

Anne Arundel County, Maryland

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

County Executive

Steuart Pittman

County Council

Andrew C. Pruski - Chairperson
Allison Pickard – Vice Chairperson
Amanda Fiedler
Jessica Haire
Sarah Lacey
Lisa Brannigan Rodvien
Nathan Volke

**Anne Arundel County, Maryland
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For the Fiscal Year Ended June 30, 2019**

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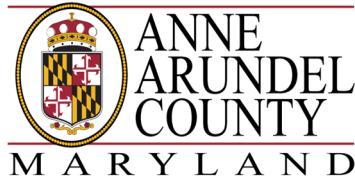
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OFFICE OF FINANCE

Stuart Pittman
County Executive

Karin McQuade
Controller

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December 20, 2019

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 (CAFR) of Anne Arundel County, Maryland (the County) for the fiscal year ended June 30, 2019, 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 2019.

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. The County Executive is generally responsible for the proper and efficient operation and management of the Executive Branch and administration of the affairs of the County. The County Executive is elected at-large to serve a four-year term. The County's elected legislative body, the County Council, consisting of seven members, is vested with law making power. The Council selects a Chairman and Vice Chairman of the County Council annually. The Council members are elected by district and hold office for a term of four years. Both 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 of Maryland's (State) 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.

ANNE ARUNDEL COUNTY

After a thorough review of the departmental requests, the comprehensive budget document is submitted to the County Council on May 1st. 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. 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. The result of this geography is Anne Arundel's placement in the "Washington-Baltimore-Arlington, DC-MD-VA-WV-PA Combined Statistical Area," the fourth largest United States market, as defined by the U.S. Census Bureau. This combined region contains a population of more than 9.7 million and its jurisdictions have household incomes at the highest levels in the country.

The County has six 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 & its tenants
- 4) Arundel Mills & Live Casino/Hotel
- 5) Two Regional Hospitals
- 6) Northern Industrial Belt

The City of Annapolis is an independent municipality that supports some 30,825 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.

According to the Economic Impact of BWI Marshall Airport, in fiscal year 2017, the airport supported 12,753 direct jobs and contributed \$9.3 billion to the Maryland economy. It is the 24th busiest U.S. airport providing 688 flights per day and serving 27.1 million visitors in 2018.

Fort Meade is a 5,067-acre federal facility that hosts 119 tenant organizations with an estimated total employment on base of 57,327 military and civilians, which translates into \$9.0 billion in annual compensation and overall economic impact of \$21.6 billion. Major tenants on the base include National Security Agency, Defense Information Systems Agency and the expanding U.S. Cyber Command.

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Arundel Mills is a major retail, entertainment, office and hospitality center in western Anne Arundel County. Its development history began 19 years ago with support from County Tax Increment Financing investment for infrastructure. In addition to regional retail, there are ten hotels, two office buildings and the Live casino. To complement its entertainment venue, Live opened a 310-room hotel at the casino and purchased a nearby Hilton Garden, rebranding it as Live Lofts. In addition, Live has constructed a new 75,000 square foot, three-story multi-use concert and event venue with VIP boxes, balcony views, and 4,000 seats.

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

The northern tier of Anne Arundel is home to BWI Thurgood Marshall Airport and Northrop Grumman’s Mission Systems division, a significant product logistics company which is also the largest private employer in the County. Northern Anne Arundel County also benefits from its proximity to other assets within the Greater Baltimore region such as the Port of Baltimore, major rail and highway routes, and Trade Point Atlantic, a 3,300 acre development that includes manufacturing, warehouses and deep-water berths. The facility has over eight million square feet of existing warehouse space with an additional eight million square feet for future development. Trade Point Atlantic is projected to generate 11,000 permanent jobs.

Workforce: Anne Arundel County’s civilian workforce measuring more than 312,000 workers serves businesses, government agencies and institutions throughout the Washington-Baltimore Region. Within the County, there are approximately 273,028 “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). The County’s workforce is highly skilled with an educational attainment that reports 41.3 percent workers 25 years and older with a bachelor’s or advanced graduate degree. The fiscal year 2019 average unemployment rate for Anne Arundel County is 3.2 percent as compared to the average for 2018 of 3.5 percent. This rate is favorable in contrast to the average State unemployment rate of 3.8 percent and the average national rate of 3.8 percent.

Industry Sectors: Anne Arundel County is fortunate to have a diverse range of industries that provide employment. Sectors that have seen continuously expanded employment since 2010 include Trade/Transportation and Utilities, Government, Professional and Business Services, Leisure and Hospitality, and Education & Health Services. In calendar year 2018, strong gains were also seen in the Manufacturing, Construction, and Professional & Business Services sectors. The County continues to experience all-time highs in payroll employment with 273,028 jobs currently in the County.

