to provide a conservative statement of indebtedness that evidences compliance with the 5.2% and 5.6% debt limitation.

Anne Arundel County, Maryland  
Pledged-Revenue Bond Coverage  
Last Ten Fiscal Years  
(dollars in thousands)

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			
2004	\$ 66,381	\$ 49,369	\$ 17,012	\$ 17,988	\$ 9,167	0.63	\$ 39,524	\$ 39,387	\$ 137	\$ 2,930	\$ 1,175	0.03		
2005	68,815	55,399	13,416	18,538	8,428	0.50	40,375	34,109	6,266	3,041	1,080	1.52		
2006	77,909	57,243	20,666	19,180	7,987	0.76	46,613	41,847	4,766	3,078	1,038	1.16		
2007	80,861	62,031	18,830	19,087	7,882	0.70	48,813	37,028	11,785	3,064	992	2.91		
2008	85,389	73,641	11,748	19,818	7,747	0.43	49,013	40,460	8,553	3,223	994	2.03		
2009	83,291	74,931	8,360	20,891	6,154	0.31	45,292	44,757	535	2,354	806	0.17		
2010	88,153	71,998	16,155	19,379	6,294	0.63	44,300	43,358	942	1,513	302	0.52		
2011	89,182	71,602	17,580	19,568	7,433	0.65	48,083	46,267	1,816	1,456	253	1.06		
2012	95,633	74,888	20,745	21,789	7,440	0.71	53,224	45,731	7,493	2,000	206	3.40		
2013	91,264	75,674	15,590	23,164	7,195	0.51	51,140	43,383	7,757	2,083	336	3.21		

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			
2004	\$ 9,062	\$ 568	\$ 8,494	\$ 829	\$ 3,317	2.05	\$ 1,699	\$ 31	\$ 1,668	\$ 13	\$ 380	4.24		
2005	10,813	40	10,773	881	2,020	3.71	1,217	3	1,214	14	481	2.45		
2006	12,785	38	12,747	783	2,698	3.66	36	352	-316	17	502	-0.61		
2007	15,526	32	15,494	908	2,657	4.35	2,219	9	2,210	18	540	3.96		
2008	18,100	848	17,252	875	2,613	4.95	614	14	600	19	605	0.96		
2009	22,087	1,151	20,936	915	2,570	6.01	413	5	408	20	661	0.60		
2010	24,354	1,057	23,297	1,150	2,522	6.34	1,473	0	1,473	20	663	2.16		
2011	27,428	1,074	26,354	1,690	2,462	6.35	961	194	767	20	664	1.12		
2012	27,929	1,073	26,856	2,175	2,382	5.89	3,991	0	3,991	20	724	5.36		
2013	32,211	928	31,283	2,340	2,472	6.50	67	750	-683	20	729	-0.91		

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

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

Year	Population (a)	Personal Income (b) (thousands of dollars)	Per Capita Personal Income (c)	Public School Enrollment (d)	Unemployment Rate % (e)
2004	513,259	\$ 23,242,127	\$ 45,283	74,000	3.8
2005	516,171	24,648,977	47,754	73,633	3.5
2006	517,698	26,261,768	50,728	73,111	3.3
2007	520,503	27,574,822	52,977	73,405	3.1
2008	525,304	28,804,951	54,835	73,658	3.8
2009	532,395	28,303,880	53,163	74,782	6.7
2010	539,241	29,129,254	54,019	75,481	7.1
2011	544,403	30,633,776	56,270	76,303	6.6
2012	550,488	32,230,380	58,549	77,770	6.1
2013	554,875	33,221,248	59,872	79,403	6.2

*Sources and notes:*

(a) *Mid-year (July 1) estimates obtained from the Population Division, U.S. Census Bureau, release date June 11, 2013; 2010 Population data as of April 1, 2010. These data supersede population estimates published in previous years. Year 2013 mid-year estimated Maryland Association of Counties-Budget, Tax Rates, and Selected Statistics- FY2013.*

