

# **Anne Arundel County, Maryland**

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

### **County Executive**

Steven R. Schuh

### **County Council**

Jerry Walker – Chairman  
Pete Smith - Vice Chairman  
Derek Fink  
John J. Grasso  
Michael Anthony Peroutka  
Andrew C. Pruski  
Chris Trumbauer

Prepared by: Office of Finance – Julie Mussog, Controller



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Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2015**

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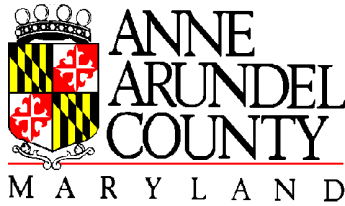
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**OFFICE OF FINANCE**

Steven R. Schuh,  
County Executive

Julie Mussog,  
Controller

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

December 30, 2015

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, 2015 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 2015.

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 unmodified ("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 complement 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 indicate 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 and impact fee fund (annually appropriated major governmental funds) and certain special revenue funds and debt service funds (annually appropriated non-major governmental funds) are included in the current expense budget.

The current operating expense budget includes appropriations 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 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 agencies propose to undertake in the ensuing fiscal year and the succeeding five fiscal years and makes recommendations.

After a thorough review of the departmental requests, the comprehensive budget document is submitted to the County Council on May 1<sup>st</sup>. The County Council then conducts a series of public hearings and work sessions to review the proposed budget. The County Council cannot alter revenue estimates or 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 County 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 fifteenth day of the last month of the fiscal year currently ending.

## ANNE ARUNDEL COUNTY

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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. Expenses and encumbrances cannot exceed legally adopted appropriation. 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 corridor location between two large metropolitan areas. Because of this distinct location advantage, Anne Arundel County is located in the “Washington-Baltimore-Arlington, DC-MD-VA-WV-PA Combined Statistical Area,” the fifth largest United States market, as defined by the U.S. Census Bureau. This combined region contains a population of more than 9.4 million and its jurisdictions have household incomes at the highest levels in the country.

The County has six Economic Drivers 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
- 4) Arundel Mills
- 5) Regional Hospitals
- 6) Northern Industrial Belt

The City of Annapolis is an independent municipality that supports more than 35,000 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”. It is also host to the U.S. Naval Academy.

BWI-TM airport supports 10,000 direct jobs and contributes \$7 billion to the Maryland economy. It is the 22<sup>nd</sup> busiest U.S. airport providing 330 daily departures serving 81 destinations.

Fort Meade is a 5,000 acre federal facility that hosts 117 tenant organizations with an estimated total employment on the base of 53,733 military and civilians. Major tenants on the base include National Security Agency, Defense Information Systems Agency and the expanding U.S. Cyber Command.

Arundel Mills is a major retail, entertainment, office, and hospitality center with a combined employment concentration of about 12,000. Its development history began just 15 years ago with support from County Tax Increment Financing investment for infrastructure. In addition to regional retail, there are six hotels, two office buildings and the Maryland Live casino. Maryland Live is proposing the addition of a 300 room hotel and conference center to complement its entertainment venue.

Two regional hospitals – Anne Arundel Medical Center and Baltimore Washington Medical Center, with affiliations to Johns Hopkins and University of Maryland, provide healthcare services to county residents and to the extended region. Related medical offices and service providers help build a vibrant medical services industry for the region.

## ANNE ARUNDEL COUNTY

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In the northern tier of Anne Arundel, close proximity to transportation assets – Port of Baltimore, BWI-TM Airport, Rail and Highway, create the foundation for the County’s industrial and distribution businesses. Northrop Grumman Mission Systems division is headquartered here along with significant product logistics firms. Northrop Grumman, with 7,500 employees, is the largest private employer in the County.

Anne Arundel County’s civilian workforce measuring more than 298,624 workers serves businesses, government agencies and institutions throughout the Washington-Baltimore Region. Within the County, there are approximately 254,774 “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 37.4% workers 25 years and older with a college or advanced graduate degree. The 2015 year to date average unemployment rate for Anne Arundel County is 4.7 percent as compared to the average for 2014 of 5.3 percent. This rate is favorable in contrast to the State unemployment rate of 5.3 percent and the national rate of 5.4 percent.

Anne Arundel County is fortunate to have industry diversity with the Trade/Transportation and Utilities, Government, Professional and Business Services and Leisure and Hospitality sectors dominating in terms of employment. Since the late 2009 lows, most industries have recovered with strong gains realized in the Government, Education and Health, Hospitality, and Professional and Business Service sectors. Presently the County is experiencing an all-time-high in payroll employment with 254,774 jobs in the County.

**Housing Market:** The demand for real estate in Anne Arundel County is up compared to last year at this time with the number of housing units sold in 2015 year to date at 5,806 up 16.5 percent over last year. The average price for existing homes is down 3.2 percent in 2015, with the average sold price at \$354,741. Median price for existing home sales at \$305,628 is down 1.7 percent over the same time period in 2014.

**Commercial Real Estate:** Currently there is 57,094,553 square feet of commercial real estate in Anne Arundel County representing 1,827 properties. The average vacancy rate for all commercial property (office, flex, industrial) in the County is 10.5 percent, down slightly from the five-year average of 10.7 percent. Average rental rates are \$13.49 per square foot, down slightly when compared to the five-year average cost at \$13.68 per square foot. Currently average rental rates per square foot are \$23.99 for office, \$13.64 for flex and \$6.00 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 \$48.6 million at the end of fiscal year 2015. 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 \$2.0 million will be transferred to the Fund during fiscal year 2016 which at the time the budget was set was the maximum amount allowed under County Code. Effective September 10, 2015 the maximum fund balance is now 5% of the estimated General Fund revenues for the upcoming fiscal year or \$67.4 million for fiscal year 2016.

**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 and 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 addition years of conservative budgeting and prudent financial management have created a solid foundation for economic stability for the future. Anne Arundel County's low property and income tax rates make the County attractive for both businesses and families. At \$0.923 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 2.50% is the 3<sup>rd</sup> lowest in the State of Maryland. Revenues from property and income taxes for fiscal year 2015 supported 79% of the County's budgeted expenditures, and growth in both sources should continue in the future. With a strong defense and technology industry base, 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 and favorable property and income tax rates 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.

## 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 decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. 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, Fitch and Moody's as these rating agencies have assigned AAA, AA+ and Aa1 ratings, respectively with stable outlook for the County's general obligation (GO) bonds.

**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, 2015 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 two component units totaling approximately \$0.3 million which were uninsured and uncollateralized at June 30, 2015. We are working with these component units 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, 2014. This was the thirty-fourth consecutive year that the County has received this prestigious award.

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

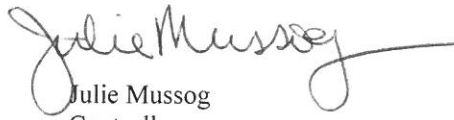
ANNE ARUNDEL COUNTY

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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. 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 Mussoy  
Controller



Government Finance Officers Association

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

Presented to

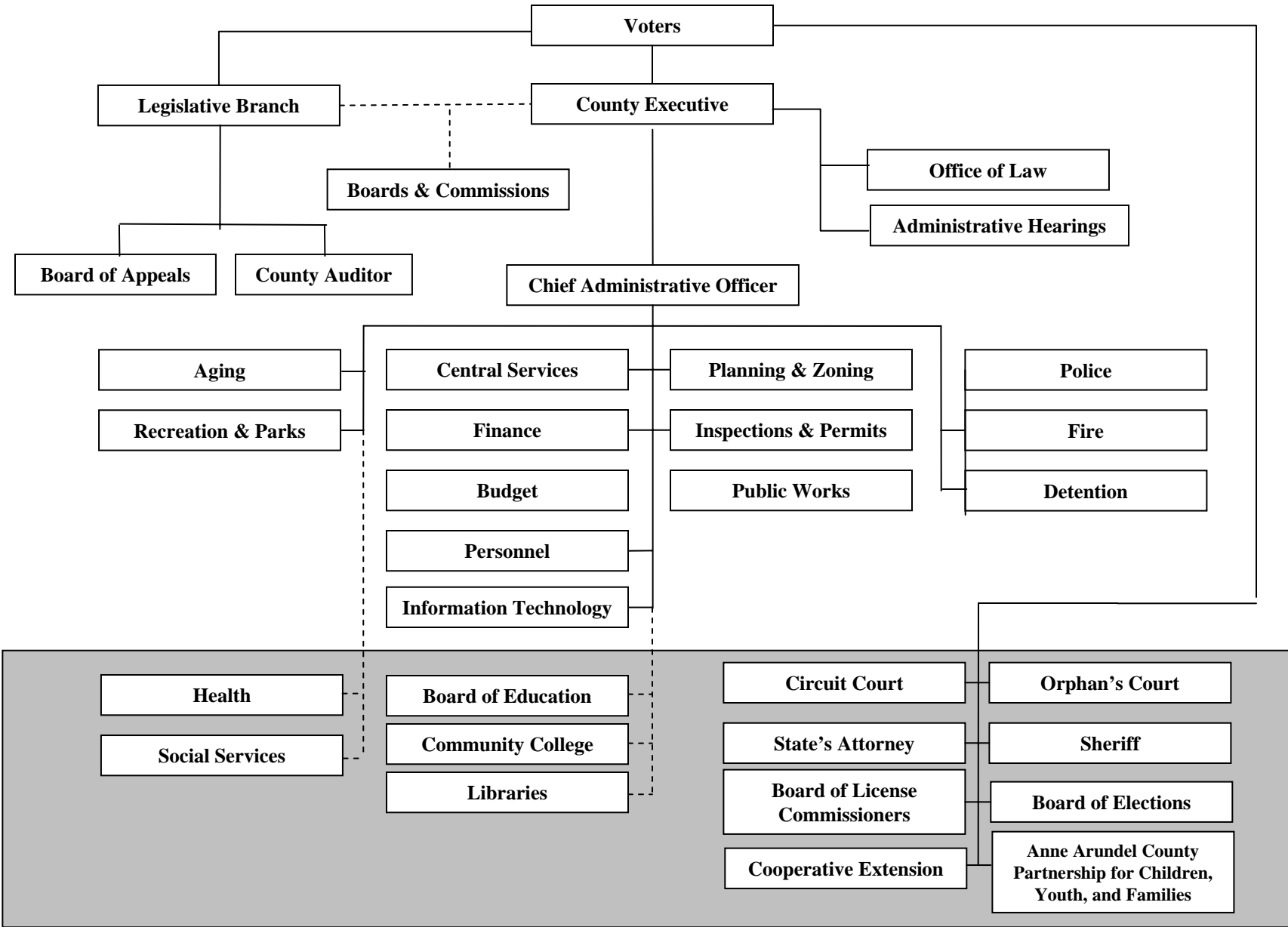
**Anne Arundel County  
Maryland**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# Anne Arundel County, Maryland





## CliftonLarsonAllen

### 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, and the aggregate remaining fund information of Anne Arundel County, Maryland (the County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County'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 11 percent, 14 percent, and 11 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the 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 reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Economic Development Corporation and Anne Arundel County Community College Foundation, which is 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 the County as of June 30, 2015, 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.

### **Emphasis of a Matter**

As discussed in Note 1 to the financial statements, the County restated the beginning net positions of the governmental and business-type activities and Water and Wastewater fund in order to correct errors made in the accounting for capital assets. During fiscal year ended June 30, 2015, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. As a result of the implementation of these standards, the County reported a restatement for the change in accounting principle (see Note 1). Our auditors' opinion was not modified with respect to the restatement.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the schedule of funding progress, schedules of employer contributions, schedules of changes in net pension liability, and schedule of employer's share of net pension liability, as identified in the accompanying 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 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 the County's basic financial statements. The introductory section, combining fund statements, budgetary statements, other supporting schedules, and statistical section, as referenced in the accompanying table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining fund statements, budgetary statements, and other supporting schedules 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. 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole

The introductory section and statistical sections, as referenced in the accompanying 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 30, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result 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 County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
December 30, 2015

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## Anne Arundel County, Maryland

### Management Discussion and Analysis

#### Year Ended June 30, 2015

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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, 2014 have been provided.

#### Financial Highlights

##### **Government-wide:**

- The County's assets exceeded its liabilities at the close of the fiscal year by \$855.6 million. The unrestricted portion is a negative \$1.16 billion which is composed of a deficit in the governmental activities of \$1.15 billion and a deficit of \$8.7 million in the business type activities. The unrestricted deficit occurred in the governmental activities due to Board of Education and Anne Arundel Community College debt being recorded on the County's balance sheet, but not the corresponding capital assets. Debt outstanding for education projects is \$593.2 million and for college projects is \$45.2 million. The current net value of the Board of Education assets is \$1.03 billion and the community college net assets total \$97.2 million. The unrestricted deficit was further increased in the current fiscal year by \$454.7 million in governmental activities and \$42.1 million in business type activities due to the implementations of GASB Statement No. 68, "Accounting and Financial Reporting for Pension" and related GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68" in recording the beginning net pension liability and the beginning deferred outflow of resources, contributions subsequent to the measurement date, for the defined benefit pension plans.
- Total net position of the County has increased by \$45.0 million or 5.6% over the prior year after restating the fiscal 2014 net position.
  - In the governmental activities, total revenue increased \$87.4 million or 6.1% while expenses increased \$114.3 or 7.8% from the prior fiscal year, resulting in a \$49.8 million decrease in net position, which is \$26.9 million more than the fiscal year 2014 decrease. Increases in capital grants and contributions and general property tax revenue of \$50.4 and \$20.2 million, respectively were the primary drivers of the increase in revenue. Higher expenses were primarily due to pay package increases and higher education spending.
  - In the business type activities, total revenues increased by \$36.4 million and exceeded total expenses by \$94.9 million, which is \$30.5 million more than the fiscal year 2014 increase. The higher revenues were driven by an increase in grants & developer contributions in the amount of \$40.8 million. This was primarily from State grant revenues for the Cox Creek Water Reclamation facility Enhanced Nutrient Removal project in the amount of \$12.5 million and in increase in developer allocation fees, and capital connection fees for water and wastewater in the amount of \$26.3 million.

##### **Fund Level:**

- The County's governmental funds reported combined fund balances of \$460.5 million, an increase of \$141.4 million from the prior year. The greatest net change in fund balance was a \$51.0 million increase from the prior year, in the General County Capital Projects Fund due to general bond issuance exceeding capital spending. Also, the General County Capital Projects Fund contributed capital for Arundel Gateway and Two Rivers Special Taxing Districts, in the amount of \$42.8 million, exceeded capital expenditures for those projects by \$4.8 million in fiscal year 2015. For fiscal year 2015, the Impact Fees Capital Projects Fund balance increased \$16.3 million due to lower funding of capital projects versus the prior year. The General Fund balance increased \$42.5 million in part due to an increase in in general property taxes of \$20.8 million, an increase in recordation and transfer taxes of \$12.2 million, and a decrease in expenses over revenue in fiscal year 2015 of \$5.2 million. Nonmajor governmental funds balance increased \$31.5 million primarily due to an increase operating income of \$35.0 million in fiscal year 2015.
- Approximately 53.3% of the total governmental fund balance, \$245.7 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.

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2015**

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- Available fund balance for the General Fund was \$121.3 million or 74.8% of total fund balance, which is 8.2% of the current year expenditures. Non spendable fund balance of the General Fund was \$2.5 million or 1.5% of the total fund balance. The restricted fund balance in the General Fund of \$38.2 million or 23.6% has been restricted for the Reserve for Retiree Health Benefits, also referred to as Other Post Employment Benefits (OPEB); Base Realignment and Closure (BRAC) zone capital improvements; and Video Lottery Local Impact Aid spending.
- The business type activities operating revenue decreased by \$3.5 million or 2.3%, non-operating revenues increased by \$0.3 million, non-operating expenses decreased by \$0.4 million, operating expenditures increased by \$5.2 million or 3.0%, and capital contributions, fees, and grants increased \$39.6 million or 45.1%. This was due primarily to a \$12.5 million increase in State grant revenues for the Cox Creek Water Reclamation facility Enhanced Nutrient Removal and an increase in developer allocation fees, and capital connection fees for water and wastewater in the amount of \$26.3 million. The net position increased \$31.1 million from the prior fiscal year.

**Changes to debt:**

- The County's general obligation bonded debt increased by \$95.3 million for governmental activities and \$64.0 million for business type activity in fiscal year 2015. The County's increase in general obligation debt, excluding the effects of refunding, was \$181.8 million for governmental activities which will be used for education, public safety, infrastructure improvements, community college, recreation and parks, watershed protection and restoration, waterway improvements, and general government improvements. The County issued new bonds for business-type activity in the amount of \$9.6 million for solid waste projects and \$77.6 million for utility improvements. The County also drew down \$12.2 million in Maryland Water Quality loans 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 Position* – The Statement of Net Position presents the components of the County's assets and deferred outflows of resources, liabilities and deferred inflow of resources, and the net position at end of the fiscal year. This statement includes long-term capital assets and long-term liabilities. In addition, capital assets are shown at their depreciated value. 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

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2015**

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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; Capital Project Funds, which are used to accumulate and spend resources to construct capital assets; the special revenue funds, which segregate revenue sources to ensure these funds are spent on the intended purpose; and the debt service funds, which accumulate resources to pay certain long-term debt issued by the County or separate districts.

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

The statements focus on the Primary government's major funds. Major governmental funds include the General Fund, the Impact Fees Capital Projects 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 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 so the County includes 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 Funds 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 Funds 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 the 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.

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2015**

**Notes to the Basic Financial Statements** - The notes follow the basic financial statements and provide additional information essential to a full understanding of the data 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 Funds and other post-employment benefits.

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

Below is a condensed Statement of Net Position with comparative amounts from the previous fiscal year. An analysis of the contents and fluctuations noted in the schedule has been provided.

Anne Arundel County, Maryland Statement of Net Position						
	Governmental Activities		Business-type Activities		Total	
	2015	2014 restated	2015	2014 restated	2015	2014
<b>Assets:</b>						
Current	\$ 563,524,762	\$ 478,127,147	\$ 187,924,884	\$ 143,942,612	\$ 751,449,646	\$ 622,069,759
Restricted - Current	182,123,768	171,509,670	338,431,517	304,608,771	520,555,285	476,118,441
Restricted - Noncurrent	-	-	53,999,680	43,110,117	53,999,680	43,110,117
Capital	1,100,157,702	1,075,064,118	1,474,740,978	1,386,829,136	2,574,898,680	2,461,893,254
Total	<u>1,845,806,232</u>	<u>1,724,700,935</u>	<u>2,055,097,059</u>	<u>1,878,490,636</u>	<u>3,900,903,291</u>	<u>3,603,191,571</u>
Deferred outflow of resources	<u>139,727,555</u>	<u>37,895,295</u>	<u>15,255,839</u>	<u>5,521,785</u>	<u>154,983,394</u>	<u>43,417,080</u>
<b>Liabilities:</b>						
Current	244,294,428	216,856,000	71,263,343	72,247,719	315,557,771	289,103,719
Restricted - current	17,521,852	59,032,773	22,005,733	26,508,471	39,527,585	85,541,244
Noncurrent	2,139,873,361	1,854,620,724	703,747,891	606,811,857	2,843,621,252	2,461,432,581
Total	<u>2,401,689,641</u>	<u>2,130,509,497</u>	<u>797,016,967</u>	<u>705,568,047</u>	<u>3,198,706,608</u>	<u>2,836,077,544</u>
Deferred inflow of resources	<u>1,601,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,601,126</u>	<u>-</u>
<b>Net Position:</b>						
Net investment in capital assets	578,852,173	591,465,159	934,898,545	896,494,565	1,513,750,718	1,487,959,724
Restricted	154,345,528	102,537,036	347,147,227	299,160,616	501,492,755	401,697,652
Unrestricted	(1,150,954,681)	(1,061,915,462)	(8,709,841)	(17,210,807)	(1,159,664,522)	(1,079,126,269)
Total net position (deficit)	<u>\$ (417,756,980)</u>	<u>\$ (367,913,267)</u>	<u>\$ 1,273,335,931</u>	<u>\$ 1,178,444,374</u>	<u>\$ 855,578,951</u>	<u>\$ 810,531,107</u>

**Discussion of components** – This statement condenses the Statement of Net Position 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 or State governments, 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 from liabilities and deferred inflows of resources are subtracted from assets available and deferred outflows of resources. There are three categories: net investment in capital assets which are amounts related to assets purchased or constructed net of the related debt; restricted funds which are the amounts remaining after restricted liabilities are covered by restricted assets; and unrestricted funds.

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2015**

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**Management's Analysis** – Unrestricted current assets of governmental activities are \$85.4 million more in fiscal year 2015. This is due primarily to the following: increases in cash and temporary investments of \$96.5 million which was mainly from the increase in the General County, the Internal Service Funds, and the General County Capital Projects Fund of \$30.5 million, \$5.3 million from self-insurance fund and \$59.7 million from unspent bond proceeds, respectively; a decrease in taxes and other revenue receivables of \$4.8 million is due to a late billing from the State of Maryland for property taxes in the preceding year; and a decrease in prepaid and other receivables of \$4.8 million was mainly from a decrease in pre-paid expense for the Board of Education in the amount of \$4.4 million. The business-type activities current assets increased by \$44.0 million, primarily due to an increase in cash and temporary investments of \$44.9 million. This cash increase was from an increase in the Water and Wastewater Operating Fund in the amount of \$15.7 million due to revenues exceeding expenses on a cash basis, an increase of \$22.6 million in the Water and Wastewater Capital Projects Fund due to unspent bond proceeds, and an increase of \$6.6 million in the Solid Waste Fund primarily due to unspent bond proceeds and cash provided by operating activities. The service billing receivables had a decrease of \$1.4 million.

Restricted current assets in governmental activities increased by \$10.6 million or 6.2%. This was mainly from an increase in restricted cash of \$5.9 million and in increase in amounts due from other governmental agencies of \$4.5 million. The restricted cash in the Impact Fees Capital Projects Fund increased by \$14.7 million due to an increase in fees recognized and lower amounts transferred for capital projects, and the Nonmajor Governmental Funds had a decrease of \$8.8 million. The \$8.8 million decrease in the Non major Governmental Funds was due to a decrease in cash in the tax increment funds for West County and Arundel Mills in the amount of \$13.6 and \$27.6 million, respectively. The tax increment decrease was as a result of the timing of funds sitting in escrow to be refunded in the prior fiscal year. This decrease was partially offset by an increase in the Watershed Protection and Restoration Fund in the amount of \$5.5 million due to the final phase in of the fees and an increase in the Bond Premium Fund in the amount of \$24.1 million. The increase in current restricted assets in business-type activities of \$33.8 million or 11.1% was primarily due to increase in cash and investments of \$45.1 million. This increase in cash was due to an increase in bond proceeds of \$15.2 million for bond premium, an increase in capital contributions in the amount of \$31.6 million, a decrease in the Capital Projects Fund due from other governmental agencies in the amount of \$4.7 million, and a decrease in receivables related to capital connections and current receivables in the Utility Debt Service Fund of \$6.6 million due to collection of currently due fees and some receivables being re-classified to long term due to a legislative change to extend the allocation due date.

Restricted noncurrent assets in business-type activities increased by \$10.9 million from fiscal year 2014 or 25.3%. This resulted from an increase in the long-term receivables for front foot benefit charges and capital connection charges as a result of an increase in the capital facility connection fee from fiscal 2014 and some current receivables being re-classified to long term due to a legislative change to extend the allocation due date.

The governmental capital assets balance increased by \$25.1 million from fiscal year 2014 or 2.3%. Capital assets in the business-type activities increased by \$87.9 million or 6.3%. This increase is the result of the completion of certain capital projects.

Current unrestricted liabilities for governmental activities increased by \$27.4 million or 12.7%, from the previous fiscal year. This occurred primarily due to increases in accounts payable and accrued liabilities, amounts due from component units, and an increase in the current portion of non-current liabilities of \$11.4, \$9.1, and \$5.4 million, respectively. The accounts payable and accrued liabilities increase is mainly from the recording of the Wynne Case liability in the amount of \$16.0 million in the General Fund partially offset by a decrease in the General County Capital Projects Fund in the amount of \$4.7 million. The increase in the amount due from component units is mainly as a result of an increase in the amount due to the Board of Education in the amount of \$8.5 million. The increase in the current portion of non-current liabilities is as a result of an increase in the current portion of the unearned bond premium of \$4.5 million. The current unrestricted liabilities in business-type activities decreased by \$1.0 million or 1.4%, from fiscal year 2014. This change was in part caused by decrease in accounts payables and accrued liabilities of \$5.2 million partially offset by an increase in the current portion of long-term debt and obligations of \$4.9 million which was in part from an increase of \$1.9 million related to the current portion of the bond premium.

Restricted current liabilities for governmental activities decreased by \$41.5 million or 70.3%, from fiscal year 2014. The change was primarily caused by decrease in escrow deposits in the amount of \$43.0 million primarily related to the TIF refunding, and a decrease in unearned revenue related to Impact Fee Capital Projects in the amount of \$1.6

**Anne Arundel County, Maryland**  
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**Year Ended June 30, 2015**

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million. Restricted current liabilities for business-type activities decreased by \$4.5 million or 17.0% primarily due to a decrease in unearned revenues of \$5.1 million which is from a decrease in developer contributions.

Noncurrent liabilities consist of bonded debt, pension benefits, OPEB obligation, self insurance reserves, loans, capital leases, and other liabilities. These liabilities increased \$285.3 million or 15.4%, in governmental activities, and increased by \$96.6 million or 16.0%, in business-type activities. The increase in governmental activities was due to the following: the recording of the annual Pension Benefits obligation of \$115.2 million, the recording of the annual OPEB obligation of \$45.3 million, \$127.8 million in additional long-term debt of which \$32.8 million is related to an increase in bond premiums, and a decrease of \$3.1 million in unpaid insurance claims. The increase noted in the noncurrent liabilities in business-type activities for fiscal year 2015 was caused primarily by an increase in the net bonded debt of \$83.1 million of which \$21.3 million is related to an increase in bond premiums, the recording of the pension benefits obligation of \$9.7 million, and the recording of the OPEB obligation of \$4.5 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 has increased from a negative \$1.06 billion to a negative \$1.15 billion, an increase of 8.4%. 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 \$1.15 billion reflects this treatment. The Board of Education and Community College net investment in capital assets of approximately \$1.03 billion and \$97.2 million, respectively, are evidence of the significant level of capital assets constructed primarily from County incurred debt.

The following table 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 pension benefits and OPEB obligation.

<u>Fiscal</u> <u>year</u>	<u>Balance</u> <u>(in millions)</u>	<u>Fiscal</u> <u>year</u>	<u>Balance</u> <u>(in millions)</u>
2012	\$ (657.8)	2014	\$ (1,061.9)
2013	(731.8)	2015	(1,151.0)

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**  
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	Governmental Activities		Business type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Program revenues:</b>						
Charges for services	\$ 143,925,812	\$ 127,127,678	\$ 140,076,075	\$ 140,817,096	\$ 284,001,887	\$ 267,944,774
Operating grants & contributions	63,650,584	61,177,534	-	-	63,650,584	61,177,534
Capital grants & contributions	96,381,305	45,968,673	127,526,187	87,886,666	223,907,492	133,855,339
	<u>303,957,701</u>	<u>234,273,885</u>	<u>267,602,262</u>	<u>228,703,762</u>	<u>571,559,963</u>	<u>462,977,647</u>
<b>General revenue:</b>						
General property taxes	657,850,224	637,622,877	-	-	657,850,224	637,622,877
Local income taxes	420,382,038	436,906,640	-	-	420,382,038	436,906,640
State shared taxes	8,405,452	8,682,827	-	-	8,405,452	8,682,827
Recordation & transfer taxes	89,697,633	77,535,100	-	-	89,697,633	77,535,100
In County Contributions	-	-	-	-	-	-
Local sales taxes	32,830,881	31,516,775	-	-	32,830,881	31,516,775
Investment income	1,967,451	2,445,893	1,172,934	1,160,524	3,140,385	3,606,417
Other revenue	11,011,946	9,476,951	11,655,557	14,417,390	22,667,503	23,894,341
County Transfer	28,112	274,617	(28,112)	(274,617)	-	-
	<u>1,222,173,737</u>	<u>1,204,461,680</u>	<u>12,800,379</u>	<u>15,303,297</u>	<u>1,234,974,116</u>	<u>1,219,764,977</u>
<b>Total revenues</b>	<b><u>1,526,131,438</u></b>	<b><u>1,438,735,565</u></b>	<b><u>280,402,641</u></b>	<b><u>244,007,059</u></b>	<b><u>1,806,534,079</u></b>	<b><u>1,682,742,624</u></b>
<b>Expenses:</b>						
Education	764,352,246	708,507,539	-	-	764,352,246	708,507,539
Public safety	325,971,423	294,436,009	-	-	325,971,423	294,436,009
General government	153,912,982	123,009,779	-	-	153,912,982	123,009,779
Health & human services	77,174,534	72,520,291	-	-	77,174,534	72,520,291
Public works	89,762,477	106,372,020	-	-	89,762,477	106,372,020
Recreation & community services	56,357,821	59,094,573	-	-	56,357,821	59,094,573
Judicial	30,581,580	28,949,927	-	-	30,581,580	28,949,927
Code enforcement	14,815,445	13,378,436	-	-	14,815,445	13,378,436
Land use & development	14,897,432	10,273,106	-	-	14,897,432	10,273,106
Interest expense on debt	48,149,211	45,103,757	-	-	48,149,211	45,103,757
Water & wastewater	-	-	129,449,976	124,340,481	129,449,976	124,340,481
Waste collection	-	-	51,226,226	50,731,860	51,226,226	50,731,860
Child care	-	-	4,834,882	4,589,415	4,834,882	4,589,415
	<u>1,575,975,151</u>	<u>1,461,645,437</u>	<u>185,511,084</u>	<u>179,661,756</u>	<u>1,761,486,235</u>	<u>1,641,307,193</u>
Increase (decrease) in net position	(49,843,713)	(22,909,872)	94,891,557	64,345,303	45,047,844	41,435,431
<b>Net Position, beg of year</b>	<b>(367,913,267)</b>	<b>(6,693,535)</b>	<b>1,178,444,374</b>	<b>1,184,970,043</b>	<b>810,531,107</b>	<b>1,178,276,508</b>
Adjustment to restate net assets	-	(338,309,860)	-	(70,870,972)	-	(409,180,832)
<b>Net Position, end of year</b>	<b><u>\$(417,756,980)</u></b>	<b><u>\$(367,913,267)</u></b>	<b><u>\$ 1,273,335,931</u></b>	<b><u>\$ 1,178,444,374</u></b>	<b><u>\$ 855,578,951</u></b>	<b><u>\$ 810,531,107</u></b>

The Statement of Activities presents some significant changes in revenues. These fluctuations were explained in the financial highlights section. Governmental activities' overall revenue has increased from fiscal year 2014 by \$87.4 million or 6.1%. The increase in revenue is due to a \$50.4 million or 109.7% increase in capital grants & contributions primarily due to contributions from Arundel Gateway and Two Rivers special taxing districts totaling \$42.8 million, an increase in developer contributions from public works agreements in the amount of \$4.8 million and an increase in grants and aid in the amount of \$3.0 million. In addition the growth in property taxes of \$20.2 million or 3.2% from an increase in the assessable base and an increase in charges for services of \$16.8 million or 13.2% from the fully implemented Watershed Protection and Restoration Fee (WPRF) contributed to the revenue increase.

The governmental activities' expenses had an increase of \$114.3 million or 7.8% from fiscal year 2014. Certain functional categories of expenditures had significant fluctuations during fiscal year 2015. The most notable fluctuations were in education, public safety, and general government which increased by \$55.8 or 7.9%, \$31.5 or 10.7%, and \$30.9 or 25.1% million respectively. These increases were partially offset by a decrease of \$16.6 million or 15.6% in public works spending. The spending increase in education was driven by having to fund a larger student population at maintenance of effort levels. Public safety increased spending was driven by budgeted pay package increases and a \$10.8 million increase in pension expense associated with the implementation of GASB 68. General government increased spending was due to a \$36.9 million increase in non-capital expenditures, budgeted pay package increases, partially offset by departmental budgeted decreases. The decrease in public works spending was due to lower non-capital expenditures.

In business-type activities capital grants and contributions increased by \$39.6 million or 45.1% from the previous year which resulted mainly from \$12.5 million in grant funding for the Cox Creek Water Reclamation Facility enhanced Nutrient Removal and an increase in developer allocation fees, and capital connection fees for water and wastewater in the amount of \$26.3 million. In general revenues, other revenue decreased by \$2.8 million or 19.2% which was mainly from the Water and Wastewater Fund.

Business-type expenses had an overall increase of \$5.8 million or 3.3% from the previous year which was primarily caused by an increase in depreciation in the Water and Wastewater Fund of \$7.0 million and increases in personnel expense of \$0.4 and \$0.2 in solid waste and child care funds, partially offset by a decrease in personnel services of

**Anne Arundel County, Maryland**  
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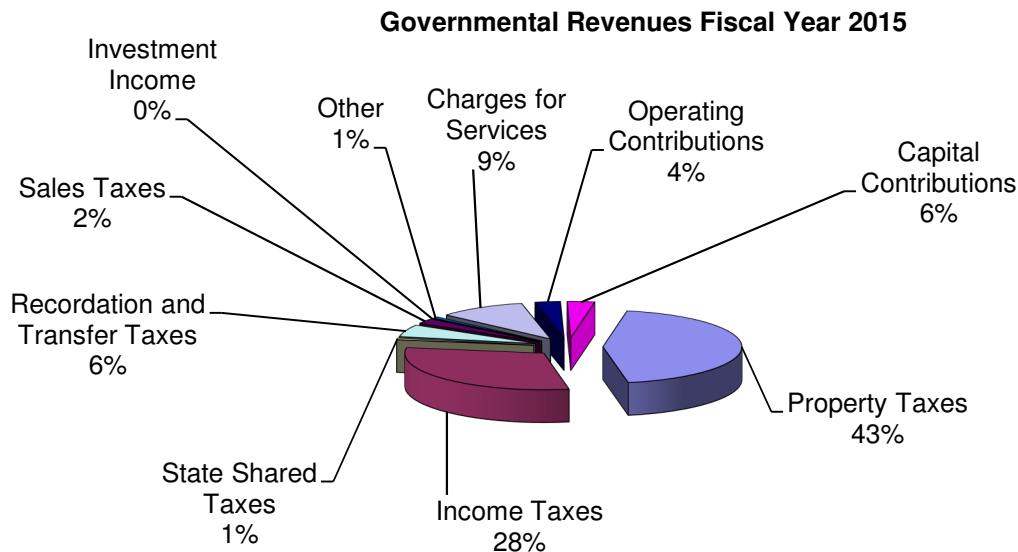
\$2.8 million in the Water and Waste Water Fund.

**Distribution of Revenues and Expenses**

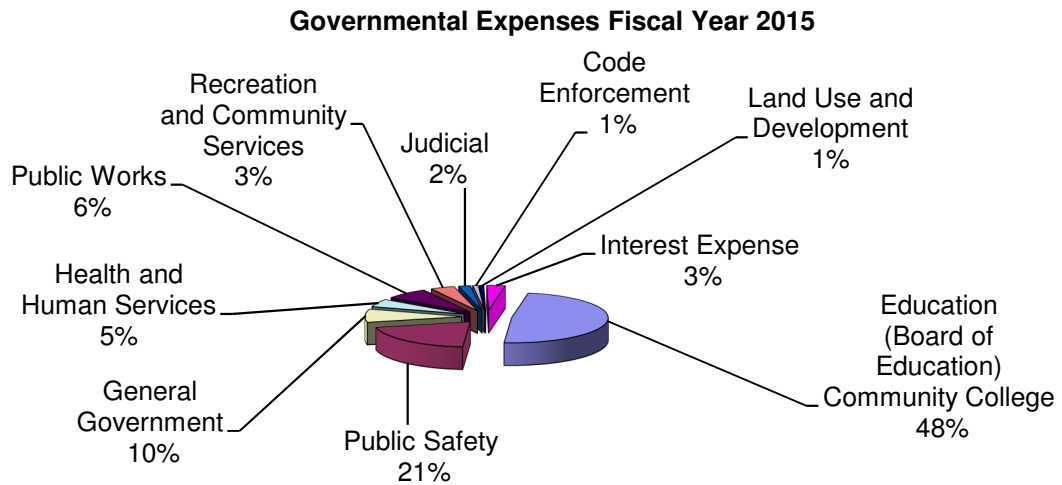
The next two charts show the percentage distribution of revenues from governmental activities and the percentage expended on each function, respectively. Discussion of the 2015 distribution and significant changes since 2014 follows.

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 80% of the revenue base, a decrease of 4% from fiscal year 2014 which was 84%. Charges for services paid to the County by users, were 9% for fiscal year 2015, a decrease of 1% from fiscal year 2014 which was 10%.

An analysis of the percentage distribution of revenues revealed that there was a slight increase in recordation & transfer taxes from 5% to 6%. Property tax and income taxes decreased slightly from 45% to 43% and from 30% to 28%, respectively. An analysis of the percentage distribution of expenses by function revealed that public safety increased from 20% to 21% and general government increased from 8% to 10% while public works and recreation & community services decreased from 7% to 6% and 5% to 3%, respectively.





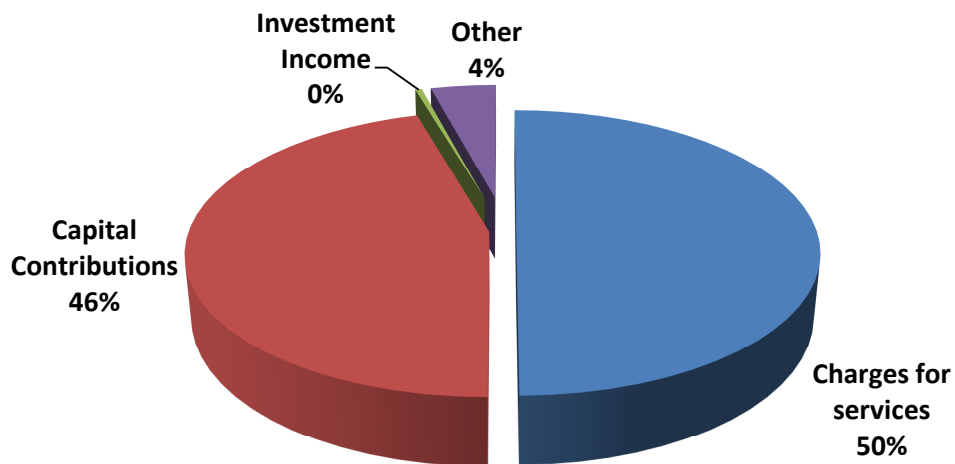


The next two charts show the percentage distribution of revenues from business type activities and the percentage expended on each function, respectively. Discussion of the 2015 distribution and significant changes since 2014 follows.

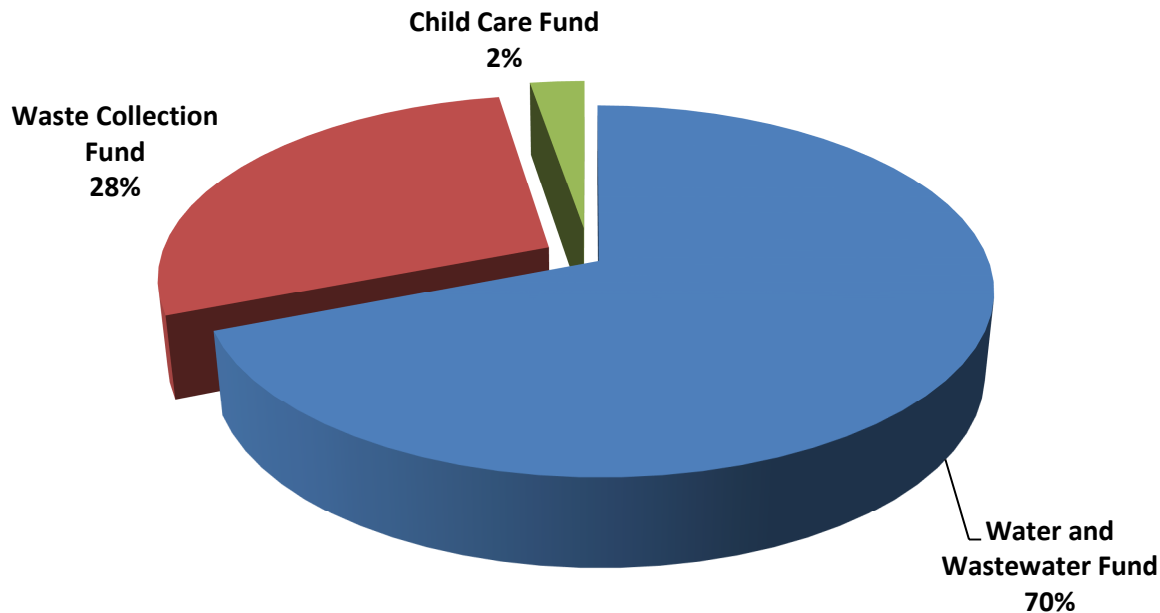
Charges for services and capital contributions continue to provide the vast majority of the County’s business type activities revenue. Together these account for 96% of the revenue in fiscal 2015. This is a 2% increase from 2014 which was 94%.

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 2014.

## Business Type Activities Revenues Fiscal Year 2015



## Business Type Activities Expenses Fiscal Year 2015



### 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 \$243.9 million to \$272.6 million or \$28.7 million, from fiscal year 2014. The increase primarily occurred in cash and investments of \$30.5 million from a \$10.7 million transfer from the health insurance fund to the restricted OPEB fund in the general fund and revenues exceeding expenses and a decrease of \$1.6 million in the property tax receivable. Total fund balance increased from \$119.5 million to \$162.0 million or an increase of \$42.5 million. This increase in the fund balance resulted in part from the transfer of \$10.7 million from the health care fund to the retiree health care account and an increase in revenue over expenses during 2015.

General Fund expenditures increased from \$1,239.5 million to \$1,287.0 million or \$47.5 million and revenues increased by \$56.0 million over 2014. Other sources and uses contributed \$37.3 million and brought a net inflow to

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the General Fund of \$42.5 million in fiscal year 2015, compared to a net inflow of \$3.7 million in 2014.

The County has a Revenue Reserve Fund which is included in the unassigned category of General Fund balance. At the end of fiscal year 2015, a balance of \$48.6 million was in the reserve fund. This increase from fiscal year 2014 is because of a contribution of \$3.3 million in fiscal year 2015 to this fund and investment earnings of \$1.1 million. This reserve may only be used when revenues fall below budget expectations and then 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 Fees Capital Project Fund retains developer impact fees until needed for the construction of capital assets. The total fund balance increased from \$56.2 million in fiscal year 2014 to \$72.5 million in 2015. The fund balance increased by \$16.3 million versus the \$13.3 million increase in fiscal year 2014. This year over year increase was a result of an increase in impact fees recognized of \$26.4 million in 2015 versus \$26.1 million in 2014 and a decrease in transfers to other funds of \$2.6 million (\$6.5 million transferred in fiscal year 2015 compared to \$9.1 million in 2014). The amounts transferred are used to pay off debt and for the construction of capital assets. Both of which are related to impact fee eligible projects. There was a slight decrease in expenses as \$3.6 million was used to support capital improvements in fiscal year 2015 versus \$3.7 million in fiscal year 2014.

The General County Capital Projects Fund's total assets increased from \$128.9 million in fiscal year 2014 to \$181.9 million in 2015, or \$53.0 million. This increase is primarily due to an increase in cash and investments of \$59.7 million in the fund at the end of the fiscal year which resulted from additional funds received through the issuance of bonds in fiscal year 2015. Liabilities increased by \$3.6 million primarily due to increases in due to the Board of Education for its capital improvements of \$8.4 million partially offset by increases in accounts payable and accrued liabilities of \$4.8 million. Deferred inflow of resources decreased \$1.6 million due to a decrease in unavailable grant revenue. The net effect was an increase in fund balance from \$92.1 million in fiscal year 2014 to \$143.1 million in 2015.

Revenues in the General County Capital Projects Fund increased from \$9.5 million in fiscal year 2014 to \$55.4 million in fiscal year 2015, or by \$50.0 million. This increase is attributable to additional contributed capital of \$42.8 million related to Arundel Gateway and Two Rivers contributions for improvements to their special taxing districts, higher grant and aid revenue of \$3.4 million and lower fees for service and other revenue of \$.1 million. Expenditures in this fund increased by \$87.2 million which is attributed to an increase of \$47.2 million for amounts paid to the Board of Education and Community College for capital projects and a \$40.0 million increase in capital outlays. The increase in Board of Education and Community College is primarily attributable to the construction of Severna Park High School and Rolling Knolls Elementary and the increase in capital outlay was mainly a result of spending in the Two Rivers and Arundel Gateway special taxing districts.

**Proprietary Funds:**

The County's proprietary fund's statements provide the same information found in the government-wide financial statements, but in more detail.

The Water and Wastewater Fund's assets totaled \$1.95 billion at the end of fiscal year 2015 which was an increase of \$124.2 million over fiscal year 2014. The increase mainly occurred as a result of an increase of \$44.2 million in capital assets and an increase in cash and investments of \$80.8 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 investments was in part the result of \$56.0 million in bond funds that were unspent at year end and capital contributions from developers of \$8.6 million. Liabilities have increased by \$104.2 million. The increase resulted primarily from additional long-term bonded debt of \$55.5 million, the recording of the liability for pension benefits of \$34.2 million. As a result of the changes in assets and liabilities, the Water and Wastewater Fund's net position increased \$29.8 million or 2.4%.

The Statement of Revenues, Expenses, and Changes in Fund Net Position has a decrease in operating revenues of \$3.1 million or 3.3%. Operating expenses increased by \$4.4 million or 3.8%. Non-operating components expense increased from the previous year by \$0.4 million due to a decrease in interest expenses of \$0.4 million. Capital

**Anne Arundel County, Maryland**  
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contributions, fees and grants increased by \$4.7 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 \$11.8 million primarily due to an increase in cash and investments of \$9.2 million and a increase in capital assets of \$2.8 million. Liabilities increased by \$19.3 million or 25.6% from fiscal year 2014 to 2015. An increase in long-term debt of \$5.4 million and the recording of the pension liability of \$7.2 million contributed to this change.

The Statement of Revenues, Expenses, and Changes in Fund Net Position for Solid Waste has a decrease in operating revenue of \$0.4 million and operating expenses increased by \$0.5 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, 2014. Investments increased \$71.6 million from calendar year 2013 to 2014 as net position increased from \$1.62 billion to \$1.67 billion or 3.1%. Contributions increased from \$72.6 million in 2013 to \$77.0 million during 2014 and investment activity decreased from 2013 by \$67.5 million. Agency funds increased from \$24.5 million in fiscal year 2014 to \$33.5 million in fiscal year 2015. This increase was due to a \$3.3 million increase in tax sale escrow deposits due to larger bid premium generated in the fiscal 2015 sale and a \$2.5 million increase in escrow deposits for Two Rivers special taxing district due to the debt service reserve fund for the bonds that closed during the fiscal year 2015.

**Budgetary Variations:**

The budgetary statements of the General Fund show actual revenues of \$1.35 billion compared to budgeted amounts of \$1.31 billion, resulting in \$36.5 million more in revenue than anticipated. The most significant budgetary variations within components of revenue were fees for service and other revenue, recordation and transfer taxes and local income taxes, and which exceeded budgetary expectation by \$12.2 million or 21.0%, \$11.7 million or 15.0%, and \$6.7 million or 1.5%, respectively. The remaining increase was mainly due to increases in interfund recoveries, licenses and permits, general property taxes and local sales tax of \$2.5 million, \$1.8 million, \$1.4 million and \$1.0 million, respectively.

Total expenditures on a budgetary basis were \$1.34 billion compared to appropriation authority of \$1.35 billion, resulting in \$6.9 million or 0.5%, 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 2015.

In reviewing the changes from the original budget to the final budget, there were no changes to budgeted revenues and budgeted expenditures in total. General government had a decrease from the original budget to the final budget of \$8.5 million this decrease was offset primarily by increases in public works and public safety of \$7.8 and \$0.6 million, respectively, from the original budget to final budget. Nominal increases and decreases were noted for several other categories. Management is not aware of any reasons why these and other budgetary variations would have a significant effect on future liquidity or services.

**Capital Assets**

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

*Governmental capital assets* - Total governmental capital assets show an increase from the prior year of \$25.1 million or 2.3%. The following table shows an increase in construction in progress, land and easements, storm drains and culverts, automobiles and rolling stock, and roads and bridges of \$21.1, \$4.3, \$4.9, \$1.7 and \$1.5 million, respectively. These increases were partially offset by decreases in furniture and equipment, buildings, and land improvements of \$4.5, \$2.3 and \$2.0 million, respectively, due to continued depreciation of these assets.

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

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- \$11.7 million on road reconstruction and resurfacing
- \$3.4 million on the new Eastern District police station
- 45 new vehicles were purchased including fire trucks, ambulances, and various autos
- \$3.1 million for preservation and conservation programs

*Business-type capital assets* – The capital assets in business-type activities increased by \$87.9 million or 6.3%, from fiscal year 2014. This increase was almost entirely due to the increase in construction in progress. Construction in progress increased by \$92.2 million or 19.8%. There was also an increase of \$2.7 million or 21.2% in landfills. These increases were slightly offset by a decrease in water and sewer plants and lines of \$7.3 million or 0.8%. The remaining categories of assets show modest variations because new additions are negated by the continued depreciation of existing assets.

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

- \$52.8 million for Water Reclamation Facility Enhanced Nutrient Removal projects at the following locations:
  - Broadneck
  - Annapolis
  - Patuxent
  - Broadwater
  - Maryland City
  - Cox Creek
  - Sylvan Shores
- \$11.0 million for general water and sewer main replacement and reconstruction
- \$5.8 million for Mill Creek sewer pumping station upgrade
- \$4.2 million for elevated water storage tanks
- \$3.0 million for the Fort Meade booster station
- \$2.6 million for Mayo water reclamation facility expansion
- \$2.6 million for general upgrades and retrofit of sewer pumping station
- \$2.6 million for cell 9 construction at landfill
- \$2.4 million for Broad Creek water treatment plant
- \$2.1 million for Jennifer Road pumping station upgrade

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and easements	\$ 212,116,689	\$ 207,812,068	\$ 12,640,178	\$ 12,109,239	\$ 224,756,867	\$ 219,921,307
Historical property and works of art	4,166,465	4,166,465	-	-	4,166,465	4,166,465
Land improvements	121,224,664	123,220,281	-	-	121,224,664	123,220,281
Landfills	-	-	15,253,966	12,583,658	15,253,966	12,583,658
Buildings	197,319,214	199,603,191	21,991,653	21,975,524	219,310,867	221,578,715
Roads, bridges and signals	167,186,833	165,653,727	-	-	167,186,833	165,653,727
Sidewalks, curbs and gutters	28,828,259	28,987,510	-	-	28,828,259	28,987,510
Storm drains and culverts	127,346,064	122,430,280	-	-	127,346,064	122,430,280
Water and sewer plants and lines	-	-	851,756,026	859,023,767	851,756,026	859,023,767
Automobiles and rolling stock	21,263,415	19,551,718	3,028,386	3,085,720	24,291,801	22,637,438
Furniture and equipment	31,741,645	36,202,161	12,159,056	12,363,531	43,900,701	48,565,692
Software	1,519,158	1,116,127	-	-	1,519,158	1,116,127
Construction in progress	187,445,296	166,320,590	557,911,713	465,687,697	745,357,009	632,008,287
<b>Total</b>	<b>\$ 1,100,157,702</b>	<b>\$ 1,075,064,118</b>	<b>\$ 1,474,740,978</b>	<b>\$ 1,386,829,136</b>	<b>\$ 2,574,898,680</b>	<b>\$ 2,461,893,254</b>

The Statement of Net Position 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**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2015**

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

	Total depreciable capital assets	Less Accumulated depreciation	Net depreciable capital assets	depreciation as a percent of total
<b>Governmental</b>				
2015	\$ 1,489,865,377	\$ (793,436,125)	\$ 696,429,252	53%
2014	1,452,096,655	(755,331,660)	696,764,995	52%
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%
<b>Business-type</b>				
2015	\$ 1,673,358,479	\$ (769,169,392)	\$ 904,189,087	46%
2014	1,632,821,069	(723,788,869)	909,032,200	44%
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%

This analysis shows that the percent of depreciated governmental capital assets have increased in recent years to 53% in fiscal year 2015. 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 39% in fiscal year 2010 to 46% in fiscal year 2015.