Housing Market: The number of housing units sold in Anne Arundel County is down 3.7 percent from fiscal year 2018 at 8,786 units to 8,461 units in fiscal year 2019; however, the median price for existing homes is up 4.1 percent from \$331,558 in fiscal year 2018 to \$345,078 in fiscal year 2019. Additionally, the number of housing units available continues to rise and has grown by 13,685 over the past eight years to keep pace with an increasing population that was estimated at 576,301 at the end of 2018.

Commercial Real Estate: Currently there is 60,090,203 square feet of commercial real estate in Anne Arundel County representing 1,943 properties. The average vacancy rate for all commercial property (office, flex, industrial) in the County is 9.7 percent, down slightly from the five-year average of 10.4 percent. Average rental rates are \$16.33 per square foot, up when compared to the five-year average cost at \$15.51 per square foot. Current average rental rates per square foot are \$26.69 for office, \$12.97 for flex and \$7.90 for industrial space.

Summary: The steady growth and expansion of Anne Arundel’s economic drivers, along with its highly skilled workforce and proximity to other regional assets, continues to provide endurance and strength for the County’s economy. These factors, coupled with increasing population, and low unemployment rates, fuel multiple industry sectors and contribute to Anne Arundel County’s ranking as the fourth-highest Gross Domestic Product in the State. Although the number of housing units sold in the County has declined, the median price for existing homes has

risen, and the number of available units is increasing year over year. Altogether, these factors position Anne Arundel County to continue to be a leader for job growth in the State.

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 \$9.0 million at the end of fiscal year 2009 to approximately \$73.4 million at the end of fiscal year 2019. 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 \$5.5 million will be transferred to the Fund during fiscal year 2020. Effective September 10, 2016, the maximum fund balance may not exceed an amount equal to 5.0% of the estimated General Fund revenues for the upcoming fiscal year or \$82.2 million for fiscal year 2020.

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

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

Economic Outlook: The economic outlook for the County is very favorable and will continue to grow. In 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 \$0.9350 per \$100 assessed value, the property tax is the 5th lowest among the State's seven largest metropolitan jurisdictions and its local income tax rate at 2.81% is the 5th lowest in the State of Maryland. Revenues from property and income taxes for fiscal year 2019 supported 76.9% 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 S&P Global Ratings and Moody's Investors Service as these rating agencies have assigned AAA and Aa1 ratings, respectively, with a stable outlook for the County's general obligation (GO) bonds.

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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, 2019 were either insured by federal depository insurance or collateralized with the collateral held by an independent third party in the County's name. 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, 2018. This was the thirty-eighth consecutive year that the County has received this prestigious award.

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

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

I want to give a very special thank you to the entire accounting staff in the Office of Finance for their dedication and hard work in preparing and publishing the Anne Arundel County CAFR. The preparation of this report could not be accomplished without their dedicated and efficient service and I extend my sincere appreciation to each member of the department. Of special note is Laureen Toney, Assistant Controller. I would also like to thank the County Executive, the Chief Administrative Officer, the Chief of Staff and the County Council for their leadership and unwavering support in attaining the highest standards of professionalism in the management of Anne Arundel County's finances.