(b) *U.S. Bureau of Economic Analysis, release date November 26,2012- revised estimated for 2008-2011 These data supersede population estimates published in previous years. Year 2012 and 2013 estimated by Anne Arundel County Planning & Zoning using linear regression (R2=.9725). Additionally, population was revised back to the year 2002 to reflect population estimates for 2012 and 2013*

(c) *Per capita personal income is total personal income divided by total U.S. Census Bureau mid-year population.*

(d) *Anne Arundel County Board of Education, Educational Facilities Master Plan July 2013; 2002-2012 actual enrollment \* 2013 Projected by AACPS Planning Department release date July 2013.*

(e) *Maryland Department of Labor, Licensing and Regulation monthly reports; Year 2013 average for Jan -Oct. Estimates are revised to the 2008 and 2012 benchmark from the current population study, published April 2013 and updated December 5, 2013. The data are not seasonally adjusted, but the count is of persons by place of residence as the week of the 12th of the month.*

ANNE ARUNDEL COUNTY, MARYLAND  
 Principal Employers  
 Current Year and Nine Years Ago

2013			2004		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Ft. George G. Meade *	56,692	15.60%	National Security Agency *	16,000	6.17%
Anne Arundel County Public Schools	14,000	3.85%	Ft. George G. Meade *	14,150	5.46%
BWI Thurgood Marshall Airport	9,717	2.67%	Anne Arundel County Public Schools	10,500	4.05%
State of Maryland	9,578	2.64%	State of Maryland	9,524	3.67%
Northrop Grumman Corp.	6,500	1.79%	Northrop Grumman Corp.	8,250	3.18%
Anne Arundel County Government	4,163	1.15%	Anne Arundel County Government	4,111	1.59%
Southwest Airlines	3,200	0.88%	North Arundel Health System	2,432	0.94%
Anne Arundel Health System	3,000	0.83%	Southwest Airlines	2,425	0.94%
Maryland Live! Casino	2,700	0.74%	U.S. Naval Academy	2,052	0.79%
Baltimore Washington Medical Center	2,650	0.73%	Anne Arundel Health System	2,025	0.78%
	<u>112,200</u>	<u>30.88%</u>		<u>71,469</u>	<u>27.56%</u>

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

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



ANNE ARUNDEL COUNTY, MARYLAND  
 County Government Employees by Function  
 Last Ten Fiscal Years

Function	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	554	535	537	540	536	530	519	501	496	489
Public safety										
Police	1,037	904	921	923	933	938	894	892	895	909
Fire	675	721	833	833	860	861	859	855	855	785
Detention center	409	408	409	415	415	412	408	402	399	398
Health and human services	175	161	163	175	178	177	176	174	161	159
Public works	339	295	299	304	308	309	289	282	270	270
Recreation and community services	99	99	102	110	113	112	104	98	90	87
Judicial	260	261	264	270	270	272	272	270	269	269
Code enforcement	158	156	168	172	178	177	166	162	154	154
Land use and development	104	101	101	105	90	88	84	82	81	79
Water and wastewater	353	348	348	348	348	351	350	350	350	350
Solid waste	83	83	84	85	85	85	87	87	87	88
Child care	7	7	7	8	8	9	9	9	9	9
Total	<u>4,253</u>	<u>4,079</u>	<u>4,236</u>	<u>4,288</u>	<u>4,322</u>	<u>4,321</u>	<u>4,217</u>	<u>4,164</u>	<u>4,116</u>	<u>4,046</u>

Anne Arundel County, Maryland  
 Operating Indicators by Function/Program  
 Last Ten Fiscal Years