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

**Debt Administration**

The County's outstanding debt at the end of fiscal years 2015 and 2014 is presented in the table below. The County issued general obligation bonds, of \$380.8 million in April 2015, including \$181.8 million for governmental activities, \$87.2 million for business-type activities and \$111.8 for refunding prior issued bonds. The additional bond funds of \$269.0 million were used to fund \$155.6 million of improvements for general county capital projects and \$113.4 million for water and sewer, watershed protection and restoration, and landfill capital projects. The refunding resulted in net present value of savings of \$13.9 million in debt service expense. The County also increased its debt by \$12.2 million in Maryland Water Quality loans for water and waste water improvements

The changes to the federal and state loans were not significant as there was only one new State loan for \$4,937 added in fiscal year 2015 and principal payments of \$336,685 were made on existing loans. The County did not enter into any new lease agreements in 2015. Payments for leases totaling \$12,304 were made which resulted in a decrease in the capital lease balance to \$36,911. The County did not initiate new agricultural easements through installment purchase agreements during fiscal year 2015. Other changes to debt balances resulted from principal payments during fiscal year 2015. Additional information about the County's debt and changes therein is provided in Note 8 to the basic financial statements.

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2015**

	Anne Arundel County, Maryland					
	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 1,018,773,705	\$ 917,670,739	\$ 572,747,101	\$ 508,791,245	\$ 1,591,520,806	\$ 1,426,461,984
Special assessment debt	84,860,000	86,440,000	-	-	84,860,000	86,440,000
State loans	3,397,861	3,729,609	-	-	3,397,861	3,729,609
Capital leases	36,911	49,215	-	-	36,911	49,215
Installment purchase agreements	13,585,000	13,605,000	-	-	13,585,000	13,605,000
<b>Total</b>	<b>\$ 1,120,653,477</b>	<b>\$ 1,021,494,563</b>	<b>\$ 572,747,101</b>	<b>\$ 508,791,245</b>	<b>\$ 1,693,400,578</b>	<b>\$ 1,530,285,808</b>

**Fiscal Year 2016 and Beyond**

- The County Real Property Tax Rate for fiscal year 2016 is \$0.923 per \$100 of assessed valuation. This is a 2.0 cent decrease and consistent with the County’s Property Tax Revenue Cap. Fiscal Year 2016 property tax receipts are estimated to increase 0.9% over the revised fiscal year 2015 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 of which was limited by the Homestead Property Credit Program to 2% per year during the housing boom years.
- The County Council has set the calendar year 2016 County income tax rate at 2.50% which is a decrease from the prior calendar year. Fiscal year 2016 income tax revenue is projected to increase 3.0% over the revised fiscal year 2015 budget. The increase in income tax revenue is largely due, to an improving economy and lower unemployment in Anne Arundel County. Income tax is budgeted at \$450.6 million for fiscal year 2016.
- A State law allows the County to collect a stormwater fee from taxpayers to fund the implementation of a local watershed protection and restoration program. These fees are maintained in a dedicated fund, the Watershed Protection and Restoration Fund. For fiscal year 2016, the Watershed Protection and Restoration Fund had an approved budget of \$17.6 million.
- For fiscal year 2016, the Anne Arundel County Public Schools are funded by the County at \$620.6 million, a \$17.1 million or 2.8% increase over the prior year. This funding level exceeds the required Maintenance of Effort for fiscal 2016. 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. \$18.7 million has been included in the fiscal year 2016 budget to cover the cost of this pension shift. Anne Arundel County Public Schools fiscal year 2016 capital budget contains fifty planned projects totaling \$140.0 million or 50% of the capital budget. Of the total General Fund debt service budget, 57% is allocated for school debt.
- The County’s support of the Anne Arundel Community College increased \$0.8 million in fiscal year 2016 over fiscal year 2015 to a total of \$38.4 million, \$36.7 million from General Fund and \$1.7 million from Video Lottery Local Impact Aid Special Revenue Fund. The County has appropriated \$4.9 million for Anne Arundel County Community College’s fiscal year 2016 capital projects, which will be financed by issuing general obligation bonds. The Community College’s annual debt service of \$5.7 million is paid by the County.

These and other economic factors were considered when preparing the fiscal year 2016 General Fund budget, which estimates total revenues at \$1.3 billion; an increase of \$35.5 million or 2.7% over fiscal year 2015 original budgeted

**Anne Arundel County, Maryland**  
**Management Discussion and Analysis**  
**Year Ended June 30, 2015**

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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 2016 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 2016.

There are no new taxes to fund the fiscal year 2016 budget. The income tax rate of 2.50% is effective January 1, 2016 and is a reduction from the 2.56% rate for the prior calendar year, it continues to be the third lowest in the State. The real property rate of \$0.923 per \$100 of assessed value is 0.2 cents lower compared to fiscal year 2015 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.

On May 18, 2015, The U.S. Supreme Court made a final ruling in the long-standing court case of the Comptroller of the Treasury of Maryland v. Wynne et.ux. The case involved a dispute over the credit a state taxpayer should get for taxes paid to other states for the income earned in those states. The State of Maryland gave a credit for the state portion of the income taxes but not for the local portion. The U.S. Supreme Court ruled in favor of the litigants. This means that the State of Maryland owes refunds to all taxpayers who filed amended returns requesting the additional credit. The County estimates, based on preliminary protective claim data from the Comptroller for the State of Maryland, (Comptroller), that the amount of income tax refunds for tax years 2007 through 2014, attributable to the Wynne case could be \$16 million, excluding interest, for Anne Arundel County. As the Comptroller issues refunds to eligible taxpayers, the refunds will be paid from the Local Reserve Account (Account), which is maintained by the State. The State will replenish the fund through financial transactions with counties and municipalities. As it relates to Anne Arundel County, the Comptroller will replenish the Account by reducing distributions beginning in fiscal year 2017. It is estimated that there will be a further reduction in revenues of \$4.0 million a year to the County going forward as a result of this ruling.

The Water and Wastewater Fund meter usage rates for fiscal year 2016 are \$2.76/1,000gal and \$4.85/1,000gal, respectively. This is unchanged from prior year. Effective September 1, 2015 the Water and Wastewater Fund meter usage rates were lowered to \$2.70/1,000gal and \$4.74/1,000gal, respectively. 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.



**Basic  
Financial  
Statements**



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Anne Arundel County, Maryland

Statement of Net Position

June 30, 2015

	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	\$ 411,776,711	\$ 160,555,787	\$ 572,332,498	\$ 171,063,448	\$ 25,266,152	\$ 5,433,272
Taxes and other revenue receivable	126,753,910	-	126,753,910	17,076,162	969,963	-
Service billings receivable	-	24,509,719	24,509,719	-	-	85,310
Prepaid and other assets	19,484,709	53,546	19,538,255	9,646,209	6,577,997	2,162,978
Inventories	3,119,612	2,805,832	5,925,444	2,018,413	1,214,454	30,962
Receivables	-	-	-	-	-	1,094,083
Due from primary government	-	-	-	26,554,493	345,783	1,978,600
Due from component units	2,389,820	-	2,389,820	-	-	-
Restricted assets						
Cash and temporary investments	160,263,601	68,243,707	228,507,308	-	-	48,867
Investments	-	248,169,249	248,169,249	-	-	-
Receivables						
Due from other governmental agencies	17,794,927	12,771,873	30,566,800	-	-	-
Other, net	4,065,240	9,246,688	13,311,928	-	-	-
Total current assets	<u>745,648,530</u>	<u>526,356,401</u>	<u>1,272,004,931</u>	<u>226,358,725</u>	<u>34,374,349</u>	<u>10,834,072</u>
Noncurrent Assets						
Restricted assets						
Long term assessment and connection charges	-	53,999,680	53,999,680	-	-	-
Total noncurrent restricted assets	-	53,999,680	53,999,680	-	-	-
Loans receivable and other assets	-	-	-	-	10,947,280	4,804,705
Capital assets not being depreciated	403,728,450	570,551,891	974,280,341	221,277,099	2,753,690	-
Capital assets being depreciated	1,489,865,377	1,673,358,479	3,163,223,856	1,538,308,482	177,442,223	30,398,462
Less accumulated depreciation	(793,436,125)	(769,169,392)	(1,562,605,517)	(726,692,846)	(83,033,426)	(13,672,346)
	<u>696,429,252</u>	<u>904,189,087</u>	<u>1,600,618,339</u>	<u>811,615,636</u>	<u>94,408,797</u>	<u>16,726,116</u>
Total capital assets	<u>1,100,157,702</u>	<u>1,474,740,978</u>	<u>2,574,898,680</u>	<u>1,032,892,735</u>	<u>97,162,487</u>	<u>16,726,116</u>
Total noncurrent assets	<u>1,100,157,702</u>	<u>1,528,740,658</u>	<u>2,628,898,360</u>	<u>1,032,892,735</u>	<u>108,109,767</u>	<u>21,530,821</u>
Total assets	<u>1,845,806,232</u>	<u>2,055,097,059</u>	<u>3,900,903,291</u>	<u>1,259,251,460</u>	<u>142,484,116</u>	<u>32,364,893</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
Pension benefits	133,336,649	10,665,123	144,001,772	8,188,185	418,818	815,096
Unamortized deferred refunding loss	6,390,906	4,590,716	10,981,622	-	334,152	-
Total deferred outflow of resources	<u>139,727,555</u>	<u>15,255,839</u>	<u>154,983,394</u>	<u>8,188,185</u>	<u>752,970</u>	<u>815,096</u>

## Anne Arundel County, Maryland

## Statement of Net Position

June 30, 2015

	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	73,084,255	33,436,986	106,521,241	139,154,242	8,224,699	1,768,615
Current portion of non-current liabilities	139,221,801	38,682,002	177,903,803	22,935,395	-	879,282
Notes payable	-	-	-	-	738,714	1,649,716
Internal balances	1,490,800	(1,490,800)	-	-	-	-
Due to primary government	-	-	-	2,389,820	-	-
Due to component units	28,878,876	-	28,878,876	-	-	-
Escrow deposits	1,618,696	635,155	2,253,851	-	-	3,695
Unearned revenue	-	-	-	5,770,318	5,616,342	361,578
Liabilities related to restricted assets						
Accounts payable and accrued liabilities	10,487,384	6,194,190	16,681,574	-	-	308,347
Escrow and other deposits	5,999,840	-	5,999,840	-	-	-
Unearned revenue	1,034,628	15,811,543	16,846,171	-	-	-
Total current liabilities	261,816,280	93,269,076	355,085,356	170,249,775	14,579,755	4,971,233
Noncurrent liabilities						
Compensated absences and other obligations	24,607	59,340	83,947	22,554,670	1,796,791	-
Accrued liability for pension benefits	454,671,186	42,079,688	496,750,874	45,779,604	2,798,927	2,940,520
Accrued liability for other post-employment benefits	482,182,615	46,683,001	528,865,616	435,303,000	33,792,000	17,856,777
Unpaid insurance claims	57,302,696	-	57,302,696	-	-	-
Estimated landfill closure and postclosure	-	34,837,302	34,837,302	-	-	-
Long-term debt	1,145,692,257	579,748,716	1,725,440,973	6,024,558	12,131,061	40,052
Due to other governments	-	-	-	-	-	3,667,860
Unearned revenue	-	339,844	339,844	-	-	-
Total noncurrent liabilities	2,139,873,361	703,747,891	2,843,621,252	509,661,832	50,518,779	24,505,209
Total liabilities	2,401,689,641	797,016,967	3,198,706,608	679,911,607	65,098,534	29,476,442
<b>DEFERRED INFLOW OF RESOURCES</b>						
Pension investment activity	1,601,126	-	1,601,126	5,010,876	306,361	-
Total deferred outflow of resources	1,601,126	-	1,601,126	5,010,876	306,361	-
<b>NET POSITION</b>						
Net investment in capital assets	578,852,173	934,898,545	1,513,750,718	1,019,953,023	88,784,429	16,666,878
Restricted for:						
Debt service	8,962,428	331,288,133	340,250,561	-	-	-
Capital improvements	129,907,443	12,771,873	142,679,316	-	-	-
Scholarships/endowments	-	-	-	-	7,822,686	-
Reforestation	8,139,821	-	8,139,821	-	-	-
Other purposes	7,335,836	3,087,221	10,423,057	16,565,646	-	309,076
Unrestricted	(1,150,954,681)	(8,709,841)	(1,159,664,522)	(454,001,507)	(18,774,924)	(13,272,407)
Total net position (deficit)	\$ (417,756,980)	\$ 1,273,335,931	\$ 855,578,951	\$ 582,517,162	\$ 77,832,191	\$ 3,703,547

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

Anne Arundel County, Maryland

Statement of Activities

Year Ended June 30, 2015

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities				
Education	\$ 764,352,246	\$ -	\$ -	\$ 14,262,373
Public safety	325,971,423	25,107,789	5,467,550	746,429
General government	153,912,982	53,146,202	19,054,607	7,684,625
Health and human services	77,174,534	10,535,065	26,799,232	-
Public works	89,762,477	19,186,549	2,958,703	70,179,713
Recreation and community services	56,357,821	17,275,303	5,379,473	3,243,969
Judicial	30,581,580	3,206,926	1,801,618	-
Code enforcement	14,815,445	13,586,920	-	-
Land use and development	14,897,432	1,881,058	2,011,237	264,196
Interest on debt and leases	48,149,211	-	178,164	-
	<u>1,575,975,151</u>	<u>143,925,812</u>	<u>63,650,584</u>	<u>96,381,305</u>
Business-type activities				
Water and wastewater	129,449,976	85,367,358	-	127,526,187
Waste collection	51,226,226	49,969,513	-	-
Child care	4,834,882	4,739,204	-	-
	<u>185,511,084</u>	<u>140,076,075</u>	<u>-</u>	<u>127,526,187</u>
<b>Total primary government</b>	<b>\$ <u>1,761,486,235</u></b>	<b>\$ <u>284,001,887</u></b>	<b>\$ <u>63,650,584</u></b>	<b>\$ <u>223,907,492</u></b>
<b>Component units</b>				
Board of Education	\$ 1,228,131,614	\$ 12,963,849	\$ 173,914,891	\$ 143,607,163
Community College	153,467,022	48,930,085	23,235,544	2,223,563
Library System	24,677,255	869,785	4,278,818	30,016
Economic Development Corp	3,234,114	227,471	31,407	-
Tipton Airport Authority	2,089,089	1,642,344	-	1,585,425
Workforce Development	5,763,597	-	5,506,422	-
<b>Total component units</b>	<b>\$ <u>1,417,362,691</u></b>	<b>\$ <u>64,633,534</u></b>	<b>\$ <u>206,967,082</u></b>	<b>\$ <u>147,446,167</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  
 County transfer  
 Total general revenues

Changes in net position

Net position, July 1 (as restated)

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
\$ (750,089,873)	\$ -	\$ (750,089,873)	\$ -	\$ -	\$ -
(294,649,655)	-	(294,649,655)	-	-	-
(74,027,548)	-	(74,027,548)	-	-	-
(39,840,237)	-	(39,840,237)	-	-	-
2,562,488	-	2,562,488	-	-	-
(30,459,076)	-	(30,459,076)	-	-	-
(25,573,036)	-	(25,573,036)	-	-	-
(1,228,525)	-	(1,228,525)	-	-	-
(10,740,941)	-	(10,740,941)	-	-	-
(47,971,047)	-	(47,971,047)	-	-	-
<u>(1,272,017,450)</u>	<u>-</u>	<u>(1,272,017,450)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	83,443,569	83,443,569	-	-	-
-	(1,256,713)	(1,256,713)	-	-	-
-	<u>(95,678)</u>	<u>(95,678)</u>	-	-	-
-	82,091,178	82,091,178	-	-	-
<u>(1,272,017,450)</u>	<u>82,091,178</u>	<u>(1,189,926,272)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(897,645,711)	-	-
-	-	-	-	(79,077,830)	-
-	-	-	-	-	(19,498,636)
-	-	-	-	-	(2,975,236)
-	-	-	-	-	1,138,680
-	-	-	-	-	<u>(257,175)</u>
-	-	-	(897,645,711)	(79,077,830)	(21,592,367)
657,850,224	-	657,850,224	-	-	-
420,382,038	-	420,382,038	-	-	-
8,405,452	-	8,405,452	-	-	1,000,000
89,697,633	-	89,697,633	-	-	-
32,830,881	-	32,830,881	-	-	-
-	-	-	906,294,148	73,296,487	21,103,599
1,967,451	1,172,934	3,140,385	61,813	41,379	9,322
11,011,946	11,655,557	22,667,503	1,558,257	442,316	340,172
28,112	<u>(28,112)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,222,173,737</u>	<u>12,800,379</u>	<u>1,234,974,116</u>	<u>907,914,218</u>	<u>73,780,182</u>	<u>22,453,093</u>
(49,843,713)	94,891,557	45,047,844	10,268,507	(5,297,648)	860,726
<u>(367,913,267)</u>	<u>1,178,444,374</u>	<u>810,531,107</u>	<u>572,248,655</u>	<u>83,129,839</u>	<u>2,842,821</u>
\$ <u>(417,756,980)</u>	\$ <u>1,273,335,931</u>	\$ <u>855,578,951</u>	\$ <u>582,517,162</u>	\$ <u>77,832,191</u>	\$ <u>3,703,547</u>

## Anne Arundel County, Maryland

## Balance Sheet

## Governmental Funds

June 30, 2015

	Major Funds			Nonmajor	Totals
	General	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	
<b>ASSETS</b>					
Cash and investments	\$ 122,796,333	\$ 75,432,215	\$ 176,099,467	\$ 94,099,331	\$ 468,427,346
Receivables					
Property taxes					
(net of \$2,512,769 allowance)	7,587,527	-	-	-	7,587,527
Local sales taxes	5,562,523	-	-	-	5,562,523
State shared revenues	2,813,342	-	-	-	2,813,342
Due from other governmental agencies	3,296,020	-	3,455,368	14,339,559	21,090,947
Due from other funds	10,414,496	-	-	-	10,414,496
Due from Board of Education	25,412	-	2,364,408	-	2,389,820
Local income tax	107,494,498	-	-	-	107,494,498
Other, net	9,452,138	82,686	6,611	3,982,554	13,523,989
Inventories	2,493,448	-	-	-	2,493,448
Other assets	667,408	-	-	-	667,408
Total assets	\$ 272,603,145	\$ 75,514,901	\$ 181,925,854	\$ 112,421,444	\$ 642,465,344
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 31,176,509	\$ 3,004,051	\$ 10,182,275	\$ 7,483,333	\$ 51,846,168
Due to other funds	1,814,557	-	-	6,801,020	8,615,577
Due to component units					
Board of Education	136,692	-	26,417,801	-	26,554,493
Community College	-	-	345,783	-	345,783
Library	1,978,600	-	-	-	1,978,600
Escrow and other deposits	1,589,088	-	29,608	5,999,840	7,618,536
Unearned revenue	-	-	-	1,034,628	1,034,628
Total liabilities	36,695,446	3,004,051	36,975,467	21,318,821	97,993,785
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable property tax revenue	711,056	-	-	-	711,056
Unavailable local income tax	72,179,337	-	-	-	72,179,337
Unavailable grant revenue	-	-	1,859,752	8,166,270	10,026,022
Unavailable 911 fees	1,046,450	-	-	-	1,046,450
Total deferred inflow of resources	73,936,843	-	1,859,752	8,166,270	83,962,865
<b>FUND BALANCES</b>					
Non spendable					
Inventories	2,493,448	-	-	-	2,493,448
Restricted					
Reserve for retiree health benefits (OPEB)	35,876,639	-	-	-	35,876,639
Base realignment and closure (BRAC)	1,064,099	-	-	-	1,064,099
Impact fees capital projects	-	72,510,850	-	-	72,510,850
Forfeiture and asset seizure team	-	-	-	1,427,682	1,427,682
Roads and special benefits	-	-	-	466,867	466,867
Reforestation	-	-	-	8,139,821	8,139,821
Laurel racetrack community benefit	-	-	-	24,206	24,206
Grants	-	-	3,455,368	4,957,134	8,412,502
Circuit court	-	-	-	82,586	82,586
Erosion districts	-	-	-	371,207	371,207
Video lottery local impact aid	1,237,151	-	-	3,738,200	4,975,351
Watershed protection and restoration	-	-	18,620,121	12,431,223	31,051,344
Bond premium	-	-	-	38,996,154	38,996,154
Debt service	-	-	-	8,962,428	8,962,428
Committed					
Storm drain fees	-	-	-	948,242	948,242
Street lights capital projects	-	-	-	3,859,842	3,859,842
Recreation and land fees	-	-	-	380,354	380,354
Energy revolving loan	-	-	-	302,729	302,729
Odenton Town Center Tax Increment	-	-	-	478,049	478,049
Installment purchase agreements	-	-	-	9,267,945	9,267,945
Assigned					
General County capital projects	-	-	121,015,146	-	121,015,146
General County	42,862,522	-	-	-	42,862,522
Unassigned	78,436,997	-	-	(11,898,316)	66,538,681
Total fund balances	161,970,856	72,510,850	143,090,635	82,936,353	460,508,694
Total liabilities, deferred inflows and fund balances	\$ 272,603,145	\$ 75,514,901	\$ 181,925,854	\$ 112,421,444	\$ 642,465,344

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



Anne Arundel County, Maryland

Reconciliation of Governmental Fund Balance to Governmental Net Position

Governmental Funds

June 30, 2015

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Total fund balance for governmental funds as shown on the Balance Sheet	\$ 460,508,694
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on governmental funds balance sheet.	
Capital assets	1,823,217,897
Accumulated depreciation	(736,220,367)
Deferred Outflows of Resources	
Unamortized loss on refunding	6,390,906
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	(1,117,218,705)
Federal and state loans	(3,397,861)
Wynne case - due to State of Maryland	(16,026,711)
Pension benefits	(317,679,705)
Other post-employment benefits	(474,246,152)
Compensated absences	(23,776,697)
Long-term leases	(36,911)
Accrued interest payable on debt is recorded in governmental activities.	(11,736,687)
Unearned revenues:	
Revenues not available for use in the current fiscal year have been deferred until future periods on the governmental funds balance sheet.	83,962,865
Premiums received on certain bond issues have been deferred on the Statement of Net Position.	(117,955,434)
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	25,990,375
Business-type activities allocation of Internal Service Funds net position	(1,599,062)
Certain expenditures paid with current resources have been deferred to future periods on the Statement of Net Position.	<u>2,066,575</u>
Total net position for governmental activities as shown on Statement of Net Position	<u>\$ (417,756,980)</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, 2015

	Major Funds			Nonmajor Governmental Funds	Totals
	General	Impact Fees Capital Projects	General County Capital Projects		
<b>REVENUES</b>					
General property taxes	\$ 623,935,919	\$ -	\$ -	\$ 35,958,915	\$ 659,894,834
Local income taxes	444,302,777	-	-	-	444,302,777
State shared taxes	11,270,543	-	-	-	11,270,543
Grants and aid	-	-	10,476,203	35,014,986	45,491,189
Recordation and transfer taxes	89,697,633	-	-	-	89,697,633
Local sales taxes	32,830,881	-	-	-	32,830,881
License and permit fees	17,333,180	-	-	-	17,333,180
Impact fees	-	26,322,325	-	-	26,322,325
Special community benefit taxes	-	-	-	7,451,077	7,451,077
Video lottery local impact aid	-	-	-	17,701,164	17,701,164
Watershed protection and restoration	-	-	-	16,925,138	16,925,138
Contributed capital	-	-	42,776,980	-	42,776,980
Investment income	1,241,607	87,615	(1,968)	933,909	2,261,163
Fees for services and other revenue	71,573,876	-	2,289,358	2,985,771	76,849,005
Total revenues	<u>1,292,186,416</u>	<u>26,409,940</u>	<u>55,540,573</u>	<u>116,970,960</u>	<u>1,491,107,889</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
Education	639,421,000	891,810	122,199,636	1,700,000	764,212,446
Public safety	265,910,391	-	-	15,495,775	281,406,166
General government	74,791,474	-	-	2,365,956	77,157,430
Health and human services	45,634,204	-	-	26,944,075	72,578,279
Public works	37,094,820	2,723,419	-	9,491,813	49,310,052
Recreation and community services	40,154,635	-	-	13,199,904	53,354,539
Judicial	23,305,058	-	-	2,431,467	25,736,525
Code enforcement	11,857,395	-	-	1,238,875	13,096,270
Land use and development	8,632,155	-	-	1,978,527	10,610,682
Capital outlay	-	-	105,072,340	-	105,072,340
<b>Debt service</b>					
Interest payments on debt	42,748,394	-	-	4,777,880	47,526,274
Principal payments on debt	97,409,634	-	-	2,284,066	99,693,700
Interest payments on leases	11,654	-	-	-	11,654
Principal payments on leases	12,304	-	-	-	12,304
Total expenditures	<u>1,286,983,118</u>	<u>3,615,229</u>	<u>227,271,976</u>	<u>81,908,338</u>	<u>1,599,778,661</u>
Revenues over (under) expenditures	<u>5,203,298</u>	<u>22,794,711</u>	<u>(171,731,403)</u>	<u>35,062,622</u>	<u>(108,670,772)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	31,671,701	-	224,845,547	4,708,318	261,225,566
Transfers out	(180,625,496)	(6,461,426)	(2,085,207)	(72,053,437)	(261,225,566)
General obligation bonds issued	154,920,000	-	-	26,880,000	181,800,000
Issuance of debt - State Loans	-	-	4,937	-	4,937
Refunding bonds issued	75,715,900	-	-	-	75,715,900
Payment to esrow agent	(68,730,094)	-	-	-	(68,730,094)
Premium from sale of bonds	-	-	-	38,824,048	38,824,048
COI on refunding bonds	(201,982)	-	-	-	(201,982)
Premium on refunding of bonds	13,844,497	-	-	-	13,844,497
Transfer to OPEB from Health Insurance Fund	10,700,000	-	-	-	10,700,000
Contributions to Solid Waste Fund	-	-	-	(1,946,000)	(1,946,000)
Transfers from Energy Revolving Loan Fund	-	-	-	28,112	28,112
Total other financing sources (uses)	<u>37,294,526</u>	<u>(6,461,426)</u>	<u>222,765,277</u>	<u>(3,558,959)</u>	<u>250,039,418</u>
Net change in fund balances	<u>42,497,824</u>	<u>16,333,285</u>	<u>51,033,874</u>	<u>31,503,663</u>	<u>141,368,646</u>
Fund balances, July 1	119,473,032	56,177,565	92,056,761	51,432,690	319,140,048
Fund balances, June 30	<u>\$ 161,970,856</u>	<u>\$ 72,510,850</u>	<u>\$ 143,090,635</u>	<u>\$ 82,936,353</u>	<u>\$ 460,508,694</u>

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

Reconciliation of Changes in Fund Balances to Changes in Net Position

Governmental Funds

Year Ended June 30, 2015

Changes in fund balances as shown on Statement of Revenues,  
Expenditures, and Changes in Fund Balances, Governmental Funds \$ 141,368,646

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	54,961,207
Current year donations of capital assets	14,816,830
Current year disposals of capital assets	(432,652)
Depreciation expense recorded in the Statement of Activities	(44,161,851)

Wynne accrued liability full accrual FY15 - FY16 partial current (16,026,711)

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	(257,520,837)
Principal payments on debt	164,183,167
Lease payments	12,304
Change in accrued interest payable	(611,283)
Loss on refunding	1,489,956
Amortization of prior year refunding gain/loss	(932,598)
Accrual of compensated absences	(1,031,416)
Accrual of pension benefits	(15,339,386)
Accrual of other post-employment benefit liability	(44,588,951)

Certain charges paid with current financial resources are unearned and amortized over one or more periods on the Statement of Activities. The differences are as follows:

Expense was unearned to future periods	2,066,575
Amortization of expenditures unearned in previous years	(1,143,220)

Premiums received on bond issues have been unearned in the government-wide statements. The revenue will be recognized over the life of the related bonds.

The differences are as follows:

Unearned revenue	(47,971,873)
Amortization of amounts unearned	10,999,239

Certain revenue was unearned on the governmental fund statements because it was not available to pay expenditures of the current period. These unearned amounts are recognized as revenue in the Statement of Activities.

(5,710,071)

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.

(4,270,788)

Changes in net position as shown in governmental activities on the Statement of Activities \$ (49,843,713)

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

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
General property taxes	\$ 622,502,000	\$ 622,502,000	\$ 623,935,919	\$ 1,433,919
Local income taxes	437,600,000	437,600,000	444,302,777	6,702,777
State shared taxes	11,822,000	11,822,000	11,270,543	(551,457)
Recordation and transfer taxes	78,000,000	78,000,000	89,697,633	11,697,633
Local sales taxes	31,804,000	31,804,000	32,830,881	1,026,881
Licenses and permits	15,517,500	15,517,500	17,333,180	1,815,680
Investment income	400,000	400,000	37,396	(362,604)
Interfund recoveries	57,245,700	57,245,700	59,817,705	2,572,005
Fees for services and other revenues	58,134,500	58,134,500	70,343,120	12,208,620
Total revenues	<u>1,313,025,700</u>	<u>1,313,025,700</u>	<u>1,349,569,154</u>	<u>36,543,454</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Education	671,175,100	671,175,100	671,114,163	60,937
Higher education	41,616,200	41,616,200	41,615,188	1,012
Public safety	265,865,400	266,481,300	266,836,449	(355,149)
General government	133,123,500	124,651,600	121,654,513	2,997,087
Health and human services	49,149,600	48,937,600	46,957,951	1,979,649
Public works	33,221,600	41,021,600	39,750,764	1,270,836
Recreation and community services	41,926,900	41,926,900	41,812,225	114,675
Judicial	23,892,200	23,966,200	23,776,470	189,730
Land use and development	8,980,100	8,980,100	8,652,276	327,824
Code enforcement	12,167,600	12,202,600	11,861,471	341,129
Debt service	45,282,000	45,441,000	45,462,628	(21,628)
Pay go funding - capital projects	23,016,500	23,016,500	23,016,500	-
Total expenditures	<u>1,349,416,700</u>	<u>1,349,416,700</u>	<u>1,342,510,598</u>	<u>6,906,102</u>
Revenues over (under) expenditures	(36,391,000)	(36,391,000)	7,058,556	\$ <u>43,449,556</u>
Fund balances, budgetary, July 1	<u>56,687,505</u>	<u>56,687,505</u>	<u>56,687,505</u>	
Fund balances, budgetary, June 30	\$ <u><u>20,296,505</u></u>	\$ <u><u>20,296,505</u></u>	\$ <u><u>63,746,061</u></u>	
Fund balance - GAAP Basis			\$ 161,970,856	
Non spendable			(2,493,448)	
Restricted			(38,177,889)	
Assigned			(42,862,522)	
Unassigned - Revenue reserve allocation			(48,619,876)	
Effects of:				
Base realignment and closure			1,064,099	
Video lottery local impact aid			1,237,151	
Health Department encumbrance adjustment			135,792	
County Parking Garage Fund			42,846	
Inmate Benefits and Morale Fund			(610,260)	
Bond refunding premium			(201,982)	
Self Insurance Fund deficit allocation			(3,613,475)	
Central Garage Fund deficit allocation			1,814,558	
Unassigned - Non-GAAP basis			<u>29,685,850</u>	
Assigned for subsequent years			<u>34,060,211</u>	
Fund balance - Budgetary Basis			\$ <u><u>63,746,061</u></u>	

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

## Statement of Net Position

## Proprietary Funds

June 30, 2015

	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	\$ 124,350,860	\$ 34,495,487	\$ 1,709,440	\$ 160,555,787	\$ 26,464,384
Investments	-	-	-	-	77,148,582
Service billings receivable, net	23,922,031	517,563	70,125	24,509,719	5,931,474
Due from other funds	127,103	47,251	5,002	179,356	2,102,175
Inventories	2,663,069	142,763	-	2,805,832	626,164
Other	53,546	-	-	53,546	1,360,503
Restricted assets					
Cash and temporary investments	41,515,002	26,728,705	-	68,243,707	-
Investments	248,169,249	-	-	248,169,249	-
Receivables					
Due from other governmental agencies	12,771,873	-	-	12,771,873	-
Other, net	9,246,688	-	-	9,246,688	-
Total current assets	<u>462,819,421</u>	<u>61,931,769</u>	<u>1,784,567</u>	<u>526,535,757</u>	<u>113,633,282</u>
Noncurrent assets					
Restricted assets					
Deferred connection and assessment charges	53,999,680	-	-	53,999,680	-
Capital assets	2,144,105,676	99,804,694	-	2,243,910,370	70,375,930
Less accumulated depreciation	(715,623,376)	(53,546,016)	-	(769,169,392)	(57,215,758)
Total capital assets, net of depreciation	<u>1,428,482,300</u>	<u>46,258,678</u>	<u>-</u>	<u>1,474,740,978</u>	<u>13,160,172</u>
Total noncurrent assets	<u>1,482,481,980</u>	<u>46,258,678</u>	<u>-</u>	<u>1,528,740,658</u>	<u>13,160,172</u>
Total assets	<u>1,945,301,401</u>	<u>108,190,447</u>	<u>1,784,567</u>	<u>2,055,276,415</u>	<u>126,793,454</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Pension benefits	8,644,606	1,836,833	183,684	10,665,123	1,784,028
Unamortized deferred refunding loss	4,411,036	179,680	-	4,590,716	-
Total deferred outflows	<u>13,055,642</u>	<u>2,016,513</u>	<u>183,684</u>	<u>15,255,839</u>	<u>1,784,028</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued liabilities	29,277,143	4,054,863	104,980	33,436,986	3,962,073
Current portion of long-term debt and obligations	34,409,551	4,222,521	49,930	38,682,002	22,553,057
Due to other funds	200,357	87,261	-	287,618	3,792,832
Escrow deposits	558,909	76,246	-	635,155	-
Liabilities related to restricted assets					
Accounts payable and accrued liabilities	6,194,190	-	-	6,194,190	-
Unearned revenue	15,448,296	-	363,247	15,811,543	-
Total current liabilities	<u>86,088,446</u>	<u>8,440,891</u>	<u>518,157</u>	<u>95,047,494</u>	<u>30,307,962</u>
Noncurrent liabilities					
Unpaid insurance claims	-	-	-	-	57,302,696
Accrued liability for compensated absences	54,765	811	3,764	59,340	-
Accrued liability for pension benefits	34,224,531	7,159,065	696,092	42,079,688	7,039,986
Accrued liability for other post-employment benefits	37,034,463	8,986,388	662,150	46,683,001	7,936,463
Estimated landfill closure and postclosure	-	34,837,302	-	34,837,302	-
Long-term debt	544,742,562	35,006,154	-	579,748,716	-
Unearned revenue	339,844	-	-	339,844	-
Total noncurrent liabilities	<u>616,396,165</u>	<u>85,989,720</u>	<u>1,362,006</u>	<u>703,747,891</u>	<u>72,279,145</u>
Total liabilities	<u>702,484,611</u>	<u>94,430,611</u>	<u>1,880,163</u>	<u>798,795,385</u>	<u>102,587,107</u>
<b>NET POSITION</b>					
Net investment in capital assets	911,601,416	23,297,129	-	934,898,545	13,160,172
Restricted for debt service	331,288,133	-	-	331,288,133	-
Restricted for capital improvements	12,771,873	-	-	12,771,873	-
Restricted for other purposes	-	3,087,221	-	3,087,221	-
Unrestricted	211,010	(10,608,001)	88,088	(10,308,903)	12,830,203
Total net position	<u>\$ 1,255,872,432</u>	<u>\$ 15,776,349</u>	<u>\$ 88,088</u>	<u>\$ 1,271,736,869</u>	<u>\$ 25,990,375</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, 2015

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Net position as shown on Statement of Net Position - Proprietary Funds	\$ 1,271,736,869
The allocation of the net deficit in the Internal Service Funds to various activities, funds, etc. as it relates to business-type activities.	<u>1,599,062</u>
Net position shown on government wide Statement of Net Position	\$ <u>1,273,335,931</u>

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

## Anne Arundel County, Maryland

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

## Proprietary Funds

Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Totals	Internal
	Water and Wastewater	Solid Waste	Child Care		Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 85,367,358	\$ 46,666,995	\$ 4,739,204	\$ 136,773,557	\$ 40,028,543
Landfill charges	-	3,302,518	-	3,302,518	-
Medical premiums	-	-	-	-	100,670,044
Other revenues	6,496,059	716,270	-	7,212,329	137,703
Total operating revenues	91,863,417	50,685,783	4,739,204	147,288,404	140,836,290
<b>OPERATING EXPENSES</b>					
Personnel services	31,804,134	8,218,927	3,656,175	43,679,236	7,208,257
Contractual services	29,136,913	33,205,631	254,442	62,596,986	2,704,187
Supplies and materials	6,953,734	1,466,709	449,530	8,869,973	188,112
Business and travel	191,970	13,369	27,085	232,424	24,493
Cost of goods issued	-	-	-	-	8,286,705
Depreciation	42,276,078	3,984,151	-	46,260,229	4,216,218
Provision for claims and estimated losses	-	-	-	-	111,422,323
Landfill closure and postclosure costs	-	570,726	-	570,726	-
Other	9,997,707	2,892,685	454,500	13,344,892	2,150,624
Total operating expenses	120,360,536	50,352,198	4,841,732	175,554,466	136,200,919
Operating income (loss)	(28,497,119)	333,585	(102,528)	(28,266,062)	4,635,371
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	1,072,767	100,167	-	1,172,934	1,862,400
Interest earned on long-term receivables	967,631	-	-	967,631	-
Other revenues (expenses)	2,173,273	151,137	-	2,324,410	-
Interest expense	(8,121,656)	(900,467)	-	(9,022,123)	-
Gain (loss) on disposal of assets	-	(46,137)	-	(46,137)	194,270
Income (loss) before contributions and transfers	(32,405,104)	(361,715)	(102,528)	(32,869,347)	6,692,041
Capital contributions	127,526,187	-	-	127,526,187	-
Interfund transfers	-	(28,112)	-	(28,112)	(10,700,000)
Change in net position	95,121,083	(389,827)	(102,528)	94,628,728	(4,007,959)
Net position, July 1 (as restated)	1,160,751,349	16,166,176	190,616	1,177,108,141	29,998,334
Net position, June 30	\$ 1,255,872,432	\$ 15,776,349	\$ 88,088	\$ 1,271,736,869	\$ 25,990,375
<i>Reconciliation of changes in net position per statement above to change in net position business-type activities:</i>					
Change in net position shown above				\$ 94,628,728	
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.				262,829	
Increase in net position as shown on the government-wide statement of activities				\$ 94,891,557	

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, 2015

	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	\$ 93,008,615	\$ 50,983,585	\$ 4,754,874	\$ 148,747,074	\$ 148,406,517
Cash received for expense reimbursement	-	-	-	-	429,837
Cash payments to suppliers for goods and services	(46,621,749)	(34,661,249)	(1,202,741)	(82,485,739)	(11,645,673)
Cash payments for insurance claims	-	-	-	-	(111,475,114)
Cash payments to employees for services	(27,067,502)	(7,067,355)	(3,499,451)	(37,634,308)	(6,178,049)
Contributions to other funds	-	(2,836,400)	-	(2,836,400)	-
Escrow deposits refunded	-	(1,261)	-	(1,261)	-
Other operating receipts	-	-	-	-	125,851
Other operating payments	-	-	-	-	(1,543,600)
Net cash provided by operating activities	<u>19,319,364</u>	<u>6,417,320</u>	<u>52,682</u>	<u>25,789,366</u>	<u>18,119,769</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	-	(59,809)	-	(59,809)	-
Cash transfers between funds	-	(28,112)	-	(28,112)	(10,700,000)
Net cash used for noncapital financing activities	<u>-</u>	<u>(524,481)</u>	<u>-</u>	<u>(524,481)</u>	<u>(10,700,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Proceeds from sale of bonds and bond anticipation notes	77,600,000	9,600,000	-	87,200,000	-
Proceeds from bonds refunded	34,875,000	1,224,100	-	36,099,100	-
Proceeds from grant funds	36,302,545	-	-	36,302,545	-
Proceeds from loan	11,381,013	-	-	11,381,013	-
Proceeds from developers' contributions	336,941	-	-	336,941	-
Refunds to developers	(8,828,902)	-	-	(8,828,902)	-
Assessments and connection charges	69,523,683	-	-	69,523,683	-
Environmental protection fees for capital assets	17,898,418	-	-	17,898,418	-
Payments of long-term debt	(26,514,490)	(1,919,746)	-	(28,434,236)	-
Interest payments	(20,094,789)	(1,260,329)	-	(21,355,118)	-
Rebates, interest income and reimbursements	6,987,226	-	-	6,987,226	-
Acquisition and construction of capital assets	(113,274,022)	(5,192,276)	-	(118,466,298)	(4,126,268)
Deferred refunding loss on sale of refunding bonds	-	(176,560)	-	(176,560)	-
Payments of debt issuance costs	(154,647)	-	-	(154,647)	-
Premium on sale of bonds	22,604,533	3,975,672	-	26,580,205	-
Payments to escrow agent for refunded bonds	(42,107,165)	(3,077,212)	-	(45,184,377)	-
Proceeds from sale of equipment	-	-	-	-	194,270
Payment of capital related fees	(996,540)	-	-	(996,540)	-
Transfer to UDS	843,750	-	-	843,750	-
Transfer to Capital	(5,659,000)	-	-	(5,659,000)	-
Net cash (used for) capital and related financing activities	<u>60,723,554</u>	<u>3,173,649</u>	<u>-</u>	<u>63,897,203</u>	<u>(3,931,998)</u>



Anne Arundel County, Maryland

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Totals	Internal
	Water and Wastewater	Solid Waste	Child Care		Service Funds
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Purchase of investment securities	(840,821,865)	-	-	(840,821,865)	(81,427,344)
Sale of investment securities	819,032,730	-	-	819,032,730	76,328,087
Interest on investments	105,968	100,167	-	206,135	1,762,765
Net cash provided by (used for) investing activities	(21,683,167)	100,167	-	(21,583,000)	(3,336,492)
Net increase in cash and cash equivalents	58,359,751	9,166,655	52,682	67,579,088	151,279
Cash and temporary investments, July 1	107,506,111	52,057,537	1,656,758	161,220,406	26,313,105
Cash and temporary investments, June 30	\$ 165,865,862	\$ 61,224,192	\$ 1,709,440	\$ 228,799,494	\$ 26,464,384
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (28,497,119)	\$ 333,585	\$ (102,528)	\$ (28,266,062)	\$ 4,635,371
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	42,276,078	3,984,151	-	46,260,229	4,216,218
Noncapital construction costs	1,470,550	-	-	1,470,550	-
Effect of changes in operating assets and liabilities:					
Accounts receivable	1,115,641	297,802	8,916	1,422,359	3,872,408
Due from other funds	(127,103)	(47,251)	(5,002)	(179,356)	-
Prepaid expenses	(46,979)	-	-	(46,979)	(9,732)
Inventories	(470,972)	2,326	-	(468,646)	128,106
Accounts payable and accrued liabilities	(834,500)	221,038	25,820	(587,642)	2,111,557
Unearned revenue	-	-	6,754	6,754	-
Unpaid claims	-	-	-	-	(1,642,728)
Landfill closure and postclosure costs	-	570,726	-	570,726	-
Due to other funds	(221,790)	(73,546)	(5,447)	(300,783)	3,792,832
Escrow deposits	29,558	(1,261)	-	28,297	-
Accrued liability for compensated absences	36,342	(20,539)	4,791	20,594	42,289
Accrued liability for pension	7,837,465	1,665,331	166,533	9,669,329	1,617,454
Deferred outflow of resources - pension	(6,728,544)	(1,437,913)	(145,231)	(8,311,688)	(1,390,278)
Accrued liability for OPEB benefits	3,480,737	922,871	98,076	4,501,684	746,272
Net cash provided by operating activities	\$ 19,319,364	\$ 6,417,320	\$ 52,682	\$ 25,789,366	\$ 18,119,769
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Contributions of capital assets from developers	\$ 8,574,464	\$ -	\$ -	\$ 8,574,464	\$ -
Trade in of capital assets	-	19,500	-	19,500	-
Change in capital contributions, fees and grants; accruals and deferrals	(5,026,236)	-	-	(5,026,236)	-
Increase in fair value of investments	(44,629)	-	-	(44,629)	(773,454)
Amortization of refunding gains (losses)	(464,527)	312	-	(464,215)	-
	\$ 3,039,072	\$ 19,812	\$ -	\$ 3,058,884	\$ (773,454)

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, 2015

	Pension Trust Funds (December 31, 2014)	Agency Funds
<b>ASSETS</b>		
Investments, at fair value:		
Cash and temporary investments	\$ 56,196,158	\$ 33,487,152
U. S. government obligations	6,529,209	-
Corporate obligations	88,946,819	-
Domestic fixed income mutual funds	84,365,765	-
International fixed income mutual funds	65,737,682	-
Global asset pools	269,332,161	-
Domestic equity	455,094,285	-
International equity investment pools	355,578,306	-
Private markets	122,598,626	-
Portable Alpha	977,211	-
Real estate investment pools	87,023,135	-
Aetna insurance pooled fixed income	26,195,987	-
Absolute return fixed income	50,205,466	-
Total investments	<u>1,668,780,810</u>	<u>33,487,152</u>
Collateral from securities lending transactions	78,038,878	-
Receivables:		
Employer contributions	5,446,090	-
Participant contributions	952,716	-
Accrued interest and dividends	1,465,051	-
Investment sales proceeds	1,828,148	-
Total receivables	9,692,005	-
Deposits on hand	240,808	-
Total assets	<u>1,756,752,501</u>	<u>33,487,152</u>
<b>LIABILITIES</b>		
Accounts payable	1,891,702	-
Escrow and other deposits	-	33,487,152
Investment commitments payable	10,675,606	-
Obligation for collateral received under securities lending transactions	78,038,878	-
Total liabilities	<u>90,606,186</u>	<u>33,487,152</u>
Net position held in trust for pension benefits	<u>\$ 1,666,146,315</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, 2015

	Pension Trust Funds (December 31, 2014)
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 65,330,754
Participant	11,687,932
Total contributions	<u>77,018,686</u>
Investment income:	
Net appreciation in fair value of investments	33,700,569
Interest income	24,286,623
Dividend income	30,649,882
Total investment income	<u>88,637,074</u>
Less investment expense	<u>(10,355,210)</u>
Net income from investing activities	<u>78,281,864</u>
Securities lending activities:	
Securities lending income	<u>154,231</u>
Securities lending expenses:	
Borrower rebates	3,168
Management fees	45,358
Securities lending expense	<u>48,526</u>
Securities lending net income	<u>105,705</u>
Total net investment income	<u>78,387,569</u>
Total additions	<u>155,406,255</u>
<b>DEDUCTIONS</b>	
Participant benefit payments and refunds	103,171,020
Administrative expenses	1,409,248
Total deductions	<u>104,580,268</u>
Net increase	50,825,987
Net position, beginning of year	<u>1,615,320,328</u>
Net position, end of year	<u>\$ 1,666,146,315</u>

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

**Anne Arundel County, Maryland**  
**Notes to Basic Financial Statements**  
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**Anne Arundel County, Maryland**  
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**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.** (A.A. County Public Library or 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 job 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 Position 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 deferred inflow of resources.

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 Capital Projects Fund** – This capital projects 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 the 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 Fund** – 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 Fund is 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, tax sale, and other miscellaneous purposes; monies held in trust on behalf of the Special Tax and Assessment Districts; 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 earned and 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 by May 1<sup>st</sup>.



The County Council holds public hearings regarding the budget. The Annual Budget and Appropriation Ordinance must be approved by June 15<sup>th</sup> (prior to the start of the next fiscal year on July 1<sup>st</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 at year-end. 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. All major capital project funds have legally adopted budgets and unspent appropriations at year-end carry forward to the subsequent year. All nonmajor governmental funds have legally adopted budgets except the Storm Drain Fees Fund, Recreation Land Fees Fund, Street Light Fund, and Energy Revolving Loan Fund, which are expended through the Capital Projects Fund. Additional Budgetary information can be found at [www.aacounty.org/Budget/FY2015.cfm](http://www.aacounty.org/Budget/FY2015.cfm)

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

For all columns in the basic financial statements that accumulate the data for nonmajor funds or component units, the County has provided combining statements that present the individual funds included in these nonmajor categories. In addition, budgetary statements of revenue and expenditures for all primary government funds for which budgets are adopted have been provided. 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 and proprietary statements, prepaid expenses are recognized as the services are consumed. For the budgetary statements, prepaid expenses are recognized when either encumbered or paid.

**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 Statements of Net Position. 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, Library books are recorded at cost, and other assets with an individual value of \$5,000 or more are capitalized. Capitalized interest is calculated on certain assets that are construction in progress. The County capitalized interest related to these assets in the amount of \$5,006,207 in fiscal year 2015. Once the asset is complete the cost of capitalization is amortized over the life of the completed asset. Capital assets are valued at historical cost or estimated historical cost. Donated assets are valued at the estimated fair value on the date donated. Land and easements, historical property, and works of art are assets that are not being depreciated. 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 Deferred Outflows/Inflows of Resources** –A deferred outflow of resources represents the consumption of net position that applies to a future period that will not be recognized as an outflow of the resources (expenditure) until the future period. At June 30, 2015, the County had deferred outflows of \$154,983,394 representing pension benefits in the amount of \$144,001,772 and unamortized deferred refunding losses in the amount of \$10,981,622. The Board of the Maryland State Retirement and Pension System recognizes deferred outflows for changes in actuarial assumptions that are being amortized over a five-year period and contributions made subsequent to the measurement date related to pensions. A deferred inflow represents an acquisition of net position that applies to a future reporting period that will not be recognized as an inflow of resources (revenue) until that time. For government-mandated and voluntary non-exchange transactions, a deferred inflow is reported when resources are received before time requirements are met. At June 30, 2015, the County had deferred inflows of resources of \$83,962,865 million representing unavailable tax revenues, 911 fees and unavailable grant revenues. On the government wide statements, the governmental activities had deferred inflows of resources related to pension benefits in the amount of \$1,601,126. The Board of the Maryland State Retirement and Pension System recognizes deferred inflows for the difference between the projected and actual investment earnings related to pensions.