Sincerely,



Karin McQuade
Controller



Government Finance Officers Association

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

Presented to

**Anne Arundel County
Maryland**

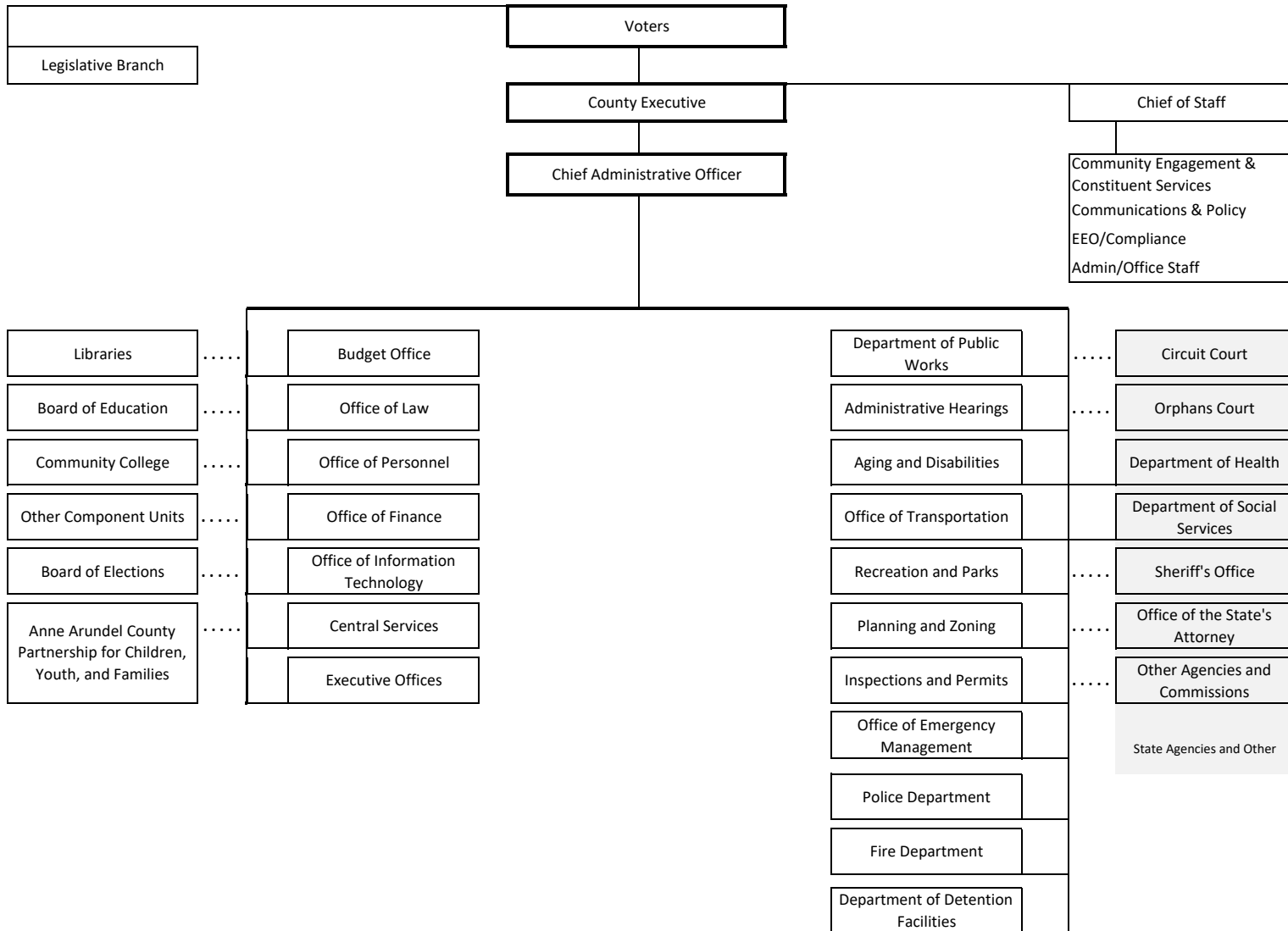
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Anne Arundel County, Maryland



..... Not a direct report



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, 2019, 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 Tipton Airport Authority and the Anne Arundel Workforce Development Corporation, which represent 1 percent of each of the assets and deferred outflows of resources 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 amount included for the Tipton Airport Authority and the Anne Arundel Workforce Development Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 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

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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 reports 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, the budgetary comparison for the General Fund, and the aggregate remaining fund information of the County as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liabilities and related ratios, schedules of investment returns, schedules of employers' contributions, schedules of proportionate shares of pension plans, schedules of County's contributions, and schedules of changes in net OPEB liabilities and related ratios, 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 and other supporting schedules, and statistical section, as referenced in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund statements, budgetary statements and other supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

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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, 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 section, 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 20, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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 20, 2019

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Anne Arundel County, Maryland
Management Discussion and Analysis
Year Ended June 30, 2019

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, 2018 have been provided.

Financial Highlights

Government-wide:

- The County wide assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at the close of the fiscal year by \$771.8 million. The unrestricted portion is a negative \$1.3 billion which is composed of a deficit in the governmental activities of \$1.3 billion and a deficit of \$596.0 thousand 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 \$687.2 million and for college projects is \$49.6 million. The current net value of the Board of Education capital assets is \$1.4 billion and the community college net capital assets total \$99.9 million. In the current fiscal year, the governmental activities unrestricted deficit increased by \$88.1 million and the business-type activities deficit increased by \$161.2 thousand.
- Total net position of the County has decreased by \$59.2 million or 7.1% over the prior fiscal year.
 - In the governmental activities, total revenues increased \$102.3 million or 6.0% and expenses increased \$124.6 or 7.2% from the prior fiscal year, resulting in a decrease of \$57.1 million in net position, which is \$20.9 million less than the prior fiscal year change. Increases in charges for services, operating grants and contributions, general property tax, local income tax, and investment income revenues of \$12.8 million, \$4.8 million, \$20.9 million, \$54.0 million and \$11.7 million, respectively, were the primary drivers of the change in revenue. Higher expenses were primarily due to an increase in capital project funding for education of \$71.7 million, and an increase in public safety of \$35.0 million related in part to an increase in pension expense of \$15.4 million and an increase in budgetary expenditures of \$15.2 million. The increase in budgetary expenditures were in part from labor related the cost of living and pay for performance increase of 2.0% and 2.5%, respectively, compared to the prior fiscal year. Further details are presented in the Management's Analysis section of the MD&A.
 - In the business-type activities, total revenues decreased by \$8.3 million or 3.4% and total expenses increased by \$17.4 million or 7.9%, from the prior fiscal year, resulting in a \$2.1 million decrease in net position which is \$27.1 million less than the prior fiscal year change. The reduced revenues were driven mainly by a decrease in capital grants and developer contributions in the amount of \$11.7 million. This was primarily from a decrease in capital grants of \$11.6 million which resulted in part from a \$7.5 million decrease in grant funding for the Cox Creek Water Reclamation Facility Enhanced Nutrient Removal and a decrease of \$3.8 million in grant funding for the Mayo Water Reclamation Facility Expansion.

Fund Level:

- The County's governmental funds reported combined fund balances of \$448.0 million, a decrease of \$20.8 million from the prior fiscal year. The greatest net change in fund balance was a \$35.6 million decrease from the prior fiscal year in the General County Capital Projects fund mainly due to an increase in spending of \$35.0 million for the construction of Crofton High School. For fiscal year 2019, the Impact Fees Capital Projects Fund balance increased \$6.6 million in part due to a decrease of \$15.9 million in impact fees transferred to capital projects for construction of impact fee related projects. The General Fund balance decreased by \$0.180 million as a result of a decrease in operating revenue over expenses of \$0.856 million offset by an increase in other financing sources and uses of \$0.823 million. Non-major governmental funds balance increased \$8.4 million due to an increase in net operating income of \$5.9 million, offset by an increase other financing sources and uses of \$8.4 million.
- Approximately 58.2% of the total governmental fund balance or \$260.6 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, 2019

- Available fund balance for the General Fund was \$172.2 million or 98.6% of the total fund balance, which is 11.5% of the current year expenditures. Non-spendable fund balance of the General Fund was \$2.5 million or 1.4% of the total fund balance.
- The business-type activities charges for service increased by \$0.600 million or 0.4%, and capital contributions decreased \$11.7 million or 14.4%. As discussed previously, this was primarily due to a decrease in capital grants and developer contributions. Non-operating revenues increased by \$2.8 million or 13.8%, in part due to an increase in other income of \$2.3 million from prior year. Operating expenditures increased by \$17.4 million or 7.9%, and non-operating expenses decreased by \$1.4 million, from the prior fiscal year. Further details are presented in the Management's Analysis section of the MD&A.

Changes to debt:

- The County's general obligation bonded debt increased by \$117.7 million for governmental activities and \$42.9 million for business-type activity in fiscal year 2019. The County issued additional general obligation debt, excluding refunding, in the amount of \$212.0 million for governmental activities which will be used for education, public safety, infrastructure improvements, community college, library, watershed protection and restoration, parks and recreation, and general government improvements. The County issued new bonds for business-type activity in the amount of \$75.2 million for waste management and utility improvements. The County had a net decrease for Maryland Water Quality loans of \$1.4 million 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 taxes, revenues 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

Anne Arundel County, Maryland
Management Discussion and Analysis
Year Ended June 30, 2019

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 non-major 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. The Retiree Health Benefits Trust Fund (OPEB Trust Fund) administers multi-employer defined benefit plans for the purpose of providing retiree health benefits. 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 and OPEB Trust Funds follow 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.

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.

Anne Arundel County, Maryland
Management Discussion and Analysis
Year Ended June 30, 2019