Function/program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Physical arrests	16,419	16,321	16,644	16,424	21,476	20,151	19,056	19,165	16,914	23,317
Parking violations	4,010	4,382	4,562	3,772	4,887	4,103	3,755	4,318	3,081	3,828
Traffic violations	53,855	61,161	69,022	81,142	133,507	120,229	141,308	152,484	102,374	171,849
<b>Fire</b>										
Emergency responses	62,565	61,412	62,304	65,724	66,349	66,170	72,946	73,071	72,075	75,407
Inspections	10,353	11,436	12,992	11,308	12,201	12,075	10,700	11,032	11,540	10,584
<b>Streets and highways</b>										
Resurfacing (miles)	31.1	78.2	124.5	70.3	65.1	59.1	48.0	57.7	60.0	57.0
<b>Recreation and community services</b>										
Facility use applications	5,754	6,032	6,916	7,177	7,208	6,553	6,619	6,451	6,451	6,233
<b>Water</b>										
New water connections	4,856	1,477	1,094	894	937	752	871	743	712	694
Water main breaks	162	129	152	124	176	192	255	178	196	207
Average daily water consumption (thousands of gallons)	30,886	31,484	33,460	30,980	35,976	36,992	34,624	33,478	35,503	36,900
Number of customers	100,427	101,623	102,878	103,775	104,609	105,377	106,208	107,004	107,721	108,760
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	33,953	32,457	31,077	32,340	30,959	30,564	33,800	31,173	32,399	31,086
Number of customers	108,017	109,179	110,637	111,574	112,487	113,413	114,342	115,129	115,817	116,801
<b>Solid waste</b>										
Trash collected (tons per year)	271,233	268,855	255,788	244,454	226,707	201,980	193,478	191,481	191,842	182,992
Recyclables collected (tons per year)	131,253	112,118	125,996	122,721	130,645	125,380	141,750	143,861	140,174	145,301
<b>Child care</b>										
Enrollment	1,619	1,689	1,921	1,982	2,477	2,148	2,150	2,337	2,337	2,175

Anne Arundel County, Maryland  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function/program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Public Safety</b>										
Police										
Stations	10	10	10	10	10	10	10	10	10	10
Patrol units (vehicles)	414	429	468	484	487	487	487	487	487	492
Fire										
County owned stations	17	17	18	18	18	19	19	19	19	19
Volunteer stations	12	12	12	12	12	12	12	12	12	12
Pumpers/tankers	60	68	61	64	64	65	65	65	59	59
Ladder trucks	22	22	24	24	23	23	23	23	22	22
Paramedic units	41	39	41	40	40	41	41	41	42	42
<b>Streets and highways</b>										
Streets (miles)	1,735	1,754	1,761	1,765	1,767	1,768	1,772	1,772	1,776	1,814
Streetlights	35,081	35,423	35,800	36,130	36,561	37,105	37,375	37,583	37,660	38,054
Traffic signals	161	162	162	168	177	178	186	187	193	195
<b>Recreation and community services</b>										
Open space acreage	5,240	5,467	3,505	3,505	4,137	3,621	3,837	4,579	5,053	4,976
Playgrounds and Parks acreage	5,647	5,671	6,029	6,029	6,897	6,928	6,952	6,952	7,158	7,242
Parks										
Playgrounds	94	92	70	71	70	62	64	64	64	66
Baseball/softball fields	210	213	240	239	241	236	237	237	237	199
Football fields	162	169	107	110	112	118	118	118	118	91
Basketball courts	113	111	76	78	78	70	70	70	70	53
Tennis courts	214	212	86	84	84	64	64	64	64	54
<b>Water</b>										
Water mains (miles)	1,302	1,315	1,330	1,338	1,354	1,365	1,412	1,357	1,362	1,366
Water treatment plants	14	13	13	13	13	13	13	13	13	13
<b>Wastewater</b>										
Maximum daily treatment capacity (thousands of gallons)	43,615	43,615	43,615	43,615	46,615	46,615	46,615	46,615	46,615	46,615
Wastewater mains (miles)	1,346	1,363	1,376	1,397	1,417	1,440	1,459	1,401	1,418	1,432
Wastewater treatment plants	7	7	7	7	7	7	7	7	7	7
Wastewater pumping stations	243	243	245	248	251	252	249	249	251	253

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