Deferred outflows of resources are presented below the total assets on the government wide, proprietary, and governmental statements. Deferred inflows of resources are presented below the total liabilities on the government wide, proprietary, and governmental statements.

**H Operating and Nonoperating Revenues and Expenses and Capital Contributions** – The Statement of Revenues, Expenses, and Changes in Fund Net Position for proprietary funds categorize 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 water and wastewater, 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.

**I 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.

**J Capitalized interest** – The primary government's Statements of Net Position 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 solid waste capital assets for bond-funded projects.

**K 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.

**L 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, 2015 totaled \$74,298,773 in the governmental fund types, of which \$57,546,263 is for construction activity. The proprietary funds utilize encumbrance accounting for budgetary purposes. As of June 30, 2015, the proprietary funds had encumbrances totaling \$178,195,467, of which \$165,250,192 is for construction activity.

**M 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:

- **Non-spendable:** This classification includes amounts that cannot be spent because they either (a) are 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 following fund balances are classified as restricted:
  - **Reserve for retiree health benefits:** restricted by the County Charter, Section 718 for the payment

of health benefits for retirees and their spouses, dependents, and survivors.

- **Base realignment and closure (BRAC):** restricted by the Annotated Code of Maryland, Section 5-1306 for the revitalization and incentive programs in the BRAC area.
  - **Impact fees:** restricted by the Annotated Code of Maryland, Local Government Article, Section 20-701 for expanded infrastructure required to accommodate new development.
  - **Forfeiture and asset seizure team:** restricted by federal regulations for law enforcement activities.
  - **Roads and special benefits:** restricted by the Annotated Code of Maryland, Local Government Article, Section 10-314 for the improvements and benefits within designated districts.
  - **Reforestation:** restricted by the Annotated Code of Maryland, Natural Resources Article, Section 5-1610 for the reforestation of properties in the County.
  - **Laurel racetrack community benefit:** restricted by the Annotated Code of Maryland, Business Regulation Article, Section 11-404 for certain services and facilities in the vicinity of the Laurel racetrack.
  - **Grants:** restricted by various state and federal laws, regulations and grant agreements that specify how funds may be spent.
  - **Circuit court:** restricted by the Annotated Code of Maryland, Court and Judicial Proceeding Article, Section 7-204 for Circuit Court operations.
  - **Erosion districts:** restricted by the Annotated Code of Maryland, Local Government Article, Section 21-306 for erosion control projects and related loans in designated districts.
  - **Video lottery local impact aid:** restricted by the Annotated Code of Maryland, State Government Article, Section 9-1A-31(b) for improvements and facilities in the vicinity of the video lottery facility.
  - **Watershed protection and restoration:** restricted by the Annotated Code of Maryland, Environmental Article, Section 4-202.1(h) (4) for stormwater management and projects
  - **Bond premium:** restricted by the County Charter, Section 720(b) for capital improvements financed with the proceeds of the bonds that generated the premiums.
  - **Debt Service:** is restricted through debt covenants.
- **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 Council removes or changes the ordinance that was employed when the funds were initially committed. Storm Drain Fees Fund, Street Lights Capital Project Fund, Recreation Land Fees Fund, Energy Revolving Loan Fund, and Odenton Town Center Tax Increment Fund are committed based on legislation in the County code. The Installment Purchase Agreement Fund is committed for the purchase of agricultural and woodland preservation programs.
  - **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 Annual Budget and Appropriation 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 General County Capital Projects are assigned for the repair and replacement of equipment.

- **Unassigned:** This classification includes the residual fund balance for the General Fund, A.A. County Partnership for Children Youth and Family Fund, Arundel Community Development Service Fund and the Grants Fund have 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 resources 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.

**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, 2015. The annual leave accrual is calculated using unused annual leave hours as of June 30, 2015 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.

Compensated absences are liquidated within the following governmental funds: the General Fund and Reforestation Fund. They are also liquidated in the following internal service and enterprise funds: Self Insurance, Central Garage and Transportation, Water and Wastewater, Solid Waste and Child Care.

**O** **New GASB Pronouncements** - In fiscal year ended June 30, 2015 the County implemented the following GASB pronouncements:

- The County has adopted the provision of Governmental Accounting Standard Board (GASB Statement No. 68, *entitled Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27 and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As part of GASB 68 the County is required to record its share of the Maryland State Retirement and Pension System's (SRPS) net funded pension liability. The County's share of the unfunded liability will be calculated by dividing the County's contribution to SRPS by the total contributions to SRPS multiplied by SRPS' unfunded liability. The County will also record the Net Pension Liability for the County Employee, Police, Fire, and Detention and Sheriff's plan, required under GASB 68.
- GASB also issued Statement No. 69, *entitled Government Combinations and Disposals of Government Operation*, and GASB Statement No. 70, *entitled Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Both statements were adopted this fiscal year but had no effect on these financial statements.

The following pronouncements will be evaluated for future implementation:

- As of the year ended June 30, 2015, GASB issued Statement No. 72, *entitled Fair Value Measurement and Application*; Statement No. 73, *entitled, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to certain Provisions of GASB Statements 67 and 68*; GASB Statement No. 74 *entitled, Financial Reporting For Postemployment Benefit Plans Other Than Pension Plans*; GASB Statement No. 75 *entitled, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; GASB Statement No. 76 *entitled, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. These statements may or will have a material effect on the County's financial statements once implemented.

The County will be analyzing the effects of these pronouncements and plans to adopt them as applicable by their effective date.

**P** **Prior Period Adjustments** - As a result of implementing GASB Statement No. 68, *entitled "Financial Reporting for Pension Plans"*, certain statement's beginning net positions have been restated as of July 1, 2014. These restatements resulted from recording of the net pension liability as provided from the actuary Bolton Partners, Inc. The Governmental Activities beginning net position decreased by \$307,369,101, and the Business-type

activities decreased by \$30,056,924, as presented below. The Self Insurance Fund and the Central Garage and Transportation Funds net position also decreased by \$942,540 and \$4,086,242, respectively.

The Governmental Activities beginning net position had an additional decrease of \$30,940,759, as of July 1, 2014, to restate errors in accounting for capital expenditures. The effect of the restatement was to decrease capital assets construction in process in the amount of \$28,536,590 for items that were not capital in nature and should have been expensed in prior years, and to record accumulated depreciation and depreciation expense in the amount of \$2,404,169 for assets that were placed into service in prior years. The Water and Wastewater Fund had an additional decrease in beginning net position of \$10,757,205 which was to record accumulated depreciation and depreciation expense for assets that were placed into service in prior years:

	<u>Governmental Activities</u>	<u>Self Insurance Fund</u>	<u>Central Garage and Transportation Fund</u>
<b>Net Position, June 30, 2014</b>	\$ (29,603,407)	\$ -	\$ -
<b>Pension liability</b>	(307,369,101)	(942,540)	(4,086,242)
<b>Capital assets</b>	<u>(30,940,759)</u>	<u>-</u>	<u>-</u>
<b>Net Position, July 1, 2014 (as restated)</b>	<u>\$ (367,913,267)</u>	<u>\$ (942,540)</u>	<u>\$ (4,086,242)</u>

	<u>Business-type Activities</u>	<u>Water and Wastewater Fund</u>	<u>Solid Waste Fund</u>	<u>Child Care Fund</u>
<b>Net Position, June 30, 2014</b>	\$ 1,249,315,346	\$ 1,226,036,401	\$ 21,260,990	\$ 681,722
<b>Pension liability</b>	(30,056,924)	(24,471,004)	(5,094,814)	(491,106)
<b>Capital assets</b>	<u>(40,814,048)</u>	<u>(40,814,048)</u>	<u>-</u>	<u>-</u>
<b>Net Position, July 1, 2014 (as restated)</b>	<u>\$ 1,178,444,374</u>	<u>\$ 1,160,751,349</u>	<u>\$ 16,166,176</u>	<u>\$ 190,616</u>

The Board of Education, Community College and A.A. County Public Library, component unit statements have also been restated to decrease net position as of July 1, 2014 in the amount of \$44,798,790, \$2,718,297 and \$2,041,668 respectively, to reflect the recognition of the effects of implementation of GASB 68.

**Q 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**

Expenditures and encumbrances of funds may not exceed legally adopted appropriations. The appropriations are established by the County Council in the Annual Budget and Appropriation Ordinance. During the fiscal year, the County Council may adopt supplemental budgetary appropriation ordinances that increase appropriations from revenue not anticipated in the budget or in excess of that anticipated in the budget. The County Executive has the authority to approve intra-department transfers within a fund. Transfers of appropriations from one department to another or from one capital project to another require the County Council's approval by ordinance. The legal level of budgetary control is by fund and agency for the operating funds, at the project level for capital projects, and at the district level for Roads and Special Community Benefit Districts, Shore Erosion Control Districts, and Waterway Improvement Special Taxing Districts. All unexpended, unencumbered appropriations lapse at year-end, except appropriations for capital projects. The County adopts budgets for all funds except the

Library Dedicated Revenue Fund and the capital project funds for the Storm Drain Fees Fund, Recreation Land Fees Fund, Street Light Fund, and Energy Revolving Loan Fund, which are expended through the General County Capital Projects Fund. Appropriations in the grant funds may be increased without a separate ordinance if the conditions in the code are met.

**A Excess Expenditures over Appropriation Limits** – Expenditures for Beverly Beach, Roads and Special Benefit District, exceeded budgeted appropriations by \$7,730. Nine individual grant expenditures exceeded budgeted appropriations by \$147,080. In addition, eight of the nine grants received sufficient revenues to cover their expenditures. In the General Fund at a department level, Police, County Executive, and Social Service exceeded budgeted appropriations by \$721,355, \$80,942, and \$70,654, respectively.

**B Fund Deficits** - The Grants Fund and A.A. County Children Youth and Family have negative fund balances in the amount of (\$6,891,777) and (\$49,405), respectively, as a result of funds expended in the current fiscal year that were not reimbursed by the grantor within 90 days of the fiscal year-end. Anne Arundel County Public Library, a discretely presented component unit, has a negative fund balances of (\$9,164,340) as a result of unfunded liabilities for other postemployment and pension benefits. The Self Insurance Fund and the Central Garage and Transportation Fund have negative fund balances of (\$985,006) and (\$4,270,952), respectively, as a result of unfunded liabilities for pension benefits.

**C Reconciliation Between Fund Financial Statements and Budgetary Statements** - 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:

	General Fund
Revenue (under) over expenditures - budgetary basis	\$ 7,058,556
Net effect of encumbrances	2,460,502
Change in due to Central Garage and Transportation Fund	647,874
Change in due from Self Insurance Fund	6,566,049
Change in revenue reserve allocation	4,436,556
Change in other post employment benefits allocation	20,829,170
Additional bond proceeds from refunding bonds	201,982
Health Department encumbrance adjustment	(135,792)
Effects of Inmate Benefit Fund & Parking Garage Fund	56,475
Net inventory change	376,452
Change in fund balance - modified accrual basis	<u>\$ 42,497,824</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 public money 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.

Legislation became effective during fiscal year 2015 that expanded the authorized investments for Self Insurance funds. In addition to the vehicles available for public money, the non-current portion of Self Insurance fund reserves may be invested in investment grade domestic corporate bonds, mutual funds, exchange traded funds, and taxable or tax-exempt municipal securities.

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 33 days at December 31, 2014, 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, 2015, the carrying amount of the primary government's bank deposits was \$4,949,205 and bank balances were \$6,831,714. 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 Bank of Richmond. 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 \$257,734 for Tipton Airport and \$895 for Workforce Development, neither of which are insured nor collateralized.

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

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



The table that follows uses the *Segmented Time Distribution* method to display debt 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 \$99,199,257 of callable issues and \$3,968,000 for issues that have both callable and variable rate features. The component units' issues have no variable rate securities.

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	over 10
<b>Primary Government</b>					
Repurchase agreements	\$ 20,000,000	\$ 20,000,000	\$ -	\$ -	\$ -
U.S. Government securities	8,779,402	-	-	-	8,779,402
Agency / instrumentalities	757,540,351	658,215,606	35,023,097	64,301,648	-
Money market pools	157,559,075	157,559,075	-	-	-
Commercial Paper	81,103,715	81,103,715	-	-	-
Corporate bonds	12,470,058	-	6,726,348	5,743,710	-
Tax exempt municipal bonds	36,146,858	14,386,996	21,759,862	-	-
	<u>\$ 1,073,599,459</u>	<u>\$ 931,265,392</u>	<u>\$ 63,509,307</u>	<u>\$ 70,045,358</u>	<u>\$ 8,779,402</u>
<b>Board of Education</b>					
Money market pools	<u>\$ 131,631,076</u>	<u>\$ 131,631,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Community College</b>					
Money market pools	5,968,498	5,968,498	-	-	-
Bond mutual funds	2,640,920	2,640,920	-	-	-
	<u>\$ 8,609,418</u>	<u>\$ 8,609,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other nonmajor component units</b>					
Money market pools	<u>\$ 3,811</u>	<u>\$ 3,811</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, 2014. 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 \$8,163,858 as of December 31, 2014.

The table also includes issues with call features and assumes that these issues will be held to maturity. The total fair market value of callable securities totals \$48,099,698 with call dates ranging from January 1, 2015 for continuously callable issues to December 15, 2044. Stated call prices are generally at par. The callable holdings include issues with floating interest rates which have market value of \$7,765,477.

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1 year	1 to 5	6 to 10	over 10
U.S. Treasuries	\$ 6,529,209	\$ -	\$ 79,377	\$ 825,209	\$ 5,624,623
Agency/Instrumentalities	13,113,443	-	318,251	-	12,795,192
Corporate Bonds	59,276,433	437,188	12,012,431	39,049,329	7,777,485
Bond Mutual Funds	150,103,447	-	150,103,447	-	-
Collateralized Mrtg Obligations	4,894,971	-	-	609,297	4,285,674
Other Asset-Backed Securities	3,840,195	-	198,989	72,969	3,568,237
Foreign and Yankee Bonds	7,820,777	302,080	1,427,547	3,791,516	2,299,634
Totals	<u>\$ 245,578,475</u>	<u>\$ 739,268</u>	<u>\$ 164,140,042</u>	<u>\$ 44,348,320</u>	<u>\$ 36,350,845</u>

Anne Arundel County, Maryland  
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**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. Ratings for the component units and Retirement System are listed separately.

Primary Government	Total Fair Value	Standard & Poor's Credit Ratings					
		A-1	AAA	AA	A	BBB	NR
Agency/Instrumentalities	\$ 757,540,350	\$ -	\$ -	\$ 610,750,990	\$ -	\$ -	\$ 146,789,360
Commercial Paper	81,103,715	81,103,715	-	-	-	-	-
Repurchase Agreement	20,000,000	-	-	-	-	-	20,000,000
Corporate Bonds	12,470,058	-	2,709,028	-	6,803,930	2,957,100	-
Tax Exempt Municipals *	36,146,858	-	27,565,227	7,419,207	-	1,162,424	-
Short Term Investment Pools	157,559,075	-	146,365,156	-	-	-	11,193,920
<b>Total Credit Risk of Debt Securities</b>	<b>1,064,820,056</b>	<b>81,103,715</b>	<b>176,639,411</b>	<b>618,170,197</b>	<b>6,803,930</b>	<b>4,119,524</b>	<b>177,983,280</b>
US Gov't & Agencies **	8,779,402	-	-	-	-	-	-
<b>Total Debt Securities</b>	<b>\$ 1,073,599,458</b>	<b>\$ 81,103,715</b>	<b>\$ 176,639,411</b>	<b>\$ 618,170,197</b>	<b>\$ 6,803,930</b>	<b>\$ 4,119,524</b>	<b>\$ 177,983,280</b>
<b>Board of Education</b>							
Money Market Pool	\$ 131,631,076	\$ -	\$ 131,631,076	\$ -	\$ -	\$ -	\$ -
<b>Community College</b>							
Money Market Pool	5,968,498	-	5,968,498	-	-	-	-
Bond Mutual Funds	2,640,920	-	-	-	-	-	2,640,920
	\$ 8,609,418	\$ -	\$ 5,968,498	\$ -	\$ -	\$ -	\$ -
<b>Nonmajor component units</b>							
Money Market Pool	\$ 3,811	\$ -	\$ 3,811	\$ -	\$ -	\$ -	\$ -

\* Includes two issuers rated Aaa by Moody's which are Not Rated by Standard and Poor's.

\*\*US government agency securities explicitly guaranteed by the US government are categorized here.

Credit ratings of US government agency securities that are only implicitly guaranteed by the US government are categorized accordingly in the main body of this table. Implicitly guaranteed agency securities include Gov't Mortgage Backed, Gov't Agencies, and short Term Bills and Notes. Other categories issued are Federal National Mortgage Association, Federal Deposit Insurance Corp., Federal Home Loan Bank, Federal Home Loan Mortgage Corp., Federal Financing Corp., Small Business Association, Farmer Mac, and Federal Farm Credit.

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, 2014 are displayed next. Calculations are based on \$321,447,067 of fixed income excluding U.S. Treasuries.

<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	3.98	Other Asset-backed	NR	Ba	0.02
"	NR	NR	0.10	Obligations (con't)	NR	C	0.05
Collateralized Mort. Oblig	AAA	Aaa	0.16	"	NR	NR	0.22
"	A	Aa	0.10	Yankee & Foreign Gov	A	A	0.36
"	A	A	0.05	Issued Debt	AA	Aa	0.10
"	N/A	Aaa	0.09	"	BBB	A	0.28
"	BBB	Baa	0.07	"	BBB	Baa	0.87
"	BBB	B	0.06	"	BB	Baa	0.06
"	BBB	NR	0.06	"	BB	Ba	0.22
"	B	Aa	0.03	"	B	B	0.28
"	B	B	0.05	"	B	Caa	0.08
"	B	NR	0.01	"	NR	Baa	0.15
"	CCC	A	0.02	"	NR	NR	0.02
"	CCC	Baa	0.02	Corporate Bonds	AA	Aa	0.09
"	CCC	Caa	0.05	"	AA	A	0.20
"	CCC	Ca	0.11	"	AA	Baa	0.05
"	CCC	NR	0.06	"	A	A	0.87
"	CC	Caa	0.11	"	A	Baa	0.94
"	CC	C	0.11	"	A	NR	0.02
"	D	Ca	0.05	"	BBB	A	0.20
Other Asset-backed	AA	A	0.02	"	BBB	Baa	1.75
Obligations	AA	Baa	0.07	"	BBB	Ba	0.22
"	AA	NR	0.04	"	BB	Baa	0.22
"	A	A	0.02	"	BB	Ba	2.86
"	A	Baa	0.03	"	BB	B	2.13
"	A	Ba	0.02	"	B	Ba	0.42
"	A	NR	0.02	"	B	B	6.36
"	BBB	A	0.03	"	B	Caa	1.24
"	BBB	B	0.04	"	CCC	B	0.87
"	CCC	Caa	0.72	"	NR	NR	0.01
"	D	Caa	0.08	Guaranteed Invest Contracts	NR	NR	8.14
"	D	C	0.06	Mutual Funds	NR	NR	46.69
"	NR	Aaa	0.07	Short Term Investment Pools	NR	NR	17.48
"	NR	Aa	0.02				<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, 2015, Federal National Mortgage Association represented 26.7% of the primary government's investments, Federal Home Loan Bank was 21.7%, Federal Agricultural Mortgage Corp was 13.8%, and Federal Home Loan Mortgage Bank represented 5.1%. 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, 2014, 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, 2015. 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, 2014, the Retirement System had no direct exposure to fixed income foreign currency. International/global equities and fixed income assets totaled \$690,648,149 in fair market value, managed in pooled funds as of December 31, 2014.

#### **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>. Once the due date has passed, 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*** – Revenue from the income tax is derived from personal income from County residents like salaries and social security payments as well as income from capital gains, interest and some business income. Local income tax revenue is collected by the State and distributed to local government throughout the year. 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. The current local income tax rate is 2.56%.

**C**      ***Long Term Receivables*** – The primary government has long-term receivables recorded in the Water and Wastewater Fund consisting of front foot benefit assessments, capital facility connection fees, and interest charges that varies from 1.6% to 8.0%. These receivables are collected over five to thirty years. The balance as of June 30, 2015 is \$53,999,680.

#### **5**      **Capital Assets**

The components of capital assets, changes in asset categories, and accumulated depreciation for the fiscal year ended June 30, 2015 are presented as follows:

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Category	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land and easements	\$ 207,812,068	\$ 4,304,621	\$ -	\$ 212,116,689
Historical property/works of art	4,166,465	-	-	4,166,465
Construction in progress (as restated)	166,320,590	79,311,611	(58,186,905)	187,445,296
Total assets not depreciated	<u>378,299,123</u>	<u>83,616,232</u>	<u>(58,186,905)</u>	<u>403,728,450</u>
<i>Capital assets being depreciated:</i>				
Land improvements	213,703,711	5,553,164	-	219,256,875
Buildings	310,845,679	4,013,200	-	314,858,879
Roads and bridges	364,853,977	11,978,955	(4,829,080)	372,003,852
Sidewalks, curbs, and gutters	45,805,497	809,441	(303,268)	46,311,670
Storm drains and culverts	313,273,120	15,638,338	(334,233)	328,577,225
Automobiles and rolling stock	89,449,594	7,297,070	(3,000,578)	93,746,086
Furniture, fixtures, and equipment	92,409,257	2,324,825	(1,761,409)	92,972,673
Software	21,755,820	859,985	(477,688)	22,138,117
Total assets depreciated	<u>1,452,096,655</u>	<u>48,474,978</u>	<u>(10,706,256)</u>	<u>1,489,865,377</u>
<i>Less accumulated depreciation for:</i>				
Land improvements (as restated)	(90,483,430)	(7,548,781)	-	(98,032,211)
Buildings	(111,242,488)	(6,297,177)	-	(117,539,665)
Roads and bridges	(199,200,250)	(10,445,848)	4,829,079	(204,817,019)
Sidewalks, curbs, and gutters	(16,817,987)	(932,299)	266,875	(17,483,411)
Storm drains and culverts (as restated)	(190,842,840)	(10,711,412)	323,091	(201,231,161)
Automobiles and rolling stock	(69,897,876)	(5,583,268)	2,998,473	(72,482,671)
Furniture, fixtures, and equipment	(56,207,096)	(6,413,017)	1,389,085	(61,231,028)
Software	(20,639,693)	(446,267)	467,001	(20,618,959)
Total accumulated depreciation	<u>(755,331,660)</u>	<u>(48,378,069)</u>	<u>10,273,604</u>	<u>(793,436,125)</u>
Total capital assets being depreciated, net	<u>696,764,995</u>	<u>96,909</u>	<u>(432,652)</u>	<u>696,429,252</u>
Total governmental activities, net	<u>\$ 1,075,064,118</u>	<u>\$ 83,713,141</u>	<u>\$ (58,619,557)</u>	<u>\$ 1,100,157,702</u>
<b>Business-type activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land and easements	\$ 12,109,239	\$ 530,939	\$ -	\$ 12,640,178
Construction in progress (as restated)	465,687,697	113,557,429	(21,333,413)	557,911,713
Total assets not depreciated	<u>477,796,936</u>	<u>114,088,368</u>	<u>(21,333,413)</u>	<u>570,551,891</u>
<i>Capital assets being depreciated:</i>				
Buildings	30,619,020	622,441	-	31,241,461
Landfills	49,843,256	4,538,880	-	54,382,136
Water and sewer plants and lines	1,519,236,409	33,961,916	-	1,553,198,325
Automobiles and rolling stock	10,583,559	479,890	(378,196)	10,685,253
Furniture, fixtures, and equipment	22,538,825	1,980,980	(668,501)	23,851,304
Total assets depreciated	<u>1,632,821,069</u>	<u>41,584,107</u>	<u>(1,046,697)</u>	<u>1,673,358,479</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(8,643,496)	(606,312)	-	(9,249,808)
Landfills	(37,259,598)	(1,868,572)	-	(39,128,170)
Water and sewer plants and lines (as restated)	(660,212,642)	(41,229,657)	-	(701,442,299)
Automobiles and rolling stock	(7,497,839)	(537,224)	378,196	(7,656,867)
Furniture, fixtures, and equipment	(10,175,294)	(2,018,464)	501,510	(11,692,248)
Total accumulated depreciation	<u>(723,788,869)</u>	<u>(46,260,229)</u>	<u>879,706</u>	<u>(769,169,392)</u>
Total capital assets being depreciated, net	<u>909,032,200</u>	<u>(4,676,122)</u>	<u>(166,991)</u>	<u>904,189,087</u>
Total business-type activities, net	<u>\$ 1,386,829,136</u>	<u>\$ 109,412,246</u>	<u>\$ (21,500,404)</u>	<u>\$ 1,474,740,978</u>

Anne Arundel County, Maryland  
Notes to the Financial Statements

Category	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
<b>Board of Education:</b>				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 64,169,792	\$ 2,258,235	\$ -	\$ 66,428,027
Computer software in progress	2,648,374	1,973,511	(4,621,885)	-
Construction in progress	192,296,271	116,993,340	(154,440,539)	154,849,072
Total assets not depreciated	<u>259,114,437</u>	<u>121,225,086</u>	<u>(159,062,424)</u>	<u>221,277,099</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,327,450,846	160,060,114	(4,655,960)	1,482,855,000
Computer software	4,334,660	4,621,885	-	8,956,545
Furniture, fixtures, and equipment	51,287,396	2,646,684	(7,437,143)	46,496,937
Total assets depreciated	<u>1,383,072,902</u>	<u>167,328,683</u>	<u>(12,093,103)</u>	<u>1,538,308,482</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(653,584,369)	(46,606,822)	4,039,809	(696,151,382)
Computer software	(1,146,707)	(433,466)	-	(1,580,173)
Furniture, fixtures, and equipment	(32,695,478)	(3,397,049)	7,131,236	(28,961,291)
Total accumulated depreciation	<u>(687,426,554)</u>	<u>(50,437,337)</u>	<u>11,171,045</u>	<u>(726,692,846)</u>
Total capital assets being depreciated, net	<u>695,646,348</u>	<u>116,891,346</u>	<u>(922,058)</u>	<u>811,615,636</u>
Total Board of Education, net	<u>\$ 954,760,785</u>	<u>\$ 238,116,432</u>	<u>\$ (159,984,482)</u>	<u>\$ 1,032,892,735</u>
<b>Community College:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,377,178	\$ -	\$ -	\$ 2,377,178
Construction in progress	348,384	2,640,208	(2,612,080)	376,512
Total assets not depreciated	<u>2,725,562</u>	<u>2,640,208</u>	<u>(2,612,080)</u>	<u>2,753,690</u>
<i>Capital assets being depreciated:</i>				
Land improvements	7,403,019	565,598	(557,982)	7,410,635
Buildings and improvements	141,776,957	960,533	(597,920)	142,139,570
Furniture, fixtures, and equipment	25,449,945	1,642,504	(1,320,952)	25,771,497
Leasehold improvements	1,573,779	-	-	1,573,779
Intangible assets	546,742	-	-	546,742
Total assets depreciated	<u>176,750,442</u>	<u>3,168,635</u>	<u>(2,476,854)</u>	<u>177,442,223</u>
<i>Less accumulated depreciation for:</i>				
Land improvements	(3,243,488)	(439,744)	557,982	(3,125,250)
Buildings and improvements	(57,148,562)	(4,315,564)	591,118	(60,873,008)
Furniture, fixtures, and equipment	(18,116,597)	(1,613,359)	1,319,215	(18,410,741)
Leasehold improvements	(297,386)	(157,811)	-	(455,197)
Intangible assets	(91,124)	(78,106)	-	(169,230)
Total accumulated depreciation	<u>(78,897,157)</u>	<u>(6,604,584)</u>	<u>2,468,315</u>	<u>(83,033,426)</u>
Total capital assets being depreciated, net	<u>97,853,285</u>	<u>(3,435,949)</u>	<u>(8,539)</u>	<u>94,408,797</u>
Total Community College, net	<u>\$ 100,578,847</u>	<u>\$ (795,741)</u>	<u>\$ (2,620,619)</u>	<u>\$ 97,162,487</u>

Anne Arundel County, Maryland  
Notes to the Financial Statements

Category	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
<b>Other non-major:</b>				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 158,544	\$ -	\$ (158,544)	\$ -
<i>Capital assets being depreciated:</i>				
Airport improvements	9,767,007	1,057,309	-	10,824,316
Library collection	15,985,631	3,123,091	(2,646,849)	16,461,873
Automobiles and rolling stock	31,915	-	-	31,915
Furniture, fixtures, and equipment	2,953,011	208,154	(80,807)	3,080,358
Total assets depreciated	<u>28,737,564</u>	<u>4,388,554</u>	<u>(2,727,656)</u>	<u>30,398,462</u>
<i>Less accumulated depreciation for:</i>				
Airport improvements	(4,631,661)	(522,007)	-	(5,153,668)
Library collection	(6,272,499)	(1,410,138)	1,453,933	(6,228,704)
Automobiles and rolling stock	(18,087)	(6,381)	-	(24,468)
Furniture, fixtures, and equipment	(2,117,402)	(222,808)	74,704	(2,265,506)
Total accumulated depreciation	<u>(13,039,649)</u>	<u>(2,161,334)</u>	<u>1,528,637</u>	<u>(13,672,346)</u>
Total capital assets being depreciated, net	<u>15,697,915</u>	<u>2,227,220</u>	<u>(1,199,019)</u>	<u>16,726,116</u>
Total other non-major, net	<u>\$ 15,856,459</u>	<u>\$ 2,227,220</u>	<u>\$ (1,357,563)</u>	<u>\$ 16,726,116</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. The related assets are capitalized when developer construction agreements are finalized and the assets inspected. The assets are depreciated over their estimated useful lives.

Certain items in construction in progress may be expensed once the projects close based on the final analysis of the capital projects closing. As a result, the amounts closing in construction in progress may be greater than the additions to capital assets.

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	\$ 42,276,078
Public Safety	8,646,779	Waste collection	3,984,151
General government	7,791,597		<u>\$ 46,260,229</u>
Health and human services	355,822	<i>Component units:</i>	
Public works	22,656,404	Board of Education	\$ 50,437,337
Recreation and community services	7,367,785	Community College	6,604,584
Judicial	1,310,005	Library System	1,477,052
Code Enforcement	70,708	Economic Development Corp	82,601
Land use and development	136,401	Tipton Airport Authority	529,805
	<u>\$ 48,378,069</u>	Workforce Development	71,876
			<u>\$ 59,203,255</u>

## **6 Restricted Assets and Liabilities**

The following funds are shown as restricted on the government-wide financial statements, Statement of Net Position: Impact Fees Capital Project, Forfeiture and Asset Seizure Team, Roads and Special Benefits District, Anne Arundel County Partnership for Children, Youth and Family, Reforestation, Laurel Racetrack, Video Lottery Local Impact Aid, Workforce Development, Arundel Community Development Services, Grants, Circuit Court, Street Light, Erosion Districts, Storm Drain Fees, Recreation Land Fees, Watershed Protection and Restoration, Energy Revolving Loan, Bond Premium, Park Place, Tax Increment Funds and Special Taxing Districts. In addition, fees collected by the Water and Wastewater Fund, including capital connections, front foot benefit assessments, and environmental protection fees are restricted for the payment of debt service incurred for the construction of capital

facilities. Water and Wastewater Fund capital grants are restricted and the Solid Waste Fund includes restricted funds 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, 2015:

<b><u>Fund With Receivable</u></b>	<b><u>Fund With Payable</u></b>	<b><u>Amount</u></b>	<b><u>Represents</u></b>
General Fund	Special Revenue Funds	\$ 6,793,474	Implicit borrowing from the General Fund
General Fund	Debt Service Funds	7,546	Implicit borrowing from the General Fund
General Fund	Internal Service Funds	3,613,476	Self Insurance Fund surplus allocation
Enterprise Funds	Internal Service Funds	179,356	Self Insurance Fund surplus allocation
Internal Service Funds	Enterprise Funds	287,618	Central Garage Fund deficit allocation
Internal Service Funds	General Fund	1,814,557	Central Garage Fund deficit allocation
		<u>\$ 12,696,027</u>	

Interfund balances between the General Fund and internal service funds have been eliminated on the government-wide Statement of Net Position.

Transfers between the primary government's governmental funds totaled \$261,225,566 for fiscal year 2015. The transfers are for the following:

<b><u>Originating Fund</u></b>	<b><u>Recipient Fund</u></b>	<b><u>Amount</u></b>	<b><u>Purpose</u></b>
General Fund	Arundel Community Development Services	\$ 270,000	Transfers for grants
General Fund	General County Capital Projects	154,920,000	Bond proceeds transferred for capital projects
General Fund	General County Capital Projects	23,016,500	Pay-as-you-go transfers for capital projects
Watershed Protection and Restoration	General County Capital Projects	67,853	Investment income allocation retained
Impact Fees Capital Projects	General County Capital Projects	3,860,255	Impact fee funding for capital projects
Reforestation	General County Capital Projects	29,135	Transfers for capital projects
Watershed Protection and Restoration	General County Capital Projects	26,880,000	Transfers for capital projects
Bond Premium	General County Capital Projects	12,869,000	Transfers for capital projects
Video Lottery Local Impact Aid	General County Capital Projects	2,800,000	Transfers for capital projects
Street Light Capital Projects	General County Capital Projects	402,804	Transfers for capital projects
General County Capital Projects	National Business Park	686,388	Transfer the reserve cash to operating
General County Capital Projects	Village South at Waugh Chapel	1,332,934	Transfer the reserve cash to operating
General County Capital Projects	General Fund	65,885	Investment income allocation retained
Impact Fees Capital Projects	General Fund	2,601,171	Impact fees transferred for debt service
Nursery Road Tax Increment	General Fund	4,771,915	Transfers legally appropriated
West County Tax Increment	General Fund	5,583,151	Transfers legally appropriated
Arundel Mills Tax Increment	General Fund	7,260,132	Transfers legally appropriated
Parole Tax Increment	General Fund	11,389,447	Transfers legally appropriated
General Fund	Grants	1,218,996	Transfers for grants
General Fund	Installment Purchase Agreements	1,200,000	Transfers for land preservation
		<u>\$ 261,225,566</u>	



**Transfers In**

<b>Transfer Out</b>	<b>Non Major</b>		<b>General County</b>	<b>Total</b>
	<b>General Fund</b>	<b>Governmental</b>	<b>Capital Projects</b>	
General Fund	\$ -	\$ 2,688,996	\$ 177,936,500	\$ 180,625,496
Non Major Governmental	29,004,645	-	43,048,792	72,053,437
Impact Fees Capital Projects	2,601,171	-	3,860,255	6,461,426
General County Capital Projects	65,885	2,019,322	-	2,085,207
<b>Total Transfers In</b>	<b>\$ 31,671,701</b>	<b>\$ 4,708,318</b>	<b>\$ 224,845,547</b>	<b>\$ 261,225,566</b>

Transfers between the primary government's proprietary funds and governmental funds presented as follows, totaled \$10,728,112 for fiscal year 2015. The transfer from the Health Insurance Fund to the General Fund is to put aside funds for retiree health benefits. The transfer from the Solid Waste Fund to the Energy Revolving Loan Fund is for energy conservation projects.

<b>Originating Fund</b>	<b>Recipient Fund</b>	<b>Amount</b>
Internal Service Funds	General	\$ 10,700,000
Enterprise Funds	Nonmajor Governmental	28,112
		<b>\$ 10,728,112</b>

As of June 30, 2015, receivable and payable balances remained between the primary government and the discretely presented component units. These balances and transactions are a result of the primary government's ongoing funding of the component units' capital and operating costs and a return of funding. Those balances and the payments from the primary government to or on behalf of these parties are presented as follows:

**Receivables/Payables**

<b>Entity with Receivable</b>	<b>Entity with Payable</b>	<b>Amount</b>
Board of Education	Primary Government	\$ 26,554,493
Community College	Primary Government	345,783
Other Nonmajor	Primary Government	1,978,600
Primary Government	Board of Education	2,389,820
		<b>\$ 31,268,696</b>

**Primary Government Expenditures**

<b>Originating Entity</b>	<b>Recipient Entity</b>	<b>Amount</b>
Primary Government	Board of Education	\$ 724,388,372
Primary Government	Community College	39,824,074
Primary Government	Other Nonmajor	22,459,213
		<b>\$ 786,671,659</b>

**8 Bonded Debt and Other Obligations**

The primary government's Statements of Net Position 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, pension benefits, OPEB benefits, compensated absences, and claims and judgments. Descriptions of certain of these obligations and the respective balances, debt service requirements, and changes during fiscal year 2015 are provided as follows.

**A Bond Anticipation Notes** – The County periodically incurs short-term debt by issuing bond anticipation notes 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 maturity date of this liquidity arrangement is December 16, 2016.

**B General County Debt** – Substantially all long-term bonded debt is issued as general obligation bonds for the purchase of capital 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 table includes general obligation bonds which include amounts issued for the Watershed Protection and Restoration Fund but excludes the tax increment bonds, installment purchase agreements, and state loans. These are listed separately. Business-type debt includes general obligation bonds issued for the Solid Waste Fund and Water and Wastewater Fund. The debt service requirements for the bonds outstanding as of June 30, 2015 are presented as follows:

Year ending June 30,	General County Debt			
	Governmental		Business-type	
	Principal	Interest	Principal	Interest
2016	\$ 75,265,727	\$ 48,431,335	\$ 31,953,955	\$ 24,735,376
2017	85,555,198	44,685,022	32,354,250	23,626,738
2018	82,187,777	40,728,675	30,030,535	22,368,278
2019	79,348,127	36,844,278	28,900,293	21,147,398
2020	74,634,971	33,070,537	28,364,827	19,976,668
2021-2025	330,346,184	113,619,228	137,184,164	82,257,478
2026-2030	208,595,153	46,309,398	111,059,098	55,471,956
2031-2035	82,840,568	9,361,897	84,277,211	32,601,186
2036-2040	-	-	58,037,768	15,099,925
2041-2045	-	-	30,585,000	3,645,400
	<u>\$ 1,018,773,705</u>	<u>\$ 373,050,370</u>	<u>\$ 572,747,101</u>	<u>\$ 300,930,403</u>

**C Tax Increment and Other Debt** - As of June 30, 2015, there was \$84,860,000 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 Statements of Net Position. 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, West Nursery Road 2004, Arundel Mills Refunding 2014, National Business Park Refunding 2014, and West Nursery Road Refunding 2014. The County has not pledged its full faith and credit for National Business Park North 2010 or Village South at Waugh Chapel 2010, except for the tax increment revenues and special taxes within the special tax district, if needed, to cover debt service.

During the fiscal year ended June 30, 2015, \$35,958,915 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, \$878,610 is related to Park Place which is not considered part of the County's debt and \$478,049 is related to Odenton Town Center TIF which does not have debt outstanding as of June 30, 2015. The table that follows outlines the debt service requirements for these bonds.

Year ending June 30,	Principal	Interest	Year ending June 30,	Principal	Interest
2016	\$ 1,735,000	\$ 4,270,875	2021-2025	\$ 19,105,000	\$ 17,068,786
2017	1,995,000	4,232,510	2026-2030	21,790,000	12,055,247
2018	2,240,000	4,185,297	2031-2035	11,375,000	8,355,464
2019	2,570,000	4,093,616	2036-2040	16,910,000	4,052,325
2020	2,925,000	3,952,881	2041	4,215,000	129,495
				<u>\$ 84,860,000</u>	<u>\$ 62,396,496</u>

In addition, there were \$4,035,000, \$13,570,000, \$30,000,000, and \$25,000,000 of special tax district bonds related to the Farmington Village Project, the Villages of Dorchester, Two Rivers, and Arundel Gateway

outstanding as of June 30, 2015, 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 Position. 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 in the amount of \$3,397,861 as of June 30, 2015. These loans were received from the State for waterway improvements. During fiscal year 2015, the County paid \$336,685 for principal. The table that follows outlines the debt service requirements:

<b>Year ended</b>		<b>Year ended</b>	
<b>June 30,</b>	<b>Principal</b>	<b>June 30,</b>	<b>Principal</b>
2016	\$ 335,039	2021-2025	\$ 1,006,614
2017	331,576	2026-2030	863,730
2018	238,410	2031-2035	177,720
2019	225,846		
2020	218,926		
			<u>\$ 3,397,861</u>

**E Leases** – The County has entered into a lease agreement for an asset that qualifies as a capital lease for accounting purposes. The agreement has resulted in a capital asset totaling \$61,519 for a high speed printer, which is used for governmental activities. The net present value of these minimum lease payments as of June 30, 2015 and the future minimum lease obligations were as follows:

<b>June 30,</b>	<b>Lease Payments</b>	<b>Interest</b>	<b>Payments</b>
2016	\$ 12,304	\$ 11,654	\$ 23,958
2017	12,304	11,654	23,958
2018	12,303	11,655	23,958
	<u>\$ 36,911</u>	<u>\$ 34,963</u>	<u>\$ 71,874</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 2015 were \$2,973,096. Anne Arundel County has a lease with the City of Annapolis for Eisenhower Golf Course which expires June 30, 2016. 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 2015 were \$162,738. 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</b>	<b>Annual</b>	<b>Year ending</b>	<b>Annual</b>
<b>June 30,</b>	<b>Rentals</b>	<b>June 30,</b>	<b>Rentals</b>
2016	\$ 2,658,462	2021-2025	\$ 1,745,895
2017	1,871,751	2026-2030	1,200,017
2018	1,365,841	2031-2035	1,200,015
2019	1,130,329	2036-2040	620,015
2020	887,906	2041-2045	136
			<u>\$ 12,680,367</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, 2015 are presented as follows:

Year ended June 30,	Principal	Interest	Year ended June 30,	Principal	Interest
2016	\$ 20,000	\$ 726,070	2021-2025	\$ 100,000	\$ 3,591,305
2017	20,000	724,954	2026-2030	10,454,000	2,589,014
2018	20,000	723,839	2031-2035	-	668,312
2019	20,000	722,723	2036-2040	1,444,000	470,300
2020	20,000	721,608	2041	1,487,000	67,658
				<u>\$ 13,585,000</u>	<u>\$ 11,005,783</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	2015-2035	1.50% to 5.55%	\$ 1,493,388,412	\$ 1,018,773,705
Tax increment district bonds	2015-2041	2.00% to 6.25%	133,435,000	84,860,000
Installment purchase agreements	2015-2041	4.55% to 6.00%	13,819,916	13,585,000
Loans payable	2015-2038	0%	7,281,761	3,397,861
Total governmental activities			<u>1,647,925,089</u>	<u>1,120,616,566</u>
<b>Business-type activities:</b>				
Water and wastewater serial bonds	2015-2045	1.00% to 5.75%	785,764,553	538,865,806
Solid waste serial bonds	2015-2035	2.00% to 5.55%	60,241,588	33,881,295
Total business-type activities			<u>846,006,141</u>	<u>572,747,101</u>
			<u>\$ 2,493,931,230</u>	<u>\$ 1,693,363,667</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 water and wastewater 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, 2015, 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	\$ 4,222,838,243	\$ 4,188,660,714
<b>Bonded debt outstanding</b>		
Installment purchase agreements	13,585,000	-
General obligation-serial bonds	984,948,632	538,865,806
General obligation-serial bonds, WPRF	33,825,073	-
General obligation-serial bonds, Solid Waste	33,881,295	-
Tax increment bonds	84,860,000	-
	<u>1,151,100,000</u>	<u>538,865,806</u>
Legal debt margin	<u>\$ 3,071,738,243</u>	<u>\$ 3,649,794,908</u>

As of June 30, 2015, the County had the total authority to issue bonds in the amount of \$1,714,861,108, of which \$744,001,117 has already been issued. Included in the amounts issued to date is \$481,265,541 for general obligation water and wastewater series bonds, \$13,509,086 of general obligation bonds for the Solid Waste Fund,

and \$125,687,100 of general obligation bonds for the Watershed Protection and Restoration Fund. 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. Principal payments began 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, 2015 was \$12,080,000. 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>
2016	\$ 715,000	2019	\$ 770,000	2026-2029	\$ 3,980,000
2017	730,000	2020	785,000		
2018	750,000	2021-2025	4,350,000		
					\$ 12,080,000

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

	<u>Balance June 30,2014 Restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30,2015</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 923,504,287	\$ 257,515,900	\$ 162,246,482	\$ 1,018,773,705	\$ 75,265,727
Unamortized premium	80,982,800	47,971,873	10,999,239	117,955,434	15,523,977
Tax incremental and other debt	86,440,000	-	1,580,000	84,860,000	1,735,000
Total bonds payable	1,090,927,087	305,487,773	174,825,721	1,221,589,139	92,524,704
State loans	3,729,609	4,937	336,685	3,397,861	335,039
Capital leases	49,215	-	12,304	36,911	12,304
Installment purchase agreements	13,605,000	-	20,000	13,585,000	20,000
Unpaid insurance claims	81,082,796	111,556,550	113,199,278	79,440,068	22,137,372
Pension benefits	307,369,101	147,302,085	-	454,671,186	-
OPEB obligation	436,847,392	45,335,223	-	482,182,615	-
Compensated absences	23,118,677	25,824,732	24,751,027	24,192,382	24,192,382
Total long-term	1,956,728,877	635,511,300	313,145,015	2,279,095,162	139,221,801
Total governmental activities	\$ 1,956,728,877	\$ 635,511,300	\$ 313,145,015	\$ 2,279,095,162	\$ 139,221,801
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds	\$ 508,791,245	\$ 135,523,864	\$ 71,568,008	\$ 572,747,101	\$ 31,953,955
Unamortized premium	18,471,447	25,803,685	1,724,993	42,550,139	3,594,569
Total bonds payable	527,262,692	161,327,549	73,293,001	615,297,240	35,548,524
Pension benefits	30,056,924	12,022,764	-	42,079,688	-
OPEB obligation	42,181,317	4,501,684	-	46,683,001	-
Compensated absences	2,152,174	2,114,788	2,094,193	2,172,769	2,113,429
Total long-term	601,653,107	179,966,785	75,387,194	706,232,698	37,661,953
Total business-type activities	\$ 601,653,107	\$ 179,966,785	\$ 75,387,194	\$ 706,232,698	\$ 37,661,953

**J Refundings** – In fiscal year 2015, the County defeased the callable portion of certain series of General Obligation and Water/Wastewater Refunding Bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. The funds are held in escrow

by a third party custodian invested in US Government-issued securities. On April 8, 2015 the County issued \$111,815,000 in refunding bonds for the following projects: \$61,205,000 to refund General Obligation Bonds; \$15,735,000 to refund Golf Course Special Obligation Bonds, and \$34,875,000 to refund Water/Wastewater Bonds. The true interest cost for the refunded bonds was 2.30 percent. The advance refunding net proceeds were deposited in an irrevocable trust account with an escrow agent to provide for all future debt service payments on the refunding bonds. As a result, the refunding bonds are considered to be defeased and have been removed from the government-wide statement of net assets. The savings or aggregate difference in debt service from refunding General Obligation Bonds was \$30,348,086 and from refunding Water and Wastewater Bonds was \$16,197,880. There was a net present value savings of \$13.9 million in debt service.

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, 2015, \$148,375,000 of governmental debt and \$65,705,000 of business-type debt from prior years is considered defeased.

## **9 Governmental Fund Balance**

The County typically uses restricted 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.

FUND BALANCES	Major Funds			Nonmajor Governmental Funds	Totals
	General	Impact Fees Capital Projects	General County Capital Projects		
Non spendable					
Inventories	\$ 2,493,448	\$ -	\$ -	\$ -	\$ 2,493,448
Restricted					
Reserve for retiree health benefits (OPEB)	35,876,639	-	-	-	35,876,639
Base realignment and closure (BRAC)	1,064,099	-	-	-	1,064,099
Impact fees capital projects	-	72,510,850	-	-	72,510,850
Forfeiture and asset seizure team	-	-	-	1,427,682	1,427,682
Roads and special benefits	-	-	-	466,867	466,867
Reforestation	-	-	-	8,139,821	8,139,821
Laurel racetrack community benefit	-	-	-	24,206	24,206
Grants	-	-	3,455,368	4,957,134	8,412,502
Circuit court	-	-	-	82,586	82,586
Erosion districts	-	-	-	371,207	371,207
Video lottery local impact aid	1,237,151	-	-	3,738,200	4,975,351
Watershed protection and restoration	-	-	18,620,121	12,431,223	31,051,344
Bond premium	-	-	-	38,996,154	38,996,154
Debt service	-	-	-	8,962,428	8,962,428
Committed					
Storm drain fees	-	-	-	948,242	948,242
Street lights capital projects	-	-	-	3,859,842	3,859,842
Recreation and land fees	-	-	-	380,354	380,354
Energy revolving loan	-	-	-	302,729	302,729
Odenton Town Center Tax Increment	-	-	-	478,049	478,049
Installment purchase agreements	-	-	-	9,267,945	9,267,945
Assigned					
Encumbrances	8,802,311	-	47,245,711	-	56,048,022
Wynne case	16,026,711	-	-	-	16,026,711
Appropriated fund balance	18,033,500	-	73,769,435	-	91,802,935
Unassigned					
Grants	-	-	-	(11,898,316)	(11,898,316)
General County	78,436,997	-	-	-	78,436,997
Total fund balances	\$ 161,970,856	\$ 72,510,850	\$ 143,090,635	\$ 82,936,353	\$ 460,508,694

## **Encumbrances**

Encumbrance accounting is employed as part of the budgetary presentation for the General Fund, special revenue funds, and capital projects funds. As of June 30, 2015, certain amounts which were restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Encumbrances included in governmental fund balances are as follows:

	Encumbrances included in:	
	Restricted Fund Balance	Assigned Fund Balance
General Fund		
Police	\$ -	\$ 1,509,150
Fire	-	2,030,104
Detention Facilities	-	630,359
Office of Budget	-	547
Office of Finance	-	228,586
Central Services	-	932,645
Personnel	-	168,118
Information Technology	-	998,917
Legislative Branch	-	21,835
Health	-	225,856
Services for the Aging	-	93,523
Public Works	-	1,656,355
Recreation & Parks	-	205,585
States Attorney	-	7,620
Sheriffs Office	-	69,585
Planning & Zoning	-	4,145
Inspection & Permits	-	19,381
FAST Fund	33,720	-
Grants Fund	1,790,474	-
Arundel Community Development Services	3,169,160	-
Reforestation Fund	35,801	-
Watershed Protection and Restoration	2,921,044	-
General County Capital Projects Fund	-	47,245,711
Watershed Protection and Restoration Capital Projects Fund	10,300,552	-
Total	\$ 18,250,751	\$ 47,245,711

## 10 Deferred Outflows and Inflows of Resources and Unearned Revenue

Governmental funds and proprietary funds report deferred outflows of resources which are related to net assets that are applicable to future reporting periods. The components of deferred outflows were reported as follows:

	Business-Type Activities - Enterprise Funds					
	Governmental Activities	Water and Wastewater	Solid Waste	Child Care	Totals	Grand Totals
Deferred outflow of resources						
Pension benefits						
Pension benefits contribution current year	\$ 31,982,726	\$ 1,977,059	\$ 420,092	\$ 42,009	\$ 2,439,160	\$ 34,421,886
Change in experience	24,647,599	2,080,804	442,135	44,214	2,567,153	27,214,752
Change in assumptions	45,255,728	2,861,927	608,112	60,811	3,530,850	48,786,578
Change in investments	31,450,596	1,724,816	366,494	36,650	2,127,960	33,578,556
Total pension benefits	133,336,649	8,644,606	1,836,833	183,684	10,665,123	144,001,772
Unamortized deferred refunding loss	6,390,906	4,411,036	179,680	-	4,590,716	10,981,622
Total deferred outflows	\$ 139,727,555	\$ 13,055,642	\$ 2,016,513	\$ 183,684	\$ 15,255,839	\$ 154,983,394
	Governmental Activities - Internal Service Funds			Component Units		
	Self Insurance	Central Garage and Transportation	Totals	BOE	Community College	Library
Deferred outflow of resources						
Pension benefits						
Pension benefits contribution current year	\$ 76,753	\$ 331,262	\$ 408,015	\$ 6,294,530	\$ 378,329	\$ 186,416
Change in experience	80,781	348,644	429,425	1,231,418	-	196,198
Change in assumptions	111,105	479,524	590,629	662,237	40,489	269,850
Change in investments	66,961	288,998	355,959	-	-	162,632
Total pension benefits	335,600	1,448,428	1,784,028	8,188,185	418,818	815,096
Unamortized deferred refunding loss	-	-	-	-	334,152	-
Total deferred outflows	\$ 335,600	\$ 1,448,428	\$ 1,784,028	\$ 8,188,185	\$ 752,970	\$ 815,096

Governmental funds report deferred inflows of resources 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 deferred inflows and unearned revenue were reported as follows:

<b>Deferred Inflows and Unearned Revenue</b>				
<b>Governmental Funds</b>	<b>Unavailable</b>	<b>Unearned</b>	<b>Pension Benefits</b>	<b>Total</b>
<b>General Fund</b>				
Property Taxes	\$ 711,056	\$ -	\$ -	\$ 711,056
Local Income Taxes	72,179,337	-	-	72,179,337
911 Fees	1,046,450	-	-	1,046,450
<b>Grants Fund</b>				
AA County Partnership for CYF	108,907	191,020	-	299,927
Grants	8,057,363	843,608	-	8,900,971
<b>General County Capital Projects Fund</b>				
Grants	1,859,752	-	-	1,859,752
<b>Primary Government</b>				
Governmental Activity	-	-	1,601,126	1,601,126
<b>Discretely Presented Component Units</b>				
Board of Education			5,010,876	
Community College			306,361	
<b>Totals</b>	<b>\$ 83,962,865</b>	<b>\$ 1,034,628</b>	<b>\$ 6,918,363</b>	<b>\$ 86,598,619</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, 2015, 155 Industrial Revenue Bonds series had been issued. The aggregate principal amounts payable for the five series issued after July 1, 1996 that are still outstanding was \$34,852,000. The aggregate principal amounts payable for the 150 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 Plans**

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 Office of 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. The County's actuarial valuation measurement date was December 31, 2014.