Required Supplementary Information - The required supplementary schedules 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		Business-type		Totals	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Assets:						
Current	\$ 703,625,232	\$ 682,563,086	\$ 149,430,248	\$ 158,031,031	\$ 853,055,480	\$ 840,594,117
Restricted - Current	188,868,947	175,381,327	317,314,132	320,055,416	506,183,079	495,436,743
Restricted - Noncurrent	-	-	19,689,000	24,071,511	19,689,000	24,071,511
Capital	1,315,564,718	1,212,182,370	1,791,377,657	1,739,104,114	3,106,942,375	2,951,286,484
Total	<u>2,208,058,897</u>	<u>2,070,126,783</u>	<u>2,277,811,037</u>	<u>2,241,262,072</u>	<u>4,485,869,934</u>	<u>4,311,388,855</u>
Deferred outflow of resources	<u>232,414,608</u>	<u>177,988,336</u>	<u>24,851,594</u>	<u>21,807,583</u>	<u>257,266,202</u>	<u>199,795,919</u>
Liabilities:						
Current	338,480,945	308,584,505	78,466,140	91,353,746	416,947,085	399,938,251
Restricted - current	14,253,570	14,315,970	9,070,170	12,141,478	23,323,740	26,457,448
Noncurrent	2,622,368,789	2,277,503,290	883,038,952	816,487,217	3,505,407,741	3,093,990,507
Total	<u>2,975,103,304</u>	<u>2,600,403,765</u>	<u>970,575,262</u>	<u>919,982,441</u>	<u>3,945,678,566</u>	<u>3,520,386,206</u>
Deferred inflow of resources	<u>23,214,258</u>	<u>148,464,238</u>	<u>2,433,279</u>	<u>11,293,772</u>	<u>25,647,537</u>	<u>159,758,010</u>
Net Position:						
Net investment in capital assets	604,084,265	596,510,465	1,019,533,158	1,013,711,148	1,623,617,423	1,610,221,613
Restricted	182,879,525	159,431,091	310,716,958	318,517,100	493,596,483	477,948,191
Unrestricted	(1,344,807,847)	(1,256,694,440)	(596,026)	(434,806)	(1,345,403,873)	(1,257,129,246)
Total net position (restated)	<u>\$ (557,844,057)</u>	<u>\$ (500,752,884)</u>	<u>\$ 1,329,654,090</u>	<u>\$ 1,331,793,442</u>	<u>\$ 771,810,033</u>	<u>\$ 831,040,558</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.

Deferred outflow of resources represent the consumption of net position that applies to a future period that will not be recognized as an outflow of resources until a future fiscal year.

Current liabilities are those obligations that will be paid with currently available resources within one year, while the current restricted liabilities will be paid with restricted assets. Noncurrent liabilities are those not expected to be paid within one 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.

Deferred inflows of resources represent the acquisition of net position that applies to a future period that will not be recognized as an inflow of resources until a future fiscal year.

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 are amounts related to assets purchased or constructed net of the related debt; restricted funds 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, 2019

Management's Analysis – Unrestricted current assets of governmental activities are \$21.1 million more in fiscal year 2019. This is due primarily to an increase in taxes and other State revenue receivables of \$50.9 million which was offset by a decrease in cash and temporary investments of \$34.9 million. The business-type activities current assets decreased by \$8.6 million, primarily due to a decrease in cash and temporary investments of \$8.6 million from the prior fiscal year.

Restricted current assets in governmental activities increased by \$13.5 million or 7.7%. This was mainly from an increase in restricted cash and temporary investments of \$17.7 million. The restricted cash in the Impact Fee Capital Projects Fund increased by \$7.2 million as a result of an increase in fund balance of \$6.6 million. This was in part due to a decrease in fees recognized of \$2.9 million which was offset by a decrease in expenses of \$2.2 million and a decrease in transfers to capital projects of \$15.9 million. The General County Capital project fund had a decrease in cash and investments of \$25.9 million. This decrease is in part the result of additional spending for Board of Education projects which increased spending by \$63.1 million compared to prior year. The Non-major Governmental Funds had an increase in cash and investments of \$11.4 million. This was mainly due to the following changes in cash and investments; Watershed Protection and Restoration Fund increased \$6.9 million; Video Lottery Local Impact Aid increased \$3.1 million; Odenton Town Center increased by \$3.6 million; and Reforestation decreased by \$4.2 million. The decrease in current assets in business-type activities of \$8.6 million or 5.4% was primarily due to a decrease in cash and temporary investments of \$8.6 million. The decrease in current restricted assets in business-type activities of \$2.7 million or 0.9%, was primarily due to an increase in cash and investments of \$2.9 million and a decrease in receivables of \$5.6 million. The increase in cash was due mainly to the annual reallocation of cash in the Water and Wastewater Debt Service Fund and the decrease in receivables for due from other governmental agencies was related to a decrease in grants receivable in the Water and Wastewater Capital Projects Fund.

Restricted noncurrent assets in business-type activities increased by \$47.9 million from the prior fiscal year or 2.7%. This increase resulted in part from an increase in total capital assets of \$52.3 million as a result of the capitalization of water and waste water capital projects being completed and set up as capital assets in the current fiscal year.

The governmental capital assets balance increased by \$103.4 million from the prior fiscal year or 8.5%. Capital assets in the business-type activities increased by \$52.3 million or 3.0%. These increases are mainly the result of the completion of certain capital projects.

Current unrestricted liabilities for governmental activities increased by \$29.9 million or 9.7%, from the previous fiscal year. This occurred primarily due to increases in accounts payable and accrued liabilities, current portion of non-current liabilities and amounts due to component units of \$16.8 million, \$5.4 million, and \$5.9 million, respectively. The accounts payable and accrued liabilities increase was mainly from the General Fund and the General County Capital Projects Fund in the amount of \$3.3 and \$6.8 million, respectively. The current unrestricted liabilities in business-type activities decreased by \$12.9 million or 14.1% from the prior fiscal. This change was in part caused by a decrease in accounts payables and accrued liabilities of \$14.0 million.

Restricted current liabilities for governmental activities decreased by \$0.062 million or 0.4% from the prior fiscal year, mainly as a result of an increase in accrued liabilities of \$1.0 million offset by a decrease in escrow deposits of \$1.2 million. Restricted current liabilities for business-type activities decreased by \$3.1 million or 2.5% from the previous fiscal year as a result of a decrease in unearned revenue of \$3.1 million.

Noncurrent liabilities consist of bonded debt, pension benefits, OPEB obligation, unpaid insurance claims, loans, capital leases, and other liabilities. These liabilities increased \$344.9 million or 15.1%, in governmental activities, and increased by \$66.6 million or 8.2%, in business-type activities. The increase in governmental activities was mainly due to an increase in the net pension and long-term debt liability of \$211.2 million and \$139.6 million, respectively, which was offset by a decrease in OPEB liability of \$7.3 million. The change in pension and OPEB is related to updated actuary calculations, which includes changes in current contributions and updated market conditions. The increase in the noncurrent liabilities in business-type activities of \$66.6 million or 8.2% for the current fiscal year, was caused primarily by an increase in the long-term bonded debt of \$49.2 million, and an increase in the pension of \$16.1 million.

The components of governmental and business-type net position were discussed in the financial highlights above. 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 Board of Education. Ownership reverts to the County if the building is no longer needed. The

Anne Arundel County, Maryland
Management Discussion and Analysis
Year Ended June 30, 2019

County also funds projects for the Community College and others that do not result in County assets. 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 \$1.3 billion reflects this treatment. The Board of Education and Community College net investment in capital assets of approximately \$1.4 billion and \$92.8 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 reduction in net position 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 year</u>	<u>Balance (in millions)</u>	<u>Fiscal year</u>	<u>Balance (in millions)</u>
2016	\$ (1,250.7)	restated 2018	\$ (1,256.7)
2017	(1,221.6)	2019	(1,345.0)

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

	<u>Governmental Activities</u>		<u>Business type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Program Revenues:						
Charges for services	\$ 178,996,473	\$ 166,159,014	\$ 144,843,945	\$ 144,243,449	\$ 323,840,418	\$ 310,402,463
Operating grants & contributions	82,053,761	77,266,989	-	-	82,053,761	77,266,989
Capital grants & contributions	58,853,573	63,962,879	69,671,474	81,381,376	128,525,047	145,344,255
	<u>319,903,807</u>	<u>307,388,882</u>	<u>214,515,419</u>	<u>225,624,825</u>	<u>534,419,226</u>	<u>533,013,707</u>
General Revenues:						
General property taxes	739,776,117	718,910,308	-	-	739,776,117	718,910,308
Local income taxes	560,494,249	506,512,943	-	-	560,494,249	506,512,943
State shared taxes	6,154,459	7,339,021	-	-	6,154,459	7,339,021
Recordation & transfer taxes	115,519,643	110,642,661	-	-	115,519,643	110,642,661
Local sales taxes	32,110,766	32,744,465	-	-	32,110,766	32,744,465
Investment income	14,550,314	2,853,646	6,939,480	6,439,285	21,489,794	9,292,931
Other revenue	19,015,315	18,854,558	16,421,468	14,085,791	35,436,783	32,940,349
	<u>1,487,620,863</u>	<u>1,397,857,602</u>	<u>23,360,948</u>	<u>20,525,076</u>	<u>1,510,981,811</u>	<u>1,418,382,678</u>
Total revenues	<u>1,807,524,670</u>	<u>1,705,246,484</u>	<u>237,876,367</u>	<u>246,149,901</u>	<u>2,045,401,037</u>	<u>1,951,396,385</u>
Expenses:						
Education	946,223,055	874,498,215	-	-	946,223,055	874,498,215
Public safety	342,374,123	307,333,226	-	-	342,374,123	307,333,226
General government	210,851,479	185,020,939	-	-	210,851,479	185,020,939
Health & human services	85,068,516	78,173,467	-	-	85,068,516	78,173,467
Public works	81,238,843	100,960,854	-	-	81,238,843	100,960,854
Recreation & community services	74,089,522	70,716,740	-	-	74,089,522	70,716,740
Judicial	31,366,461	30,733,512	-	-	31,366,461	30,733,512
Code enforcement	14,625,668	13,831,887	-	-	14,625,668	13,831,887
Land use & development	22,299,113	25,246,088	-	-	22,299,113	25,246,088
Interest expense on debt	58,859,063	55,897,987	-	-	58,859,063	55,897,987
Water & wastewater	-	-	175,378,762	166,442,015	175,378,762	166,442,015
Waste collection	-	-	56,606,522	48,256,704	56,606,522	48,256,704
Child care	-	-	5,650,435	5,531,870	5,650,435	5,531,870
Total expenses	<u>1,866,995,843</u>	<u>1,742,412,915</u>	<u>237,635,719</u>	<u>220,230,589</u>	<u>2,104,631,562</u>	<u>1,962,643,504</u>
Increase(decrease) in net position	(59,471,173)	(37,166,431)	240,648	25,919,312	(59,230,525)	(11,247,119)
Non operating income and expense:						
County Transfer	2,380,000	946,137	(2,380,000)	(946,137)	-	-
Change in Net Position	(57,091,173)	(36,220,294)	(2,139,352)	24,973,175	(59,230,525)	(11,247,119)
Net Position, beg of year	(500,752,884)	(497,001,970)	1,331,793,442	1,319,371,242	831,040,558	822,369,272
Adjustment to restate net position	-	32,469,380	-	(12,550,975)	-	19,918,405
Net Position, end of year	<u>\$ (557,844,057)</u>	<u>\$ (500,752,884)</u>	<u>\$ 1,329,654,090</u>	<u>\$ 1,331,793,442</u>	<u>\$ 771,810,033</u>	<u>\$ 831,040,558</u>