**A**        **Summary of Significant Accounting Policies for Pensions** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County System and the Maryland State Retirement and Pension System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**B**        **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 December 31, 2014 based on the January 1, 2015, 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	1,623	655	517	223	3,018
Terminated plan members entitled to but not yet receiving payments	269	-	-	8	277
Deferred Retirement Option Program (DROP)	-	55	87	-	142
Active plan members	2,207	638	693	345	3,883
	<u>4,099</u>	<u>1,348</u>	<u>1,297</u>	<u>576</u>	<u>7,320</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 consisting of the participant's annual basic pay on the date of termination and any prior annual basic pay on the anniversary date of the date of termination) times the years and months of credited service; plus credit for unused disability leave and pre-employment military service (up to three years) as defined in Article 5 – Pensions of the County Code. The maximum benefit is 60% of FABP, 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 average basic pay (defined as the participant's highest three annual basic pays consisting of the participant's annual basic pay on the date of termination and any prior annual basic pay on the anniversary date of the date of termination) for each year of service up to 20 years, plus 2% for each year of service between 20 and 30 years; plus credit for unused disability leave and up to three years of pre-employment military service as defined in Article 5 – Pensions of the County Code. 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 three 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 consisting of the participant's annual basic pay on the date of termination and any prior annual basic pay on the anniversary date of

the date of termination) for each year of service up to 20 years, plus 2% for each year of service between 20 and 30 years; plus credit for unused disability leave and up to three years of pre-employment military service as defined in Article 5 – Pensions of the County Code. 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. Some represented plan participants are limited to two one-year extensions of DROP participation. 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 consisting of the participant's annual basic pay on the date of termination and any prior annual basic pay on the anniversary date of the date of termination) for each year of service up to 20 years, plus 2% of FABP for each additional year; plus credit for unused disability leave and up to three years of pre-employment military service as defined in Article 5 – Pensions of the County Code. 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.

**C** ***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 Maryland State Retirement and Pension System (the State System), 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 System issues a financial report that includes financial statements and required supplementary information that can be obtained at <http://www.sra.state.md.us> or by writing to State Retirement Agency of Maryland, 120 East Baltimore Street, Baltimore, MD 21202.

The County is liable through fiscal year 2020 for employees who were participants in the State System when the County withdrew from the State System. In addition there are two active employees allowed to participate in the State System. Information on the State System follows:

***Plan description.*** Retirees and employees of the County are covered by the Maryland State Retirement and Pension System (the System), which is a cost sharing employer public employee retirement system. The State System is made up of two cost-sharing pools: the "State Pool" and the "Municipal Pool". The Municipal Pool consists of the participating governmental units that elected to join the System. Neither pool shares in each other's actuarial liabilities, thus participant governmental units that elect to join the State System share in the liabilities of the Municipal Pool only. The State System is comprised of the Teachers' Retirement and Pension Systems, Employees' Retirement and Pension System, State Police Retirement System, Judges' Retirement System, and Law Enforcement Officers' Pension System. Most of the County retirees and employees participate in the Employees' System. The State System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. The Plans are administered by the State Retirement Agency. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees.

***Benefits provided.*** The System provides retirement allowances and other benefits to State employees of participating governmental units, among others. For individuals who become members of the Employees' Retirement and Pension Systems on or before June 30, 2011, retirement/pension allowances are computed using both the highest three years Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For individuals who become members of the Employees' Pension System on or after July 1, 2011, pension

allowances are computed using both the highest five years AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retiree's benefits allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

A member of the Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

A member of the Employees' Pension System on or before June 30, 2011 is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of the Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the members' combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

For most individuals who retired from the Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the members AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998, plus 1.4% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998 plus 1.8% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. Beginning in July 1, 2011, any new member of the Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Employees' Pension System.

*Contributions.* The County and covered members are required by State statute to contribute to the System. Members of the Employees' Pension System are required to contribute 7% annually. Members of the Employees' Retirement System are required to contribute 5-7 % annually, depending on the retirement option selected. The contribution requirements of the System members, as well as the State and participating governmental employers are established and may be amended by the Board of Trustees for the State System.

The County's total required contributions during the year ended June 30, 2015 were \$1,931,764. The rates varied from 0.0% for the actuarially determined contractual liability to 42.74% of covered payroll for the participant in the Judges Retirement System. The County made its share of the required contributions.

At June 30, 2015, the County reported a liability of \$14,627,964 for its proportionate share of the net pension liability of the State System. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2014. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2014, the County's proportionate share was 0.0825%.

*Actuarial assumptions.* The total pension liability for the State System in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.90% general, 3.4% wage
Salary increases	3.40% to 11.9%, including inflation
Investment rate of return	7.65%

Mortality rates were based on RP-2000 Combined Healthy Mortality Table projected to the year 2025.

The economic and demographic actuarial assumptions used in the June 30, 2014 valuation were adopted by the State System's Board of Trustees based upon review of the System's experience study for the period 2006-2010,

which was completed during FY 2011. Certain assumptions from the experience study including mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted for the first use in the actuarial valuation as of June 30, 2012. The State System's Board of Trustees adopted new economic assumptions for the June 30, 2013 valuation, in particular, an investment return assumption of 7.70% and an inflation assumption of 2.95%. The ultimate assumptions of a 7.55% investment return and 2.80% price inflation are being phased in over a four-year period. As a result, an investment return assumption of 7.65% and an inflation assumption of 2.90% were used for the June 30, 2014 valuation. The COLA, salary increase and payroll growth assumptions have also changed as a result of the change in the inflation assumption.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Public Equity	35%	4.70%
Fixed Income	10%	2.00%
Credit Opportunity	10%	3.00%
Real Return	14%	2.80%
Absolute Return	10%	5.00%
Private Equity	10%	6.30%
Real Estate	10%	4.50%
Cash	1%	1.40%
Total	100%	

The above was the System's Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2014.

*Discount rate.* The single discount rate used to measure the total pension liability was 7.65%. This single discount rate was based on the expected rate of return on pension plan investments of 7.65%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the State System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

For the year ended June 30, 2014 the annual money-weighted rate of return on the Maryland State Retirement and Pension System investments, net of pension expenses was 14.38%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**D 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 changes in net pension liability and related ratios by Plan.

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, 2015, 2014, and 2013 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>2015</b>	<b>2014</b>	<b>2013</b>
County contributions:			
Primary Government *	\$ 1,931,764	\$ 1,846,815	\$ 1,776,693
Board of Education	17,425,639	23,233,483	19,141,696
Community College	401,473	362,304	308,172
State contributions on behalf of:			
Board of Education	62,052,080	61,514,758	54,632,314
Community College	4,104,793	3,821,756	3,463,220
Library	1,583,617	1,203,191	1,100,658
	<u>\$ 87,499,366</u>	<u>\$ 91,982,307</u>	<u>\$ 80,422,753</u>

\* Note: FY 2014 and 2013 restated to include Officials and Judges contributions.

**E Net Pension Liability of the System by Plan** - The components of the net pension liability and assumptions for each Plan at December 31, 2014 are displayed below:

	<b>Employees' Retirement Plan</b>	<b>Police Service Retirement Plan</b>	<b>Fire Service Retirement Plan</b>	<b>Detention Officers' and Deputy Sheriffs' Retirement Plan</b>
Total pension liability	\$ 798,349,049	\$ 621,869,655	\$ 574,747,595	\$ 155,156,334
Plan fiduciary net position*	<u>(583,936,390)</u>	<u>(479,987,860)</u>	<u>(489,766,897)</u>	<u>(111,368,056)</u>
Plan net pension liability	<u>\$ 214,412,659</u>	<u>\$ 141,881,795</u>	<u>\$ 84,980,698</u>	<u>\$ 43,788,278</u>
Plan fiduciary net position as a percentage of the total pension liability	73.14%	77.18%	85.21%	71.78%

\*Differences in value from Statement of Changes in Fiduciary Net Position are the result of estimates provided to the actuary prior to completion of financials. Management deems the variances to be immaterial.

*Actuarial assumptions.*

The total pension liability was determined by an actuarial valuation as of December 31, 2014 using the following summarized actuarial assumptions, applied to all periods in the measurement. An experience and assumption study was conducted in 2012 for the period 2007 to 2011. Full descriptions of the actuarial assumptions are available in the January 1, 2014 valuation reports.

Inflation	3.00%	3.00%	3.00%	3.00%
Salary increases	Rates vary by participant age for each Plan.			
Investment rate of return	7.5%, net of pension plan investment expense, including inflation for each Plan.			
Mortality Scale	RP-2000 Blue Collar Mortality tables with generational project by Scale AA for each Plan			
Set forward for post-disability mortality.	9 years	5 years	5 years	5 years

*Long Term Expected Returns.* For investment purposes the four County Plans which comprise the System are managed on a co-mingled basis. Therefore, the long-term expected rates of investment return are the same for each Plan. The long-term (30 year) expected rate of return on pension System investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by using an optimizer program that relies on the arithmetic return inputs, the standard deviation forecast (risk) for each asset class, and the correlations among them. The result is a 30-year nominal, geometric, net-of-fee return forecast for the pension assets. The 30-year real rate of return is calculated by netting the inflation assumption out of the nominal forecast. The nominal and real

rates of return forecasts for each major asset class included in the pension System's target asset allocation of December 31, 2014) are summarized in the following table. Data is provided by the System's Investment Advisor, New England Pension Consultants, which uses a 30-year geometric inflation assumption of 3.25%.

<u>Asset Class</u>	<u>30-Year Geometric Forecast (Nominal Returns)</u>	<u>30-Year Geometric Forecast (Real Returns)</u>
Cash	3.75%	0.50%
U.S. Treasuries	4.00%	0.75%
IG Corp Credit	5.25%	2.00%
Mortgage Backed Securities	4.25%	1.00%
Bank Loans	6.25%	3.00%
Core Fixed Income	4.46%	1.21%
High-Yield Bonds	6.00%	2.75%
Absolute Return Fixed Income	4.83%	1.58%
Emerging Market Debt (External)	7.00%	3.75%
Emerging Market Debt (Local Currency)	7.25%	4.00%
Large Cap Equity	7.75%	4.50%
Small/Mid Cap Equity	8.00%	4.75%
International Equities (Unhedged)	8.25%	5.00%
Emerging Int'l Equities	8.49%	5.24%
Private Equity	9.75%	6.50%
Private Debt	8.25%	5.00%
Real Estate	6.50%	3.25%
Hedge Funds	5.75%	2.50%
Hedge Funds (Macro)	6.75%	3.50%
Risk Parity	6.67%	3.42%

*Discount Rate:* The calculation of actuarial liabilities for valuation purposes is based on a current estimate of future benefit payments. The calculation includes a computation of the "present value" of those estimated future benefit payments using an assumed discount rate; the higher the discount rate assumption, the lower the estimated liability will be. For purposes of estimating the liabilities (future and accrued) in this report, an assumption was selected based on the expected long-term rate of return on plan investments. Using a lower discount rate assumption, such as a rate based on long-term bond yields, could substantially increase the estimated present value of future and accrued liabilities.

**F Changes in the Net Pension Liability by Plan for the Measurement Period December 31, 2014**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Employees' Plan</b>			
<b>Balances at 12/31/13</b>	\$ 730,874,035	\$ 565,902,490	\$ 164,971,545
<b>Changes for the year:</b>			
Service cost	14,159,089	-	14,159,089
Interest	53,352,604	-	53,352,604
Changes of benefit terms	-	-	-
Differences between expected and actual experience	16,407,918	-	16,407,918
Changes of assumptions	22,567,389	-	22,567,389
Contributions - employer	-	24,451,074	(24,451,074)
Contributions - member	-	4,662,147	(4,662,147)
Net investment income	-	28,451,206	(28,451,206)
Benefit payments, including refunds of member contributions	(39,011,986)	(39,011,986)	-
Administrative expense	-	(518,541)	518,541
Other	-	-	-
<b>Net Changes</b>	<u>67,475,014</u>	<u>18,033,900</u>	<u>49,441,114</u>
<b>Balances at 12/31/14</b>	<u>\$ 798,349,049</u>	<u>\$ 583,936,390</u>	<u>\$ 214,412,659</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Police Service Plan</b>			
<b>Balances at 12/31/13</b>	\$ 567,814,876	\$ 466,280,524	\$ 101,534,352
<b>Changes for the year:</b>			
Service cost	10,950,610	-	10,950,610
Interest	41,479,596	-	41,479,596
Changes of benefit terms	-	-	-
Differences between expected and actual experience	12,800,507	-	12,800,507
Changes of assumptions	18,331,256	-	18,331,256
Contributions - employer	-	18,869,736	(18,869,736)
Contributions - member	-	2,949,789	(2,949,789)
Net investment income	-	21,812,782	(21,812,782)
Benefit payments, including refunds of member contributions	(29,507,190)	(29,507,190)	-
Administrative expense	-	(417,781)	417,781
Other	-	-	-
<b>Net Changes</b>	<u>54,054,779</u>	<u>13,707,336</u>	<u>40,347,443</u>
<b>Balances at 12/31/14</b>	<u>\$ 621,869,655</u>	<u>\$ 479,987,860</u>	<u>\$ 141,881,795</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Fire Service Plan</b>			
<b>Balances at 12/31/13</b>	\$ 533,731,432	\$ 477,647,839	\$ 56,083,593
<b>Changes for the year:</b>			
Service cost	9,183,945	-	9,183,945
Interest	38,948,993	-	38,948,993
Changes of benefit terms	-	-	-
Differences between expected and actual experience	3,678,563	-	3,678,563
Changes of assumptions	18,027,710	-	18,027,710
Contributions - employer	-	15,898,956	(15,898,956)
Contributions - member	-	2,778,355	(2,778,355)
Net investment income	-	22,687,926	(22,687,926)
Benefit payments, including refunds of member contributions	(28,823,048)	(28,823,048)	-
Administrative expense	-	(423,131)	423,131
Other	-	-	-
<b>Net Changes</b>	<u>41,016,163</u>	<u>12,119,058</u>	<u>28,897,105</u>
<b>Balances at 12/31/14</b>	<u>\$ 574,747,595</u>	<u>\$ 489,766,897</u>	<u>\$ 84,980,698</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Detention Officers &amp; Deputy Sheriffs' Plan</b>			
<b>Balances at 12/31/13</b>	\$ 140,256,261	\$ 104,930,415	\$ 35,325,846
<b>Changes for the year:</b>			
Service cost	4,602,193	-	4,602,193
Interest	10,301,018	-	10,301,018
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,321,848	-	2,321,848
Changes of assumptions	3,493,736	-	3,493,736
Contributions - employer	-	6,110,988	(6,110,988)
Contributions - member	-	1,297,641	(1,297,641)
Net investment income	-	4,943,781	(4,943,781)
Benefit payments, including refunds of member contributions	(5,818,722)	(5,818,722)	-
Administrative expense	-	(96,047)	96,047
Other	-	-	-
<b>Net Changes</b>	<u>14,900,073</u>	<u>6,437,641</u>	<u>8,462,432</u>
<b>Balances at 12/31/14</b>	<u>\$ 155,156,334</u>	<u>\$ 111,368,056</u>	<u>\$ 43,788,278</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following schedule presents the net pension liability, calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate.



	<b>Employees'</b>	<b>Police Service</b>	<b>Fire Service</b>	<b>Detention Officers' and Deputy Sheriffs'</b>
	<b><u>Retirement Plan</u></b>	<b><u>Retirement Plan</u></b>	<b><u>Retirement Plan</u></b>	<b><u>Retirement Plan</u></b>
1% Decrease to 6.5%	\$ 307,453,508	\$ 222,661,078	\$ 159,603,267	\$ 63,454,334
Current Discount Rate 7.5%	\$ 214,412,659	\$ 141,881,795	\$ 84,980,698	\$ 43,788,278
1% Increase to 8.5%	\$ 135,941,210	\$ 75,944,659	\$ 24,122,270	\$ 27,473,098

Sensitivity of groups within the State System:

	<b><u>Withdrawn Group</u></b>	<b><u>Officials</u></b>	<b><u>Judges</u></b>
Proportional Share of State System	0.07578590%	0.00077211%	0.00586823%
1% Decrease to 6.65%	\$ 19,382,451	\$ 197,469	\$ 1,500,816
Current Discount Rate 7.65%	\$ 13,449,520	\$ 137,025	\$ 1,041,419
1% Increase to 8.65%	\$ 8,479,941	\$ 86,394	\$ 656,616

**G Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County Pension Plans** –Recognized pension expenses and deferred outflows of resources for the measurement date of December 31, 2014 are displayed by Plan in the table below. There are no deferred inflows for the measurement date.

	<b>Employees'</b>	<b>Police Service</b>	<b>Fire Service</b>	<b>Detention Officers' and Deputy Sheriffs'</b>
	<b><u>Retirement Plan</u></b>	<b><u>Retirement Plan</u></b>	<b><u>Retirement Plan</u></b>	<b><u>Retirement Plan</u></b>
<b><u>Pension Expense:</u></b>	\$ 31,931,277	\$ 25,584,915	\$ 17,239,579	\$ 7,826,116
<b><u>Deferred Outflows of Resources:</u></b>				
Differences between expected and actual experience	\$ 13,126,334	\$ 9,600,380	\$ 2,942,850	\$ 1,741,386
Changes of assumptions	18,053,911	13,748,442	14,422,168	2,620,302
Net difference between projected and actual earnings on pension plan investments	10,880,666	10,283,442	10,191,464	2,385,616
Contributions subsequent to measurement date	<u>12,446,978</u>	<u>9,402,699</u>	<u>7,694,389</u>	<u>3,107,564</u>
Total	<u>\$ 54,507,889</u>	<u>\$ 43,034,963</u>	<u>\$ 35,250,871</u>	<u>\$ 9,854,868</u>

The contributions subsequent to measurement date as listed above will be recognized as a reduction in net pension liability in fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense and amortized over an additional three to four years as provided by the actuary as follows:

Year ended December 31:

2015	\$ 10,515,229	\$ 10,353,801	\$ 6,889,121	\$ 2,050,300
2016	10,515,229	10,353,801	6,889,121	2,050,300
2017	10,515,229	10,353,801	6,889,121	2,050,300
2018	10,515,229	2,570,862	6,889,121	596,404

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County portion of the Maryland State Retirement and Pension System** –Recognized pension expenses and deferred outflows of resources for the measurement date of June 30, 2014 are displayed by Plan in the table below.

	<b>Withdrawn</b>		
	<b><u>Participants</u></b>	<b><u>Master Judges</u></b>	<b><u>Officials</u></b>
<b><u>Pension Expense:</u></b>	\$ 1,766,085	\$ 136,751	\$ 17,993
<b><u>Deferred Outflows of Resources:</u></b>			
Changes of assumptions	\$ 194,588	\$ 15,065	\$ 1,982
Contributions subsequent to measurement date	1,879,267	19,980	57,395
<b><u>Deferred Inflows of Resources:</u></b>			
Net difference between projected and actual earnings	<u>(1,472,138)</u>	<u>(113,990)</u>	<u>(14,998)</u>
Total Deferred Activity	<u>\$ 601,717</u>	<u>\$ (78,945)</u>	<u>\$ 44,379</u>

The contributions subsequent to measurement date as listed above will be recognized as a reduction in net pension liability in fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2015	\$ (319,388)	\$ (24,731)	\$ (3,254)
2016	(319,388)	(24,731)	(3,254)
2017	(319,388)	(24,731)	(3,254)
2018	(319,388)	(24,731)	(3,254)

**H. Payable to the County Pension System** – At December 31, 2014 the System reported no payables.

**I 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 December 31, 2014 within the mutual funds is comprised of allowable instruments based on the IPS.

**J Commitments** - The System has committed to fund various private equity investments totaling \$205 million at December 31, 2014, of which approximately \$92.6 million remains unfunded. The expected funding dates for these commitments extend through 2019.

**K Teacher pension funding shift** - Legislation enacted by the Maryland General Assembly during 2012 requires County Boards of Education to pay a portion of employer contributions for members of the Teachers' Retirement System or the Teachers' Pension System beginning in fiscal year 2013. Anne Arundel County's contribution for fiscal year 2015 was \$17,425,639 and increases to \$21.4 million in fiscal year 2016. Beginning in fiscal year 2017, 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 current County retirees and terminated vested employees that retired before July 1, 2014. Employees not eligible for normal or early retirement by January 1, 2017 will receive a subsidy based on years of service. The Library currently pays 80% for Library retirees. The primary government plan provides the same health plans to active employees and pre-age 65 retirees. The County offers a Medicare supplement to post age 65 retirees. The County will offer a Medicare Advantage Plan to post age 65 retirees beginning in calendar year 2016. The County offers the same prescription benefit for active employees and pre-age 65 retirees. Post age 65 retirees are eligible to participate in an Employer Group Waiver Plan (EGWP) for prescription benefits. 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. 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, 2014 is 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	3,767	2,576	6,343
Board of Education	9,668	4,772	14,440
College	306	303	609
Library	191	125	316
	<u>13,932</u>	<u>7,776</u>	<u>21,708</u>

**B Funding Policy** – Effective July 1, 2015, the County Council under Bill 13-15 established the Retiree Health Benefits Trust to include the primary government, the College and the Library. The Bill requires that the balance of Reserve Funds for Retiree Health Benefits on July 1, 2015 be transferred to the Trust. The Bill establishes a Board of Trustees to manage the Trust and designates the County Personnel Officer to administer the Trust. The County Executive will recommend annual appropriations to the Trust. The County Council will approve this request as is or may increase it during the County Annual Budget process. Previously, the County established under its Charter, a Reserve Fund for Retiree Health Benefits into which funds were appropriated for the sole purpose of funding retiree health benefits. A contribution of \$20.0 million was made in fiscal year 2016. As of June 30, 2015, the reserve funds balance was \$35,869,033.

**C Annual OPEB Costs and Net OPEB Obligation** – The annual OPEB cost, the percentage of the annual OPEB cost contributed to the plans, and the net OPEB obligation (NPO) to the plans for fiscal years 2013, 2014, and 2015 are presented as follows.

(Amounts shown in thousands)

	<u>Total Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
<b>Primary Government:</b>			
June 30, 2013	\$ 109,607	20.03%	\$ 430,073
June 30, 2014	70,290	30.35%	479,029
June 30, 2015	73,814	32.48%	528,866
<b>Board of Education:</b>			
June 30, 2013	103,582	32.37%	317,193
June 30, 2014	109,072	40.42%	382,178
June 30, 2015	102,184	48.01%	435,303
<b>College:</b>			
June 30, 2013	5,836	20.41%	26,388
June 30, 2014	4,806	26.07%	29,941
June 30, 2015	5,068	24.01%	33,792
<b>Library:</b>			
June 30, 2013	3,657	26.96%	14,362
June 30, 2014	2,534	35.20%	16,004
June 30, 2015	2,651	30.10%	17,857

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)	\$ 899,254	\$ 1,412,995	55,079	\$ 32,658	\$ 2,399,986
Actuarial value of plan assets	-	-	-	-	-
Unfunded actuarial accrued liability (end of year)	<u>\$ 899,254</u>	<u>\$ 1,412,995</u>	<u>\$ 55,079</u>	<u>\$ 32,658</u>	<u>\$ 2,399,986</u>
Annual Required Contribution	\$ 75,695	\$ 98,113	\$ 5,188	\$ 2,712	\$ 181,708
Interest on Net OPEB Obligations	18,567	3,434	1,186	605	23,792
Adjustment to ARC	<u>(20,448)</u>	<u>637</u>	<u>(1,306)</u>	<u>(666)</u>	<u>(21,783)</u>
Total Annual OPEB Cost	73,814	102,184	5,068	2,651	183,717
Less: Pay-As-You-Go Contributions	<u>(23,977)</u>	<u>(49,059)</u>	<u>(1,217)</u>	<u>(798)</u>	<u>(75,051)</u>
Increase in Net OPEB obligation	49,837	53,125	3,851	1,853	108,666
Net OPEB obligation beginning of year	<u>479,029</u>	<u>382,178</u>	<u>29,941</u>	<u>16,004</u>	<u>907,152</u>
Net OPEB obligation end of year	<u>\$ 528,866</u>	<u>\$ 435,303</u>	<u>\$ 33,792</u>	<u>\$ 17,857</u>	<u>\$ 1,015,818</u>
Percent of Annual OPEB Cost contributed	<u>32.48%</u>	<u>48.01%</u>	<u>24.01%</u>	<u>30.10%</u>	<u>40.85%</u>
Covered payroll	<u>\$ 247,008</u>	<u>\$ 576,284</u>	<u>\$ 93,550</u>	<u>\$ 11,554</u>	<u>\$ 928,396</u>
UALL as a % of Covered Payroll	364.06%	245.19%	58.88%	282.66%	258.51%

**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. The actuarial value of assets is the fair value of the investments. This year's asset value is based on the July 1, 2014 actuarial valuation.

Actuarial Assumptions for Primary Government

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed (level % of the projected payroll)
Amortization Period	25 years remaining
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions Discount Rate	4.00 %

Payroll Increase	3.50%
Medical Trend	The initial rate is 7.00% decreasing gradually. The rate in 2050 is 3.28% Pre-Medicare and 4.20% Post Medicare. The ultimate rate is 3.40%.
Inflation Rate	2.4 %

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.

## **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, 2015 the Self Insurance Fund liability of \$72,403,600 is discounted since discounting is more reflective of the nature of the claims. The Health Insurance Fund liability of \$7,036,468 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 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Liability balance, July 1	\$ 81,082,796	\$ 76,822,546
Current year claims and changes in estimates:		
Changes in estimates - prior periods	(4,744,836)	(1,955,000)
Changes in estimates - current year	116,301,386	111,832,378
Claims payments	(113,199,278)	(105,617,128)
Liability balance, June 30	<u>\$ 79,440,068</u>	<u>\$ 81,082,796</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 92.8% full, and cell 9 has not yet opened. Cells 8 and 9 have useful lives to at least 2017 and 2043, 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 post closure costs.

	<u>Millersville</u>	<u>Closed Sites</u>	<u>Total</u>
Total costs:			
Closure	\$ 55,166,298	\$ 18,163,719	\$ 73,330,017
Post closure	39,080,960	3,079,404	42,160,364
	<u>94,247,258</u>	<u>21,243,123</u>	<u>115,490,381</u>
Less:			
Amount recognized thru June 30, 2015	<u>53,845,920</u>	<u>21,243,123</u>	<u>75,089,043</u>
Costs remaining to be recognized	<u>\$ 40,401,338</u>	<u>\$ -</u>	<u>\$ 40,401,338</u>
Liability recorded at June 30, 2015			
Closure	\$ 12,767,725	\$ -	\$ 12,767,725
Current portion post closure	787,605	232,444	1,020,049
Post closure	19,222,616	2,846,960	22,069,576
	<u>\$ 32,777,946</u>	<u>\$ 3,079,404</u>	<u>\$ 35,857,350</u>

The primary government accounts for landfill activities in the Solid Waste Fund. Management estimates the costs of closure, post closure, remediation, and monitoring the landfills based on federal and state regulations. 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 increased in the amount of \$1,350,085 and post closure reserves decreased by \$779,360 in fiscal year 2015. These amounts include changes to the estimates in the reserves, payments, and other adjustments.

The Solid Waste Fund has restricted assets of \$26,728,705 for closure and post closure care as of June 30, 2015.

## **16      Contingent Liabilities**

**A      *Impact Fees*** – At June 30, 2015 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. 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 \$20,098,770 as of June 30, 2015.

**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 the Circuit Court on 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 encumbrances, 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 \$1,660,000. 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, 2016. The class plaintiffs and certain individual plaintiffs filed another appeal. In a July 29, 2013 opinion, the Court of Special Appeals affirmed the Circuit Court, and the Court of Appeals denied Petitions for a Writ of Certiorari filed by class plaintiffs both before and after the Court of Special Appeals' decision. On May

13, 2014, the Circuit Court ordered the County to identify class members and issue a notice to class members. Further, the Court ordered that a percentage of the impact fee refunds and interest be paid to class plaintiffs' counsel, and apportioned the award between two attorneys. On June 11, 2014, one of the attorneys filed an appeal from the Circuit Court's decision, and the Circuit Court thereafter stayed the action pending appeal. The Court of Special Appeals dismissed the appeal. The actual dates of payment of the fees and the refunds have not yet been determined.

In the opinion of the County Attorney, it is probable that the May 13, 2014 Circuit Court judgment will be affirmed if appealed, 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 such 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 fiscal years 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. On November 17, 2014 through November 20, 2014, the Circuit Court held a trial on the plaintiffs' claim. The Circuit Court has not issued a decision. At this juncture, however, the likelihood of a loss in any specified amount cannot be characterized as either probable or remote.

In the case of *Comptroller v. Wynne*, 135 S.Ct. 1787 (2015) the United States Supreme Court ruled in May 2015 that Maryland residents who paid income taxes to another state on income earned in the other state are entitled to a credit against the county portion of the Maryland income tax owed. The ruling means that each county in Maryland will experience a reduction in income tax revenue, including Anne Arundel County. Based on preliminary data as of June 2015, the Comptroller's Office is estimating that the fiscal impact of the ruling on the County will be approximately \$16,000,000 of refunds for prior years' taxes, and an estimated reduction of \$4,000,000 each year going forward. The estimated amount of refunds to be paid has been recorded as a noncurrent liability on the Statement of Net Position and as an assignment of fund balance in the General Fund, as the County will not be required to start reimbursing the State until fiscal year 2017.

Talen Energy Corporation's predecessors, Brandon Shores, LLC, H.A. Wagner, LLC, Raven F.S. Property Holdings, LLC, (collectively "Raven") owned and operated two power plants located in Anne Arundel County during fiscal years 2013, 2014 and 2015. Raven appealed both its real property tax and its personal property tax for fiscal years 2014 and 2015, challenging the assessments of each. In September 2015, the resolution of the real property tax appeal for fiscal years 2014 and 2015 resulted in a reduction of assessment from fiscal year 2013 to fiscal year 2014 of \$60,773,164 and corresponding reduction of the County's portion of real property taxes of \$577,345 per year for fiscal year 2014 and fiscal year 2015. In September 2015, the resolution of the personal property tax appeal for fiscal year 2014 resulted in of assessment of \$267,737,900, a reduction from fiscal year 2013 to fiscal year 2014 of \$185,355,140 and corresponding reduction of the County's personal property taxes of \$4,402,185 for fiscal year 2014. Raven's appeal of its fiscal year 2015 personal property taxes remains pending, although the County does not expect the original assessment of \$264,563,880 to be reduced significantly as a result of the appeal.

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.

**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, 2015, the County estimates that no material liabilities will result from such audits.



**Required Supplementary Information**

**Schedule of Changes in the System's Net Pension Liability and Related Ratios by Plan**

**For the Year Ended December 31**

	<b>Employees' Retirement Plan</b>	<b>Police Service Retirement Plan</b>	<b>Fire Service Retirement Plan</b>	<b>Officers' and Deputy Sheriffs' Retirement Plan</b>
<b>Total pension liability</b>				
Service cost	14,159,089	10,950,610	9,183,945	4,602,193
Interest	53,352,604	41,479,596	38,948,945	10,301,018
Changes of benefit items	-	-	-	-
Differences between expected & actual return	16,407,918	12,800,507	3,678,563	2,321,848
Changes of assumptions	22,567,389	18,331,256	18,027,710	3,493,736
Benefit payments, including contribution refunds	(39,011,986)	(29,507,190)	(28,823,048)	(5,818,722)
<b>Net change in pension liability</b>	<b>67,475,014</b>	<b>54,054,779</b>	<b>41,016,115</b>	<b>14,900,073</b>
<b>Total pension liability-beginning</b>	<b>730,874,035</b>	<b>567,814,876</b>	<b>533,731,432</b>	<b>140,256,261</b>
<b>Total pension liability-ending (a)</b>	<b>\$ 798,349,049</b>	<b>\$ 621,869,655</b>	<b>\$ 574,747,547</b>	<b>\$ 155,156,334</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	24,451,074	18,869,736	15,898,956	6,110,988
Contributions - participants	4,662,147	2,949,789	2,778,355	1,297,641
Net investment income	28,451,206	21,812,782	22,687,926	4,943,781
Benefit payments, including contribution refunds	(39,011,986)	(29,507,190)	(28,823,048)	(5,818,722)
Administrative expense	(518,541)	(417,781)	(423,131)	(96,047)
Other	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>18,033,900</b>	<b>13,707,336</b>	<b>12,119,058</b>	<b>6,437,641</b>
<b>Plan fiduciary net position-beginning</b>	<b>565,902,490</b>	<b>466,280,524</b>	<b>477,647,839</b>	<b>104,930,415</b>
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 583,936,390</b>	<b>\$ 479,987,860</b>	<b>\$ 489,766,897</b>	<b>\$ 111,368,056</b>
<b>Plan net pension liability-ending (a) - (b)</b>	<b>\$ 214,412,659</b>	<b>\$ 141,881,795</b>	<b>\$ 84,980,650</b>	<b>\$ 43,788,278</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>73.14%</b>	<b>77.18%</b>	<b>85.21%</b>	<b>71.78%</b>
<b>Covered-employee payroll</b>	<b>127,481,000</b>	<b>55,345,000</b>	<b>58,250,000</b>	<b>21,367,000</b>
<b>Plan's net pension liability as a percentage of covered employee payroll</b>	<b>168.19%</b>	<b>256.36%</b>	<b>145.89%</b>	<b>204.93%</b>

**Notes to schedule:**

- 1 This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, pension plans should present information for those years for which the data is available.
- 2 There are no benefit changes reflected in the current schedule.
- 3 For the four County Plans the FY 2014 expected rate of investment return was reduced from 8.0% to 7.5% and other assumptions were changed to reflect the results of the 2012 experience study.

**Anne Arundel County Pension Systems  
Required Supplementary Information  
Schedule of Investment Returns**

**Anne Arundel County Retirement and Pension System  
For the Year Ended December 31, 2014**

**Annual money-weighted rate of return, net of investment expenses:**

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**2014** 4.5%

*NOTE: Money-weighted results for the required 10-year timeframe will be added as available.*

*SOURCE: New England Pension Consultants, LLC*

**Maryland State Retirement and Pension System  
For the Year Ended June 30, 2014**

**Annual money-weighted rate of return, net of investment expenses:**

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**2014** 14.4%

*NOTE: Money-weighted results for the required 10-year timeframe will be added as available.*

*SOURCE: Comprehensive Annual Financial Report of the Maryland State Retirement Pension System*

Anne Arundel County Retirement and Pension System

Required Supplementary Information

Schedule of Employer's Contributions - Employees' Retirement Plan

For the Last Ten Years Ended December 31

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	(in thousands)									
Actuarially determined contribution	\$ 10,013,619	\$ 10,755,168	\$ 11,778,948	\$ 12,906,750	\$ 15,246,258	\$ 17,284,082	\$ 18,186,400	\$ 19,823,814	\$ 22,361,662	\$ 24,426
Contributions in relation to the actuarially determined contribution	<u>10,015,144</u>	<u>10,755,168</u>	<u>11,778,948</u>	<u>12,906,750</u>	<u>15,246,252</u>	<u>17,284,080</u>	<u>18,186,402</u>	<u>19,823,814</u>	<u>22,361,658</u>	<u>24,451</u>
Contribution deficiency (excess)	<u>\$ (1,525)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 2</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ (25)</u>
Covered-employee payroll	\$ 107,290,189	\$ 116,709,102	\$ 117,222,681	\$ 124,803,488	\$ 126,030,706	\$ 123,498,129	\$ 120,415,534	\$ 116,024,717	\$ 115,809,426	\$ 127,481
Contributions as a percentage of covered-employee payroll	9.33%	9.22%	10.05%	10.34%	12.10%	14.00%	15.10%	17.09%	19.31%	19.18%

**Notes to Schedule**

Valuation Date: 1/1/2006 1/1/2007 1/1/2008 1/1/2009 1/1/2010 1/1/2011 1/1/2012 1/1/2013 1/1/2014 1/1/2015

Actuarially determined contribution rates are calculated as of January 1 for the upcoming fiscal year beginning July 1 of the same year.

For 2014, "Covered-employee payroll" is the payroll of employees that are provided with pension through the pension plan. All prior years include Covered payroll which is all elements included in compensation paid to active employees on which contributions to a pension plan are based.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll, closed, increasing 3.0% per year.
Remaining amortization period	19 to 28 years with an average effective period of 25 years. Starting with new bases in 2014, assumption changes and gains and losses are amortized over 20 years and plan changes are amortized over the average future service of the active population at the time of the change.
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	Graded schedule begins for age 20 at 6.5% and move to 3.5% at age 55.
Investment rate of return	7.50% net of pension plan investment expense, including inflation, effective 1/1/2014
Retirement age	Rates vary by participant age and service.
Mortality	Healthy: RP-2000 Blue Collar Mortality Table for males and females projected generationally using scale AA. Disabled: RP-2000 Blue Collar Mortality Table for males and females set forward nine years and then projected generationally using scale AA.

**Anne Arundel County Retirement and Pension System**

**Required Supplementary Information**

**Schedule of Employer's Contributions - Police Service Retirement Plan**

**For the Last Ten Years Ended December 31**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	(in thousands)									
Actuarially determined contribution	\$ 8,930,263	\$ 9,611,544	\$ 9,997,308	\$ 10,522,666	\$ 12,428,140	\$ 13,695,736	\$ 14,153,185	\$ 15,530,319	\$ 17,745,900	\$ 18,870
Contributions in relation to the actuarially determined contribution	8,931,530	9,611,544	9,997,308	10,522,656	12,428,136	14,055,660	13,793,256	15,530,322	17,745,906	18,870
Contribution deficiency (excess)	\$ (1,267)	\$ -	\$ -	\$ 10	\$ 4	\$ (359,924)	\$ 359,929	\$ (3)	\$ (6)	\$ -
Covered-employee payroll	\$ 36,694,307	\$ 37,805,038	\$ 41,011,366	\$ 41,508,547	\$ 42,499,380	\$ 42,449,204	\$ 41,334,580	\$ 40,521,944	\$ 41,714,302	\$ 55,345
Contributions as a percentage of covered-employee payroll	24.34%	25.42%	24.38%	25.35%	29.24%	33.11%	33.37%	38.33%	42.54%	34.10%

**Notes to Schedule**

Valuation Date: 1/1/2006 1/1/2007 1/1/2008 1/1/2009 1/1/2010 1/1/2011 1/1/2012 1/1/2013 1/1/2014 1/1/2015

Actuarially determined contribution rates are calculated as of January 1 for the upcoming fiscal year beginning July 1 of the same year.

For 2014, "Covered-employee payroll" is the payroll of employees that are provided with pension through the pension plan. All prior years include Covered payroll which is all elements included in compensation paid to active employees on which contributions to a pension plan are based.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 to 28 years with an average effective period of 25 years. Starting with new bases in 2014, assumption changes and gains and losses are amortized over 20 years and plan changes are amortized over the average future service of the active population at the time of the change.
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	Graded schedule begins for age 20 at 6.0% and moves to 4.0% at age 50.
Investment rate of return	7.50% net of pension plan investment expense, including inflation, effective 1/1/2014.
Retirement age	Rates vary by participant age and service.
Mortality	Healthy: RP-2000 Blue Collar Mortality Table projected generationally using scale AA. Pre-Termination mortality uses 60% of these rates. Disabled: RP-2000 Blue Collar Mortality Table set forward five years and then projected generationally using scale AA.
Other	Employer contributions for calendar 2010 are greater than 100.0% of the Actuarially Determined Contribution due to 6/30 fiscal year revisions. Calendar 2011 was reduced for the revisions.

**Anne Arundel County Retirement and Pension System**

**Required Supplementary Information**

**Schedule of Employer's Contributions - Fire Service Retirement Plan**

**For the Last Ten Years Ended December 31**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	(in thousands)									
Actuarially determined contribution	\$ 10,015,826	10,481,244	10,959,888	11,189,712	12,701,160	14,213,332	14,395,096	15,238,101	16,152,403	15,899
Contributions in relation to the actuarially determined contribution	10,016,964	10,481,244	10,959,888	11,189,712	12,701,160	14,648,580	13,959,852	15,238,104	16,152,402	15,899
Contribution deficiency (excess)	\$ (1,138)	\$ -	\$ -	\$ -	\$ -	\$ (435,248)	\$ 435,244	\$ (3)	\$ 1	\$ -
	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	\$ 38,592,322	\$ 43,527,351	\$ 43,941,526	\$ 48,824,352	\$ 49,064,454	\$ 47,840,812	\$ 45,673,006	\$ 43,361,686	\$ 44,950,885	\$ 58,250
Contributions as a percentage of covered-employee payroll	25.96%	24.08%	24.94%	22.92%	25.89%	30.62%	30.56%	35.14%	35.93%	27.29%

**Notes to Schedule**

Valuation Date: 1/1/2006 1/1/2007 1/1/2008 1/1/2009 1/1/2010 1/1/2011 1/1/2012 1/1/2013 1/1/2014 1/1/2015

Actuarially determined contribution rates are calculated as of January 1 for the upcoming fiscal year beginning July 1 of the same year.

For 2014, "Covered-employee payroll" is the payroll of employees that are provided with pension through the pension plan. All prior years include Covered payroll which is all elements included in compensation paid to active employees on which contributions to a pension plan are based.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method Projected Unit Credit
- Amortization method Level percentage of payroll, closed, increasing 3.0% per year.
- Remaining amortization period 19 to 28 years with an average effective period of 25 years. Starting with new bases in 2014, assumption changes and gains and losses are amortized over 20 years and plan changes are amortized over the average future service of the active population at the time of the change.
- Asset valuation method 5-year smoothed market
- Inflation 3.00%
- Salary increases Graded schedule begins for age 20 at 6.0% and moves to 4.0% at age 50.
- Investment rate of return 7.50% net of pension plan investment expense, including inflation, effective 1/1/2014.
- Retirement age Rates vary by participant age and service.
- Mortality Healthy: RP-2000 Blue Collar Mortality Table for males and females projected generationally using scale AA. 60% of these rates.  
Pre-Termination mortality uses 60% of these rates.  
Disabled: RP-2000 Blue Collar Mortality Table set forward five years and then projected generationally using scale AA.
- Other Employer contributions for calendar 2010 are greater than 100.0% of the Actuarially Determined Contribution due to 6/30 fiscal year revisions. Calendar 2011 was reduced for the revisions.

**Anne Arundel County Retirement and Pension System**

**Required Supplementary Information**

**Schedule of Employer's Contributions - Detention Officers' and Deputy Sheriffs' Retirement Plan**

**For the Last Ten Years Ended December 31**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	(in thousands)									
Actuarially determined contribution	\$ 3,191,433	\$ 3,462,366	\$ 3,600,894	\$ 3,788,256	\$ 4,348,917	\$ 4,789,078	\$ 4,994,389	\$ 5,141,277	\$ 5,600,175	\$ 6,111
Contributions in relation to the actuarially determined contribution	3,191,610	3,462,366	3,600,894	3,788,256	4,348,914	4,907,130	4,876,332	5,141,280	5,600,178	6,111
Contribution deficiency (excess)	\$ (177)	\$ -	\$ -	\$ -	\$ 3	\$ (118,052)	\$ 118,057	\$ (3)	\$ (3)	\$ -
	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	16,794,068	17,367,873	18,122,458	19,785,653	20,203,895	19,310,216	18,760,664	17,896,574	18,132,868	21,367
Contributions as a percentage of covered-employee payroll	19.00%	19.94%	19.87%	19.15%	21.53%	25.41%	25.99%	28.73%	30.88%	28.60%

**Notes to Schedule**

Valuation Date: 1/1/2006 1/1/2007 1/1/2008 1/1/2009 1/1/2010 1/1/2011 1/1/2012 1/1/2013 1/1/2014 1/1/2015

Actuarially determined contribution rates are calculated as of January 1 for the upcoming fiscal year beginning July 1 of the same year.

For 2014, "Covered-employee payroll" is the payroll of employees that are provided with pension through the pension plan. All prior years include Covered payroll which is all elements included in compensation paid to active employees on which contributions to a pension plan are based.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll, closed, increasing 3.0% per year.
Remaining amortization period	18 to 28 years with an average effective period of 23 years. Starting with new bases in 2014, assumption changes and gains and losses are amortized over 20 years and plan changes are amortized over the average future service of the active population at the time of the change.
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	Graded schedule begins for age 20 at 6.0% and moves to 4.25% at age 50.
Investment rate of return	7.50% net of pension plan investment expense, including inflation, effective 1/1/2014.
Retirement age	Rates vary by participant age and service.
Mortality	Healthy: RP-2000 Blue Collar Mortality Table for males and females projected generationally using scale AA. 60% of these rates. Pre-Termination mortality uses 60% of these rates. Disabled: RP-2000 Blue Collar Mortality Table set forward five years and then projected generationally using scale AA.
Other	Employer contributions for calendar 2010 are greater than 100.0% of the Actuarially Determined Contribution due to 6/30 fiscal year revisions. Calendar 2011 was reduced for the revisions.

**Anne Arundel County Maryland**  
**Required Supplementary Information**  
**Schedule of County's Proportionate Share for Withdrawn Personnel of the Net Pension Liability Maryland State Retirement and Pension System**

<b>as of June 30</b>	<u>2014</u>
County's portion of the net pension liability	0.07578590%
County's porportionate share of the net pension liability	\$ 13,449,520
County's covered employee payroll	5,152
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	2610.50%
Plan fiduciary net position as a percentage of the total pension liability	71.87%

**Notes to Schedule:**

- 1** This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, pension plans should present information for those years for which the data is available.
- 2** There are no benefit changes reflected in the current schedule.
- 3** The County's annual contribution is determined by actuarially calculated 40-year contract esabltished in 1980 to fund the liability for withdrawn participants.

**Anne Arundel County Maryland  
 Required Supplementary Information  
 Schedule of County's Proportionate Share for Officials of the Net Pension Liability Maryland State Retirement and Pension System**

<b>as of June 30</b>	<u>2014</u>
County's portion of the net pension liability	0.00077211%
County's porportionate share of the net pension liability	\$ 137,025
County's covered employee payroll	128,624
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	1.07%
Plan fiduciary net position as a percentage of the total pension liability	71.87%

**Notes to Schedule:**

- 1 This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, pension plans should present information for those years for which the data is available.
- 2 There are no benefit changes reflected in the current schedule.
- 3 Changes in Assumptions to the Maryland State Retirement and Pension System:  
 Adjustments to the roll-forward liabilities were made to reflect the following assumptions in the June 2014 valuation.
  - Investment return assumption changed from 7.70% to 7.65%.
  - Inflation assumption changed from 2.95% to 2.90%
  - Disability mortality assumption for State Poice and LEOPS changed to:  
 RP-2000 Disability Mortality: 505 table for males and 75% for females, but not less than RP-2000 Combined Health Mortality table projected to year 2025.

**4 Methods and Assumptions Used in Calculation sof Actuarially Determined Contributions:**

Actuarial	Entry Age Normal
Amortizatoin Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years for State system
Asset Valutaion Method	5-year smoothed market; 20% collar
Inflation	2.90% general, 3.4% wage
Salary Increases	3.4% to 11.9% including inflation
Investment Rate of Return	7.65 %
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for 2012 valuation pursuant to an experience study of the 2006-2010 period.
Mortality	RP-2000 Combined Health Mortality Table projected to the year 2025.



**Anne Arundel County Maryland  
 Required Supplementary Information  
 Schedule of County's Proportionate Share for Judges Plan of the Net Pension Liability Maryland State Retirement and Pension System**

<b>as of June 30</b>	<u>2014</u>
County's portion of the net pension liability	0.00586823%
County's porportionate share of the net pension liability	\$ 1,041,419
County's covered employee payroll	133,379
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	7.81%
Plan fiduciary net position as a percentage of the total pension liability	71.87%

**Notes to Schedule:**

- 1 This schedule is presented to illustrate the requirement to show information for 10 years. However, until 10-year trend is compiled, pension plans should present information for those years for which the data is available.
- 2 There are no benefit changes reflected in the current schedule.
- 3 Changes in Assumptions to the Maryland State Retirement and Pension System:  
 Adjustments to the roll-forward liabilities were made to reflect the following assumptions in the June 2014 valuation.
  - Investment return assumption changed from 7.70% to 7.65%.
  - Inflation assumption changed from 2.95% to 2.90%
  - Disability mortality assumption for State Poice and LEOPS changed to:  
 RP-2000 Disability Mortality: 505 table for males and 75% for females, but not less than RP-2000 Combined Health Mortality table projected to year 2025.

**4 Methods and Assumptions Used in Calculation sof Actuarially Determined Contributions:**

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Salary Increases	3.4% to 11.9% including inflation
Investment Rate of Return	7.65 %
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for 2012 valuation pursuant to an experience study of the 2006-2010 period.
Mortality	RP-2000 Combined Health Mortality Table projected to the year 2025.

**Anne Arundel County**  
**Required Supplementary Information**  
**Schedule of County Contributions to State Municipal Pool Withdrawn Personnel**  
**For the Last Ten Years Ended June 30**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 1,195,355	\$ 1,255,123	\$ 1,317,879	\$ 1,338,733	\$ 1,452,962	\$ 1,525,610	\$ 1,601,891	\$ 1,681,986	\$ 1,766,098	\$ 1,854,389
Contributions in relation to the actuarially determined contribution	<u>1,195,355</u>	<u>1,255,123</u>	<u>1,317,879</u>	<u>1,338,733</u>	<u>1,452,962</u>	<u>1,525,610</u>	<u>1,601,891</u>	<u>1,681,986</u>	<u>1,766,098</u>	<u>1,854,389</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	nmf	nmf	nmf	nmf	nmf	nmf	nmf	nmf	nmf	nmf
Contributions as a percentage of covered-employee payroll	nmf	nmf	nmf	nmf	nmf	nmf	nmf	nmf	nmf	nmf

**Notes to Schedule**

- 1) nmf = Not a Meaningful Figure
- 2) The County's Annual contribution is determined by actuarially calculated 40-year contract established in 1980 to fund the liability for withdrawn participants.
- 3) All participants except one are retired, making the relation between the Covered-employee payroll and the contribution meaningless.
- 4) Methods and assumptions used to determine contribution rates:
  - Actuarial cost method    Projected Unit Credit
  - Amortization method    Level percentage of payroll, closed, increasing 3.0% per year.
  - Remaining amortization period    19 to 28 years with an average effective period of 25 years. Starting with new bases in 2014, assumption changes and gains and losses are amortized over 20 years and plan changes are amortized over the average future service of the active population at the time of the change.
  - Asset valuation method    5-year smoothed market
    - Inflation    3.00%
  - Salary increases    Graded schedule begins for age 20 at 6.5% and move to 3.5% at age 55.
  - Investment rate of return    7.50% net of pension plan investment expense, including inflation, effective 1/1/2014
  - Retirement age    Rates vary by participant age and service.
  - Mortality    Healthy: RP-2000 Blue Collar Mortality Table for males and females projected generationally using scale AA.  
 Disabled: RP-2000 Blue Collar Mortality Table for males and females set forward nine years and then projected generationally using scale AA.

Anne Arundel County

Required Supplementary Information

Schedule of County Contributions to State Municipal Pool Judges

For the Last Ten Years Ended June 30

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 19,839	\$ 23,837	\$ 26,303	\$ 25,999	\$ 29,147	\$ 69,733	\$ 77,922	\$ 78,968	\$ 65,724	\$ 57,395
Contributions in relation to the actuarially determined contribution	<u>19,839</u>	<u>23,837</u>	<u>26,303</u>	<u>25,999</u>	<u>29,147</u>	<u>69,733</u>	<u>77,922</u>	<u>78,968</u>	<u>65,724</u>	<u>57,395</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 106,681	\$ 114,614	\$ 118,052	\$ 118,052	\$ 118,052	\$ 118,052	\$ 129,074	\$ 129,074	\$ 133,379	\$ 134,289
Contributions as a percentage of covered-employee payroll	18.60%	20.80%	22.28%	22.02%	24.69%	59.07%	60.37%	61.18%	49.28%	42.74%

**Notes to Schedule**

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll, closed, increasing 3.0% per year.
Remaining amortization period	19 to 28 years with an average effective period of 25 years. Starting with new bases in 2014, assumption changes and gains and losses are amortized over 20 years and plan changes are amortized over the average future service of the active population at the time of the change.
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	Graded schedule begins for age 20 at 6.5% and move to 3.5% at age 55.
Investment rate of return	7.50% net of pension plan investment expense, including inflation, effective 1/1/2014
Retirement age	Rates vary by participant age and service.
Mortality	Healthy: RP-2000 Blue Collar Mortality Table for males and females projected generationally using scale AA. Disabled: RP-2000 Blue Collar Mortality Table for males and females set forward nine years and then projected generationally using scale AA.

Anne Arundel County

Required Supplementary Information

Schedule of County Contributions to State Municipal Pool Officials

For the Last Ten Years Ended June 30

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ 12,717	\$ 14,971	\$ 17,160	\$ 15,739	\$ 17,993	\$ 19,980
Contributions in relation to the actuarially determined contribution	-	-	-	-	12,717	14,971	17,160	15,739	17,993	19,980
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ -	\$ 99,953	\$ 113,011	\$ 128,064	\$ 128,064	\$ 128,064	\$ 128,064	\$ 128,064	\$ 128,624	n/a
Contributions as a percentage of covered-employee payroll		0.00%	0.00%	0.00%	9.93%	11.69%	13.40%	12.29%	13.99%	

Notes to Schedule

- 1) Date of Hire is December 2006
- 2) Prior to fiscal year 2010 the contribution for Elected and Apointed Officials was made by the State. House Bill 101, effective fiscal 2010 transferred the liability from the State to the County.
- 3) Methods and assumptions used to determine contribution rates:
  - Actuarial cost method Projected Unit Credit
  - Amortization method Level percentage of payroll, closed, increasing 3.0% per year.
  - Remaining amortzation period 19 to 28 years with an average effective period of 25 years. Starting with new bases in 2014, assumption changes and gains and losses are amortized over 20 years and plan changes are amortized over the average future service of the active population at the time of the change.
  - Asset valuation method 5-year smoothed market
    - Inflation 3.00%
    - Salary increases Graded schedule begins for age 20 at 6.5% and move to 3.5% at age 55.
  - Investment rate of return 7.50% net of pension plan investment expense, including inflation, effective 1/1/2014
  - Retirement age Rates vary by participant age and service.
  - Mortality Healthy: RP-2000 Blue Collar Mortality Table for males and females projected generationally using scale AA.  
Disabled: RP-2000 Blue Collar Mortality Table for males and females set forward nine years and then projected generationally using scale AA.

Anne Arundel County, Maryland

Required Supplementary Information

Year Ended June 30, 2015

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

Schedule of Funding Progress

(Amounts shown in thousands)

	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL)	(B - A) Unfunded AAL (UAAL)	(A / B) Funded Ratio	(C) Covered Payroll	(B - A / C) UAAL as a % of Covered Payroll
<b>Primary Government:</b>						
June 30, 2013	\$ -	\$ 1,265,890	\$ 1,265,890	\$ 0.0%	\$ 213,899	\$ 592%
2014	-	857,983	857,983	0.0%	239,173	359%
2015	-	899,254	899,254	0.0%	247,008	364%
<b>Board of Education:</b>						
June 30, 2013	-	1,423,684	1,423,684	0.0%	578,137	246%
2014	-	1,496,742	1,496,742	0.0%	590,414	254%
2015	-	1,412,995	1,412,995	0.0%	576,284	245%
<b>College:</b>						
June 30, 2013	-	64,617	64,617	0.0%	89,089	73%
2014	-	51,806	51,806	0.0%	90,338	57%
2015	-	55,079	55,079	0.0%	93,550	59%
<b>Library:</b>						
June 30, 2013	-	40,073	40,073	0.0%	9,760	411%
2014	-	31,484	31,484	0.0%	10,308	305%
2015	-	32,658	32,658	0.0%	11,554	283%

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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 Capital Projects Fund Budget Detail**

The Impact Fees Capital Projects 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 Fees Capital Projects 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, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>GENERAL PROPERTY TAXES</b>				
Real and personal taxes	\$ 621,523,000	\$ 621,523,000	\$ 623,161,153	\$ 1,638,153
Interest and penalties	979,000	979,000	774,766	(204,234)
	<u>622,502,000</u>	<u>622,502,000</u>	<u>623,935,919</u>	<u>1,433,919</u>
<b>LOCAL INCOME TAXES</b>	<u>437,600,000</u>	<u>437,600,000</u>	<u>444,302,777</u>	<u>6,702,777</u>
<b>STATE SHARED TAXES</b>				
Highway user	2,840,000	2,840,000	2,865,091	25,091
Admissions	8,980,000	8,980,000	8,404,162	(575,838)
Auto-boat	2,000	2,000	1,290	(710)
	<u>11,822,000</u>	<u>11,822,000</u>	<u>11,270,543</u>	<u>(551,457)</u>
<b>RECORDATION AND TRANSFER TAXES</b>				
Recordation	39,000,000	39,000,000	42,870,526	3,870,526
Transfer	39,000,000	39,000,000	46,827,107	7,827,107
	<u>78,000,000</u>	<u>78,000,000</u>	<u>89,697,633</u>	<u>11,697,633</u>
<b>LOCAL SALES TAXES</b>				
Electricity	5,300,000	5,300,000	5,078,037	(221,963)
Gas	890,000	890,000	846,554	(43,446)
Telephone	6,100,000	6,100,000	6,286,810	186,810
Fuel	60,000	60,000	52,319	(7,681)
Hotel-motel	12,944,000	12,944,000	13,830,709	886,709
Parking	5,400,000	5,400,000	5,473,252	73,252
Trailer park rental pmts	910,000	910,000	910,064	64
Gross receipt tax - heavy equipment	200,000	200,000	353,136	153,136
	<u>31,804,000</u>	<u>31,804,000</u>	<u>32,830,881</u>	<u>1,026,881</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>LICENSES AND PERMITS</b>				
Amusements	231,500	231,500	167,813	(63,687)
Special events	7,000	7,000	5,900	(1,100)
Beer, wine, liquor	970,000	970,000	1,040,062	70,062
Trade licenses	279,500	279,500	239,940	(39,560)
Traders	800,000	800,000	413,655	(386,345)
Permits	8,514,600	8,514,600	10,262,713	1,748,113
Fines	66,000	66,000	56,828	(9,172)
Mobile home parks	30,600	30,600	30,265	(335)
Taxicabs	122,000	122,000	109,706	(12,294)
Animal control	330,000	330,000	304,896	(25,104)
Other	2,308,300	2,308,300	2,864,700	556,400
Health department	1,041,000	1,041,000	1,031,501	(9,499)
Public space	817,000	817,000	805,201	(11,799)
	<u>15,517,500</u>	<u>15,517,500</u>	<u>17,333,180</u>	<u>1,815,680</u>
<b>INVESTMENT INCOME</b>	<u>400,000</u>	<u>400,000</u>	<u>37,396</u>	<u>(362,604)</u>
<b>INTER-FUND RECOVERIES</b>	<u>57,245,700</u>	<u>57,245,700</u>	<u>59,817,705</u>	<u>2,572,005</u>
<b>OTHER REVENUES</b>				
Health department fees	4,043,200	4,043,200	3,098,537	(944,663)
Certification of liens	125,000	125,000	138,750	13,750
Recreation and parks	10,686,300	10,686,300	9,421,083	(1,265,217)
Developers fees - street lighting	60,000	60,000	32,513	(27,487)
Sheriff	70,000	70,000	89,227	19,227
Subdivision	1,500,000	1,500,000	1,507,338	7,338
Administrative fees	7,320,000	7,320,000	11,430,323	4,110,323
Rental income	1,450,000	1,450,000	1,367,358	(82,642)
Cable fees	10,450,000	10,450,000	11,088,709	638,709
Reimbursements	14,135,700	14,135,700	15,235,117	1,099,417
Fines and fees	930,000	930,000	851,613	(78,387)
Miscellaneous	7,364,300	7,364,300	16,082,552	8,718,252
	<u>58,134,500</u>	<u>58,134,500</u>	<u>70,343,120</u>	<u>12,208,620</u>
<b>Total revenues</b>	<u>\$ 1,313,025,700</u>	<u>\$ 1,313,025,700</u>	<u>\$ 1,349,569,154</u>	<u>\$ 36,543,454</u>

## Anne Arundel County, Maryland

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

## General Fund

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EDUCATION</b>				
Board of Education	\$ 671,175,100	\$ 671,175,100	\$ 671,114,163	\$ 60,937
Community College	41,616,200	41,616,200	41,615,188	1,012
	<u>712,791,300</u>	<u>712,791,300</u>	<u>712,729,351</u>	<u>61,949</u>
<b>PUBLIC SAFETY</b>				
Police	120,878,200	121,378,200	122,099,555	(721,355)
Fire	102,144,800	102,676,800	102,673,350	3,450
Detention Facilities	42,842,400	42,426,300	42,063,544	362,756
	<u>265,865,400</u>	<u>266,481,300</u>	<u>266,836,449</u>	<u>(355,149)</u>
<b>GENERAL GOVERNMENT</b>				
County Executive	5,155,500	5,155,500	5,236,442	(80,942)
Chief Administrative Officer	12,287,300	2,218,400	1,303,505	914,895 *
Office of Budget	1,073,100	1,073,100	999,965	73,135
Office of Finance	7,866,500	8,258,500	8,003,915	254,585
Office of Finance (non departmental)	49,736,400	49,906,400	49,920,868	(14,468) **
Mandated Transfers	3,062,100	3,197,100	2,864,553	332,547 **
Office of Central Services	19,496,400	20,396,400	20,054,921	341,479
Office of Personnel	6,022,100	6,022,100	5,937,094	85,006
Information Technology	16,837,900	16,837,900	16,242,746	595,154
Office of Law	3,876,000	3,876,000	3,738,062	137,938
Legislative Branch	3,610,800	3,610,800	3,585,375	25,425
Ethics Commission	186,300	186,300	180,376	5,924
Board of Election Supervisors	3,913,100	3,913,100	3,586,691	326,409
	<u>133,123,500</u>	<u>124,651,600</u>	<u>121,654,513</u>	<u>2,997,087</u>
<b>HEALTH AND HUMAN SERVICES</b>				
Health	33,897,700	33,647,700	31,759,665	1,888,035
Social Services	4,627,300	4,627,300	4,697,954	(70,654)
Services for Aging and Disability	9,316,000	9,316,000	9,161,732	154,268
Other Grants	1,308,600	1,346,600	1,338,600	8,000 *
	<u>49,149,600</u>	<u>48,937,600</u>	<u>46,957,951</u>	<u>1,979,649</u>
<b>PUBLIC WORKS</b>				
	<u>33,221,600</u>	<u>41,021,600</u>	<u>39,750,764</u>	<u>1,270,836</u>
<b>RECREATION AND COMMUNITY SERVICES</b>				
Recreation and Parks	23,342,900	23,342,900	23,228,225	114,675
Public Library System	18,584,000	18,584,000	18,584,000	-
	<u>41,926,900</u>	<u>41,926,900</u>	<u>41,812,225</u>	<u>114,675</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>JUDICIAL</b>				
States Attorney	9,779,700	9,853,700	9,822,940	30,760
Sheriffs Office	8,797,500	8,797,500	8,643,103	154,397
Circuit Court	5,196,900	5,196,900	5,192,870	4,030
Orphans Court	118,100	118,100	117,557	543
Total Judicial	<u>23,892,200</u>	<u>23,966,200</u>	<u>23,776,470</u>	<u>189,730</u>
<b>LAND USE AND DEVELOPMENT</b>				
Planning and Zoning	8,440,200	8,440,200	8,116,242	323,958
Office of Administrative Hearings	293,100	293,100	291,911	1,189
Cooperative Extension Service	246,800	246,800	244,123	2,677
	<u>8,980,100</u>	<u>8,980,100</u>	<u>8,652,276</u>	<u>327,824</u>
<b>CODE ENFORCEMENT</b>				
Inspections and Permits	11,490,700	11,490,700	11,163,600	327,100
Board of License Commissioners	676,900	711,900	697,871	14,029
	<u>12,167,600</u>	<u>12,202,600</u>	<u>11,861,471</u>	<u>341,129</u>
DEBT SERVICE	<u>45,282,000</u>	<u>45,441,000</u>	<u>45,462,628</u>	<u>(21,628)</u> **
PAY GO FUNDING - CAPITAL PROJECTS	<u>23,016,500</u>	<u>23,016,500</u>	<u>23,016,500</u>	<u>-</u>
Total expenditures and encumbrances \$	<u><u>1,349,416,700</u></u>	<u><u>1,349,416,700</u></u>	<u><u>1,342,510,598</u></u>	<u><u>6,906,102</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>COUNTY PARKING GARAGE</b>				
Revenues				
Parking fees	\$ 563,100	\$ 563,100	\$ 505,611	\$ (57,489)
Other	-	-	5	5
	<u>563,100</u>	<u>563,100</u>	<u>505,616</u>	<u>(57,484)</u>
Expenditures				
General government	550,400	550,400	383,628	166,772
Inter fund reimbursement	-	-	139,205	(139,205)
	<u>550,400</u>	<u>550,400</u>	<u>522,833</u>	<u>27,567</u>
Revenues over (under) expenditures	<u>\$ 12,700</u>	<u>\$ 12,700</u>	<u>\$ (17,217)</u>	<u>\$ (29,917)</u>
<b>PINEY ORCHARD WASTEWATER SERVICE</b>				
Revenues				
Commissions and fees	\$ 1,300,000	\$ 1,300,000	\$ 963,338	\$ (336,662)
Expenditures				
Public works	<u>1,300,000</u>	<u>1,300,000</u>	<u>963,338</u>	<u>336,662</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>INMATE BENEFIT AND MORALE</b>				
Revenues				
Commissary sales	\$ 691,300	\$ 691,300	\$ 623,085	\$ (68,215)
Commissions and fees	350,000	350,000	273,502	(76,498)
Investment income	1,200	1,200	4,370	3,170
Other	-	-	409	409
	<u>1,042,500</u>	<u>1,042,500</u>	<u>901,366</u>	<u>(141,134)</u>
Expenditures				
Commissary purchases	690,500	690,500	615,500	75,000
Inmate benefits/morale	352,000	352,000	287,473	64,527
	<u>1,042,500</u>	<u>1,042,500</u>	<u>902,973</u>	<u>139,527</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,607)</u>	<u>\$ (1,607)</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)

## Impact Fees Capital Projects Fund

Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>IMPACT FEES</b>				
Revenues				
Impact fees	\$ 8,595,000	\$ 8,595,000	\$ 26,322,325	\$ 17,727,325
Investment income	134,000	134,000	87,615	(46,385)
	<u>8,729,000</u>	<u>8,729,000</u>	<u>26,409,940</u>	<u>17,680,940</u>
Expenditures				
Education	-	-	891,810	(891,810)
Public works	-	-	2,723,419	(2,723,419)
Other inter-fund reimbursements	2,634,300	2,634,300	2,601,171	33,129
Pay-as-you-go	22,861,100	23,850,100	3,860,255	19,989,845
	<u>25,495,400</u>	<u>26,484,400</u>	<u>10,076,655</u>	<u>16,407,745</u>
Revenues over (under) expenditures	\$ <u>(16,766,400)</u>	\$ <u>(17,755,400)</u>	\$ <u>16,333,285</u>	\$ <u>34,088,685</u>
Fund balance, budgetary, July 1	<u>(1,519,253)</u>	<u>(1,519,253)</u>	<u>(1,519,253)</u>	
Fund balance, budgetary, June 30	\$ <u>(18,285,653)</u>	\$ <u>(19,274,653)</u>	\$ <u>14,814,032</u>	
			Change in fund balance on a GAAP basis	\$ 16,333,285
			Change in fund balance on a budgetary basis	\$ <u>16,333,285</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 (CY&F) – 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 properties in the County. 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 Track.

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, Recreation and Parks, Sheriff’s Office, Social Services, State’s Attorney’s Office, Aging and Disability, and Detention Facilities.

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

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

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

Video Lottery Local Impact Aid – This fund is used to account for revenues from the local impact grant distributed to the County from the State. The funds can only be used for purposes as defined in State law which include infrastructure improvements, facilities, public safety, sanitation, economic and community development, including housing; and other public services and improvements, primarily in the communities in immediate proximity to the video lottery facility.

Watershed Protection and Restoration – This fund is used to account for revenues collected from property owners to fund stormwater management projects and any debt service related to such projects in accordance with State law.



## Nonmajor Governmental Funds (continued)

### *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.

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 bond premium restricted for Capital Projects.

Street Light Capital Projects – This fund accounts for revenues from developers to purchase, construct, and install street lighting associated with the development for which the fee was paid.

Energy Revolving Loan – This fund accounts for certain revenues from the Millersville Landfill Gas to Energy Project to be used for improving energy efficiency within the County.

### *Debt Service Funds*

Nursery Road Tax Increment – This fund accumulates the incremental property tax revenues related the Nursery Road Tax Increment District. The funds are being used to pay the debt service costs on debt issued to provide improvements within the district. Any unused funds revert to the General Fund at the end of the fiscal year.

West County Tax Increment (NBP)) – This fund accumulates the incremental property tax revenues related to the West County Development District. The funds are being used to pay the debt service costs on debt issued to provide improvements within the district. Any unused funds revert to the General Fund at the end of the fiscal year.

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. Any unused funds revert to the General Fund at the end of the fiscal year.

Parole Tax Increment – This fund accumulates the incremental property taxes related to the Parole Tax Increment District. Any unused funds revert to the General Fund at the end of the fiscal year.

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

Odenton Town Center Tax Increment – This fund accumulates the incremental property taxes related to the Odenton Town Center Tax Increment District. Any unused funds revert to the General Fund at the end of the fiscal year.

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, 2015

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF (Grants)	Reforestation	Laurel Racetrack Community Benefit
<b>ASSETS</b>					
Cash and investments	\$ 1,368,200	\$ 468,072	\$ 320,348	\$ 14,161,369	\$ -
Receivables					
Due from other governmental agencies (net of allowances)	-	-	238,814	-	-
Other, net	100,000	16,325	-	-	357,143
Total assets	<u>\$ 1,468,200</u>	<u>\$ 484,397</u>	<u>\$ 559,162</u>	<u>\$ 14,161,369</u>	<u>\$ 357,143</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 40,518	\$ 17,530	\$ 308,640	\$ 128,068	\$ 15,000
Due to General Fund	-	-	-	-	317,937
Escrow and other deposits	-	-	-	5,893,480	-
Unearned revenue	-	-	191,020	-	-
Total liabilities	<u>40,518</u>	<u>17,530</u>	<u>499,660</u>	<u>6,021,548</u>	<u>332,937</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable grant revenue	-	-	108,907	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>108,907</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	1,427,682	466,867	-	8,139,821	24,206
Committed	-	-	-	-	-
Unassigned	-	-	(49,405)	-	-
Total fund balances	<u>1,427,682</u>	<u>466,867</u>	<u>(49,405)</u>	<u>8,139,821</u>	<u>24,206</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,468,200</u>	<u>\$ 484,397</u>	<u>\$ 559,162</u>	<u>\$ 14,161,369</u>	<u>\$ 357,143</u>

Special Revenue Funds

Workforce Development (Grants)	Arundel Community Development Services (Grants)	Grants	Circuit Court	Park Place Tax Increment	Erosion Districts
\$ -	\$ -	\$ 715,572	\$ 172,584	\$ -	\$ 369,777
204,769	1,467,938	12,428,038	-	-	-
-	-	43,043	16,362	-	1,430
<u>\$ 204,769</u>	<u>\$ 1,467,938</u>	<u>\$ 13,186,653</u>	<u>\$ 188,946</u>	<u>\$ -</u>	<u>\$ 371,207</u>
\$ 204,769	\$ 746,171	\$ 5,423,689	\$ -	\$ -	\$ -
-	721,767	5,753,770	-	-	-
-	-	-	106,360	-	-
-	-	843,608	-	-	-
<u>204,769</u>	<u>1,467,938</u>	<u>12,021,067</u>	<u>106,360</u>	<u>-</u>	<u>-</u>
-	-	8,057,363	-	-	-
-	-	8,057,363	-	-	-
-	3,169,160	1,787,974	82,586	-	371,207
-	-	-	-	-	-
-	(3,169,160)	(8,679,751)	-	-	-
<u>-</u>	<u>-</u>	<u>(6,891,777)</u>	<u>82,586</u>	<u>-</u>	<u>371,207</u>
<u>\$ 204,769</u>	<u>\$ 1,467,938</u>	<u>\$ 13,186,653</u>	<u>\$ 188,946</u>	<u>\$ -</u>	<u>\$ 371,207</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2015

	Special Revenue Funds		Capital Projects Funds		
	Video Lottery Local Impact Aid	Watershed Protection and Restoration	Storm Drain Fees	Recreational Land Fees	Bond Premium
<b>ASSETS</b>					
Cash and investments	\$ 579,683	\$ 12,741,489	\$ 948,242	\$ 380,354	\$ 38,996,154
Receivables					
Due from other governmental agencies (net of allowances)	-	-	-	-	-
Other, net	3,158,517	288,554	-	-	-
Total assets	<u>\$ 3,738,200</u>	<u>\$ 13,030,043</u>	<u>\$ 948,242</u>	<u>\$ 380,354</u>	<u>\$ 38,996,154</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ 598,820	\$ -	\$ -	\$ -
Due to General Fund	-	-	-	-	-
Escrow and other deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>598,820</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable grant revenue	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	3,738,200	12,431,223	-	-	38,996,154
Committed	-	-	948,242	380,354	-
Unassigned	-	-	-	-	-
Total fund balances	<u>3,738,200</u>	<u>12,431,223</u>	<u>948,242</u>	<u>380,354</u>	<u>38,996,154</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,738,200</u>	<u>\$ 13,030,043</u>	<u>\$ 948,242</u>	<u>\$ 380,354</u>	<u>\$ 38,996,154</u>

Capital Projects Funds			Debt Service Funds			
Street Light Capital Project	Energy Revolving Loan	Odenton Town Center Tax Increment	Nursery Road Tax Increment	West County (NBP) Tax Increment	Arundel Mills Tax Increment	Parole Tax Increment
\$ 3,859,842	\$ 302,729	\$ 478,049	\$ 72,599	\$ 10,658	\$ 56,043	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 3,859,842</u>	<u>\$ 302,729</u>	<u>\$ 478,049</u>	<u>\$ 72,599</u>	<u>\$ 10,658</u>	<u>\$ 56,043</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 64	\$ 64	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	64	64	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	72,599	10,594	55,979	-
3,859,842	302,729	478,049	-	-	-	-
-	-	-	-	-	-	-
<u>3,859,842</u>	<u>302,729</u>	<u>478,049</u>	<u>72,599</u>	<u>10,594</u>	<u>55,979</u>	<u>-</u>
<u>\$ 3,859,842</u>	<u>\$ 302,729</u>	<u>\$ 478,049</u>	<u>\$ 72,599</u>	<u>\$ 10,658</u>	<u>\$ 56,043</u>	<u>\$ -</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2015

	Debt Service Funds				
	National Business Park North Tax Increment	Village South at Waugh Chapel Tax Increment	Special Taxing Districts	Installment Purchase Agreements	Totals
<b>ASSETS</b>					
Cash and investments	\$ 4,108,907	\$ 3,777,205	\$ 943,510	\$ 9,267,945	\$ 94,099,331
Receivables					
Due from other governmental agencies (net of allowances)	-	-	-	-	14,339,559
Other, net	-	-	1,180	-	3,982,554
Total assets	\$ <u>4,108,907</u>	\$ <u>3,777,205</u>	\$ <u>944,690</u>	\$ <u>9,267,945</u>	\$ <u>112,421,444</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 7,483,333
Due to General Fund	-	-	7,546	-	6,801,020
Escrow and other deposits	-	-	-	-	5,999,840
Unearned revenue	-	-	-	-	1,034,628
Total liabilities	-	-	7,546	-	21,318,821
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable grant revenue	-	-	-	-	8,166,270
Total deferred inflow of resources	-	-	-	-	8,166,270
<b>FUND BALANCES</b>					
Restricted	4,108,907	3,777,205	937,144	-	79,597,508
Committed	-	-	-	9,267,945	15,237,161
Unassigned	-	-	-	-	(11,898,316)
Total fund balances	<u>4,108,907</u>	<u>3,777,205</u>	<u>937,144</u>	<u>9,267,945</u>	<u>82,936,353</u>
Total liabilities, deferred inflows and fund balances	\$ <u>4,108,907</u>	\$ <u>3,777,205</u>	\$ <u>944,690</u>	\$ <u>9,267,945</u>	\$ <u>112,421,444</u>

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Anne Arundel County, Maryland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2015

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF (Grants)	Reforestation	Laurel Racetrack Community Benefit
<b>REVENUES</b>					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	-	-	1,699,286	-	-
Seized / forfeited funds	933,516	-	-	-	-
Special community benefit taxes	-	6,597,898	-	-	-
Video lottery local impact aid	-	-	-	-	-
Watershed protection and restoration	-	-	-	-	-
Fees and commissions	-	-	-	1,018,101	357,143
Investment income	7,057	-	2,444	-	(142)
Other	-	-	1,943	-	-
Total revenues	<u>940,573</u>	<u>6,597,898</u>	<u>1,703,673</u>	<u>1,018,101</u>	<u>357,001</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
Education	-	-	-	-	-
Public safety	464,067	-	-	-	-
General government	-	-	-	-	-
Health and human services	-	-	1,791,190	-	-
Public works	-	-	-	-	-
Recreation and community services	-	6,527,422	-	-	357,000
Judicial	-	-	-	-	-
Code enforcement	-	-	-	-	-
Land use and development	-	-	-	595,949	-
<b>Debt service</b>					
Interest payments on debt	-	-	-	-	-
Principal payments on debt	-	-	-	-	-
Total expenditures	<u>464,067</u>	<u>6,527,422</u>	<u>1,791,190</u>	<u>595,949</u>	<u>357,000</u>
Revenues over (under) expenditures	<u>476,506</u>	<u>70,476</u>	<u>(87,517)</u>	<u>422,152</u>	<u>1</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
<b>Transfers in</b>					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
<b>Transfers out</b>					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	(29,135)	-
General obligation bonds issued	-	-	-	-	-
Premiums from sale of bonds	-	-	-	-	-
Transfers from Solid Waste Fund	-	-	-	-	-
Contributions to Solid Waste Fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,135)</u>	<u>-</u>
Net change in fund balances	476,506	70,476	(87,517)	393,017	1
Fund balances, July 1	951,176	396,391	38,112	7,746,804	24,205
Fund balances, June 30	<u>\$ 1,427,682</u>	<u>\$ 466,867</u>	<u>\$ (49,405)</u>	<u>\$ 8,139,821</u>	<u>\$ 24,206</u>



Special Revenue Funds

Workforce Development (Grants)	Arundel Community Development Services (Grants)	Grants	Circuit Court	Park Place Tax Increment	Erosion Districts
\$ -	\$ -	\$ -	\$ -	\$ 878,610	\$ -
2,012,795	5,372,820	25,930,085	-	-	-
-	-	-	-	-	-
-	-	-	-	-	291,981
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	439	-
-	-	-	132,024	-	-
<u>2,012,795</u>	<u>5,372,820</u>	<u>25,930,085</u>	<u>132,024</u>	<u>879,049</u>	<u>291,981</u>
-	-	-	-	-	-
-	-	4,831,708	-	-	-
-	-	216,886	-	879,049	-
2,012,795	-	23,140,090	-	-	-
-	-	-	-	-	206,750
-	5,642,820	-	-	-	-
-	-	2,275,257	156,210	-	-
-	-	-	-	-	-
-	-	1,382,578	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,012,795</u>	<u>5,642,820</u>	<u>31,846,519</u>	<u>156,210</u>	<u>879,049</u>	<u>206,750</u>
-	(270,000)	(5,916,434)	(24,186)	-	85,231
-	270,000	1,218,996	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	270,000	1,218,996	-	-	-
-	-	(4,697,438)	(24,186)	-	85,231
-	-	(2,194,339)	106,772	-	285,976
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,891,777)</u>	<u>\$ 82,586</u>	<u>\$ -</u>	<u>\$ 371,207</u>

(continued)

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

Nonmajor Governmental Funds

Year Ended June 30, 2015

	Special Revenue Funds		Capital Projects Funds		
	Video Lottery Local Impact Aid	Watershed Protection and Restoration	Storm Drain Fees	Recreation Land Fees	Bond Premium
<b>REVENUES</b>					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	-	-	-	-	-
Seized / forfeited funds	-	-	-	-	-
Special community benefit taxes	-	-	-	-	-
Video lottery local impact aid	17,701,164	-	-	-	-
Watershed protection and restoration	-	16,925,138	-	-	-
Fees and commissions	-	-	193	46,000	-
Investment income	1,877	93,612	-	-	-
Other	2,536	-	-	-	-
Total revenues	<u>17,705,577</u>	<u>17,018,750</u>	<u>193</u>	<u>46,000</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current					
Education	1,700,000	-	-	-	-
Public safety	10,200,000	-	-	-	-
General government	792,119	332,200	-	-	-
Health and human services	-	-	-	-	-
Public works	-	9,275,169	9,894	-	-
Recreation and community services	500,000	-	-	-	-
Judicial	-	-	-	-	-
Code enforcement	-	1,238,875	-	-	-
Land use and development	-	-	-	-	-
Debt service					
Interest payments on debt	-	330,481	-	-	-
Principal payments on debt	-	354,927	-	-	-
Total expenditures	<u>13,192,119</u>	<u>11,531,652</u>	<u>9,894</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>4,513,458</u>	<u>5,487,098</u>	<u>(9,701)</u>	<u>46,000</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
Transfers out					
General Fund	-	-	-	-	-
General County Capital Projects Fund	(2,800,000)	(26,947,853)	-	-	(12,869,000)
General obligation bonds issued	-	26,880,000	-	-	-
Premiums from sale of bonds	-	-	-	-	38,824,048
Transfers from Solid Waste Fund	-	-	-	-	-
Contributions to Solid Waste Fund	-	-	-	-	(1,946,000)
Total other financing sources (uses)	<u>(2,800,000)</u>	<u>(67,853)</u>	<u>-</u>	<u>-</u>	<u>24,009,048</u>
Change in fund balances	1,713,458	5,419,245	(9,701)	46,000	24,009,048
Fund balances, July 1	2,024,742	7,011,978	957,943	334,354	14,987,106
Fund balances, June 30	<u>\$ 3,738,200</u>	<u>\$ 12,431,223</u>	<u>\$ 948,242</u>	<u>\$ 380,354</u>	<u>\$ 38,996,154</u>

Capital Projects Funds			Debt Service Funds			
Street Light Capital Projects	Energy Revolving Loan	Odenton Town Center Tax Increment	Nursery Road Tax Increment	West County (NBP) Tax Increment	Arundel Mills Tax Increment	Parole Tax Increment
\$ -	\$ -	\$ 478,049	\$ 4,954,880	\$ 6,391,799	\$ 8,768,918	\$ 11,332,291
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
481,609	-	-	-	-	-	-
-	-	-	20,719	24,327	32,129	57,156
-	-	-	-	4,347	8,359	-
<u>481,609</u>	<u>-</u>	<u>478,049</u>	<u>4,975,599</u>	<u>6,420,473</u>	<u>8,809,406</u>	<u>11,389,447</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,595	26,228	51,765	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	37,490	288,621	583,103	-
-	-	-	90,000	540,000	950,000	-
-	-	-	131,085	854,849	1,584,868	-
<u>481,609</u>	<u>-</u>	<u>478,049</u>	<u>4,844,514</u>	<u>5,565,624</u>	<u>7,224,538</u>	<u>11,389,447</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(4,771,915)	(5,583,151)	(7,260,132)	(11,389,447)
(402,804)	-	-	-	-	-	-
-	-	-	-	-	-	-
-	28,112	-	-	-	-	-
-	-	-	-	-	-	-
<u>(402,804)</u>	<u>28,112</u>	<u>-</u>	<u>(4,771,915)</u>	<u>(5,583,151)</u>	<u>(7,260,132)</u>	<u>(11,389,447)</u>
78,805	28,112	478,049	72,599	(17,527)	(35,594)	-
3,781,037	274,617	-	-	28,121	91,573	-
\$ <u>3,859,842</u>	\$ <u>302,729</u>	\$ <u>478,049</u>	\$ <u>72,599</u>	\$ <u>10,594</u>	\$ <u>55,979</u>	\$ <u>-</u>

(continued)

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

## Nonmajor Governmental Funds

Year Ended June 30, 2015

	Debt Service Funds					Totals
	National Business Park North Tax Increment	Village South at Waugh Chapel Tax Increment	Special Taxing Districts	Installment Purchase Agreements		
<b>REVENUES</b>						
General property taxes	\$ 1,689,021	\$ 1,465,347	\$ -	\$ -	\$ -	\$ 35,958,915
Grants and aid	-	-	-	-	-	35,014,986
Seized / forfeited funds	-	-	-	-	-	933,516
Special community benefit taxes	-	-	561,198	-	-	7,451,077
Video lottery local impact aid	-	-	-	-	-	17,701,164
Watershed protection and restoration	-	-	-	-	-	16,925,138
Fees and commissions	-	-	-	-	-	1,903,046
Investment income	13,411	30,422	-	650,458	-	933,909
Other	-	-	-	-	-	149,209
Total revenues	<u>1,702,432</u>	<u>1,495,769</u>	<u>561,198</u>	<u>650,458</u>		<u>116,970,960</u>
<b>EXPENDITURES</b>						
<b>Current</b>						
Education	-	-	-	-	-	1,700,000
Public safety	-	-	-	-	-	15,495,775
General government	29,074	35,040	-	-	-	2,365,956
Health and human services	-	-	-	-	-	26,944,075
Public works	-	-	-	-	-	9,491,813
Recreation and community services	-	-	172,662	-	-	13,199,904
Judicial	-	-	-	-	-	2,431,467
Code enforcement	-	-	-	-	-	1,238,875
Land use and development	-	-	-	-	-	1,978,527
<b>Debt service</b>						
Interest payments on debt	1,811,000	1,000,000	-	727,185	-	4,777,880
Principal payments on debt	-	-	329,139	20,000	-	2,284,066
Total expenditures	<u>1,840,074</u>	<u>1,035,040</u>	<u>501,801</u>	<u>747,185</u>		<u>81,908,338</u>
Revenues over (under) expenditures	<u>(137,642)</u>	<u>460,729</u>	<u>59,397</u>	<u>(96,727)</u>		<u>35,062,622</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Transfers in</b>						
General Fund	-	-	-	1,200,000	-	2,688,996
General County Capital Projects Fund	686,388	1,332,934	-	-	-	2,019,322
<b>Transfers out</b>						
General Fund	-	-	-	-	-	(29,004,645)
General County Capital Projects Fund	-	-	-	-	-	(43,048,792)
General obligation bonds issued	-	-	-	-	-	26,880,000
Premiums from sale of bonds	-	-	-	-	-	38,824,048
Transfers from Solid Waste Fund	-	-	-	-	-	28,112
Contributions to Solid Waste Fund	-	-	-	-	-	(1,946,000)
Total other financing sources (uses)	<u>686,388</u>	<u>1,332,934</u>	<u>-</u>	<u>1,200,000</u>		<u>(3,558,959)</u>
Change in fund balances	548,746	1,793,663	59,397	1,103,273		31,503,663
Fund balances, July 1	3,560,161	1,983,542	877,747	8,164,672		51,432,690
Fund balances, June 30	<u>\$ 4,108,907</u>	<u>\$ 3,777,205</u>	<u>\$ 937,144</u>	<u>\$ 9,267,945</u>		<u>\$ 82,936,353</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, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>FORFEITURE AND ASSET SEIZURE TEAM</b>				
Revenues				
Seized and forfeited funds	\$ 250,000	\$ 250,000	\$ 933,516	\$ 683,516
Investment income	-	-	7,057	7,057
Other	-	-	8,000	8,000
	<u>250,000</u>	<u>250,000</u>	<u>948,573</u>	<u>698,573</u>
Expenditures				
Public safety	480,100	480,100	427,047	53,053
Revenues over (under) expenditures	(230,100)	(230,100)	521,526	\$ <u>751,626</u>
Fund balance, budgetary, July 1	872,436	872,436	872,436	
Fund balance, budgetary, June 30	\$ <u>642,336</u>	\$ <u>642,336</u>	\$ <u>1,393,962</u>	
<b>ROADS AND SPECIAL BENEFITS</b>				
Revenues				
Special community benefit taxes	\$ 6,566,183	\$ 6,566,183	\$ 6,597,898	\$ 31,715
Expenditures				
Recreation and community services	10,045,854	10,045,854	6,527,422	3,518,432
Revenues over (under) expenditures	(3,479,671)	(3,479,671)	70,476	\$ <u>3,550,147</u>
Fund balance, budgetary, July 1	396,391	396,391	396,391	
Fund balance, budgetary, June 30	\$ <u>(3,083,280)</u>	\$ <u>(3,083,280)</u>	\$ <u>466,867</u>	
<b>ANNE ARUNDEL COUNTY PARTNERSHIP FOR CHILDREN, YOUTH &amp; FAMILIES</b>				
Revenues				
Grants and aid	\$ 2,718,300	\$ 2,718,300	\$ 1,794,259	\$ (924,041)
Investment income	-	-	2,444	2,444
Other	-	-	1,943	1,943
	<u>2,718,300</u>	<u>2,718,300</u>	<u>1,798,646</u>	<u>(919,654)</u>
Expenditures				
Health and human services	2,718,300	2,718,300	1,793,690	924,610
Revenues over (under) expenditures	-	-	4,956	\$ <u>4,956</u>
Fund balance, budgetary, July 1 (as restated)	52,046	52,046	52,046	
Fund balance, budgetary, June 30	\$ <u>52,046</u>	\$ <u>52,046</u>	\$ <u>57,002</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REFORESTATION</b>				
Revenues				
Commissions and fees	\$ 950,000	\$ 950,000	\$ 1,059,472	\$ 109,472
Expenditures				
Land use and development	3,732,100	3,732,100	650,283	3,081,817
Revenues over (under) expenditures	(2,782,100)	(2,782,100)	409,189	\$ 3,191,289
Fund balance, budgetary, July 1	7,694,831	7,694,831	7,694,831	
Fund balance, budgetary, June 30	\$ 4,912,731	\$ 4,912,731	\$ 8,104,020	
<b>LAUREL RACETRACK COMMUNITY BENEFIT</b>				
Revenues				
Fees and commissions	\$ 357,000	\$ 357,000	\$ 357,143	\$ 143
General fund contribution	-	-	-	-
Other	-	-	(142)	(142)
	<u>357,000</u>	<u>357,000</u>	<u>357,001</u>	<u>1</u>
Expenditures				
Recreation and community services	357,000	357,000	357,000	-
Revenues over (under) expenditures	-	-	1	\$ 1
Fund balance, budgetary, July 1	24,205	24,205	24,205	
Fund balance, budgetary, June 30	\$ 24,205	\$ 24,205	\$ 24,206	
<b>WORKFORCE DEVELOPMENT</b>				
Revenues				
Grants and aid	\$ 1,200,000	\$ 2,200,000	\$ 2,012,795	\$ (187,205)
Expenditures				
Health and human services	1,200,000	2,200,000	2,012,795	187,205
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, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>ARUNDEL COMMUNITY DEVELOPMENT SERVICES</b>				
Revenues				
Grants and aid	\$ 5,990,100	\$ 6,210,100	\$ 6,108,878	\$ (101,222)
Expenditures				
Recreation and community services	5,990,100	6,210,100	6,108,878	101,222
Revenues over (under) expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	
<b>GRANTS</b>				
Revenues				
Grants and aid	\$ 34,604,300	\$ 38,358,000	\$ 31,219,136	\$ (7,138,864)
Fees, General Fund contributions and other	1,569,600	1,585,200	1,329,821	(255,379)
	<u>36,173,900</u>	<u>39,943,200</u>	<u>32,548,957</u>	<u>(7,394,243)</u>
Expenditures				
Public safety	6,511,300	7,256,700	4,879,706	2,376,994
General government	585,000	585,000	216,886	368,114
Health and human services	25,079,100	27,451,700	23,818,340	3,633,360
Recreation and community services	-	-	-	-
Judicial	2,837,900	2,921,700	2,295,357	626,343
Land use and development	1,249,100	1,819,600	1,420,386	399,214
	<u>36,262,400</u>	<u>40,034,700</u>	<u>32,630,675</u>	<u>7,404,025</u>
Revenues over (under) expenditures	(88,500)	(91,500)	(81,718)	\$ 9,782
Fund balance, budgetary, July 1	(2,109,963)	(2,109,963)	(2,109,963)	
Fund balance, budgetary, June 30	\$ (2,198,463)	\$ (2,201,463)	\$ (2,191,681)	

*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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>CIRCUIT COURT</b>				
Revenues				
Bond Forfeited Funds	\$ 231,000	\$ 231,000	\$ 132,024	\$ (98,976)
Expenditures				
Circuit Court	231,000	231,000	156,210	74,790
Revenues over (under) expenditures	-	-	(24,186)	\$ (24,186)
Fund balance, budgetary, July 1	106,772	106,772	106,772	
Fund balance, budgetary, June 30	\$ 106,772	\$ 106,772	\$ 82,586	
<b>PARK PLACE TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 879,000	\$ 879,000	\$ 878,610	\$ (390)
Investment income	1,000	1,000	439	(561)
	880,000	880,000	879,049	(951)
Expenditures				
General government	880,000	880,000	879,049	951
Revenues over (under) expenditures	-	-	-	\$ -
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ -	\$ -	
<b>EROSION DISTRICTS</b>				
Revenues				
Special community benefit taxes	\$ 289,253	\$ 289,253	\$ 291,981	\$ 2,728
Expenditures				
Public works	589,942	589,942	206,750	383,192
Revenues over (under) expenditures	(300,689)	(300,689)	85,231	\$ 385,920
Fund balance, budgetary, July 1	285,976	285,976	285,976	
Fund balance, budgetary, June 30	\$ (14,713)	\$ (14,713)	\$ 371,207	

*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, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>VIDEO LOTTERY LOCAL IMPACT AID</b>				
Revenues				
Video lottery impact aid	\$ 15,000,000	\$ 15,000,000	\$ 17,701,164	\$ 2,701,164
Investment income	-	-	1,877	1,877
Other	-	-	2,536	2,536
	<u>15,000,000</u>	<u>15,000,000</u>	<u>17,705,577</u>	<u>2,705,577</u>
Expenditures				
Education	1,700,000	1,700,000	1,700,000	-
Public safety	10,200,000	10,200,000	10,200,000	-
General government	1,300,000	1,300,000	792,119	507,881
Recreation and community service	500,000	500,000	500,000	-
Pay-go funding - capital projects	2,800,000	2,800,000	2,800,000	-
	<u>16,500,000</u>	<u>16,500,000</u>	<u>15,992,119</u>	<u>507,881</u>
Revenues over (under) expenditures	(1,500,000)	(1,500,000)	1,713,458	\$ <u>3,213,458</u>
Fund balance, budgetary, July 1	<u>2,024,742</u>	<u>2,024,742</u>	<u>2,024,742</u>	
Fund balance, budgetary, June 30	\$ <u>524,742</u>	\$ <u>524,742</u>	\$ <u>3,738,200</u>	
<b>WATERSHED PROTECTION AND RESTORATION</b>				
Revenues				
Stormwater fees	\$ 17,490,900	\$ 17,490,900	\$ 16,925,138	\$ (565,762)
Interfund reimbursements	300,000	300,000	377,557	77,557
Investment Income	-	-	25,759	25,759
Other	-	-	148,340	148,340
	<u>17,790,900</u>	<u>17,790,900</u>	<u>17,476,794</u>	<u>(314,106)</u>
Expenditures				
General government	332,200	332,200	332,200	-
Public works	15,019,200	15,019,200	11,497,207	3,521,993
Code enforcement	1,302,000	1,302,000	1,215,615	86,385
Debt service	725,500	725,500	685,408	40,092
	<u>17,378,900</u>	<u>17,378,900</u>	<u>13,730,430</u>	<u>3,648,470</u>
Revenues over (under) expenditures	412,000	412,000	3,746,364	\$ <u>3,334,364</u>
Fund balance, budgetary, July 1	<u>5,763,815</u>	<u>5,763,815</u>	<u>5,763,815</u>	
Fund balance, budgetary, June 30	\$ <u>6,175,815</u>	\$ <u>6,175,815</u>	\$ <u>9,510,179</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, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Cedarhurst	\$ 63,440	\$ 63,440	\$ 64,127	\$ 687
Franklin Manor	90,840	90,840	91,615	775
Idlewilde	16,853	16,853	17,674	821
Riviera Beach	118,120	118,120	118,565	445
Total revenues	<u>\$ 289,253</u>	<u>\$ 289,253</u>	<u>\$ 291,981</u>	<u>\$ 2,728</u>
<b>EXPENDITURES</b>				
Cedarhurst	\$ 129,740	\$ 129,740	\$ 85,476	\$ 44,264
Franklin Manor	175,340	175,340	5,000	170,340
Idlewilde	64,342	64,342	891	63,451
Riviera Beach	220,520	220,520	115,383	105,137
Total expenditures	<u>\$ 589,942</u>	<u>\$ 589,942</u>	<u>\$ 206,750</u>	<u>\$ 383,192</u>