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 the prior fiscal year by \$102.3 million or 6.0%. This is mainly due to an increase in General Property Taxes of \$20.9 million or 2.9% from the growth in real property assessable base, an increase in program revenues of \$12.5 million or 4.1%, an increase in local income tax of \$54.0 million or 10.7% as well as an increase in investment income of \$11.7 million or 409.9%. The investment income increase was a result of favorable market conditions. The change in program revenue was from an increase in

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operating grants and contributions of \$4.8 million, an increase in charges for service of \$12.8 Million, and a decrease in capital grants and contributions of \$5.1 million.

The governmental activities' expenses had an increase of \$124.6 million or 7.2% from prior fiscal year. Certain functional categories of expenditures had significant fluctuations during fiscal year 2019. The most notable fluctuations were in education, public safety, general government, and health and human services which increased by \$71.7 million or 8.2%, \$35.0 million or 11.4%, \$25.8 million or 14.0% and \$6.9 million or 8.8%, respectively. These increases were partially offset by a decrease in public works of \$19.7 million or 19.5%. The spending increase in public safety was in part driven by an increase in personal service and pension expense of \$12.7 million and \$15.4 million, respectively. The spending increase in general government was in part the result of an increase in the transfer to the OPEB Trust Fund in the amount of \$8.5 million, and increase in Self Insurance Contribution of \$2.6 million and an increase in the amount transferred to the revenue reserve fund in the amount of \$2.5 million, compared to the prior fiscal year. The increase in health and human services was in part the result of an increase in personnel service of \$2.4 million and an increase in health grants expense of \$2.5 million. The spending increase in education was as a result of the Board of Education spending more of the County's funds for capital improvements. The decrease in public works spending was mainly driven by a decrease in non-capital current year expenses compared to the prior year. In fiscal year 2019, the County Employee's received a 2.0% cost of living increase and a 2.5% pay for performance increase.

Business-type activities overall revenues decreased by \$8.3 million or 3.4% from prior fiscal year. The decrease in revenue is mainly due to a decrease in capital grants and contributions of \$11.7 million or 14.4% from the previous fiscal year. This was mainly from a \$7.5 million decrease in grant funding for the Cox Creek Water Reclamation Facility Enhanced Nutrient Removal and a decrease of \$3.8 million in grant funding for the Mayo Water Reclamation Facility Expansion. General revenues increased by \$2.8 million or 13.8% which was mainly from an increase in other revenue of \$2.3 million from the prior fiscal year.

Business-type expenses had an overall increase of \$17.4 million or 7.9% from the previous fiscal year, which was primarily caused by an increase water and wastewater of \$8.9 million and an increase in waste collection of \$8.3 million. The increase in the Water and Wastewater Operating Fund was in part from a \$3.9 million increase in personal service and an increase in depreciation expense of \$2.7 million. The increase in expense Solid Waste was in part due to a decrease in closure cost in the prior fiscal year of \$5.4 million as a result of closing Cell 8.