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

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

## Roads and Special Benefit Districts Fund

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Amberly	\$ 22,000	\$ 22,000	\$ 22,000	\$ -
Annapolis Roads - Roads	341,496	341,496	346,646	5,150
Arundel on the Bay-Special Benefits	206,875	206,875	207,630	755
Avalon Shores - Special Benefits	41,429	41,429	41,500	71
Bay Highlands - Roads	64,500	64,500	64,597	97
Bay Ridge - Special Officer	258,488	258,488	258,488	-
Bayside Beach	10,051	10,051	10,093	42
Beverly Beach - Special Benefits	35,880	35,880	35,880	-
Birchwood	4,800	4,800	4,800	-
Bittersweet	5,500	5,500	5,500	-
Cape Anne - Special Benefits	7,550	7,550	7,550	-
Cape St. Claire-Special Benefits	287,250	287,250	287,750	500
Capetown	17,020	17,020	17,020	-
Carrolton Manor	80,250	80,250	80,250	-
Cedarhurst-Special Benefits	150,670	150,670	151,648	978
Chartwell-Special Benefits	36,905	36,905	36,905	-
Columbia Beach - Roads	90,355	90,355	90,214	(141)
Crofton - Special Benefits	874,878	874,878	873,588	(1,290)
Deale Beach - Special Benefits	7,200	7,200	7,200	-
Eden Woods - Special Benefits	9,000	9,000	9,000	-
Epping Forest - Special Benefits	241,194	241,194	248,574	7,380
Fairhaven Cliffs - Special Benefits	4,200	4,200	4,200	-
Felicity Cove - Special Benefits	12,800	12,800	12,800	-
Franklin Manor - Special Benefits	60,560	60,560	61,077	517
Gibson Island - Roads	310,049	310,049	309,734	(315)
Greenbriar Gardens	18,144	18,144	18,144	-
Greenbriar II	21,000	21,000	21,000	-
Heritage Pool	45,955	45,955	46,410	455
Hillsmere Estates - Roads	262,945	262,945	266,708	3,763
Holland Point - Special Officer	-	-	-	-
Homewood	8,336	8,336	8,564	228
Hunters Harbor - Roads	16,200	16,200	16,050	(150)
Idlewild	9,775	9,775	9,775	-
Indian Hills (Winchester)-Special Benefits	103,463	103,463	105,545	2,082
Little Magothy River	35,700	35,700	35,700	-
Long Point on the Severn - Roads	13,750	13,750	13,750	-
Magothy Beach	6,360	6,360	6,360	-
Magothy Forge	5,366	5,366	5,402	36
Manhattan Beach - Roads	92,700	92,700	92,700	-
Owings Beach - Roads	7,992	7,992	8,163	171
Owings Cliffs	1,850	1,850	1,850	-
Oyster Harbor - Roads	344,520	344,520	346,866	2,346
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	48,865	48,865	48,865	-
Provinces - Special Benefits	10,560	10,560	10,548	(12)
Queen's Park - Special Benefits	51,864	51,864	51,864	-
Rockview Beach / Riviera Isles	9,644	9,644	9,644	-
Selby on the Bay - Roads	76,860	76,860	76,590	(270)
Severn Grove	14,430	14,430	13,910	(520)
Severndale - Special Benefits	6,549	6,549	6,549	-
Sherwood Forest - Special Benefits	1,412,360	1,412,360	1,412,360	-
Shoreham Beach - Roads	52,500	52,500	52,500	-
South River Heights - Roads	11,737	11,737	11,598	(139)
South River Manor-Special Benefits	4,500	4,500	4,500	-
South River Park - Roads	34,200	34,200	34,200	-
Steedman Point - Roads	4,000	4,000	4,000	-
Stone Haven	5,038	5,038	5,038	-
Sylvan View on the Magothy	10,650	10,650	10,650	-
Upper Magothy Beach	14,650	14,650	14,600	(50)
Venice Beach - Roads	34,200	34,200	34,679	479
Venice on the Bay	7,175	7,175	7,175	-
Warthen Knolls	-	-	-	-
Wilelinor	22,400	22,400	22,400	-
Woodland Beach / Londontowne	497,200	497,200	506,752	9,552
Woodland Beach / Pasadena	6,600	6,600	6,600	-
Total revenues	\$ 6,566,183	\$ 6,566,183	\$ 6,597,898	\$ 31,715

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 Fund

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>				
Amberly	\$ 61,449	\$ 61,449	\$ 22,076	\$ 39,373
Annapolis Roads - Roads	476,186	476,186	345,210	130,976
Arundel on the Bay-Special Benefits	271,916	271,916	208,598	63,318
Avalon Shores - Special Benefits	118,371	118,371	43,150	75,221
Bay Highlands - Roads	87,500	87,500	64,636	22,864
Bay Ridge - Special Officer	278,987	278,987	185,790	93,197
Bayside Beach	10,052	10,052	10,052	-
Beverly Beach - Special Benefits	35,880	35,880	43,610	(7,730)
Birchwood	4,800	4,800	4,769	31
Bittersweet	9,723	9,723	250	9,473
Cape Anne - Special Benefits	18,250	18,250	7,600	10,650
Cape St. Claire-Special Benefits	292,841	292,841	287,065	5,776
Capetown	17,157	17,157	17,026	131
Carrolton Manor	101,983	101,983	72,706	29,277
Cedarhurst-Special Benefits	153,670	153,670	143,319	10,351
Chartwell-Special Benefits	97,648	97,648	36,932	60,716
Columbia Beach - Roads	141,500	141,500	102,243	39,257
Crofton - Special Benefits	1,415,811	1,415,811	866,072	549,739
Deale Beach - Special Benefits	9,644	9,644	7,204	2,440
Eden Woods - Special Benefits	31,803	31,803	8,997	22,806
Epping Forest - Special Benefits	574,899	574,899	247,490	327,409
Fairhaven Cliffs - Special Benefits	26,794	26,794	1,175	25,619
Felicity Cove - Special Benefits	42,716	42,716	12,424	30,292
Franklin Manor - Special Benefits	165,560	165,560	55,620	109,940
Gibson Island - Roads	492,833	492,833	310,562	182,271
Greenbriar Gardens	33,938	33,938	18,571	15,367
Greenbriar II	21,000	21,000	20,550	450
Heritage Pool	69,002	69,002	45,897	23,105
Hillsmere Estates - Roads	295,601	295,601	267,212	28,389
Holland Point - Special Officer	21,472	21,472	-	21,472
Homewood	8,354	8,354	8,354	-
Hunters Harbor - Roads	27,615	27,615	16,116	11,499
Idlewild	9,775	9,775	9,775	-
Indian Hills (Winchester)-Special Benefits	145,366	145,366	107,805	37,561
Little Magothy River	225,909	225,909	35,797	190,112
Long Point on the Severn - Roads	60,627	60,627	13,788	46,839
Magothy Beach	7,840	7,840	6,389	1,451
Magothy Forge	6,288	6,288	5,421	867
Manhattan Beach - Roads	348,730	348,730	94,280	254,450
Owings Beach - Roads	74,976	74,976	27,779	47,197
Owings Cliffs	5,302	5,302	1,921	3,381
Oyster Harbor - Roads	721,294	721,294	347,071	374,223
Parke West-Special Benefits	98,821	98,821	44,284	54,537
Pine Grove Village Special Benefits	18,602	18,602	12,004	6,598
Pines on the Severn	74,005	74,005	49,127	24,878
Provinces - Special Benefits	26,857	26,857	10,640	16,217
Queen's Park - Special Benefits	63,865	63,865	51,826	12,039
Rockview Beach / Riviera Isles	23,842	23,842	9,706	14,136
Selby on the Bay - Roads	112,424	112,424	76,912	35,512
Severn Grove	30,005	30,005	13,766	16,239
Severndale - Special Benefits	38,979	38,979	6,546	32,433
Sherwood Forest - Special Benefits	1,412,360	1,412,360	1,412,299	61
Shoreham Beach - Roads	54,390	54,390	52,289	2,101
South River Heights - Roads	11,737	11,737	11,465	272
South River Manor-Special Benefits	10,164	10,164	4,760	5,404
South River Park - Roads	75,082	75,082	34,214	40,868
Steedman Point - Roads	20,192	20,192	200	19,992
Stone Haven	9,423	9,423	6,582	2,841
Sylvan View on the Magothy	24,746	24,746	10,653	14,093
Upper Magothy Beach	21,528	21,528	14,711	6,817
Venice Beach - Roads	91,900	91,900	35,810	56,090
Venice on the Bay	11,792	11,792	8,860	2,932
Warthen Knolls	5,759	5,759	978	4,781
Wilelinor	90,234	90,234	22,553	67,681
Woodland Beach / Londontowne	660,685	660,685	499,470	161,215
Woodland Beach / Pasadena	7,400	7,400	6,465	935
Total expenditures	\$ 10,015,854	\$ 10,015,854	\$ 6,527,422	\$ 3,488,432

## Anne Arundel County, Maryland

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

## General County Capital Projects Fund

Year Ended June 30, 2015

	<u>Total</u>	<u>School Construction</u>	<u>Higher Education</u>	<u>Storm Drains</u>	<u>Recreation</u>
<b>AUTHORIZED PER ORIGINAL BUDGET</b>					
County bonds	\$ 1,023,152,224	\$ 564,458,640	\$ 30,438,000	\$ 14,568,452	\$ 36,920,909
Grants and aid	356,311,695	241,499,744	11,602,000	492,000	50,419,751
Contributions from other funds	151,013,341	50,015,913	4,627,000	321,845	7,137,923
Special fees	140,040,728	-	-	-	-
Impact fees	76,934,150	38,137,400	-	-	-
Other sources	80,312,589	25,390,000	-	-	2,275,455
Total	<u>\$ 1,827,764,727</u>	<u>\$ 919,501,697</u>	<u>\$ 46,667,000</u>	<u>\$ 15,382,297</u>	<u>\$ 96,754,038</u>
<b>AUTHORIZED PER FINAL BUDGET</b>					
County bonds	\$ 948,198,240	\$ 540,685,994	\$ 29,276,000	\$ 13,237,761	\$ 33,516,335
Grants and aid	333,359,453	225,327,701	11,602,000	492,000	46,795,699
Contributions from other funds	113,190,090	30,891,231	4,627,000	10,000	5,953,017
Special fees	140,040,728	-	-	-	-
Impact fees	72,857,750	35,781,000	-	-	-
Other sources	78,480,589	24,356,000	-	-	2,275,455
Total	1,686,126,850	857,041,926	45,505,000	13,739,761	88,540,506
Less: Completed projects	192,152,544	105,204,669	-	476,205	7,765,826
	<u>1,493,974,306</u>	<u>751,837,257</u>	<u>45,505,000</u>	<u>13,263,556</u>	<u>80,774,680</u>
<b>REALIZED</b>					
Current year					
Bonds and bond anticipation notes	181,800,000	108,000,000	4,300,000	2,480,000	3,900,000
Grants and aid	8,845,139	-	14,961	410,035	3,180,280
Contributions from the general fund	23,016,500	13,963,000	-	-	800,000
Special fees	47,163,557	-	-	-	-
Impact fees	3,860,255	1,559,000	-	-	-
Other sources	14,008,657	800,000	-	24,444	801,331
Total	278,694,108	124,322,000	4,314,961	2,914,479	8,681,611
Prior years	827,090,288	431,476,304	32,187,486	6,330,192	57,366,300
Total realized funding sources	1,105,784,396	555,798,304	36,502,447	9,244,671	66,047,911
Less: Completed projects and adjustments	166,285,557	79,765,269	-	479,050	7,727,152
	<u>939,498,839</u>	<u>476,033,035</u>	<u>36,502,447</u>	<u>8,765,621</u>	<u>58,320,759</u>
Funding sources authorized - June 30, 2015	<u>\$ 554,475,467</u>	<u>\$ 275,804,222</u>	<u>\$ 9,002,553</u>	<u>\$ 4,497,935</u>	<u>\$ 22,453,921</u>

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

<u>Libraries</u>	<u>Roads and Bridges</u>	<u>Police and Fire</u>	<u>Waterway Improvements</u>	<u>Other</u>	<u>Watershed Protection and Restoration</u>
\$ 706,131	\$ 94,237,553	\$ 19,692,226	\$ 30,024,859	\$ 79,121,354	\$ 152,984,100
123,828	12,261,804	1,866,000	14,613,822	23,432,746	-
4,808,605	10,615,745	1,880,582	3,243,744	68,361,984	-
-	728	-	-	140,040,000	-
-	37,066,750	1,730,000	-	-	-
-	30,845,505	4,600,000	1,091,868	13,509,761	2,600,000
<u>\$ 5,638,564</u>	<u>\$ 185,028,085</u>	<u>\$ 29,768,808</u>	<u>\$ 48,974,293</u>	<u>\$ 324,465,845</u>	<u>\$ 155,584,100</u>
\$ 706,131	\$ 67,965,895	\$ 19,379,756	\$ 29,429,312	\$ 61,016,956	\$ 152,984,100
123,828	12,261,804	1,866,000	11,847,675	23,042,746	-
4,506,465	10,615,745	1,717,814	2,660,416	52,208,402	-
-	728	-	-	140,040,000	-
-	35,346,750	1,730,000	-	-	-
-	30,275,506	4,600,000	863,867	13,509,761	2,600,000
5,336,424	156,466,428	29,293,570	44,801,270	289,817,865	155,584,100
451,772	19,910,327	5,157,251	3,630,942	48,895,152	660,400
<u>4,884,652</u>	<u>136,556,101</u>	<u>24,136,319</u>	<u>41,170,328</u>	<u>240,922,713</u>	<u>154,923,700</u>
-	14,000,000	5,400,000	5,100,000	12,420,000	26,200,000
57,746	395,984	-	138,898	4,647,235	-
350,000	1,306,000	380,000	150,000	6,067,500	-
-	-	-	-	47,163,557	-
-	2,301,255	-	-	-	-
-	9,656,610	-	-	2,703,730	22,542
407,746	27,659,849	5,780,000	5,388,898	73,002,022	26,222,542
<u>4,299,566</u>	<u>76,987,786</u>	<u>18,458,069</u>	<u>26,193,855</u>	<u>166,490,730</u>	<u>7,300,000</u>
4,707,312	104,647,635	24,238,069	31,582,753	239,492,752	33,522,542
451,772	19,625,697	5,152,430	3,527,997	48,895,790	660,400
4,255,540	85,021,938	19,085,639	28,054,756	190,596,962	32,862,142
<u>\$ 629,112</u>	<u>\$ 51,534,163</u>	<u>\$ 5,050,680</u>	<u>\$ 13,115,572</u>	<u>\$ 50,325,751</u>	<u>\$ 122,061,558</u>

Anne Arundel County, Maryland

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

General County Capital Projects Fund

Year Ended June 30, 2015

APPROPRIATIONS	<u>Total</u>	<u>School Construction</u>	<u>Higher Education</u>	<u>Storm Drains</u>
Original Budget	\$ <u>1,827,764,727</u>	\$ <u>919,501,697</u>	\$ <u>46,667,000</u>	\$ <u>15,382,297</u>
Final Budget				
Prior years	\$ 1,364,740,161	\$ 703,640,926	\$ 42,284,000	\$ 14,034,761
Current year	<u>321,386,689</u>	<u>153,401,000</u>	<u>3,221,000</u>	<u>(295,000)</u>
	1,686,126,850	857,041,926	45,505,000	13,739,761
Less: Completed projects	<u>192,152,544</u>	<u>105,204,669</u>	<u>-</u>	<u>476,205</u>
Total appropriations	<u>1,493,974,306</u>	<u>751,837,257</u>	<u>45,505,000</u>	<u>13,263,556</u>
 EXPENDITURES AND ENCUMBRANCES				
Prior years expenditures and transfers	731,919,153	380,173,299	32,671,760	5,808,110
Current year expenditures	107,091,662	-	-	1,541,526
Operating transfers	<u>122,199,636</u>	<u>120,013,262</u>	<u>2,186,374</u>	<u>-</u>
	961,210,451	500,186,561	34,858,134	7,349,636
Less: Completed projects	<u>166,277,980</u>	<u>79,765,269</u>	<u>-</u>	<u>472,111</u>
Total	794,932,471	420,421,292	34,858,134	6,877,525
Encumbrances outstanding	<u>57,546,263</u>	<u>-</u>	<u>-</u>	<u>2,489,772</u>
Total expenditures and encumbrances	<u>852,478,734</u>	<u>420,421,292</u>	<u>34,858,134</u>	<u>9,367,297</u>
Unencumbered appropriations - June 30, 2015	\$ <u>641,495,572</u>	\$ <u>331,415,965</u>	\$ <u>10,646,866</u>	\$ <u>3,896,259</u>



	Recreation	Libraries	Roads and Bridges	Police and Fire	Waterway Improvements	Other	Watershed Protection and Restoration
\$	<u>96,754,038</u>	<u>5,638,564</u>	<u>185,028,085</u>	<u>29,768,808</u>	<u>48,974,293</u>	<u>324,465,845</u>	<u>155,584,100</u>
\$	74,747,506 <u>13,793,000</u>	4,558,424 <u>778,000</u>	125,028,539 <u>31,437,889</u>	23,980,570 <u>5,313,000</u>	40,025,270 <u>4,776,000</u>	259,783,365 <u>30,034,500</u>	76,656,800 <u>78,927,300</u>
	88,540,506 <u>7,765,826</u>	5,336,424 <u>451,772</u>	156,466,428 <u>19,910,327</u>	29,293,570 <u>5,157,251</u>	44,801,270 <u>3,630,942</u>	289,817,865 <u>48,895,152</u>	155,584,100 <u>660,400</u>
	<u>80,774,680</u>	<u>4,884,652</u>	<u>136,556,101</u>	<u>24,136,319</u>	<u>41,170,328</u>	<u>240,922,713</u>	<u>154,923,700</u>
	51,536,182 <u>6,431,553</u>	681,950 <u>485,400</u>	68,547,917 <u>18,832,351</u>	12,873,510 <u>5,602,794</u>	23,772,612 <u>1,124,286</u>	151,979,134 <u>62,046,011</u>	3,874,679 <u>11,027,741</u>
	- <u>57,967,735</u> <u>7,727,152</u>	- <u>1,167,350</u> <u>451,772</u>	- <u>87,380,268</u> <u>19,625,697</u>	- <u>18,476,304</u> <u>5,152,431</u>	- <u>24,896,898</u> <u>3,527,997</u>	- <u>214,025,145</u> <u>48,895,152</u>	- <u>14,902,420</u> <u>660,399</u>
	50,240,583 <u>3,962,979</u>	715,578 <u>15,349</u>	67,754,571 <u>20,931,428</u>	13,323,873 <u>3,227,141</u>	21,368,901 <u>2,531,470</u>	165,129,993 <u>14,087,572</u>	14,242,021 <u>10,300,552</u>
	<u>54,203,562</u>	<u>730,927</u>	<u>88,685,999</u>	<u>16,551,014</u>	<u>23,900,371</u>	<u>179,217,565</u>	<u>24,542,573</u>
\$	<u>26,571,118</u>	<u>4,153,725</u>	<u>47,870,102</u>	<u>7,585,305</u>	<u>17,269,957</u>	<u>61,705,148</u>	<u>130,381,127</u>

Anne Arundel County, Maryland

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

Non Major Capital Project Funds

Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>BOND PREMIUM</b>				
Revenues				
Misc Income - Premium	\$ 5,000,000	\$ 5,000,000	\$ 38,824,048	\$ 33,824,048
Expenditures				
Inter fund reimbursement	14,815,000	14,815,000	14,815,000	-
Revenues over (under) expenditures	<u>(9,815,000)</u>	<u>(9,815,000)</u>	<u>24,009,048</u>	<u>\$ 33,824,048</u>
Fund balance, budgetary, July 1	<u>14,987,106</u>	<u>14,987,106</u>	<u>14,987,106</u>	
Fund balance, budgetary, June 30	<u>\$ 5,172,106</u>	<u>\$ 5,172,106</u>	<u>\$ 38,996,154</u>	
<b>ODENTON TOWN CENTER</b>				
Revenues				
General property taxes	\$ -	\$ -	\$ 478,049	\$ 478,049
	<u>-</u>	<u>-</u>	<u>478,049</u>	<u>478,049</u>
Expenditures				
General government	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	-	-	478,049	<u>\$ 478,049</u>
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,049</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)

## Debt Service Funds

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>NURSERY ROAD TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 4,901,000	\$ 4,901,000	\$ 4,954,880	\$ 53,880
Investment income	2,000	2,000	20,719	18,719
	<u>4,903,000</u>	<u>4,903,000</u>	<u>4,975,599</u>	<u>72,599</u>
Expenditures				
General government	10,000	10,000	3,595	6,405
Interest payments on debt	84,000	84,000	37,490	46,510
Principal payments on debt	90,000	90,000	90,000	-
Other	4,719,000	4,719,000	4,771,915	(52,915)
	<u>4,903,000</u>	<u>4,903,000</u>	<u>4,903,000</u>	<u>-</u>
Revenues over (under) expenditures	-	-	72,599	\$ <u>72,599</u>
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ <u>-</u>	\$ <u>-</u>	\$ <u>72,599</u>	
<b>WEST COUNTY TAX INCREMENT DISTRICT (NBP)</b>				
Revenues				
General property taxes	\$ 6,434,000	\$ 6,434,000	\$ 6,391,799	\$ (42,201)
Investment income	2,000	2,000	24,327	22,327
Other	-	-	4,347	4,347
	<u>6,436,000</u>	<u>6,436,000</u>	<u>6,420,473</u>	<u>(15,527)</u>
Expenditures				
General government	48,000	48,000	26,228	21,772
Interest payments on debt	676,000	676,000	288,621	387,379
Principal payments on debt	540,000	540,000	540,000	-
Other	5,174,000	5,174,000	5,583,151	(409,151)
	<u>6,438,000</u>	<u>6,438,000</u>	<u>6,438,000</u>	<u>-</u>
Revenues over (under) expenditures	(2,000)	(2,000)	(17,527)	\$ <u>(15,527)</u>
Fund balance, budgetary, July 1	28,121	28,121	28,121	
Fund balance, budgetary, June 30	\$ <u>26,121</u>	\$ <u>26,121</u>	\$ <u>10,594</u>	
<b>ARUNDEL MILLS TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 8,843,000	\$ 8,843,000	\$ 8,768,918	\$ (74,082)
Investment income	2,000	2,000	32,129	30,129
Other	-	-	8,359	8,359
	<u>8,845,000</u>	<u>8,845,000</u>	<u>8,809,406</u>	<u>(35,594)</u>
Expenditures				
General government	66,000	66,000	51,765	14,235
Interest payments on debt	1,372,000	1,372,000	583,103	788,897
Principal payments on debt	950,000	950,000	950,000	-
Other	6,457,000	6,457,000	7,260,132	(803,132)
	<u>8,845,000</u>	<u>8,845,000</u>	<u>8,845,000</u>	<u>-</u>
Revenues over (under) expenditures	-	-	(35,594)	\$ <u>(35,594)</u>
Fund balance, budgetary, July 1	91,573	91,573	91,573	
Fund balance, budgetary, June 30	\$ <u>91,573</u>	\$ <u>91,573</u>	\$ <u>55,979</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)

Debt Service Funds

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>PAROLE TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 12,854,000	\$ 12,854,000	\$ 11,332,291	\$ (1,521,709)
Investment income	5,000	5,000	57,156	52,156
	<u>12,859,000</u>	<u>12,859,000</u>	<u>11,389,447</u>	<u>(1,469,553)</u>
Expenditures				
General government	5,000	5,000	-	5,000
Other	12,854,000	12,854,000	11,389,447	1,464,553
	<u>12,859,000</u>	<u>12,859,000</u>	<u>11,389,447</u>	<u>1,469,553</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	\$ 1,686,900	\$ 1,686,900	\$ 1,689,021	\$ 2,121
Investment income	300	300	13,411	13,111
Other	-	-	686,388	686,388
	<u>1,687,200</u>	<u>1,687,200</u>	<u>2,388,820</u>	<u>701,620</u>
Expenditures				
Interest payments on debt	1,811,000	1,811,000	1,811,000	-
Other	76,900	76,900	29,074	47,826
	<u>1,887,900</u>	<u>1,887,900</u>	<u>1,840,074</u>	<u>47,826</u>
Revenues over (under) expenditures	(200,700)	(200,700)	548,746	\$ <u>749,446</u>
Fund balance, budgetary, July 1	3,560,161	3,560,161	3,560,161	
Fund balance, budgetary, June 30	\$ <u>3,359,461</u>	\$ <u>3,359,461</u>	\$ <u>4,108,907</u>	
<b>VILLAGE SOUTH AT WAUGH CHAPEL TAX INCREMENT DISTRICT</b>				
Revenues				
General property taxes	\$ 1,510,000	\$ 1,510,000	\$ 1,465,347	\$ (44,653)
Investment income	3,000	3,000	30,422	27,422
Other	-	-	1,332,934	1,332,934
	<u>1,513,000</u>	<u>1,513,000</u>	<u>2,828,703</u>	<u>1,315,703</u>
Expenditures				
Other	53,000	53,000	35,040	17,960
Interest payments on debt	1,000,000	1,000,000	1,000,000	-
	<u>1,053,000</u>	<u>1,053,000</u>	<u>1,035,040</u>	<u>17,960</u>
Revenues over (under) expenditures	460,000	460,000	1,793,663	\$ <u>1,333,663</u>
Fund balance, budgetary, July 1	1,983,542	1,983,542	1,983,542	
Fund balance, budgetary, June 30	\$ <u>2,443,542</u>	\$ <u>2,443,542</u>	\$ <u>3,777,205</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)

Debt Service Funds

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>SPECIAL TAXING DISTRICTS</b>				
Revenues				
Special assessments	\$ 550,435	\$ 550,435	\$ 561,198	\$ 10,763
Expenditures				
Principal payments on debt	324,635	324,635	324,635	-
Other	1,047,400	1,047,400	177,166	870,234
	<u>1,372,035</u>	<u>1,372,035</u>	<u>501,801</u>	<u>870,234</u>
Revenues over (under) expenditures	(821,600)	(821,600)	59,397	<u>\$ 880,997</u>
Fund balance, budgetary, July 1	<u>877,747</u>	<u>877,747</u>	<u>877,747</u>	
Fund balance, budgetary, June 30	\$ <u>56,147</u>	\$ <u>56,147</u>	\$ <u>937,144</u>	
<b>INSTALLMENT PURCHASE AGREEMENTS</b>				
Revenues				
Investment income	\$ -	\$ -	\$ 650,458	\$ 650,458
Other	1,200,000	1,200,000	1,200,000	-
	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,850,458</u>	<u>650,458</u>
Expenditures				
General government	-	-	-	-
Interest payments on debt	727,200	727,200	727,185	15
Principal payments on debt	20,000	20,000	20,000	-
	<u>747,200</u>	<u>747,200</u>	<u>747,185</u>	<u>15</u>
Revenues over (under) expenditures	452,800	452,800	1,103,273	<u>\$ 650,473</u>
Fund balance, budgetary, July 1	<u>8,164,672</u>	<u>8,164,672</u>	<u>8,164,672</u>	
Fund balance, budgetary, June 30	\$ <u>8,617,472</u>	\$ <u>8,617,472</u>	\$ <u>9,267,945</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 Fund

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Amberly - Waterway	\$ 5,789	\$ 5,789	\$ 5,790	\$ 1
Annapolis Cove - Erosion	14,986	14,986	14,986	-
Annapolis Landing - Erosion	3,321	3,321	3,321	-
Arundel on the Bay - Special Benefits	33,100	33,100	33,221	121
Bay Ridge - Erosion	117,682	117,682	120,735	3,053
Browns Pond - Waterway	12,005	12,005	12,005	-
Buckingham Cove - Waterway	9,300	9,300	9,300	-
Camp Wabanna - Erosion	9,687	9,687	9,687	-
Cape Anne - Erosion	9,972	9,972	9,987	15
Cattail Creek - Waterway	-	-	4,785	4,785
Columbia Beach - Special Benefits	59,988	59,988	59,894	(94)
Elizabets Landing - Erosion	13,200	13,200	13,208	8
Holland Point - Erosion	111,250	111,250	111,694	444
John's Creek - Waterway	7,266	7,266	7,266	-
Masons Beach - Erosion	39,928	39,928	42,408	2,480
Romar Estates - Waterway	12,526	12,526	12,526	-
Snug Harbor - Erosion	7,807	7,807	7,888	81
Snug Harbor - Special Benefits	5,351	5,351	5,407	56
Snug Harbor - Waterway	57,200	57,200	57,200	-
Spriggs Pond - Waterway	14,850	14,850	14,850	-
Whitehall - Waterway	5,227	5,227	5,040	(187)
Total revenues	<u>\$ 550,435</u>	<u>\$ 550,435</u>	<u>\$ 561,198</u>	<u>\$ 10,763</u>
<b>EXPENDITURES</b>				
Amberly - Waterway	\$ 5,889	\$ 5,889	\$ 5,689	\$ 200
Annapolis Cove - Erosion	15,886	15,886	15,312	574
Annapolis Landing - Erosion	3,321	3,321	3,300	21
Arundel on the Bay - Special Benefits	109,600	109,600	4,629	104,971
Bay Ridge - Erosion	338,464	338,464	61,101	277,363
Browns Pond - Waterway	45,310	45,310	35,710	9,600
Buckingham Cove - Waterway	9,300	9,300	9,168	132
Camp Wabanna - Erosion	9,687	9,687	9,687	-
Cape Anne - Erosion	38,772	38,772	8,600	30,172
Cattail Creek - Waterway	5,400	5,400	5,361	39
Columbia Beach - Special Benefits	226,874	226,874	55,664	171,210
Elizabets Landing - Erosion	13,700	13,700	13,243	457
Holland Point - Erosion	157,736	157,736	107,241	50,495
John's Creek - Waterway	7,266	7,266	7,266	-
Masons Beach - Erosion	160,331	160,331	56,855	103,476
Romar Estates - Waterway	12,826	12,826	12,800	26
Snug Harbor - Erosion	8,207	8,207	6,207	2,000
Snug Harbor - Special Benefits	66,111	66,111	5,284	60,827
Snug Harbor - Waterway	98,200	98,200	59,188	39,012
Spriggs Pond - Waterway	32,328	32,328	12,679	19,649
Whitehall - Waterway	6,827	6,827	6,817	10
Total expenditures	<u>\$ 1,372,035</u>	<u>\$ 1,372,035</u>	<u>\$ 501,801</u>	<u>\$ 870,234</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** – 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** – 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, that are intended to cover all operating expenses including interest on long-term debt. The Solid Waste Fund also includes capital project accounts for landfill construction and closure costs. Funding sources are primarily from the sale of general obligation bonds, federal and state grants, and pay-as-you-go.

**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 are premiums paid by other County funds, the Library, Community College, 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 the County's motor pool. Revenues consist of charges to County funds for replacement of vehicles.

Anne Arundel County, Maryland  
Combining Statement of Net Position  
Water and Wastewater Fund  
June 30, 2015

	Operating	Debt Service	Capital Projects	Total
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 38,000,255	\$ -	\$ 86,350,605	\$ 124,350,860
Service billings receivable	23,922,031	-	-	23,922,031
Receivables				
Due from other funds	127,103	-	-	127,103
Inventories	2,663,069	-	-	2,663,069
Other	53,546	-	-	53,546
Restricted for debt service and capital projects				
Cash and temporary investments	-	41,515,002	-	41,515,002
Investments	-	248,169,249	-	248,169,249
Receivables				
Due from other governmental agencies	-	-	12,771,873	12,771,873
Other, net	-	9,246,688	-	9,246,688
Total current assets	<u>64,766,004</u>	<u>298,930,939</u>	<u>99,122,478</u>	<u>462,819,421</u>
Noncurrent assets				
Restricted assets				
Deferred connection and assessment charges	-	53,999,680	-	53,999,680
Capital assets				
Land and buildings	23,542,778	-	-	23,542,778
Water and sewer plants	565,718,970	-	-	565,718,970
Water and sewer lines	987,479,355	-	-	987,479,355
Machinery and equipment	12,616,776	-	-	12,616,776
	<u>1,589,357,879</u>	<u>-</u>	<u>-</u>	<u>1,589,357,879</u>
Less accumulated depreciation	<u>(715,623,376)</u>	<u>-</u>	<u>-</u>	<u>(715,623,376)</u>
	873,734,503	-	-	873,734,503
Construction work in progress	28,761,047	-	525,986,750	554,747,797
Total capital assets, net of depreciation	<u>902,495,550</u>	<u>-</u>	<u>525,986,750</u>	<u>1,428,482,300</u>
Total noncurrent assets	<u>902,495,550</u>	<u>53,999,680</u>	<u>525,986,750</u>	<u>1,482,481,980</u>
Total assets	<u>967,261,554</u>	<u>352,930,619</u>	<u>625,109,228</u>	<u>1,945,301,401</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pension benefits	8,644,606	-	-	8,644,606
Unamortized deferred refunding loss	-	4,411,036	-	4,411,036
Total deferred outflow of resources	<u>8,644,606</u>	<u>4,411,036</u>	<u>-</u>	<u>13,055,642</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities	5,972,039	-	23,305,104	29,277,143
Current portion of long-term debt and obligations	31,271,522	3,138,029	-	34,409,551
Due to other funds	200,357	-	-	200,357
Escrow deposits	213,710	-	345,199	558,909
Liabilities related to restricted assets				
Accounts payable and accrued liabilities	-	6,194,190	-	6,194,190
Unearned revenue	-	15,448,296	-	15,448,296
Total current liabilities	<u>37,657,628</u>	<u>24,780,515</u>	<u>23,650,303</u>	<u>86,088,446</u>
Noncurrent liabilities				
Accrued liability for compensated absences	54,765	-	-	54,765
Accrued liability for pension benefits	34,224,531	-	-	34,224,531
Accrued liability for other post-employment benefits	37,034,463	-	-	37,034,463
Long-term debt	61,959,352	35,436,438	447,346,772	544,742,562
Unearned revenue	339,844	-	-	339,844
Total noncurrent liabilities	<u>133,612,955</u>	<u>35,436,438</u>	<u>447,346,772</u>	<u>616,396,165</u>
Total liabilities	<u>171,270,583</u>	<u>60,216,953</u>	<u>470,997,075</u>	<u>702,484,611</u>
<b>NET POSITION</b>				
Net investment in capital assets	810,976,516	(34,163,431)	134,788,331	911,601,416
Restricted for debt service	-	331,288,133	-	331,288,133
Restricted for capital improvements	-	-	12,771,873	12,771,873
Unrestricted	(6,340,939)	-	6,551,949	211,010
Total net position	<u>\$ 804,635,577</u>	<u>\$ 297,124,702</u>	<u>\$ 154,112,153</u>	<u>\$ 1,255,872,432</u>



Anne Arundel County, Maryland

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

Water and Wastewater Fund

Year Ended June 30, 2015

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 85,367,358	\$ -	\$ -	\$ 85,367,358
Other revenues	6,496,059	-	-	6,496,059
Total operating revenues	<u>91,863,417</u>	<u>-</u>	<u>-</u>	<u>91,863,417</u>
<b>OPERATING EXPENSES</b>				
Personnel services	31,804,134	-	-	31,804,134
Contractual services	29,136,913	-	-	29,136,913
Supplies and materials	6,953,734	-	-	6,953,734
Business and travel	191,970	-	-	191,970
Depreciation	42,276,078	-	-	42,276,078
Other	9,997,707	-	-	9,997,707
Total operating expenses	<u>120,360,536</u>	<u>-</u>	<u>-</u>	<u>120,360,536</u>
Operating loss	(28,497,119)	-	-	(28,497,119)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	37,137	1,035,630	-	1,072,767
Interest on long-term receivables	-	967,631	-	967,631
Other revenues (expenses)	-	2,173,273	-	2,173,273
Interest expense	-	(8,121,656)	-	(8,121,656)
Loss before contributions and transfers	<u>(28,459,982)</u>	<u>(3,945,122)</u>	<u>-</u>	<u>(32,405,104)</u>
Capital contributions and grants	9,523,877	67,123,356	31,859,634	108,506,867
Environmental protection fees	-	19,019,320	-	19,019,320
Intra fund transfers	55,516,013	(49,377,849)	(6,138,164)	-
Change in net position	<u>36,579,908</u>	<u>32,819,705</u>	<u>25,721,470</u>	<u>95,121,083</u>
Net position, July 1 (as restated)	<u>768,055,669</u>	<u>264,304,997</u>	<u>128,390,683</u>	<u>1,160,751,349</u>
Net position, June 30	<u>\$ 804,635,577</u>	<u>\$ 297,124,702</u>	<u>\$ 154,112,153</u>	<u>\$ 1,255,872,432</u>

Anne Arundel County, Maryland

Combining Statement of Cash Flows

Water and Wastewater Fund

Year Ended June 30, 2015

	<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	\$ 93,008,615	\$ -	\$ -	\$ 93,008,615
Cash payments to suppliers for goods and services	(46,621,749)	-	-	(46,621,749)
Cash payments to employees for services	(27,067,502)	-	-	(27,067,502)
Net cash provided by operating activities	<u>19,319,364</u>	<u>-</u>	<u>-</u>	<u>19,319,364</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of County bonds and bond anticipation notes	-	-	77,600,000	77,600,000
Proceeds from bonds refunded	-	34,875,000	-	34,875,000
Proceeds from grant funds	-	-	36,302,545	36,302,545
Proceeds from loan	-	-	11,381,013	11,381,013
Proceeds from developers' contributions	-	-	336,941	336,941
Refunds to developers	-	(8,785,090)	(43,812)	(8,828,902)
Assessment and connection charges	949,412	68,574,271	-	69,523,683
Environmental protection fees for capital assets	-	17,898,418	-	17,898,418
Payments of long-term debt	-	(26,514,490)	-	(26,514,490)
Interest payments	-	(20,094,789)	-	(20,094,789)
Rebates, interest income and reimbursements	-	1,328,226	5,659,000	6,987,226
Operating funds used in construction	(3,880,000)	-	3,880,000	-
Acquisition and construction of capital assets	(699,486)	-	(112,574,536)	(113,274,022)
Payments of debt issuance costs	-	(154,647)	-	(154,647)
Premium on sale of bonds	-	22,604,533	-	22,604,533
Payments to escrow agent for refunded bonds	-	(42,107,165)	-	(42,107,165)
Payment of capital related fees	-	(996,540)	-	(996,540)
Transfer to UDS	-	843,750	-	843,750
Transfer to Capital	-	(5,659,000)	-	(5,659,000)
Net cash provided by (used for) capital and related financing activities	<u>(3,630,074)</u>	<u>41,812,477</u>	<u>22,541,151</u>	<u>60,723,554</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of investment securities	-	(840,821,865)	-	(840,821,865)
Sale of investment securities	-	819,032,730	-	819,032,730
Interest on investments	37,137	68,831	-	105,968
Net cash used for investing activities	<u>37,137</u>	<u>(21,720,304)</u>	<u>-</u>	<u>(21,683,167)</u>
Net increase in cash and cash equivalents	15,726,427	20,092,173	22,541,151	58,359,751
Cash and temporary investments, July 1	22,273,828	21,422,829	63,809,454	107,506,111
Cash and temporary investments, June 30	<u>\$ 38,000,255</u>	<u>\$ 41,515,002</u>	<u>\$ 86,350,605</u>	<u>\$ 165,865,862</u>

Anne Arundel County, Maryland  
Combining Statement of Cash Flows  
Water and Wastewater Fund  
Year Ended June 30, 2015

	<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	\$ (28,497,119)	\$ -	\$ -	\$ (28,497,119)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	42,276,078	-	-	42,276,078
Noncapital construction costs	1,470,550	-	-	1,470,550
Effect of changes in assets and liabilities:				
Accounts receivable	1,115,641	-	-	1,115,641
Due from other funds	(127,103)	-	-	(127,103)
Inventories	(470,972)	-	-	(470,972)
Prepaid expenses	(46,979)	-	-	(46,979)
Deferred outflow of resources	(6,728,544)	-	-	(6,728,544)
Accounts payable and accrued liabilities	(834,500)	-	-	(834,500)
Due to other funds	(221,790)	-	-	(221,790)
Escrow deposits	29,558	-	-	29,558
Accrued liability for compensated absences	36,342	-	-	36,342
Accrued liability for pension	7,837,465	-	-	7,837,465
Accrued liability for OPEB benefits	3,480,737	-	-	3,480,737
Net cash provided by operating activities	<u>\$ 19,319,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,319,364</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Contributions of capital assets from developers	\$ 8,574,464	\$ -	\$ -	\$ 8,574,464
Change in capital contributions, fees and grants; accruals and deferrals	-	(330,013)	(4,696,223)	(5,026,236)
Increase in fair value of investments	-	(44,629)	-	(44,629)
Amortization of refunding losses	-	(464,527)	-	(464,527)
Total Noncash investing, capital, and financing activities	<u>\$ 8,574,464</u>	<u>\$ (839,169)</u>	<u>\$ (4,696,223)</u>	<u>\$ 3,039,072</u>

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

## Enterprise Funds

Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>WATER AND WASTEWATER OPERATIONS</b>				
Revenues				
Charges for services	\$ 91,483,300	\$ 91,483,300	\$ 86,316,770	\$ (5,166,530)
Investment income	26,000	26,000	37,137	11,137
Other	7,589,100	7,589,100	11,276,362	3,687,262
	<u>99,098,400</u>	<u>99,098,400</u>	<u>97,630,269</u>	<u>(1,468,131)</u>
Expenses				
Personal services	33,854,400	33,165,400	31,121,623	2,043,777
Contractual services	30,260,200	29,920,200	28,641,511	1,278,689
Supplies and materials	7,707,200	8,394,200	7,211,270	1,182,930
Business and travel	186,900	308,900	238,949	69,951
Capital outlay	1,391,700	1,611,700	1,612,915	(1,215)
Administrative costs	10,861,600	10,861,600	10,346,600	515,000
Pay-as-you-go	3,880,000	3,880,000	3,880,000	-
	<u>88,142,000</u>	<u>88,142,000</u>	<u>83,052,868</u>	<u>5,089,132</u>
Revenues over (under) expenditures	<u>\$ 10,956,400</u>	<u>\$ 10,956,400</u>	<u>\$ 14,577,401</u>	<u>\$ 3,621,001</u>
<b>WATER AND WASTEWATER DEBT SERVICE</b>				
Revenues				
Water and sewer assessments	\$ 3,900,000	\$ 3,900,000	\$ 4,649,531	\$ 749,531
Capital connection charges	35,258,500	35,258,500	55,126,803	19,868,303
Environmental protection fees	19,351,000	19,351,000	19,019,320	(331,680)
Investment income	1,356,000	1,356,000	782,938	(573,062)
Other	7,147,700	7,147,700	16,817,189	9,669,489
	<u>67,013,200</u>	<u>67,013,200</u>	<u>96,395,781</u>	<u>29,382,581</u>
Expenses				
Principal payments on debt	27,514,500	27,164,500	26,514,490	650,010
Interest expense	20,353,800	20,353,800	20,092,859	260,941
Other	6,634,800	6,984,800	6,810,187	174,613
	<u>54,503,100</u>	<u>54,503,100</u>	<u>53,417,536</u>	<u>1,085,564</u>
Revenues over (under) expenditures	<u>\$ 12,510,100</u>	<u>\$ 12,510,100</u>	<u>\$ 42,978,245</u>	<u>\$ 30,468,145</u>

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

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

## Enterprise Funds

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>SOLID WASTE</b>				
Revenues				
Charges for services	\$ 46,434,900	\$ 46,434,900	\$ 46,808,839	\$ 373,939
Landfill charges	3,115,000	3,115,000	3,302,519	187,519
Other	629,200	629,200	4,758,498	4,129,298
	<u>50,179,100</u>	<u>50,179,100</u>	<u>54,869,856</u>	<u>4,690,756</u>
Expenses				
Personal services	7,300,200	7,300,200	7,068,638	231,562
Contractual services	34,062,600	34,062,600	33,924,238	138,362
Supplies and materials	1,887,600	1,887,600	1,527,312	360,288
Business and travel	19,800	19,800	13,369	6,431
Capital outlay	1,263,400	1,271,400	1,266,522	4,878
Principal payments on debt	2,356,300	2,356,300	2,356,306	(6)
Interest expense	1,324,300	1,337,300	1,320,138	17,162
Administrative costs	2,570,000	2,570,000	2,570,000	-
Contributions/Solid Waste Assurance Fund	2,564,300	2,564,300	2,564,300	-
Contributions/Self Insurance Fund	266,400	266,400	266,400	-
Contributions/Northeast Maryland Solid	180,000	180,000	177,083	2,917
Other	315,000	294,000	-	294,000
Capital improvements	468,000	468,000	468,000	-
	<u>54,577,900</u>	<u>54,577,900</u>	<u>53,522,306</u>	<u>1,055,594</u>
Revenues over (under) expenditures	\$ <u>(4,398,800)</u>	\$ <u>(4,398,800)</u>	\$ <u>1,347,550</u>	\$ <u>5,746,350</u>
<b>SOLID WASTE FINANCIAL ASSURANCE</b>				
Revenues				
Payments from other funds	\$ 2,564,300	\$ 2,564,300	\$ 2,564,300	\$ -
Other	85,000	85,000	33,610	(51,390)
	<u>2,649,300</u>	<u>2,649,300</u>	<u>2,597,910</u>	<u>(51,390)</u>
Expenses				
Other	-	-	-	-
Revenues over (under) expenditures	\$ <u>2,649,300</u>	\$ <u>2,649,300</u>	\$ <u>2,597,910</u>	\$ <u>(51,390)</u>
<b>CHILD CARE</b>				
Revenues				
Child care fees	\$ 4,738,900	\$ 4,738,900	\$ 4,739,204	\$ 304
Other	-	-	1,587	1,587
	<u>4,738,900</u>	<u>4,738,900</u>	<u>4,740,791</u>	<u>1,891</u>
Expenses				
Personal services	3,688,000	3,688,000	3,536,796	151,204
Contractual services	289,600	289,600	295,700	(6,100)
Supplies and materials	399,100	399,100	444,130	(45,030)
Business and travel	47,600	47,600	27,085	20,515
Capital outlay	5,200	5,200	5,400	(200)
Other	454,500	454,500	454,500	-
	<u>4,884,000</u>	<u>4,884,000</u>	<u>4,763,611</u>	<u>120,389</u>
Revenues over (under) expenditures	\$ <u>(145,100)</u>	\$ <u>(145,100)</u>	\$ <u>(22,820)</u>	\$ <u>122,280</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 Capital Projects Funds

Year Ended June 30, 2015

	Water and			
	Total Water and Wastewater	Capital Projects	Water Normal Extensions	Total
<b>AUTHORIZED PER ORIGINAL BUDGET</b>				
County bonds	\$ 852,579,636	\$ 303,939,131	\$ 1,489,752	\$ 305,428,883
Maryland Water Quality Loan	68,094,343	3,951,750	-	3,951,750
Grants and aid	133,307,995	2,347,000	-	2,347,000
Pay-as-you-go	105,842,182	12,980,678	-	12,980,678
Contributions by developers	3,680,253	430,000	-	430,000
Other sources	11,036,000	4,264,000	-	4,264,000
Total	<u>\$ 1,174,540,409</u>	<u>\$ 327,912,559</u>	<u>\$ 1,489,752</u>	<u>\$ 329,402,311</u>
<b>AUTHORIZED PER FINAL BUDGET</b>				
County bonds	\$ 851,029,194	\$ 303,169,762	\$ 1,479,892	\$ 304,649,654
Maryland Water Quality Loan	66,127,872	3,951,750	-	3,951,750
Grants and aid	133,307,995	2,347,000	-	2,347,000
Pay-as-you-go	95,276,421	12,740,825	-	12,740,825
Contributions by developers	3,680,253	430,000	-	430,000
Other sources	11,036,000	4,264,000	-	4,264,000
Total	1,160,457,735	326,903,337	1,479,892	328,383,229
Less: Completed projects	19,015,235	2,377,125	15,650	2,392,775
	<u>1,141,442,500</u>	<u>324,526,212</u>	<u>1,464,242</u>	<u>325,990,454</u>
<b>REALIZED</b>				
Current year				
Bonds and bond anticipation notes	77,600,000	19,554,255	32,266	19,586,521
Proceeds from State loan	9,783,676	338,742	-	338,742
Grants and aid	31,606,322	247,875	-	247,875
Pay-as-you-go	3,880,000	(4,618,010)	-	(4,618,010)
Developer contributions	253,312	-	-	-
Other source	5,659,000	2,264,000	-	2,264,000
Total	128,782,310	17,786,862	32,266	17,819,128
Prior years	524,664,328	160,513,714	523,968	161,037,682
Total realized funding sources	653,446,638	178,300,576	556,234	178,856,810
Less: Completed projects	19,014,535	2,377,125	15,650	2,392,775
	<u>634,432,103</u>	<u>175,923,451</u>	<u>540,584</u>	<u>176,464,035</u>
Funding sources authorized - June 30, 2015	<u>\$ 507,010,397</u>	<u>\$ 148,602,761</u>	<u>\$ 923,658</u>	<u>\$ 149,526,419</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	
\$ 495,581,110	\$ 1,689,429	\$ 497,270,539	\$ 49,880,214	\$ 42,241,804	
64,142,593	-	64,142,593	-	-	
130,960,995	-	130,960,995	-	-	
38,652,737	-	38,652,737	54,208,767	6,274,785	
-	-	-	3,250,253	-	
6,772,000	-	6,772,000	-	750,000	
<u>\$ 736,109,435</u>	<u>\$ 1,689,429</u>	<u>\$ 737,798,864</u>	<u>\$ 107,339,234</u>	<u>\$ 49,266,589</u>	
\$ 495,473,881	\$ 1,462,228	\$ 496,936,109	\$ 49,443,431	\$ 36,278,840	
62,176,122	-	62,176,122	-	-	
130,960,995	-	130,960,995	-	-	
34,888,227	-	34,888,227	47,647,369	6,274,785	
-	-	-	3,250,253	-	
6,772,000	-	6,772,000	-	750,000	
<u>730,271,225</u>	<u>1,462,228</u>	<u>731,733,453</u>	<u>100,341,053</u>	<u>43,303,625</u>	
<u>6,262,452</u>	<u>14,991</u>	<u>6,277,443</u>	<u>10,345,017</u>	<u>911,993</u>	
<u>724,008,773</u>	<u>1,447,237</u>	<u>725,456,010</u>	<u>89,996,036</u>	<u>42,391,632</u>	
53,483,974	34,646	53,518,620	4,494,859	9,600,000	
9,444,934	-	9,444,934	-	-	
31,358,447	-	31,358,447	-	-	
(1,076,075)	-	(1,076,075)	9,574,085	468,000	
-	-	-	253,312	-	
3,395,000	-	3,395,000	-	-	
<u>96,606,280</u>	<u>34,646</u>	<u>96,640,926</u>	<u>14,322,256</u>	<u>10,068,000</u>	
<u>329,240,098</u>	<u>144,311</u>	<u>329,384,409</u>	<u>34,242,237</u>	<u>18,976,538</u>	
425,846,378	178,957	426,025,335	48,564,493	29,044,538	
6,261,752	14,991	6,276,743	10,345,017	911,993	
<u>419,584,626</u>	<u>163,966</u>	<u>419,748,592</u>	<u>38,219,476</u>	<u>28,132,545</u>	
<u>\$ 304,424,147</u>	<u>\$ 1,283,271</u>	<u>\$ 305,707,418</u>	<u>\$ 51,776,560</u>	<u>\$ 14,259,087</u>	

Anne Arundel County, Maryland

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

Enterprise Capital Projects Funds

Year Ended June 30, 2015

	Water and			Total
	Total Water and Wastewater	Capital Projects	Water Normal Extensions	
<b>APPROPRIATIONS</b>				
Original Budget	\$ <u>1,174,540,409</u>	\$ <u>327,912,559</u>	\$ <u>1,489,752</u>	\$ <u>329,402,311</u>
Final Budget:				
Prior years	\$ 1,104,251,736	\$ 343,602,337	\$ 1,479,892	\$ 345,082,229
Current year	<u>56,205,999</u>	<u>(16,699,000)</u>	<u>-</u>	<u>(16,699,000)</u>
	1,160,457,735	326,903,337	1,479,892	328,383,229
Less: Completed projects	<u>19,015,235</u>	<u>2,377,125</u>	<u>15,650</u>	<u>2,392,775</u>
Total appropriations	<u>1,141,442,500</u>	<u>324,526,212</u>	<u>1,464,242</u>	<u>325,990,454</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Prior years expenditures	468,887,213	136,866,423	524,752	137,391,175
Current year expenditures	<u>106,827,971</u>	<u>16,647,227</u>	<u>31,481</u>	<u>16,678,708</u>
	575,715,184	153,513,650	556,233	154,069,883
Less: Completed projects	<u>19,014,481</u>	<u>2,377,126</u>	<u>15,649</u>	<u>2,392,775</u>
Total	556,700,703	151,136,524	540,584	151,677,108
Encumbrances outstanding	<u>152,931,101</u>	<u>14,410,701</u>	<u>9,642</u>	<u>14,420,343</u>
Total expenditures and encumbrances	<u>709,631,804</u>	<u>165,547,225</u>	<u>550,226</u>	<u>166,097,451</u>
Unencumbered appropriations - June 30, 2015	\$ <u>431,810,696</u>	\$ <u>158,978,987</u>	\$ <u>914,016</u>	\$ <u>159,893,003</u>



<u>Wastewater</u>					
	<u>Wastewater</u>				
<u>Capital Projects</u>	<u>Normal Extension</u>	<u>Total</u>	<u>Oversize Connections</u>	<u>Solid Waste</u>	
\$ <u>736,109,435</u>	\$ <u>1,689,429</u>	\$ <u>737,798,864</u>	\$ <u>107,339,234</u>	\$ <u>49,266,589</u>	
\$ <u>671,207,225</u>	\$ <u>1,462,228</u>	\$ <u>672,669,453</u>	\$ <u>86,500,054</u>	\$ <u>41,236,625</u>	
<u>59,064,000</u>	<u>-</u>	<u>59,064,000</u>	<u>13,840,999</u>	<u>2,067,000</u>	
<u>730,271,225</u>	<u>1,462,228</u>	<u>731,733,453</u>	<u>100,341,053</u>	<u>43,303,625</u>	
<u>6,262,452</u>	<u>14,991</u>	<u>6,277,443</u>	<u>10,345,017</u>	<u>911,993</u>	
<u>724,008,773</u>	<u>1,447,237</u>	<u>725,456,010</u>	<u>89,996,036</u>	<u>42,391,632</u>	
<u>297,453,961</u>	<u>144,551</u>	<u>297,598,512</u>	<u>33,897,526</u>	<u>13,456,817</u>	
<u>76,301,360</u>	<u>34,407</u>	<u>76,335,767</u>	<u>13,813,496</u>	<u>5,515,071</u>	
<u>373,755,321</u>	<u>178,958</u>	<u>373,934,279</u>	<u>47,711,022</u>	<u>18,971,888</u>	
<u>6,261,698</u>	<u>14,991</u>	<u>6,276,689</u>	<u>10,345,017</u>	<u>911,993</u>	
<u>367,493,623</u>	<u>163,967</u>	<u>367,657,590</u>	<u>37,366,005</u>	<u>18,059,895</u>	
<u>119,186,119</u>	<u>15,421</u>	<u>119,201,540</u>	<u>19,309,218</u>	<u>12,319,091</u>	
<u>486,679,742</u>	<u>179,388</u>	<u>486,859,130</u>	<u>56,675,223</u>	<u>30,378,986</u>	
\$ <u>237,329,031</u>	\$ <u>1,267,849</u>	\$ <u>238,596,880</u>	\$ <u>33,320,813</u>	\$ <u>12,012,646</u>	

## Anne Arundel County, Maryland

## Combining Statement of Net Position

## Internal Service Funds

June 30, 2015

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
<b>ASSETS</b>					
Current assets					
Cash and temporary investments	\$ 288,105	\$ 13,840,946	\$ 4,099,785	\$ 8,235,548	\$ 26,464,384
Investments	77,148,582	-	-	-	77,148,582
Service billings receivable	481,438	5,421,499	28,537	-	5,931,474
Due from other funds	-	-	2,102,175	-	2,102,175
Inventories	-	-	626,164	-	626,164
Other assets	9,795	1,338,055	12,653	-	1,360,503
Total current assets	<u>77,927,920</u>	<u>20,600,500</u>	<u>6,869,314</u>	<u>8,235,548</u>	<u>113,633,282</u>
Noncurrent assets					
Capital assets					
Land and buildings	-	-	2,073,990	-	2,073,990
Machinery and equipment	-	-	380,902	67,921,038	68,301,940
	-	-	2,454,892	67,921,038	70,375,930
Less accumulated depreciation	-	-	(1,929,578)	(55,286,180)	(57,215,758)
Total capital assets, net of depreciation	-	-	525,314	12,634,858	13,160,172
Total noncurrent assets	-	-	525,314	12,634,858	13,160,172
Total assets	<u>77,927,920</u>	<u>20,600,500</u>	<u>7,394,628</u>	<u>20,870,406</u>	<u>126,793,454</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Pension benefits	335,600	-	1,448,428	-	1,784,028
Total deferred outflows	<u>335,600</u>	<u>-</u>	<u>1,448,428</u>	<u>-</u>	<u>1,784,028</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued liabilities	228,877	3,134,117	545,091	53,988	3,962,073
Current portion of long-term obligations	15,170,399	7,036,468	346,190	-	22,553,057
Due to other funds	3,792,832	-	-	-	3,792,832
Total current liabilities	<u>19,192,108</u>	<u>10,170,585</u>	<u>891,281</u>	<u>53,988</u>	<u>30,307,962</u>
Noncurrent liabilities					
Unpaid claims	57,302,696	-	-	-	57,302,696
Accrued liability for compensated absences	-	-	-	-	-
Accrued liability for pension benefits	1,320,606	-	5,719,380	-	7,039,986
Accrued liability for other post-employment benefits	1,433,116	-	6,503,347	-	7,936,463
Total noncurrent liabilities	<u>60,056,418</u>	<u>-</u>	<u>12,222,727</u>	<u>-</u>	<u>72,279,145</u>
Total liabilities	<u>79,248,526</u>	<u>10,170,585</u>	<u>13,114,008</u>	<u>53,988</u>	<u>102,587,107</u>
<b>NET POSITION</b>					
Net investment in capital assets	-	-	525,314	12,634,858	13,160,172
Unrestricted	(985,006)	10,429,915	(4,796,266)	8,181,560	12,830,203
Total net position (deficit)	<u>\$ (985,006)</u>	<u>\$ 10,429,915</u>	<u>\$ (4,270,952)</u>	<u>\$ 20,816,418</u>	<u>\$ 25,990,375</u>

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

## Internal Service Funds

Year Ended June 30, 2015

	<u>Self Insurance</u>	<u>Health Insurance</u>	<u>Central Garage and Transportation</u>	<u>Garage Vehicle Replacement</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 14,485,865	\$ -	\$ 16,217,188	\$ 9,325,490	\$ 40,028,543
Medical premiums	-	100,670,044	-	-	100,670,044
Other	-	11,852	17,551	108,300	137,703
Total operating revenues	<u>14,485,865</u>	<u>100,681,896</u>	<u>16,234,739</u>	<u>9,433,790</u>	<u>140,836,290</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,331,390	-	5,876,867	-	7,208,257
Contractual services	203,671	857,968	1,615,248	27,300	2,704,187
Supplies and materials	30,911	30,846	126,355	-	188,112
Business and travel	13,635	619	10,239	-	24,493
Cost of goods issued	-	-	8,286,705	-	8,286,705
Depreciation	-	-	48,235	4,167,983	4,216,218
Provision for claims and estimated losses	14,511,916	96,910,407	-	-	111,422,323
Other	278,000	1,374,524	455,800	42,300	2,150,624
Total operating expenses	<u>16,369,523</u>	<u>99,174,364</u>	<u>16,419,449</u>	<u>4,237,583</u>	<u>136,200,919</u>
Operating income (loss)	<u>(1,883,658)</u>	<u>1,507,532</u>	<u>(184,710)</u>	<u>5,196,207</u>	<u>4,635,371</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	1,841,192	21,208	-	-	1,862,400
Gain on disposal of assets	-	-	-	194,270	194,270
Gain (loss) before transfers	<u>(42,466)</u>	<u>1,528,740</u>	<u>(184,710)</u>	<u>5,390,477</u>	<u>6,692,041</u>
Inter fund transfers	-	(10,700,000)	-	-	(10,700,000)
Change in net position	(42,466)	(9,171,260)	(184,710)	5,390,477	(4,007,959)
Net position, July 1 (as restated)	<u>(942,540)</u>	<u>19,601,175</u>	<u>(4,086,242)</u>	<u>15,425,941</u>	<u>29,998,334</u>
Net position, June 30	<u>\$ (985,006)</u>	<u>\$ 10,429,915</u>	<u>\$ (4,270,952)</u>	<u>\$ 20,816,418</u>	<u>\$ 25,990,375</u>

Anne Arundel County, Maryland

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2015

	<u>Self Insurance</u>	<u>Health Insurance</u>	<u>Central Garage and Transportation</u>	<u>Garage Vehicle Replacement</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 21,390,400	\$ 100,677,897	\$ 17,012,730	\$ 9,325,490	\$ 148,406,517
Cash received for expense reimbursement	429,837	-	-	-	429,837
Cash payments to suppliers for goods and services	(244,333)	(1,024,710)	(10,043,915)	(332,715)	(11,645,673)
Cash payments for insurance claims	(16,795,153)	(94,679,961)	-	-	(111,475,114)
Cash payments to employees for services	(1,138,462)	-	(5,039,587)	-	(6,178,049)
Other operating receipts	-	-	17,551	108,300	125,851
Other operating payments	<u>(278,000)</u>	<u>(767,500)</u>	<u>(455,800)</u>	<u>(42,300)</u>	<u>(1,543,600)</u>
Net cash provided by operating activities	<u>3,364,289</u>	<u>4,205,726</u>	<u>1,490,979</u>	<u>9,058,775</u>	<u>18,119,769</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Asset transfers between funds	-	<u>(10,700,000)</u>	-	-	<u>(10,700,000)</u>
Net cash used for non-capital financing activities	<u>-</u>	<u>(10,700,000)</u>	<u>-</u>	<u>-</u>	<u>(10,700,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	-	-	(4,126,268)	(4,126,268)
Proceeds from sale of equipment	-	-	-	194,270	194,270
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,931,998)</u>	<u>(3,931,998)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investment securities	(81,427,344)	-	-	-	(81,427,344)
Sale of investment securities	76,328,087	-	-	-	76,328,087
Investment income	<u>1,741,557</u>	<u>21,208</u>	<u>-</u>	<u>-</u>	<u>1,762,765</u>
Net cash provided by investing activities	<u>(3,357,700)</u>	<u>21,208</u>	<u>-</u>	<u>-</u>	<u>(3,336,492)</u>
Net increase (decrease) in cash and cash equivalents	6,589	(6,473,066)	1,490,979	5,126,777	151,279
Cash and temporary investments, July 1	281,516	20,314,012	2,608,806	3,108,771	26,313,105
Cash and temporary investments, June 30	<u>\$ 288,105</u>	<u>\$ 13,840,946</u>	<u>\$ 4,099,785</u>	<u>\$ 8,235,548</u>	<u>\$ 26,464,384</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (1,883,658)	\$ 1,507,532	\$ (184,710)	\$ 5,196,207	\$ 4,635,371
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	-	-	48,235	4,167,983	4,216,218
Effect of changes in assets and liabilities					
Accounts receivable	3,111,703	(34,837)	795,542	-	3,872,408
Prepaid expenses	(8,420)	-	(1,312)	-	(9,732)
Inventories	-	-	128,106	-	128,106
Accounts payable and accrued expenses	8,148	2,522,359	(113,535)	(305,415)	2,111,557
Deferred outflow of resources	(261,800)	-	(1,128,478)	-	(1,390,278)
Unpaid claims	(1,853,400)	210,672	-	-	(1,642,728)
Due to other funds	3,792,832	-	-	-	3,792,832
Accrued liability for compensated absences	10,001	-	32,288	-	42,289
Accrued liability for OPEB benefits	144,617	-	601,655	-	746,272
Accrued liability for pension benefits	304,266	-	1,313,188	-	1,617,454
Net cash provided by (used for) operating activities	<u>\$ 3,364,289</u>	<u>\$ 4,205,726</u>	<u>\$ 1,490,979</u>	<u>\$ 9,058,775</u>	<u>\$ 18,119,769</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Increase (decrease) in fair value of investments	\$ (773,454)	\$ -	\$ -	\$ -	\$ (773,454)
Total Noncash investing, capital, and financing activities	<u>\$ (773,454)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (773,454)</u>

Anne Arundel County, Maryland

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

Internal Service Funds

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>SELF INSURANCE</b>				
Revenues				
Charges for services	\$ 21,390,400	\$ 21,390,400	\$ 21,390,400	\$ -
Investment income	1,366,900	1,366,900	1,841,192	474,292
Reimbursements	200,000	200,000	429,837	229,837
Other	-	-	22,572	22,572
	<u>22,957,300</u>	<u>22,957,300</u>	<u>23,684,001</u>	<u>726,701</u>
Expenses				
Personal services	1,177,800	1,177,800	1,144,307	33,493
Contractual services	21,860,100	21,860,100	19,055,474	2,804,626
Supplies and materials	39,500	39,500	30,716	8,784
Business and travel	10,600	10,600	13,668	(3,068)
Capital outlay	2,000	2,000	195	1,805
Administrative costs	278,000	278,000	278,000	-
	<u>23,368,000</u>	<u>23,368,000</u>	<u>20,522,360</u>	<u>2,845,640</u>
Revenues over (under) expenditures	<u>\$ (410,700)</u>	<u>\$ (410,700)</u>	<u>\$ 3,161,641</u>	<u>\$ 3,572,341</u>
<b>HEALTH INSURANCE</b>				
Revenues				
Charges for services	\$ 103,565,900	\$ 103,565,900	\$ 100,670,044	\$ (2,895,856)
Investment income	-	-	21,208	21,208
Other	-	-	119,587	119,587
	<u>103,565,900</u>	<u>103,565,900</u>	<u>100,810,839</u>	<u>(2,755,061)</u>
Expenses				
Medical claim costs	104,110,500	104,110,500	96,910,407	7,200,093
Contractual services	1,751,500	1,751,500	929,384	822,116
Supplies and materials	48,900	48,900	30,846	18,054
Business and travel	4,100	4,100	619	3,481
Other	11,467,500	11,467,500	12,074,524	(607,024)
	<u>117,382,500</u>	<u>117,382,500</u>	<u>109,945,780</u>	<u>7,436,720</u>
Revenues over (under) expenditures	<u>\$ (13,816,600)</u>	<u>\$ (13,816,600)</u>	<u>\$ (9,134,941)</u>	<u>\$ 4,681,659</u>

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

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

Internal Service Funds

Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>CENTRAL GARAGE AND TRANSPORTATION</b>				
Revenues				
Charges for services	\$ 16,602,800	\$ 16,602,800	\$ 17,006,717	\$ 403,917
Other	31,200	31,200	17,551	(13,649)
	<u>16,634,000</u>	<u>16,634,000</u>	<u>17,024,268</u>	<u>390,268</u>
Expenses				
Personal services	5,157,800	5,157,800	5,090,502	67,298
Contractual services	1,427,400	1,427,400	1,778,777	(351,377)
Supplies and materials	9,866,900	9,866,900	8,258,517	1,608,383
Business and travel	25,700	25,700	10,239	15,461
Capital outlay	156,200	156,200	128,982	27,218
Other	455,800	455,800	455,800	-
	<u>17,089,800</u>	<u>17,089,800</u>	<u>15,722,817</u>	<u>1,366,983</u>
Revenues over (under) expenditures	<u>\$ (455,800)</u>	<u>\$ (455,800)</u>	<u>\$ 1,301,451</u>	<u>\$ 1,757,251</u>
<b>GARAGE VEHICLE REPLACEMENT</b>				
Revenues				
Charges for services	\$ 9,091,100	\$ 9,091,100	\$ 9,325,490	\$ 234,390
Other	75,000	75,000	302,590	227,590
	<u>9,166,100</u>	<u>9,166,100</u>	<u>9,628,080</u>	<u>461,980</u>
Expenses				
Contractual services	10,000	10,000	27,300	(17,300)
Capital outlay	9,113,800	9,113,800	8,992,848	120,952
Other	42,300	42,300	42,300	-
	<u>9,166,100</u>	<u>9,166,100</u>	<u>9,062,448</u>	<u>103,652</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 565,632</u>	<u>\$ 565,632</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.

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.

National Business Park North – 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.

Two Rivers – 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.

Arundel Gateway – 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.

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 Tax District – 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 Bureau – The County dedicates 17% 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 Center.

Arts Council of Anne Arundel County – The County dedicates 3% of its hotel / motel tax revenue to the promotion of the arts within the County. This fund accumulates the dedicated revenue and disburses the funds directly to the Arts Council of Anne Arundel County.

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, 2014)					
	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	\$ 19,710,563	\$ 16,205,593	\$ 16,527,545	\$ 3,752,457	\$ 56,196,158
U. S. Government obligations	2,288,867	1,882,347	1,922,032	435,963	6,529,209
Corporate obligations	31,181,028	25,643,042	26,183,661	5,939,088	88,946,819
Domestic fixed income mutual funds	29,575,103	24,322,341	24,835,116	5,633,205	84,365,765
International fixed income mutual funds	23,044,877	18,951,933	19,351,487	4,389,385	65,737,682
Global assets and pools	94,416,571	77,647,476	79,284,476	17,983,638	269,332,161
Domestic equity	159,536,989	131,202,016	133,968,078	30,387,202	455,094,285
International equity investment pools	124,650,856	102,511,924	104,673,128	23,742,398	355,578,306
Private markets	42,977,942	35,344,735	36,089,889	8,186,060	122,598,626
Portable Alpha	342,569	281,726	287,666	65,250	977,211
Real estate investment pools	30,506,665	25,088,451	25,617,378	5,810,641	87,023,135
Aetna insurance pooled fixed income	9,183,216	7,552,207	7,711,426	1,749,138	26,195,987
Absolute return fixed income	17,599,933	14,474,052	14,779,201	3,352,280	50,205,466
<b>Total investments</b>	<b>585,015,179</b>	<b>481,107,843</b>	<b>491,231,083</b>	<b>111,426,705</b>	<b>1,668,780,810</b>
Collateral from securities lending transactions	27,357,161	22,498,323	22,972,643	5,210,751	78,038,878
Receivables:					
Employer contributions	2,078,648	1,567,117	1,282,398	517,927	5,446,090
Participant contributions	400,902	235,024	217,444	99,346	952,716
Accrued interest and dividends	513,586	422,371	431,268	97,826	1,465,051
Investment sales proceeds	640,872	527,048	538,160	122,068	1,828,148
<b>Total receivables</b>	<b>3,634,008</b>	<b>2,751,560</b>	<b>2,469,270</b>	<b>837,167</b>	<b>9,692,005</b>
Deposits on hand	14,931	158,803	67,074	-	240,808
<b>Total assets</b>	<b>616,021,279</b>	<b>506,516,529</b>	<b>516,740,070</b>	<b>117,474,623</b>	<b>1,756,752,501</b>
<b>LIABILITIES</b>					
Accounts payable	662,981	545,230	557,212	126,279	1,891,702
Investment commitments payable	3,742,420	3,077,738	3,142,625	712,823	10,675,606
Obligation for collateral received under securities lending transactions	27,357,161	22,498,323	22,972,643	5,210,751	78,038,878
<b>Total liabilities</b>	<b>31,762,562</b>	<b>26,121,291</b>	<b>26,672,480</b>	<b>6,049,853</b>	<b>90,606,186</b>
<b>Net position held in trust for pension benefits</b>	<b>\$ 584,258,717</b>	<b>\$ 480,395,238</b>	<b>\$ 490,067,590</b>	<b>\$ 111,424,770</b>	<b>\$ 1,666,146,315</b>



Combining Statement of Changes in Net Position

Pension Trust Funds

Year Ended June 30, 2015

	Defined Benefit Pension Trust (December 31, 2014)				Totals
	Employees' Retirement	Police Service Retirement	Fire Service Retirement	Detention Officers' & Deputy Sheriffs' Retirement	
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 24,451,074	\$ 18,869,736	\$ 15,898,956	\$ 6,110,988	\$ 65,330,754
Participant	4,662,147	2,949,789	2,778,355	1,297,641	11,687,932
Total contributions	<u>29,113,221</u>	<u>21,819,525</u>	<u>18,677,311</u>	<u>7,408,629</u>	<u>77,018,686</u>
Investment income:					
Net appreciation (depreciation) in fair value of investments	11,789,177	9,748,246	10,002,067	2,161,079	33,700,569
Interest income	9,303,894	6,522,839	6,968,785	1,491,105	24,286,623
Dividend income	10,735,947	8,835,046	9,047,612	2,031,277	30,649,882
Total investment income	<u>31,829,018</u>	<u>25,106,131</u>	<u>26,018,464</u>	<u>5,683,461</u>	<u>88,637,074</u>
Less investment expense	<u>(3,644,460)</u>	<u>(3,002,875)</u>	<u>(3,034,732)</u>	<u>(673,143)</u>	<u>(10,355,210)</u>
Net income from investing activities	<u>28,184,558</u>	<u>22,103,256</u>	<u>22,983,732</u>	<u>5,010,318</u>	<u>78,281,864</u>
Securities lending activities:					
Securities lending income	54,012	44,466	45,574	10,179	154,231
Securities lending expenses:					
Borrower rebates	1,109	913	936	210	3,168
Management fees	15,885	13,077	13,403	2,993	45,358
Securities lending expense	<u>16,994</u>	<u>13,990</u>	<u>14,339</u>	<u>3,203</u>	<u>48,526</u>
Securities lending net income	<u>37,018</u>	<u>30,476</u>	<u>31,235</u>	<u>6,976</u>	<u>105,705</u>
Total net investment income	<u>28,221,576</u>	<u>22,133,732</u>	<u>23,014,967</u>	<u>5,017,294</u>	<u>78,387,569</u>
Total additions	<u>57,334,797</u>	<u>43,953,257</u>	<u>41,692,278</u>	<u>12,425,923</u>	<u>155,406,255</u>
<b>DEDUCTIONS</b>					
Participant benefit payments and refunds	39,008,750	29,507,128	28,842,723	5,812,419	103,171,020
Administrative expenses	502,007	406,090	409,916	91,235	1,409,248
Total deductions	<u>39,510,757</u>	<u>29,913,218</u>	<u>29,252,639</u>	<u>5,903,654</u>	<u>104,580,268</u>
Net increases	17,824,040	14,040,039	12,439,639	6,522,269	50,825,987
Net position, beginning of year	<u>566,434,677</u>	<u>466,355,199</u>	<u>477,627,951</u>	<u>104,902,501</u>	<u>1,615,320,328</u>
Net position, end of year	<u>\$ 584,258,717</u>	<u>\$ 480,395,238</u>	<u>\$ 490,067,590</u>	<u>\$ 111,424,770</u>	<u>\$ 1,666,146,315</u>

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<b>SUBDIVISION DEPOSITS</b>				
Assets				
Cash	\$ 3,181,000	\$ 1,909,097	\$ 2,218,529	\$ 2,871,568
Total Assets	<u>\$ 3,181,000</u>	<u>\$ 1,909,097</u>	<u>\$ 2,218,529</u>	<u>\$ 2,871,568</u>
Liabilities				
Escrow Deposits	\$ 3,181,000	\$ 1,909,097	\$ 2,218,529	\$ 2,871,568
Total Liabilities	<u>\$ 3,181,000</u>	<u>\$ 1,909,097</u>	<u>\$ 2,218,529</u>	<u>\$ 2,871,568</u>
<b>SEDIMENT CONTROL</b>				
Assets				
Cash	\$ 4,696,029	\$ 2,534,438	\$ 1,486,312	\$ 5,744,155
Total Assets	<u>\$ 4,696,029</u>	<u>\$ 2,534,438</u>	<u>\$ 1,486,312</u>	<u>\$ 5,744,155</u>
Liabilities				
Escrow and other deposits	\$ 4,696,029	\$ 2,534,438	\$ 1,486,312	\$ 5,744,155
Total Liabilities	<u>\$ 4,696,029</u>	<u>\$ 2,534,438</u>	<u>\$ 1,486,312</u>	<u>\$ 5,744,155</u>
<b>CITY AND STATE TAX COLLECTION</b>				
Assets				
Cash	\$ 4,112,493	\$ 136,844,032	\$ 136,773,562	\$ 4,182,963
Total Assets	<u>\$ 4,112,493</u>	<u>\$ 136,844,032</u>	<u>\$ 136,773,562</u>	<u>\$ 4,182,963</u>
Liabilities				
Escrow Deposits	\$ 4,112,493	\$ 136,844,032	\$ 136,773,562	\$ 4,182,963
Total Liabilities	<u>\$ 4,112,493</u>	<u>\$ 136,844,032</u>	<u>\$ 136,773,562</u>	<u>\$ 4,182,963</u>
<b>TAX SALE ESCROW DEPOSITS</b>				
Assets				
Cash	\$ 8,532,874	\$ 17,312,948	\$ 11,792,099	\$ 14,053,723
Total Assets	<u>\$ 8,532,874</u>	<u>\$ 17,312,948</u>	<u>\$ 11,792,099</u>	<u>\$ 14,053,723</u>
Liabilities				
Escrow Deposits	\$ 8,532,874	\$ 17,312,948	\$ 11,792,099	\$ 14,053,723
Total Liabilities	<u>\$ 8,532,874</u>	<u>\$ 17,312,948</u>	<u>\$ 11,792,099</u>	<u>\$ 14,053,723</u>
<b>NATIONAL BUSINESS PARK</b>				
Assets				
Cash and investments	\$ 28	\$ 781,135	\$ 781,045	\$ 118
Total Assets	<u>\$ 28</u>	<u>\$ 781,135</u>	<u>\$ 781,045</u>	<u>\$ 118</u>
Liabilities				
Escrow Deposits	\$ 28	\$ 781,135	\$ 781,045	\$ 118
Total Liabilities	<u>\$ 28</u>	<u>\$ 781,135</u>	<u>\$ 781,045</u>	<u>\$ 118</u>
<b>TWO RIVERS</b>				
Assets				
Cash and investments	\$ 200,019	\$ 29,813,865	\$ 27,322,701	\$ 2,691,183
Total Assets	<u>\$ 200,019</u>	<u>\$ 29,813,865</u>	<u>\$ 27,322,701</u>	<u>\$ 2,691,183</u>
Liabilities				
Escrow Deposits	\$ 200,019	\$ 29,813,865	\$ 27,322,701	\$ 2,691,183
Total Liabilities	<u>\$ 200,019</u>	<u>\$ 29,813,865</u>	<u>\$ 27,322,701</u>	<u>\$ 2,691,183</u>
<b>ARUNDEL GATEWAY</b>				
Assets				
Cash and investments	\$ -	\$ 19,000	\$ 19,000	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 19,000</u>	<u>\$ 19,000</u>	<u>\$ -</u>
Liabilities				
Escrow Deposits	\$ -	\$ 19,000	\$ 19,000	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 19,000</u>	<u>\$ 19,000</u>	<u>\$ -</u>

## Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<b>FARMINGTON SPECIAL ASSESSMENT</b>				
Assets				
Cash and investments	\$ 893,621	\$ 486,661	\$ 488,359	\$ 891,923
Total Assets	<u>\$ 893,621</u>	<u>\$ 486,661</u>	<u>\$ 488,359</u>	<u>\$ 891,923</u>
Liabilities				
Escrow Deposits	\$ 893,621	\$ 486,661	\$ 488,359	\$ 891,923
Total Liabilities	<u>\$ 893,621</u>	<u>\$ 486,661</u>	<u>\$ 488,359</u>	<u>\$ 891,923</u>
<b>DORCHESTER SPECIAL TAX DISTRICT</b>				
Assets				
Investments	\$ 2,518,673	\$ 2,431,331	\$ 2,391,618	\$ 2,558,386
Total Assets	<u>\$ 2,518,673</u>	<u>\$ 2,431,331</u>	<u>\$ 2,391,618</u>	<u>\$ 2,558,386</u>
Liabilities				
Escrow Deposits	\$ 2,518,673	\$ 2,431,331	\$ 2,391,618	\$ 2,558,386
Total Liabilities	<u>\$ 2,518,673</u>	<u>\$ 2,431,331</u>	<u>\$ 2,391,618</u>	<u>\$ 2,558,386</u>
<b>CONFERENCE AND VISITOR'S BUREAU</b>				
Assets				
Cash	\$ -	\$ 2,939,026	\$ 2,939,026	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 2,939,026</u>	<u>\$ 2,939,026</u>	<u>\$ -</u>
Liabilities				
Escrow deposits	\$ -	\$ 2,939,026	\$ 2,939,026	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 2,939,026</u>	<u>\$ 2,939,026</u>	<u>\$ -</u>
<b>ART'S COUNCIL OF ANNE ARUNDEL COUNTY</b>				
Assets				
Cash	\$ -	\$ 518,652	\$ 518,652	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 518,652</u>	<u>\$ 518,652</u>	<u>\$ -</u>
Liabilities				
Escrow deposits	\$ -	\$ 518,652	\$ 518,652	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 518,652</u>	<u>\$ 518,652</u>	<u>\$ -</u>
<b>MISCELLANEOUS ESCROW DEPOSITS</b>				
Assets				
Cash	\$ 387,933	\$ 406,091	\$ 300,891	\$ 493,133
Total Assets	<u>\$ 387,933</u>	<u>\$ 406,091</u>	<u>\$ 300,891</u>	<u>\$ 493,133</u>
Liabilities				
Escrow and other deposits	\$ 387,933	\$ 406,091	\$ 300,891	\$ 493,133
Total Liabilities	<u>\$ 387,933</u>	<u>\$ 406,091</u>	<u>\$ 300,891</u>	<u>\$ 493,133</u>
<b>TOTALS - ALL FUNDS</b>				
Assets				
Cash and investments	\$ 24,522,670	\$ 195,996,276	\$ 187,031,794	\$ 33,487,152
Total Assets	<u>\$ 24,522,670</u>	<u>\$ 195,996,276</u>	<u>\$ 187,031,794</u>	<u>\$ 33,487,152</u>
Liabilities				
Escrow and other deposits	\$ 24,522,670	\$ 195,996,276	\$ 187,031,794	\$ 33,487,152
Total Liabilities	<u>\$ 24,522,670</u>	<u>\$ 195,996,276</u>	<u>\$ 187,031,794</u>	<u>\$ 33,487,152</u>

## Anne Arundel County, Maryland

## Combining Statement of Net Position

## Nonmajor Component Units

June 30, 2015

	AA County Public Library	Economic Development	Tipton Airport	Workforce Development	Totals
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 15,207	\$ 4,310,321	\$ 257,734	\$ 850,010	\$ 5,433,272
Service billings receivable	-	-	85,310	-	85,310
Prepays and other assets	10,814	1,139,471	44,745	967,948	2,162,978
Inventories	-	-	30,962	-	30,962
Receivables	-	-	1,094,083	-	1,094,083
Due from primary government	1,978,600	-	-	-	1,978,600
Restricted assets					
Cash and temporary investments	-	48,867	-	-	48,867
Total current assets	<u>2,004,621</u>	<u>5,498,659</u>	<u>1,512,834</u>	<u>1,817,958</u>	<u>10,834,072</u>
Noncurrent Assets					
Loans receivable and other assets	-	4,804,705	-	-	4,804,705
Capital assets being depreciated	18,001,295	925,148	10,934,356	537,663	30,398,462
Less accumulated depreciation	<u>(7,573,064)</u>	<u>(427,002)</u>	<u>(5,247,547)</u>	<u>(424,733)</u>	<u>(13,672,346)</u>
Total capital assets	<u>10,428,231</u>	<u>498,146</u>	<u>5,686,809</u>	<u>112,930</u>	<u>16,726,116</u>
Total assets	<u>12,432,852</u>	<u>10,801,510</u>	<u>7,199,643</u>	<u>1,930,888</u>	<u>32,364,893</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Pension benefits	815,096	-	-	-	815,096
Total deferred outflows	<u>815,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>815,096</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accrued liabilities	\$ 825,373	\$ 181,868	\$ 300,152	\$ 461,222	\$ 1,768,615
Current portion on non-current liabilities	789,618	19,186	-	70,478	879,282
Notes payable	-	1,649,716	-	-	1,649,716
Escrow and other deposits	-	3,695	-	-	3,695
Unearned revenue	-	221,110	43,191	97,277	361,578
Liabilities related to restricted assets					
Accrued liabilities	-	10,575	-	297,772	308,347
Total current liabilities	<u>1,614,991</u>	<u>2,086,150</u>	<u>343,343</u>	<u>926,749</u>	<u>4,971,233</u>
Noncurrent liabilities					
Accrued liability for OPEB benefits	17,856,777	-	-	-	17,856,777
Accrued liability for pension benefits	2,940,520	-	-	-	2,940,520
Long-term debt, net of deferred refunding gain/loss	-	40,052	-	-	40,052
Due to other governments	-	3,667,860	-	-	3,667,860
Total noncurrent liabilities	<u>20,797,297</u>	<u>3,707,912</u>	<u>-</u>	<u>-</u>	<u>24,505,209</u>
Total liabilities	<u>22,412,288</u>	<u>5,794,062</u>	<u>343,343</u>	<u>926,749</u>	<u>29,476,442</u>
<b>NET POSITION</b>					
Capital assets, net of related debt	10,428,231	438,908	5,686,809	112,930	16,666,878
Restricted for:					
Other purposes	-	38,019	271,057	-	309,076
Unrestricted	<u>(19,592,571)</u>	<u>4,530,521</u>	<u>898,434</u>	<u>891,209</u>	<u>(13,272,407)</u>
Total net position	<u>\$ (9,164,340)</u>	<u>\$ 5,007,448</u>	<u>\$ 6,856,300</u>	<u>\$ 1,004,139</u>	<u>\$ 3,703,547</u>

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Anne Arundel County, Maryland

Combining Statement of Activities

Nonmajor Component Units

Year Ended June 30, 2015

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<i>AA County Public Library</i>				
Community services	\$ 24,677,255	\$ 869,785	\$ 4,278,818	\$ 30,016
<i>Economic Development</i>				
Arundel Business Loan Program	289,457	96,801	-	-
Chesapeake Innovation Center	430,517	35,600	-	-
Administrative	2,004,464	9,362	-	-
Anne Arundel Agricultural Marketing, LLC	115,255	-	31,407	-
Anne Arundel Community Development, LLC	2,814	-	-	-
Video Lottery Terminal	309,006	85,708	-	-
Unallocated depreciation	82,601	-	-	-
	<u>3,234,114</u>	<u>227,471</u>	<u>31,407</u>	<u>-</u>
<i>Tipton Airport Authority</i>				
Airport operations	<u>2,089,089</u>	<u>1,642,344</u>	<u>-</u>	<u>1,585,425</u>
<i>Workforce Development</i>				
Workforce development programs				
Other WIA programs	4,529,248	-	4,630,337	-
Administration	71,876	-	-	-
Other grants, projects, initiatives	<u>1,162,473</u>	<u>-</u>	<u>876,085</u>	<u>-</u>
	\$ <u>5,763,597</u>	\$ <u>-</u>	\$ <u>5,506,422</u>	\$ <u>-</u>

General revenues:

Hotel tax  
 Unrestricted contributions  
 Interest earnings  
 Miscellaneous  
 Total general revenues

Changes in net position

Net position, July 1 (as restated)

Net position, June 30

Net (Expense) Revenues and Changes in Net Position

<u>AA County Public Library</u>	<u>Economic Development</u>	<u>Tipton Airport</u>	<u>Workforce Development</u>	<u>Total</u>
\$ <u>(19,498,636)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(19,498,636)</u>
-	(192,656)	-	-	(192,656)
-	(394,917)	-	-	(394,917)
-	(1,995,102)	-	-	(1,995,102)
-	(83,848)	-	-	(83,848)
-	(2,814)	-	-	(2,814)
-	(223,298)	-	-	(223,298)
-	(82,601)	-	-	(82,601)
<u>-</u>	<u>(2,975,236)</u>	<u>-</u>	<u>-</u>	<u>(2,975,236)</u>
<u>-</u>	<u>-</u>	<u>1,138,680</u>	<u>-</u>	<u>1,138,680</u>
-	-	-	101,089	101,089
-	-	-	(71,876)	(71,876)
-	-	-	(286,388)	(286,388)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(257,175)</u>	<u>(257,175)</u>
-	1,000,000	-	-	1,000,000
18,584,000	2,473,990	-	45,609	21,103,599
-	6,324	1,546	1,452	9,322
<u>16,431</u>	<u>12,761</u>	<u>-</u>	<u>310,980</u>	<u>340,172</u>
<u>18,600,431</u>	<u>3,493,075</u>	<u>1,546</u>	<u>358,041</u>	<u>22,453,093</u>
(898,205)	517,839	1,140,226	100,866	860,726
<u>(8,266,135)</u>	<u>4,489,609</u>	<u>5,716,074</u>	<u>903,273</u>	<u>2,842,821</u>
\$ <u>(9,164,340)</u>	\$ <u>5,007,448</u>	\$ <u>6,856,300</u>	\$ <u>1,004,139</u>	\$ <u>3,703,547</u>

Anne Arundel County, Maryland

Balance Sheet

AA County Public Library Component Unit

June 30, 2015

	Governmental Funds		
	Operating Fund	Dedicated Revenue Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 11,396	\$ 3,811	\$ 15,207
Due from primary government Receivables	1,966,219	12,381	1,978,600
Other, net	10,814	-	10,814
Total assets	<u>\$ 1,988,429</u>	<u>\$ 16,192</u>	<u>\$ 2,004,621</u>
<b>LIABILITIES</b>			
Accrued liabilities	\$ 817,623	\$ 7,750	\$ 825,373
Total liabilities	<u>817,623</u>	<u>7,750</u>	<u>825,373</u>
<b>FUND BALANCES</b>			
Assigned	675,035	4,685	679,720
Unassigned	495,771	3,757	499,528
Total fund balances	<u>1,170,806</u>	<u>8,442</u>	<u>1,179,248</u>
Total liabilities and fund balances	<u>\$ 1,988,429</u>	<u>\$ 16,192</u>	<u>\$ 2,004,621</u>



Anne Arundel County, Maryland

Statement of Revenues, Expenditures, and Changes in Fund Balances

AA County Public Library Component Unit

Year Ended June 30, 2015

	Governmental Funds		
	Operating Fund	Dedicated Revenue Fund	Total
<b>REVENUES</b>			
Grants and aid	\$ 22,828,213	\$ 34,605	\$ 22,862,818
Fines and fees	869,785	-	869,785
Other	3,240	13,191	16,431
Total revenues	<u>23,701,238</u>	<u>47,796</u>	<u>23,749,034</u>
<b>EXPENDITURES</b>			
Current			
Recreation and community services	<u>23,104,559</u>	<u>51,213</u>	<u>23,155,772</u>
Total expenditures	<u>23,104,559</u>	<u>51,213</u>	<u>23,155,772</u>
Revenues over (under) expenditures	<u>596,679</u>	<u>(3,417)</u>	<u>593,262</u>
Fund balances, July 1	<u>574,127</u>	<u>11,859</u>	<u>585,986</u>
Fund balances, June 30	<u>\$ 1,170,806</u>	<u>\$ 8,442</u>	<u>\$ 1,179,248</u>

Anne Arundel County, Maryland

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

AA County Public Library Component Unit - Operating Fund

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Grants and aid	\$ 2,100,600	\$ 2,100,600	\$ 2,100,596	\$ (4)
Primary government contribution	18,584,000	18,584,000	18,584,000	-
Fines and fees	849,000	849,000	869,785	20,785
Other	562,000	562,000	563,240	1,240
Total revenues	<u>22,095,600</u>	<u>22,095,600</u>	<u>22,117,621</u>	<u>22,021</u>
<b>EXPENDITURES</b>				
Current				
Recreation and community services	22,062,400	21,887,400	21,436,957	450,443
Capital outlay	342,500	517,500	494,286	23,214
Total expenditures	<u>22,404,900</u>	<u>22,404,900</u>	<u>21,931,243</u>	<u>473,657</u>
Revenues over (under) expenditures	(309,300)	(309,300)	186,378	<u>\$ 495,678</u>
Fund balances, budgetary, July 1	<u>309,393</u>	<u>309,393</u>	<u>309,393</u>	
Fund balances, budgetary, June 30	<u>\$ 93</u>	<u>\$ 93</u>	<u>\$ 495,771</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, 2015

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 15</i>	<i>06/30/15 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	210,000	-	-
MDWQE Glen Burnie Superblk	03/28/96	1997-16	3.99 to 3.99	468,937	23,447	23,447	24,382
MDWQE Rosehaven	03/28/01	2003-31	1.50 to 1.50	3,033,715	100,758	1,833,938	2,076,461
Series 03	03/01/03	2004-32	1.00 to 5.00	24,000,000	-	5,810,000	9,534,625
Series 03 Refunding	03/01/03	2004-23	1.00 to 5.00	65,085,000	4,365,000	16,135,000	18,311,686
MDWQE Annapolis WRF Expn	06/27/03	2005-24	1.00 to 1.00	19,362,500	971,353	9,191,158	9,656,812
Series 05	03/01/05	2006-34	3.00 to 5.00	24,500,000	845,000	5,910,000	10,046,345
Series 05 Refunding	03/01/05	2006-28	3.00 to 5.00	26,480,000	1,355,000	16,185,000	20,855,457
Series 06	03/21/06	2007-35	4.125 to 5.0	19,000,000	655,000	655,000	687,750
Series 06 Refunding	03/21/06	2007-31	4.00 to 5.00	34,060,000	1,845,000	25,250,000	33,504,977
Series 07	03/29/07	2008-36	4.25 to 5.00	42,500,000	1,470,000	4,410,000	4,851,000
MDWQE Marley Jumpers	04/07/07	2008-27	1.00 to 1.00	5,854,341	348,576	3,150,704	3,304,523
Series 08	04/01/08	2009-36	3.50 to 5.00	32,000,000	1,145,000	23,985,000	36,299,832
MDWQE Woodholme Circle	06/17/08	2009-28	1.10 to 1.10	1,200,475	63,175	830,589	899,609
Series 09	04/01/09	2010-39	2.50 to 4.75	29,200,000	975,000	23,350,000	36,405,532
Series 09 Refunding	07/22/09	2010-25	3.00 to 4.00	20,730,000	1,625,000	12,820,000	15,206,300
MDWQE Deale Rd Sewer	12/01/09	2011-30	0.00 to 0.00	1,749,147	98,324	1,257,529	1,257,529
Series 10	04/08/10	2011-20	2.00 to 5.00	13,900,000	1,390,000	6,950,000	7,784,000
BABs Series 10	04/08/10	2021-30	4.80 to 5.55	27,700,000	-	27,700,000	52,634,287
Series 11	04/20/11	2012-41	2.00 to 5.00	47,600,000	1,590,000	41,240,000	68,404,337
MDWQE Annap/Bneck/Cox	06/16/11	2013-32	2.20 to 2.20	15,691,411	757,187	13,601,610	16,875,754
Series 11 Refunding	09/01/11	2013-25	3.00 to 5.00	8,860,000	735,000	7,375,000	9,410,500
MDWQE Bwater/MDCity/Patxnt	05/31/12	2014-33	1.80 to 1.80	11,672,727	570,375	10,573,775	12,767,947
Series 12	06/14/12	2013-42	2.00 to 4.00	27,020,000	905,000	24,310,000	36,285,100
Series 12 Refunding	06/14/12	2013-32	2.00 to 5.00	15,810,000	350,000	15,440,000	20,880,625
MDWQE Sylvan Shores Water	12/21/12	2014-42	0.80 to 0.80	3,038,386	123,419	2,819,375	3,122,270
MDWQE Sylvan Shores Sewer	12/21/12	2014-33	0.80 to 0.80	1,771,556	92,876	1,632,323	1,772,581
Series 13	06/20/13	2014-43	4.00 to 5.00	38,080,000	1,265,000	35,550,000	57,918,713
MDWQE Cox Creek Ph II	10/31/13	2014-34	2.10 to 2.10	11,841,358	-	11,841,358	17,249,442
Series 14	04/03/14	2015-44	3.00 to 5.00	79,200,000	2,640,000	76,560,000	124,766,400
Series 15	04/08/15	2016-45	2.00 to 5.00	77,600,000	-	77,600,000	137,518,077
Series 15 Refunding	04/08/15	2016-36	5.00 to 5.00	34,875,000	-	34,875,000	55,550,094
Total applicable to 5.6% and 14% debt limitations				<u>785,764,553</u>	<u>26,514,490</u>	<u>538,865,806</u>	<u>825,862,947</u>

(continued)

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

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

June 30, 2015

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed FY 15</i>	<i>06/30/15 Outstanding</i>	<i>Total Due to Maturity</i>
<b>Consolidated General Improvements</b>							
<b>Bonds</b>							
Series 05	03/01/05	2006-25	3.00 to 5.00	55,000,000	3,286,023	-	-
Series 05 Refunding	03/01/05	2006-26	3.00 to 5.00	46,625,000	4,120,000	15,205,000	17,186,899
Golf Course 05	06/30/05	2007-28	3.00 to 5.00	24,530,000	1,030,000	-	-
Series 06	03/21/06	2007-26	4.00 to 5.00	64,000,000	3,213,285	3,180,799	3,339,839
Series 06 Refunding	03/21/06	2007-27	4.00 to 5.00	87,115,000	8,210,000	49,215,000	58,080,919
Series 07	03/29/07	2008-27	4.25 to 5.00	91,600,000	5,502,930	14,608,683	15,975,969
Series 08	04/01/08	2009-28	3.50 to 5.00	55,200,000	3,310,000	32,030,000	41,843,663
Series 09	04/01/09	2010-29	4.00 to 5.00	113,300,000	6,817,336	72,340,632	92,867,338
Series 09 Refunding	07/22/09	2010-25	1.50 to 4.00	32,610,000	2,675,000	10,205,000	12,051,199
Series 10	04/08/10	2011-20	2.00 to 5.00	66,136,440	7,395,705	36,775,639	42,270,421
BABs Series 10	04/08/10	2021-30	4.80 to 5.55	72,888,560	-	72,888,560	113,421,889
Series 11	04/20/11	2012-31	3.00 to 5.00	117,500,000	5,985,441	93,558,236	130,027,300
Series 11 Refunding	09/01/11	2013-25	3.00 to 5.00	35,835,000	3,590,000	28,625,000	35,083,000
Series 12	06/14/12	2013-32	3.00 to 4.00	98,900,000	5,947,028	81,018,198	108,530,493
Series 12 Refunding	06/14/12	2013-32	2.00 to 5.00	36,332,512	1,691,997	34,621,007	43,050,592
Series 13	06/20/13	2014-33	4.00 to 5.00	116,000,000	6,960,000	102,080,000	145,464,000
Series 14	04/03/14	2015-34	3.00 to 5.00	115,000,000	7,039,022	107,960,978	150,042,778
Series 15	04/08/15	2016-35	2.00 to 5.00	154,920,000	-	154,920,000	228,170,563
Series 15 Refunding	04/08/15	2016-27	5.00 to 5.00	59,980,900	-	59,980,900	81,327,010
Golf Course Refunding	04/08/15	2016-28	5.00 to 5.00	15,735,000	-	15,735,000	21,753,202
				<u>1,459,208,412</u>	<u>76,773,767</u>	<u>984,948,632</u>	<u>1,340,487,074</u>
<b>WPRF Bonds</b>							
Series 14	04/03/14	2015-34	2.00 to 5.00	7,300,000	354,927	6,945,073	9,877,086
Series 15	04/08/15			26,880,000	-	26,880,000	41,459,915
				<u>34,180,000</u>	<u>354,927</u>	<u>33,825,073</u>	<u>51,337,001</u>
<b>Solid Waste Bonds</b>							
SW AMT 96	03/01/96	1997-16	5.00 to 5.50	12,000,000	600,000	1,200,000	1,266,000
Series 98	05/01/98	1999-17	4.65 to 6.00	7,000,000	350,000	1,050,000	1,142,750
Series 05	03/01/05	2006-24	3.00 to 5.00	1,000,000	73,977	-	-
Series 06	03/21/06	2007-26	4.00 to 5.00	2,000,000	86,715	119,201	125,161
Series 07	03/29/07	2008-27	4.25 to 5.00	4,300,000	252,070	736,317	807,531
Series 09	04/01/09	2010-29	4.00 to 5.00	2,100,000	112,664	1,479,368	1,922,787
Series 10	04/08/10	2011-20	3.00 to 5.00	1,938,560	214,295	1,159,361	1,343,581
BABs Series 10	04/08/10	2011-30	4.80 to 5.55	3,161,440	-	3,161,440	4,919,516
Series 11	04/20/11	2012-31	3.00 to 5.00	8,200,000	304,559	6,981,764	9,913,300
Series 12	06/14/12	2013-32	3.00 to 4.00	2,200,000	112,972	1,901,802	2,615,826
Series 12 Refunding	06/14/12	2013-25	2.00 to 5.00	917,488	28,003	888,993	1,102,011
Series 14	04/03/14	2015-34	2.00 to 5.00	4,600,000	221,051	4,378,949	6,213,011
Series 15	04/08/15	2016-35	2.00 to 5.00	9,600,000	-	9,600,000	14,783,348
Series 15 Refunding	04/08/15	2016-27	5.00 to 5.50	1,224,100	-	1,224,100	1,659,735
Total Waste Collection Enterprise Fund				<u>60,241,588</u>	<u>2,356,306</u>	<u>33,881,295</u>	<u>47,814,557</u>
Total applicable to 5.2% and 13% debt limitations				<u>1,553,630,000</u>	<u>79,485,000</u>	<u>1,052,655,000</u>	<u>1,439,638,632</u>

(continued)

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

NOT APPLICABLE TO DEBT LIMITATIONS

June 30, 2015

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed FY 15</i>	<i>06/30/15 Outstanding</i>	<i>Total Due to Maturity</i>
Installment Purchase Agreements - Agricultural Easement Program							
Adelaide F. Colhoun Trust	09/19/00	2002-30	5.85 to 5.85	401,000	1,000	387,000	720,450
Ellen H. Shepard Trust	09/22/00	2002-30	5.85 to 5.85	161,000	1,000	147,000	269,850
Harold & Jean Touchette	09/19/00	2002-30	5.85 to 5.85	378,000	1,000	364,000	677,268
Farm of the Four Winds, LLC	11/13/00	2002-30	6.00 to 6.00	587,000	1,000	573,000	1,082,400
Kenneth P. Franklin, Trustee	12/28/00	2002-30	5.60 to 5.60	142,055	1,000	128,000	229,640
Richard F. Moreland	07/18/01	2003-28	5.90 to 5.90	274,000	1,000	261,000	456,585
Mary M. Smith	07/18/01	2003-28	5.90 to 5.90	831,000	1,000	818,000	1,440,804
Francis R. Windsor	07/26/01	2003-28	5.90 to 5.90	411,174	1,000	398,000	698,664
Anita Froe/Rian LLC	03/06/02	2003-28	5.90 to 5.90	657,000	1,000	644,000	1,133,346
Lauer & Company	09/20/02	2004-28	5.25 to 5.25	197,000	1,000	185,000	307,168
Weemens Dodd Ltd	10/17/02	2004-28	5.45 to 5.45	1,521,000	1,000	1,509,000	2,573,875
Edward Hall III	12/19/02	2004-28	5.55 to 5.55	180,000	1,000	168,000	284,884
Bristol Farms LLC	01/28/03	2004-28	5.50 to 5.50	700,000	1,000	688,000	1,171,197
Shearman Talbott	05/22/03	2005-28	4.95 to 4.95	263,948	1,000	253,000	411,944
Anne Brice	06/23/04	2006-28	5.80 to 5.80	316,000	1,000	306,000	532,200
Thackray Seznec	06/30/04	2006-28	5.80 to 5.80	1,405,000	1,000	1,395,000	2,442,306
James Parks	07/07/04	2006-28	5.60 to 5.60	295,000	1,000	285,000	488,112
Dorothy Horkey	12/05/05	2006-28	4.90 to 4.90	368,814	1,000	360,000	585,498
Virginia Tucker	10/05/06	2007-28	4.90 to 4.90	926,000	1,000	918,000	1,498,944
Jennifer Wade	07/26/07	2008-28	5.30 to 5.30	873,925	1,000	867,000	1,443,439
Ford/Addis	12/20/07	2008-37	4.60 to 4.60	604,000	-	604,000	1,215,248
Francis Talbott III	07/16/08	2009-37	4.55 to 4.55	840,000	-	840,000	1,680,840
Thompson Lumber	06/21/11	2012-41	4.55 to 4.55	1,487,000	-	1,487,000	3,246,121
				<u>13,819,916</u>	<u>20,000</u>	<u>13,585,000</u>	<u>24,590,783</u>
Tax Increment Bonds							
Arundel Mills Refunding	05/11/04	2010-29	3.00 to 5.125	30,350,000	950,000	-	-
National Business Park Ref	05/11/04	2009-28	3.00 to 5.125	15,655,000	540,000	-	-
West Nursery Road	05/11/04	2006-29	2.00 to 4.70	2,570,000	90,000	-	-
National Business Park North A	8/10/10	2011-25	5.625 to 5.625	4,000,000	-	4,000,000	5,629,281
National Business Park North B	08/10/10	2011-41	6.10 to 6.10	26,000,000	-	26,000,000	57,929,840
Village South at Waugh Chapel	11/18/10	2011-41	6.25 to 6.25	16,000,000	-	16,000,000	33,085,938
Arundel Mills Refunding	05/14/14	2015-29	2.00 to 5.00	24,940,000	-	24,940,000	32,609,950
National Business Park Ref	05/14/14	2015-28	1.50 to 5.00	12,155,000	-	12,155,000	15,725,813
Nursery Road Refunding	05/14/14	2015-29	2.00 to 5.00	1,765,000	-	1,765,000	2,275,674
				<u>133,435,000</u>	<u>1,580,000</u>	<u>84,860,000</u>	<u>147,256,496</u>

LONG TERM DEBT NOT APPLICABLE TO DEBT LIMITATIONS

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed FY 15</i>	<i>06/30/15 Outstanding</i>	<i>Total Due to Maturity</i>
State Loans							
Department of Natural Resources							
Amberly	11/01/08	2008-33	0.00	135,000	5,400	97,200	97,200
Annapolis Cove	05/27/14	2015-30	0.00	173,425	14,562	158,863	158,863
Annapolis Landing	07/01/92	1993-17	0.00	78,570	3,143	9,428	9,428
Arundel on the Bay	04/28/92	1993-17	0.00	74,220	2,969	8,906	8,906
Bay Ridge	11/19/90	1992-16	0.00	669,275	26,771	53,542	53,542
Bay Ridge #2	07/01/08	2009-28	0.00	500,000	25,771	360,794	360,794
Brown's Pond	11/25/91	1992-16	0.00	185,128	7,405	14,810	14,810
Buckingham Cove	04/07/97	1997-21	0.00	217,570	8,703	60,915	60,915
Camp Wabanna SECD	04/26/05	2011-31	0.00	174,857	9,203	138,045	138,045
Cape Anne SECD	11/30/06	2009-34	0.00	190,308	8,101	145,818	145,818
Cattail Creek	04/03/98	1998-22	0.00	127,628	5,105	40,841	40,841
Columbia Beach	06/12/08	2013-38	0.00	1,042,027	53,664	881,035	881,035
Elizabeth's Landing	09/26/91	1993-17	0.00	161,310	6,452	19,358	19,358
Elizabeth's Landing III	01/22/10	2012-37	0.00	153,262	6,130	122,600	122,600
John's Creek	12/15/93	1994-19	0.00	173,206	6,920	27,680	27,680
Holland Point SECD	10/11/04	2011-31	0.00	1,050,054	55,266	828,990	828,990
Lake Hillsmere II	04/03/98	1998-22	0.00	188,660	7,546	60,368	60,368
Mason's Beach	06/03/96	1997-06	0.00	277,098	13,855	27,709	27,709
Romar Estates	03/27/97	1997-21	0.00	304,987	12,199	85,396	85,396
Snug Harbor	11/21/91	1992-16	0.00	738,599	29,544	59,088	59,088
Snug Harbor Pier	04/13/92	1992-16	0.00	91,443	3,656	7,312	7,312
Snug Harbor SECD	10/11/04	2012-31	0.00	112,600	5,817	93,072	93,072
Spriggs Pond	02/28/92	1993-17	0.00	298,400	11,936	23,872	23,872
Whitehall Cove	12/19/01	2001-25	0.00	164,134	6,566	72,219	72,219
Total not applicable to debt limitations				<u>7,281,761</u>	<u>336,684</u>	<u>3,397,861</u>	<u>3,397,861</u>
Total long-term debt				<u>\$ 2,493,931,230</u>	<u>\$ 107,936,174</u>	<u>\$ 1,693,363,667</u>	<u>\$ 2,440,746,719</u>

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

June 30, 2014

FISCAL YEAR ENDING	General County Bonds (a)							
	General Government		Solid Waste		WPRF		Tax Increment	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 74,895,800	\$ 46,794,844	\$ 2,394,273	\$ 1,611,949	\$ 369,927	\$ 1,636,491	\$ 1,735,000	\$ 4,270,875
2017	83,756,587	43,088,248	3,248,173	1,485,140	1,798,611	1,596,774	1,995,000	4,232,510
2018	80,389,166	39,192,957	1,880,594	1,346,119	1,798,611	1,535,718	2,240,000	4,185,297
2019	77,514,016	35,384,054	1,820,244	1,258,647	1,834,111	1,460,224	2,570,000	4,093,616
2020	72,800,860	31,702,019	1,833,400	1,169,075	1,834,111	1,368,518	2,925,000	3,952,881
2021	70,807,462	28,247,094	1,993,599	1,081,712	1,834,111	1,276,813	3,195,000	3,794,859
2022	70,834,565	24,857,015	1,999,869	988,510	1,834,111	1,185,107	3,495,000	3,620,931
2023	65,318,895	21,401,350	1,999,775	889,198	1,834,111	1,093,402	3,805,000	3,430,509
2024	59,266,887	18,260,676	2,049,102	791,567	1,886,791	1,001,696	4,125,000	3,223,603
2025	54,987,062	15,388,718	1,913,529	690,141	1,742,189	907,357	4,485,000	2,998,884
2026	47,318,515	12,742,247	1,852,076	595,130	1,742,189	820,247	4,820,000	2,791,797
2027	43,919,315	10,471,017	1,786,276	507,733	1,742,189	733,138	5,125,000	2,603,819
2028	40,252,214	8,385,847	1,723,377	422,629	1,742,189	652,998	5,460,000	2,400,736
2029	36,452,214	6,539,320	1,723,377	342,103	1,742,189	571,988	4,430,000	2,203,844
2030	31,941,950	4,902,055	1,623,641	264,377	1,742,189	490,541	1,955,000	2,055,051
2031	24,653,094	3,382,189	1,307,495	187,226	1,742,189	403,432	1,915,000	1,939,119
2032	18,857,282	2,292,580	823,309	128,394	1,742,189	319,808	2,080,000	1,816,214
2033	14,918,552	1,458,859	709,259	91,208	1,742,189	236,183	2,265,000	1,682,570
2034	10,278,552	758,071	709,259	57,871	1,742,189	152,559	2,455,000	1,537,418
2035	5,785,644	289,282	490,668	24,533	1,378,688	68,934	2,660,000	1,380,143
2036	-	-	-	-	-	-	2,880,000	1,209,826
2037	-	-	-	-	-	-	3,115,000	1,025,550
2038	-	-	-	-	-	-	3,365,000	826,391
2039	-	-	-	-	-	-	3,635,000	611,275
2040	-	-	-	-	-	-	3,915,000	379,283
2041	-	-	-	-	-	-	4,215,000	129,495
2042	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-
	<u>\$ 984,948,632</u>	<u>\$ 355,538,442</u>	<u>\$ 33,881,295</u>	<u>\$ 13,933,262</u>	<u>\$ 33,825,073</u>	<u>\$ 17,511,928</u>	<u>\$ 84,860,000</u>	<u>\$ 62,396,496</u>

- Notes:
- (a) Bonded Debt subject to (1) 5.2% of the assessable basis of real property; (2) 13% of the County's assessable basis of personal property; and (3) 13% of the operating real property described in Section 8-109© of the Tax-Property Article of the Annotated Code of Maryland (1994 Replacement Volume and 2000 Supplement.)
- (b) Bonded debt subject to (1) 5.6% of the assessable basis of real property in the Sanitary District of Anne Arundel County; (2) 14% of the assessable basis of personal property in the Sanitary District of Anne Arundel County; and (3) 14% of the operating real property described in section 8-109(c) of the Tax-Property Article of the Annotated Code of Maryland (1994 replacement Volume and 2000 Supplement).



<i>Installment Purchase Agreements</i>		<i>State Advances</i>		<i>Water and Sewer Bonds (b)</i>		<i>Total</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>Debt Service Charge</i>
\$ 20,000	\$ 726,070	\$ 335,039	\$ -	\$ 29,559,682	\$ 23,123,427	\$ 109,309,721	\$ 78,163,656	\$ 187,473,377
20,000	724,954	331,576	-	29,106,077	22,141,598	120,256,024	73,269,224	193,525,248
20,000	723,839	238,410	-	28,149,941	21,022,159	114,716,722	68,006,089	182,722,811
20,000	722,723	225,846	-	27,080,049	19,888,751	111,064,266	62,808,015	173,872,281
20,000	721,608	218,926	-	26,531,427	18,807,593	106,163,724	57,721,694	163,885,418
20,000	720,492	218,926	-	26,464,095	17,727,299	104,533,193	52,848,269	157,381,462
20,000	719,377	218,921	-	26,498,081	16,626,469	104,900,547	47,997,409	152,897,956
20,000	718,261	198,023	-	25,868,411	15,530,947	99,044,215	43,063,667	142,107,882
20,000	717,145	185,372	-	24,842,519	14,466,630	92,375,671	38,461,317	130,836,988
20,000	716,030	185,372	-	23,555,184	13,465,005	86,888,336	34,166,135	121,054,471
20,000	714,915	185,372	-	21,707,405	12,475,383	77,645,557	30,139,719	107,785,276
20,000	713,799	178,807	-	21,269,539	11,533,847	74,041,126	26,563,353	100,604,479
8,880,000	712,684	178,807	-	20,628,840	10,640,368	78,865,427	23,215,262	102,080,689
5,000	223,954	178,808	-	19,355,000	9,764,744	63,886,588	19,645,953	83,532,541
1,529,000	223,662	141,936	-	19,389,567	8,925,642	58,323,283	16,861,328	75,184,611
-	133,663	77,467	-	18,294,010	8,072,217	47,989,255	14,117,846	62,107,101
-	133,662	68,362	-	16,612,426	7,187,856	40,183,568	11,878,514	52,062,082
-	133,662	19,631	-	15,387,452	6,376,824	35,042,083	9,979,306	45,021,389
-	133,663	6,130	-	15,388,592	5,613,345	30,579,722	8,252,927	38,832,649
-	133,662	6,130	-	14,554,741	4,861,712	24,875,871	6,758,266	31,634,137
-	133,663	-	-	13,762,768	4,178,574	16,642,768	5,522,063	22,164,831
1,444,000	133,662	-	-	11,350,000	3,528,963	15,909,000	4,688,175	20,597,175
-	67,658	-	-	11,350,000	2,998,300	14,715,000	3,892,349	18,607,349
-	67,659	-	-	11,300,000	2,463,338	14,935,000	3,142,272	18,077,272
-	67,658	-	-	10,275,000	1,930,750	14,190,000	2,377,691	16,567,691
1,487,000	67,658	-	-	8,885,000	1,434,900	14,587,000	1,632,053	16,219,053
-	-	-	-	7,395,000	1,021,450	7,395,000	1,021,450	8,416,450
-	-	-	-	6,495,000	682,500	6,495,000	682,500	7,177,500
-	-	-	-	5,225,000	377,300	5,225,000	377,300	5,602,300
-	-	-	-	2,585,000	129,250	2,585,000	129,250	2,714,250
<u>\$ 13,585,000</u>	<u>\$ 11,005,783</u>	<u>\$ 3,397,861</u>	<u>\$ -</u>	<u>\$ 538,865,806</u>	<u>\$ 286,997,141</u>	<u>\$ 1,693,363,667</u>	<u>\$ 747,383,052</u>	<u>\$ 2,440,746,719</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  
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Net investment in capital assets	\$ 562,505,745	\$ 591,560,429	\$ 596,362,881	\$ 623,584,525	\$ 641,108,437	\$ 622,238,204	\$ 633,818,542	\$ 630,965,090	\$ 622,405,918	\$ 578,852,173
Restricted for:										
Revenue stabilization	38,754,372	44,952,851	47,818,429	32,778,154	-	-	-	-	-	-
Debt service	9,540,764	13,333,162	9,230,823	11,683,434	5,335,123	3,996,203	1,563,957	3,999,512	6,541,144	8,962,428
Capital improvements	107,716,853	104,693,767	104,851,313	121,074,932	48,635,874	61,469,121	76,820,358	74,937,323	83,524,600	129,907,443
Reforestation	6,559,025	7,880,990	8,521,089	5,027,348	5,399,159	7,766,138	6,823,655	7,662,442	7,746,804	8,139,821
Other purposes	6,774,586	6,265,652	8,286,624	4,739,945	9,826,468	3,408,549	2,702,597	7,590,496	4,724,488	7,335,836
Unrestricted	(106,855,776)	(100,471,355)	(189,559,379)	(380,694,137)	(481,961,464)	(594,418,963)	(657,762,577)	(726,105,305)	(754,546,361)	(1,150,954,681)
Subtotal governmental activities net position	<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>	<u>(29,603,407)</u>	<u>(417,756,980)</u>
<b>Business-type activities</b>										
Net investment in capital assets	763,729,810	780,708,037	796,312,992	810,998,630	803,603,097	822,218,634	853,676,904	892,816,991	937,308,613	934,898,545
Restricted for:										
Debt service	156,854,325	164,718,410	180,173,819	200,012,523	207,296,505	220,812,854	250,397,620	260,752,727	279,611,526	331,288,133
Capital improvements	19,049,853	19,401,006	19,220,764	18,912,824	-	-	-	-	-	12,771,873
Other purposes	-	391,326	1,616,364	614,500	3,707,389	3,925,738	4,578,740	9,039,041	19,549,090	3,087,221
Unrestricted	9,133,869	16,368,158	13,780,022	(2,501,035)	22,282,513	21,548,473	19,852,330	16,700,393	12,846,117	(8,709,841)
Subtotal business-type activities net position	<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>	<u>1,249,315,346</u>	<u>1,273,335,931</u>
<b>Primary government</b>										
Net investment in capital assets	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	1,559,714,531	1,513,750,718
Restricted for:										
Revenue stabilization	38,754,372	44,952,851	47,818,429	32,778,154	-	-	-	-	-	-
Debt service	166,395,089	178,051,572	189,404,642	211,695,957	212,631,628	224,809,057	251,961,577	264,752,239	286,152,670	340,250,561
Capital improvements	126,766,706	124,094,773	124,072,077	139,987,756	48,635,874	61,469,121	76,820,358	74,937,323	83,524,600	142,679,316
Reforestation	6,559,025	7,880,990	8,521,089	5,027,348	5,399,159	7,766,138	6,823,655	7,662,442	7,746,804	8,139,821
Other purposes	6,774,586	6,656,978	9,902,988	5,354,445	13,533,857	7,334,287	7,281,337	16,629,537	24,273,578	10,423,057
Unrestricted	(97,721,907)	(84,103,197)	(175,779,357)	(383,195,172)	(459,678,951)	(572,870,490)	(637,910,247)	(709,404,912)	(741,700,244)	(1,159,664,522)
Total primary governmental net position	<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>	<u>\$ 1,219,711,939</u>	<u>\$ 855,578,951</u>

Note: Accounting standards require the 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)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
Education	\$ 545,274	\$ 604,273	\$ 648,187	\$ 685,499	\$ 663,563	\$ 697,647	\$ 669,191	\$ 708,818	\$ 708,507	\$ 764,352
Public safety	208,106	211,406	261,315	267,140	285,295	282,484	290,833	304,563	294,436	325,971
General government	87,480	99,787	108,536	119,849	121,427	115,262	116,146	118,774	123,010	153,913
Health and human services	72,130	77,363	76,399	73,669	72,731	72,096	72,907	74,569	72,520	77,175
Public works	62,300	61,129	75,748	68,103	84,000	66,553	80,934	82,066	106,372	89,763
Recreation and community services	53,132	56,820	60,227	63,032	63,688	61,005	56,129	56,380	59,095	56,358
Judicial	20,648	21,450	25,577	26,395	26,925	27,103	28,011	29,058	28,950	30,582
Code enforcement	11,176	11,455	13,543	13,378	13,905	13,305	13,788	13,735	13,379	14,815
Land use and development	10,457	9,344	10,687	12,996	11,010	14,429	11,472	10,392	10,273	14,897
Economic development	3,445	3,731	3,770	-	-	-	-	-	-	-
Interest on debt and leases	30,146	32,483	31,420	29,795	34,407	38,566	39,712	37,685	45,104	48,149
Subtotal governmental activities expenses	1,104,294	1,189,241	1,315,409	1,359,856	1,376,951	1,388,450	1,379,123	1,436,040	1,461,646	1,575,975
Business-type activities:										
Water and wastewater	94,109	100,136	113,666	114,150	112,694	112,709	121,553	118,049	124,341	129,450
Waste collection	47,638	40,773	44,043	47,885	46,539	49,078	47,933	47,767	50,732	51,226
Child care	2,543	2,794	3,324	3,756	3,703	3,772	3,777	4,020	4,589	4,835
Subtotal business-type activities expenses	144,290	143,703	161,033	165,791	162,936	165,559	173,263	169,836	179,662	185,511
Total primary government expenses	1,248,584	1,332,944	1,476,442	1,525,647	1,539,887	1,554,009	1,552,386	1,605,876	1,641,308	1,761,486
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Public safety	10,439	10,770	10,718	17,048	16,183	20,116	17,843	15,744	19,477	25,108
General government	34,595	35,660	38,368	40,485	42,238	44,867	44,487	51,240	47,741	53,146
Health and human services	4,010	4,186	3,843	7,114	7,375	4,207	7,778	7,139	9,648	10,535
Public works	2,770	3,009	2,752	2,491	3,907	4,352	2,992	4,193	15,737	19,187
Recreation and community services	12,223	15,065	16,324	16,904	16,119	16,095	17,053	17,995	16,962	17,275
Judicial	2,672	2,733	2,916	2,773	2,783	2,908	3,009	2,997	3,166	3,207
Code enforcement	14,287	14,849	13,694	10,764	11,526	13,605	11,414	13,215	12,181	13,587
Land use and development	2,568	3,248	2,562	1,050	2,924	5,132	1,769	2,184	2,216	1,881
Operating grants and contributions	86,392	89,644	89,169	70,565	47,153	45,357	47,165	42,874	61,177	63,651
Capital grants and contributions	41,829	41,767	41,288	47,574	25,738	43,293	42,656	41,689	45,969	96,381
Subtotal governmental activities revenues	211,785	220,931	221,634	216,768	175,946	199,932	196,166	199,270	234,274	303,958
Business-type activities:										
Charges for services:										
Water and wastewater	68,464	69,689	72,449	71,622	78,995	81,555	86,737	84,555	86,023	85,367
Waste collection	42,291	43,014	43,708	43,281	43,218	44,106	50,680	49,175	50,133	49,970
Child care	2,689	2,881	3,089	3,493	3,665	3,568	4,032	4,070	4,661	4,739
Capital grants and contributions	43,991	43,078	51,850	49,630	44,798	54,093	76,527	71,141	87,887	127,526
Subtotal business-type activities revenues	157,435	158,662	171,096	168,026	170,676	183,322	217,976	208,941	228,704	267,602
Total primary government program revenues	369,220	379,593	392,730	384,794	346,622	383,254	414,142	408,211	462,978	571,560
<b>Net (Expense)/Revenue</b>										
Governmental activities	(892,509)	(968,310)	(1,093,775)	(1,143,088)	(1,201,005)	(1,188,518)	(1,182,957)	(1,236,770)	(1,227,372)	(1,272,017)
Business-type activities	13,145	14,959	10,063	2,235	7,740	17,763	44,713	39,105	49,042	82,091
Total primary government net (expense)/revenue	(879,364)	(953,351)	(1,083,712)	(1,140,853)	(1,193,265)	(1,170,755)	(1,138,244)	(1,197,665)	(1,178,330)	(1,189,926)



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
General property taxes	437,323	470,163	497,486	540,602	557,796	577,937	593,914	620,348	637,623	657,850
Local government taxes	339,522	378,250	372,100	334,648	349,283	371,491	400,465	403,623	436,906	420,382
State shared taxes	7,120	7,192	7,739	7,931	7,521	8,665	10,334	27,868	8,683	8,405
Recordation and transfer taxes	129,933	109,258	82,776	55,811	59,727	58,000	59,089	81,036	77,535	89,698
Local sales taxes	34,176	36,546	37,380	33,269	31,682	32,406	32,258	32,690	31,517	32,831
Investment income	10,595	13,263	13,590	6,565	2,335	1,322	1,418	(1,206)	2,446	1,967
Other revenue	45	1,969	-	-	2,811	4,387	12,323	7,494	9,477	11,012
County transfer	-	-	-	-	-	10,426	-	-	275	28
Forgiveness of debt State of Maryland	-	-	-	-	-	-	32,663	-	-	-
Subtotal governmental activities	958,714	1,016,641	1,011,071	978,826	1,011,155	1,064,634	1,142,464	1,171,853	1,204,462	1,222,173
Business-type activities:										
In kind contributions of capital assets	-	-	-	-	-	-	2,000	-	-	-
Investment income	9,246	9,841	11,066	8,602	4,509	2,896	1,072	560	1,161	1,173
Other revenue	7,688	8,019	8,388	6,097	6,830	10,957	12,215	11,139	14,417	11,656
County transfer	-	-	-	-	-	-	-	-	(275)	(28)
Subtotal business-type activities	16,934	17,860	19,454	14,699	11,339	13,853	15,287	11,699	15,303	12,801
Total primary government	975,648	1,034,501	1,030,525	993,525	1,022,494	1,078,487	1,157,751	1,183,552	1,219,765	1,234,974
<b>Change in Net Position</b>										
Governmental activities	66,205	48,331	(82,704)	(164,262)	(189,850)	(123,884)	(40,493)	(64,917)	(22,910)	(49,844)
Business-type activities	30,079	32,819	29,517	16,934	19,079	31,616	60,000	50,804	64,345	94,892
Total primary government	\$ 96,284	\$ 81,150	\$ (53,187)	\$ (147,328)	\$ (170,771)	\$ (92,268)	\$ 19,507	\$ (14,113)	\$ 41,435	\$ 45,048

*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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved for:										
Encumbrances	\$ 10,147,548	\$ 7,821,979	\$ 9,931,122	\$ 5,622,556	\$ 4,962,041	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue stabilization fund	38,754,372	44,952,851	47,818,429	32,778,154	17,106,347	-	-	-	-	-
Debt service	4,138,515	6,071,789	3,124,631	6,109,093	-	-	-	-	-	-
Inventories	959,733	1,275,968	1,494,324	1,453,732	1,869,916	-	-	-	-	-
Other funds	512,446	756,606	908,047	1,092,910	-	-	-	-	-	-
Unreserved	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	2,116,996	2,493,448
Restricted	-	-	-	-	-	-	-	302,017	16,974,138	38,177,889
Assigned	-	-	-	-	-	31,313,766	31,391,329	69,233,918	42,657,510	42,862,522
Unassigned	-	-	-	-	-	27,775,608	46,035,927	44,312,026	57,724,388	78,436,997
Total general fund	\$ 147,152,225	\$ 164,719,949	\$ 117,723,735	\$ 44,963,989	\$ 51,516,566	\$ 61,041,736	\$ 79,509,233	\$ 115,739,215	\$ 119,473,032	\$ 161,970,856
All other governmental funds										
Reserved for:										
Encumbrances	\$ 37,074,156	\$ 34,223,321	\$ 40,144,197	\$ 38,468,428	\$ 37,445,938	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	4,190	879	-	-	4,785,530	-	-	-	-	-
Capital projects funds	-	-	-	-	1,000,000	-	-	-	-	-
Other purposes	-	-	-	-	4,922,428	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	60,569,365	62,336,404	61,862,791	56,658,583	41,148,113	-	-	-	-	-
Capital projects funds	30,327,210	50,779,961	55,118,049	53,498,655	13,508,310	-	-	-	-	-
Debt service funds	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	109,341,127	174,183,847
Committed	-	-	-	-	-	1,960,508	1,407,089	1,932,505	13,512,623	15,237,161
Assigned	-	-	-	-	-	62,694,509	43,019,813	45,297,103	82,922,005	121,015,146
Unassigned	-	-	-	-	-	(3,682,206)	(3,325,628)	(3,530,106)	(6,108,739)	(11,898,316)
Total all other governmental funds	\$ 133,347,980	\$ 154,581,059	\$ 163,221,229	\$ 154,145,510	\$ 109,112,543	\$ 134,223,719	\$ 125,410,724	\$ 131,648,833	\$ 199,667,016	\$ 298,537,838

*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

	2006	2007	2008	2009
<b>REVENUES</b>				
General property taxes	\$ 439,755,427	\$ 472,882,091	\$ 500,153,066	\$ 543,012,780
Local income taxes	328,424,355	361,956,043	371,369,460	364,527,636
State shared taxes	36,025,864	37,005,207	36,757,373	33,038,198
Grants and aid	73,526,717	62,884,873	77,080,676	67,315,877
Recordation and transfer taxes	129,932,542	109,257,440	82,775,541	55,811,003
Local sales taxes	34,175,913	36,546,370	37,380,289	33,269,235
License and permit fees	16,766,915	17,681,827	17,178,944	15,034,858
Impact fees	11,056,677	9,268,611	8,132,004	5,330,130
Special community benefit taxes	5,047,941	5,354,940	5,623,802	5,906,041
Video lottery local impact grants	-	-	-	-
Watershed protection and restoration	-	-	-	-
Contributed Capital	-	-	-	-
Investment income	12,484,636	16,302,297	16,041,101	6,957,412
Fees for services and other revenue	40,055,997	51,739,060	45,036,386	53,509,319
Total revenues	<u>1,127,252,984</u>	<u>1,180,878,759</u>	<u>1,197,528,642</u>	<u>1,183,712,489</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Education	544,142,829	603,635,815	648,122,349	684,489,224
Public safety	201,470,724	211,273,738	222,788,697	234,201,473
General government	65,705,062	74,018,822	79,521,652	90,919,568
Health and human services	71,986,178	77,428,060	70,964,487	71,767,527
Public works	27,410,756	31,498,591	35,915,362	38,773,907
Recreation and community services	43,307,136	46,231,649	49,396,167	49,944,034
Judicial	19,300,693	20,224,216	21,772,055	22,605,782
Code enforcement	11,057,654	11,599,781	12,307,157	12,342,856
Land use and development	10,354,631	9,379,474	9,760,651	9,459,637
Economic development	3,445,000	3,731,000	3,770,200	-
Capital outlay	94,058,820	69,782,081	66,054,914	69,654,252
<b>Debt service</b>				
Interest payments on debt	29,309,560	29,967,318	31,594,418	31,481,880
Principal payments on debt	46,729,529	49,811,109	52,984,045	54,288,165
Interest payments on leases	7,358	3,743	-	5,524
Principal payments on leases	54,009	57,105	24,453	18,651
Total expenditures	<u>1,168,339,939</u>	<u>1,238,642,502</u>	<u>1,304,976,607</u>	<u>1,369,952,480</u>
Revenues over (under) expenditures	<u>(41,086,955)</u>	<u>(57,763,743)</u>	<u>(107,447,965)</u>	<u>(186,239,991)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	144,849,136	153,626,114	130,370,500	120,205,586
Transfers out	(144,849,136)	(153,626,114)	(130,370,500)	(120,205,586)
General obligation bonds issued	64,000,000	92,400,000	55,200,000	113,300,000
Bond anticipation notes issued	38,000,000	39,000,000	49,800,000	36,100,000
Payment of bond anticipation notes	(34,500,000)	(38,000,000)	(39,000,000)	(49,800,000)
National Business Park North bonds issued	-	-	-	-
Village South Waugh Chapel bonds issued	-	-	-	-
Installment purchase contracts issued	368,814	926,000	1,477,925	840,000
Proceeds from Federal and State Loans	1,009,930	1,248,943	191,938	911,212
Proceeds from capital leases	-	-	106,616	-
Proceeds from refunding issue	87,115,000	-	-	-
Premiums from sale of bonds	7,481,071	5,101,149	2,115,442	6,109,094
Premiums from the refunding of bonds	-	-	-	-
Transfers from (to) proprietary funds	-	999,489	(800,000)	-
Transfers from (to) component units	-	-	-	-
Reduction (increase) in lawsuit liability	-	-	-	-
Payments to escrow agent	(91,361,801)	-	-	-
Total other financing sources (uses)	<u>72,113,014</u>	<u>101,675,581</u>	<u>69,091,921</u>	<u>107,460,306</u>
Net change in fund balances	<u>\$ 31,026,059</u>	<u>\$ 43,911,838</u>	<u>\$ (38,356,044)</u>	<u>\$ (78,779,685)</u>
Debt service as a percentage of noncapital expenditures	<u>6.9%</u>	<u>6.7%</u>	<u>6.7%</u>	<u>6.5%</u>

	2010	2011	2012	2013	2014	2015
\$	562,011,285	\$ 577,208,014	\$ 595,707,896	\$ 622,059,854	\$ 637,345,360	\$ 659,894,834
	355,787,451	369,341,731	394,480,856	407,582,398	435,870,098	444,302,777
	9,575,679	10,637,730	11,720,894	30,436,273	12,163,216	11,270,543
	51,292,124	52,762,415	52,827,290	49,240,293	43,872,560	45,491,189
	59,727,498	58,000,447	59,088,413	81,036,685	77,535,100	89,697,633
	31,681,511	32,405,559	32,258,227	32,689,945	31,516,775	32,830,881
	15,482,651	17,589,449	15,215,772	15,306,284	16,536,662	17,333,180
	4,077,383	9,469,099	20,113,165	16,166,890	25,983,661	26,322,325
	5,817,687	6,259,372	6,744,865	6,869,374	6,884,379	7,451,077
	-	-	-	-	18,924,230	17,701,164
	-	-	-	-	13,168,354	16,925,138
	-	-	-	-	-	42,776,980
	2,013,921	909,826	3,444,363	(968,161)	1,735,894	2,261,163
	60,660,182	65,408,953	61,101,633	68,505,636	63,937,322	76,849,005
	<u>1,158,127,372</u>	<u>1,199,992,595</u>	<u>1,252,703,374</u>	<u>1,328,925,471</u>	<u>1,385,473,611</u>	<u>1,491,107,889</u>
	663,520,201	697,648,532	667,863,748	707,731,777	707,187,203	764,212,446
	236,020,663	234,003,601	234,743,678	244,784,672	264,937,499	281,406,166
	78,041,900	81,803,707	78,732,889	79,706,211	85,244,783	77,157,430
	69,961,727	68,153,620	69,383,832	69,646,503	69,650,709	72,578,279
	54,424,790	38,773,730	38,088,334	38,840,446	48,748,016	49,310,052
	48,052,691	47,835,484	49,595,703	48,337,232	49,866,606	53,354,539
	23,042,510	22,388,457	22,399,505	23,339,079	25,423,827	25,736,525
	12,006,795	11,360,912	11,536,177	11,583,462	12,287,022	13,096,270
	9,728,506	9,500,229	9,320,020	9,014,094	9,432,737	10,610,682
	-	-	-	-	-	-
	55,510,526	66,637,667	70,480,365	73,051,659	65,054,648	105,072,340
	32,281,174	37,380,700	39,736,712	40,313,826	43,344,484	47,526,274
	58,940,763	56,468,779	69,389,373	73,778,953	75,614,400	99,693,700
	6,282	4,950	3,526	2,008	13,662	11,654
	23,807	25,140	26,563	3,907	16,211	12,304
	<u>1,341,562,335</u>	<u>1,371,985,508</u>	<u>1,361,300,425</u>	<u>1,420,133,829</u>	<u>1,456,821,807</u>	<u>1,599,778,661</u>
	<u>(183,434,963)</u>	<u>(171,992,913)</u>	<u>(108,597,051)</u>	<u>(91,208,358)</u>	<u>(71,348,196)</u>	<u>(108,670,772)</u>
	182,952,661	94,470,013	76,229,704	122,899,386	185,144,585	261,225,566
	(182,952,661)	(94,470,013)	(76,229,704)	(122,899,386)	(185,144,585)	(261,225,566)
	139,025,000	117,500,000	98,900,000	116,000,000	122,300,000	181,800,000
	-	60,720,000	70,400,000	65,040,000	37,800,000	-
	(36,100,000)	(60,720,000)	(70,400,000)	(65,040,000)	(37,800,000)	-
	-	30,000,000	-	-	-	-
	-	16,000,000	-	-	-	-
	-	1,487,000	-	-	-	-
	814,509	1,022,164	91,035	-	168,488	4,937
	29,575	-	-	-	119,790	-
	32,610,000	-	73,085,000	-	38,860,000	75,715,900
	11,780,793	9,361,054	30,548,530	16,130,659	14,815,121	13,642,515
	-	-	-	-	4,414,478	38,824,048
	30,700,000	15,446,397	3,294,210	1,545,790	5,274,617	8,782,112
	-	10,426,000	-	-	-	-
	-	5,386,644	(67,118)	-	-	-
	<u>(33,905,304)</u>	<u>-</u>	<u>(87,600,104)</u>	<u>-</u>	<u>(42,852,298)</u>	<u>(68,730,094)</u>
	<u>144,954,573</u>	<u>206,629,259</u>	<u>118,251,553</u>	<u>133,676,449</u>	<u>143,100,196</u>	<u>250,039,418</u>
\$	<u>(38,480,390)</u>	<u>\$ 34,636,346</u>	<u>\$ 9,654,502</u>	<u>\$ 42,468,091</u>	<u>\$ 71,752,000</u>	<u>\$ 141,368,646</u>
	<u>7.0%</u>	<u>7.1%</u>	<u>8.4%</u>	<u>8.4%</u>	<u>8.4%</u>	<u>9.5%</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				
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	\$ 1.00	\$ 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	0.98	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	0.97	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	0.94	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	0.91	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	0.90	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	0.89	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	0.92	76,847,974	100.00%
2014	57,703,275	16,114,711	467,950	16,216	74,302,152	739,450	1,451,770	2,191,220	76,493,372	0.96	76,493,372	100.00%
2015	58,283,455	16,973,623	473,558	16,350	75,746,986	756,172	1,428,405	2,184,577	77,931,563	0.95	77,931,563	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.						
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	
2014	0.95	2.38	0.57	1.42	0.96	0.65	0.11	1.06	1.33	
2015	0.94	2.36	0.56	1.41	0.95	0.65	0.11	1.06	1.33	

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

2015			2006		
Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Baltimore Gas and Electric Company	\$ 692,867,667	0.89%	Baltimore Gas and Electric Company	\$ 1,049,025,304	1.99%
Annapolis Mall LTD Partnership (Annapolis Mall)	451,286,200	0.58%	Arundel Mills Limited Partnership (Arundel Mills Mall)	250,848,846	0.48%
Verizon	169,413,570	0.22%	Verizon	242,343,850	0.46%
Arundel Mills Limited Partnership (Arundel Mills Mall)	382,464,597	0.49%	Annapolis Mall Limited Partnership (Annapolis Mall)	217,470,563	0.41%
PPE Casino Resorts Maryland LLC	285,366,747	0.37%	TKL East (Marley Station Mall)	100,419,230	0.19%
Raven FS Property Holdings LLC	175,040,000	0.22%	Wal-mart Stores Inc.	85,143,755	0.16%
Northrop Grumman Corp.	113,659,703	0.15%	Northrop Grumman Corp.	84,162,818	0.16%
Wal-mart Stores, Inc.	119,626,904	0.15%	Parole Town Center Associates LTD Partnership	62,113,420	0.12%
Dorsey Ridge Associated LLC	98,164,586	0.13%	CNL BWI Hotel	52,956,500	0.10%
Annapolis Towne Center at Parole LLC	98,267,823	0.13%	Harbour Gates, Inc. (Harbour Gates Apts)	50,764,766	0.10%
	<u>\$ 2,586,157,797</u>	<u>3.32%</u>		<u>\$ 2,195,249,052</u>	<u>4.16%</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
2006	\$ 439,775,209	\$ 438,118,642	99.62%	\$ 1,475,563	\$ 439,594,205	99.96%
2007	472,038,379	470,209,494	99.61%	1,716,942	471,926,436	99.98%
2008	498,477,749	497,250,354	99.75%	1,083,569	498,333,923	99.97%
2009	542,257,507	540,376,837	99.65%	1,695,952	542,072,789	99.97%
2010	562,014,875	553,780,723	98.53%	8,020,571	561,801,294	99.96%
2011	577,037,468	563,622,256	97.68%	13,201,628	576,823,884	99.96%
2012	595,530,678	593,210,480	99.61%	2,206,568	595,417,048	99.98%
2013	619,955,595	618,157,426	99.71%	1,578,577	619,736,003	99.96%
2014	638,043,608	628,011,846	98.43%	9,618,974	637,630,820	99.94%
2015	660,178,876	651,873,246	98.74%	-	651,873,246	98.74%

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 (b)	Bond Anticipation Notes	Tax Increment Bonds	State and Federal Loans	Capital Leases	Installment Purchase Agreements	Total Governmental Activities	Water, Wastewater and Solid Waste Bonds (b)	Bond Anticipation Notes			
2006	\$ 569,322	\$ 38,000	\$ 54,795	\$ 3,177	\$ 57	\$ 9,031	\$ 674,382	\$ 288,771	\$ 21,000	\$ 984,153	3.75%	\$ 1,901
2007	616,618	39,000	53,960	3,803	-	9,939	723,320	321,199	19,000	1,063,519	3.86%	2,043
2008	618,972	49,800	53,085	3,782	82	11,398	737,119	333,599	17,000	1,087,718	3.78%	2,071
2009	683,275	36,100	52,170	3,722	64	12,218	787,549	342,665	35,300	1,165,514	4.12%	2,189
2010	774,098	-	51,020	4,439	60	12,198	841,815	371,399	-	1,213,214	4.16%	2,250
2011	842,456	-	95,330	4,804	34	13,665	956,289	409,566	2,200	1,368,055	4.34%	2,510
2012	892,512	-	93,155	4,215	8	13,645	1,003,535	424,450	-	1,427,985	4.34%	2,593
2013	946,045	-	90,815	3,888	4	13,625	1,054,377	458,645	-	1,513,022	4.53%	2,720
2014	1,004,487	-	86,440	3,730	49	13,605	1,108,311	527,263	-	1,635,574	4.69%	2,920
2015	1,136,729	-	84,860	3,398	37	13,585	1,238,609	615,297	-	1,853,906	5.14%	3,292

(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.

(b) Bonds have been adjusted for the unamortized premium.

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 (a)	Percentage of Estimated Actual Taxable Value of Property (b)	Per Capita (c)
2006	\$ 912,888	1.73%	\$ 1,763
2007	991,777	1.61%	1,905
2008	1,005,656	1.40%	1,914
2009	1,078,110	1.31%	2,025
2010	1,196,517	1.37%	2,219
2011	1,347,352	1.59%	2,472
2012	1,410,117	1.77%	2,561
2013	1,495,504	1.95%	2,688
2014	1,618,190	2.12%	2,889
2015	1,836,886	2.36%	3,261

*(a) Bonds have been adjusted for the unamortized premium.*

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

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

Anne Arundel County, Maryland  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Annapolis	\$ 133,138,277	100.00%	\$ 133,138,277
Subtotal overlapping debt			<u>133,138,277</u>
Anne Arundel County direct debt			<u>1,238,608,911</u>
Total direct and overlapping debt			<u><u>\$ 1,371,747,188</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)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Assessed value</b>										
Real property	\$ 50,253,450	\$ 58,869,765	\$ 69,445,611	\$ 79,621,385	\$ 84,417,167	\$ 82,238,131	\$ 77,289,434	\$ 74,265,956	\$ 74,302,152	\$ 75,746,986
Personal and operating real property	2,479,719	2,589,549	2,518,178	2,753,604	2,736,910	2,643,202	2,554,619	2,582,018	2,191,220	2,184,577
Total assessed value	<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>	<u>76,493,372</u>	<u>77,931,563</u>
<b>Legal debt margin</b>										
Debt limit (5.2% of assessed value of real property, 13% for fiscal years 2001 and prior)	2,613,179	3,061,228	3,611,172	4,140,312	4,389,693	4,276,383	4,019,051	3,861,830	3,863,712	3,938,843
Debt limit (13% of assessed value of personal and operating real property)	322,364	336,641	327,363	357,969	355,798	343,616	332,101	335,662	284,859	283,995
Total debt limit	<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>	<u>4,148,571</u>	<u>4,222,838</u>
Debt applicable to limit:										
General obligation bonds	553,117	597,181	599,704	660,269	742,132	805,528	830,134	875,042	916,204	1,018,774
Bonded debt for solid waste projects (1)	19,963	20,399	17,976	17,721	21,163	27,907	28,111	26,028	35,791	33,881
Installment Purchase Agreements	9,031	9,939	11,398	12,218	12,198	13,665	13,645	13,625	13,605	13,585
Tax Increment Bonds	54,795	53,960	53,085	52,170	51,020	95,330	93,155	90,815	86,440	84,860
Bond anticipation notes (2)	38,000	39,000	49,800	39,600	-	2,200	-	-	-	-
Total debt applicable to limit	<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>	<u>1,052,040</u>	<u>1,151,100</u>
Legal debt margin	\$ <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>	\$ <u>3,096,531</u>	\$ <u>3,071,738</u>
Total debt applicable to the limit as a percentage of debt limit	<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>	<u>25.36%</u>	<u>27.26%</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	
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
2014	97,087	80,622	16,465	24,779	7,691	0.51	51,246	46,294	4,952	2,138	861	1.65
2015	93,904	78,084	15,819	26,514	8,339	0.45	50,786	46,396	4,390	2,356	900	1.35

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	
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
2014	33,562	639	32,923	1,430	3,105	7.26	1,262	0	1,262	20	728	1.69
2015	37,290	146	37,144	1,580	3,720	7.01	1,850	0	1,850	20	727	2.48

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

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b) (thousands of dollars)</u>	<u>Per Capita Personal Income (c)</u>	<u>Public School Enrollment (d)</u>	<u>Unemployment Rate % (e)</u>
2006	517,698	\$ 26,261,768	\$ 50,728	73,111	3.3
2007	520,503	27,574,822	52,977	73,405	3.0
2008	525,304	28,804,951	54,835	73,658	3.7
2009	532,395	28,303,880	53,163	74,782	6.4
2010	539,174	29,129,254	54,026	75,481	6.9
2011	544,976	31,491,505	57,785	76,303	6.4
2012	550,715	32,921,176	59,779	77,770	6.1
2013	556,348	33,380,050	59,999	78,500	5.8
2014	560,133	34,900,023	62,307	79,518	5.2
2015	563,236	36,071,369	64,043	80,903	4.8

*Sources and notes:*

(a) *Mid-year (July 1) estimates obtained from the Maryland Department of Planning , U.S. Census Bureau, release date March 20 2015; These data supersede population estimates published in previous years. Year 2015 mid-year estimated by Anne Arundel County Office of Planning & Zoning, Research/GIS Division*

(b) *U.S. Bureau of Economic Analysis, release date November 20, 2014- revised estimated for 2011-2013. These data supersede population estimates published in previous years. Year 2014 and 2015 estimated by Anne Arundel County Planning & Zoning using linear regression (R2=.9751).*

(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 2015; 2002-2014 actual enrollment. Enrollment for 2015 Projected by AACPS Planning Department release date July 2015.*

(e) *Maryland Department of Labor, Licensing and Regulation monthly reports Average per Calendar Year; Year 2015 average for 6 months ( Jan -June). Release date 7/29/2015.*

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

2015			2006		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
Ft. George G. Meade *	50,034	12.91%	National Security Agency	16,000	4.73%
Anne Arundel County Public Schools	14,000	3.61%	Anne Arundel Co. Public Schools	14,310	4.23%
State of Maryland	13,327	3.44%	Ft. George G. Meade	14,150	4.18%
BWI Thurgood Marshall Airport	9,717	2.51%	State of Maryland	9,524	2.82%
Northrop Grumman Corp.	6,500	1.68%	Northrop Grumman Corp.	8,250	2.44%
Anne Arundel County Government	5,190	1.34%	Anne Arundel County General Government	4,111	1.22%
Anne Arundel Health System	4,000	1.03%	North Arundel Health System	2,432	0.72%
Southwest Airlines	3,200	0.83%	Southwest Airlines	2,425	0.72%
Maryland Live! Casino	3,000	0.77%	U.S. Naval Academy	2,052	0.61%
Univ of MD Baltimore Washington Medical Center	2,901	0.75%	Anne Arundel Health System	2,025	0.60%
	<u>111,869</u>	<u>28.86%</u>		<u>75,279</u>	<u>22.25%</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	537	540	536	530	519	501	496	489	500	500
Public safety										
Police	921	923	933	938	894	892	895	909	919	951
Fire	833	833	860	861	859	855	855	785	780	901
Detention center	409	415	415	412	408	402	399	398	398	398
Health and human services	163	175	178	177	176	174	161	159	158	158
Public works	299	304	308	309	289	282	270	270	309	308
Recreation and community services	102	110	113	112	104	98	90	87	87	87
Judicial	264	270	270	272	272	270	269	269	272	270
Code enforcement	168	172	178	177	166	162	154	154	155	156
Land use and development	101	105	90	88	84	82	81	79	81	80
Water and wastewater	348	348	348	351	350	350	350	350	376	378
Solid waste	84	85	85	85	87	87	87	88	88	90
Child care	7	8	8	9	9	9	9	9	9	9
Total	<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>	<u>4,132</u>	<u>4,286</u>

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

Function/program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Physical arrests	16,644	16,424	21,476	20,151	19,056	19,165	16,914	14,477	14,725	13,788
Parking violations	4,562	3,772	4,887	4,103	3,755	4,318	3,081	3,828	3,338	1,715
Traffic violations	69,022	81,142	133,507	120,229	141,308	152,484	102,374	171,849	152,663	149,416
<b>Fire</b>										
Emergency responses	62,304	65,724	66,349	66,170	72,946	73,071	72,075	75,407	69,053	71,844
Inspections	12,992	11,308	12,201	12,075	10,700	11,032	11,540	10,584	10,729	10,268
<b>Streets and highways</b>										
Resurfacing (miles)	124.5	70.3	65.1	59.1	48.0	57.7	60.0	57.0	54.0	54.0
<b>Recreation and community services</b>										
Facility use applications	6,916	7,177	7,208	6,553	6,619	6,451	6,451	6,233	6,158	6,162
<b>Water</b>										
New water connections	1,094	894	937	752	871	743	712	694	1,126	1,229
Water main breaks	152	124	176	192	255	178	196	207	255	236
Average daily water consumption (thousands of gallons)	33,460	30,980	35,976	36,992	34,624	33,478	35,503	36,900	34,105	33,333
Number of customers	102,878	103,775	104,609	105,377	106,208	107,004	107,721	108,760	110,165	111,466
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	31,077	32,340	30,959	30,564	33,800	31,173	32,399	31,086	32,468	31,568
Number of customers	110,637	111,574	112,487	113,413	114,342	115,129	115,817	116,801	118,154	119,499
<b>Solid waste</b>										
Trash collected (tons per year)	255,788	244,454	226,707	201,980	193,478	191,481	191,842	182,992	182,148	185,817
Recyclables collected (tons per year)	125,996	122,721	130,645	125,380	141,750	143,861	140,174	145,301	132,509	135,648
<b>Child care</b>										
Enrollment	1,921	1,982	2,477	2,148	2,150	2,337	2,337	2,175	2,417	2,842

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

Function/program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety</b>										
<b>Police</b>										
Stations	12	12	12	12	12	12	12	12	12	12
Patrol units (vehicles)	468	484	487	487	487	487	487	492	500	500
<b>Fire</b>										
County owned stations	18	18	18	19	19	19	19	19	20	20
Volunteer stations	12	12	12	12	12	12	12	12	11	11
Pumpers/tankers	61	64	64	65	65	65	59	59	66	58
Ladder trucks	24	24	23	23	23	23	22	22	23	23
Paramedic units	41	40	40	41	41	41	42	42	43	44
<b>Streets and highways</b>										
Streets (miles)	1,761	1,765	1,767	1,768	1,772	1,772	1,776	1,814	1,819	1,819
Streetlights	35,800	36,130	36,561	37,105	37,375	37,583	37,660	38,054	38,549	38,858
Traffic signals	162	168	177	178	186	187	193	195	205	207
<b>Recreation and community services</b>										
Open space acreage	3,505	3,505	4,137	3,621	3,837	4,579	5,053	4,976	4,982	4,990
Playgrounds and Parks acreage	6,029	6,029	6,897	6,928	6,952	6,952	7,158	7,242	7,318	7,319
<b>Parks *</b>										
Playgrounds	70	71	70	62	64	64	64	66	67	67
Baseball/softball fields	240	239	241	236	237	237	237	213	213	216
Football fields	107	110	112	118	118	118	118	98	98	97
Basketball courts	76	78	78	70	70	70	70	76	77	76
Tennis courts	86	84	84	64	64	64	64	54	54	54
<b>Water</b>										
Water mains (miles)	1,330	1,338	1,354	1,365	1,412	1,357	1,362	1,366	1,377	1,387
Water treatment plants	13	13	13	13	13	13	13	13	12	12
<b>Wastewater</b>										
Maximum daily treatment capacity (thousands of gallons)	43,615	43,615	46,615	46,615	46,615	46,615	46,615	46,615	46,615	46,615
Wastewater mains (miles)	1,376	1,397	1,417	1,440	1,459	1,401	1,418	1,432	1,442	1,445
Wastewater treatment plants	7	7	7	7	7	7	7	7	7	7
Wastewater pumping stations	245	248	251	252	249	249	251	253	257	257

\* Note: In fiscal year 2013 recreation park facilities numbers were updated after a thorough physical inventory and establishment of a new database to meet certain State grant reporting requirements.

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