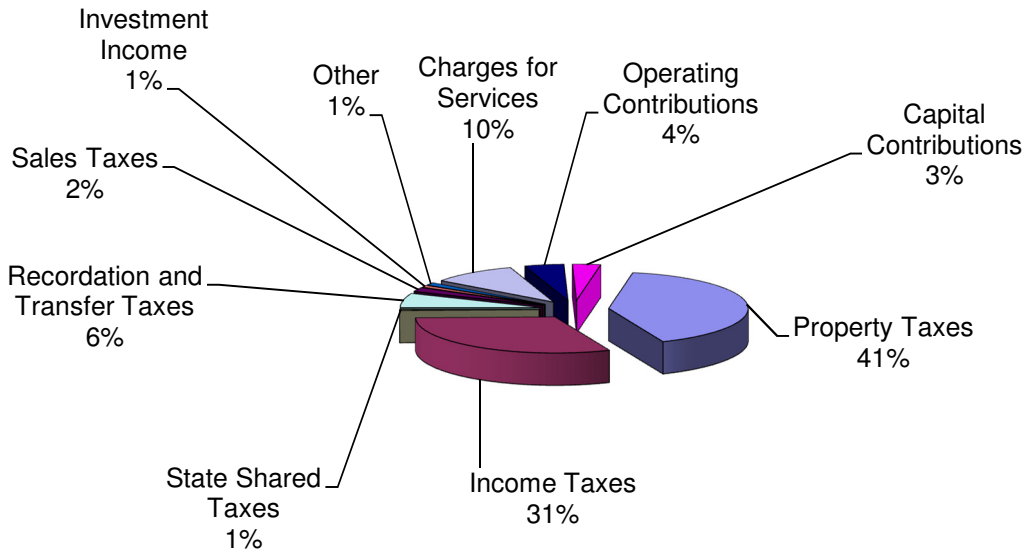
Distribution of Revenues and Expenses

The next two charts show the percentage distribution of revenues from governmental activities and the percentage expended on each function. Discussion of the 2019 distribution and significant changes since 2018 follows.

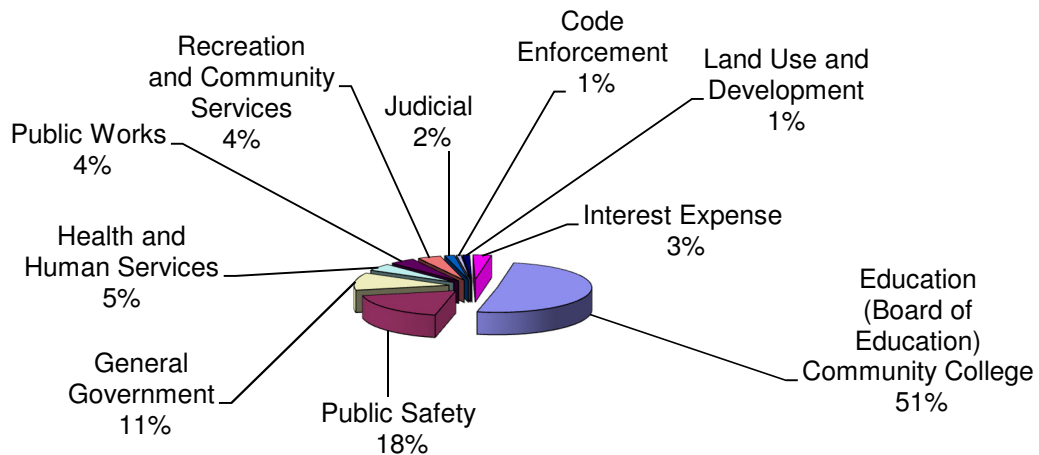
General revenue sources continue to provide the vast majority of the County's revenue. Tax revenues from property assessments, income, State shared sources, recordation and transfer, and sales provided 81% of the revenue base, which remained unchanged from fiscal year 2018. Charges for services paid to the County by users were 10% for fiscal year 2019, consistent with fiscal year 2018 which was also 10%.

An analysis of the percentage distribution of revenues revealed that there was a slight increase in income taxes from 30% to 31%, while property taxes decreased from 42% to 41%. An analysis of the percentage distribution of expenses by function revealed that the Board of Education and Community College as well as health and human services increased from 50% to 51% and 4% to 5%, respectively, while public works decreased from 6% to 4%.

Governmental Revenues Fiscal Year 2019



Governmental Expenses Fiscal Year 2019

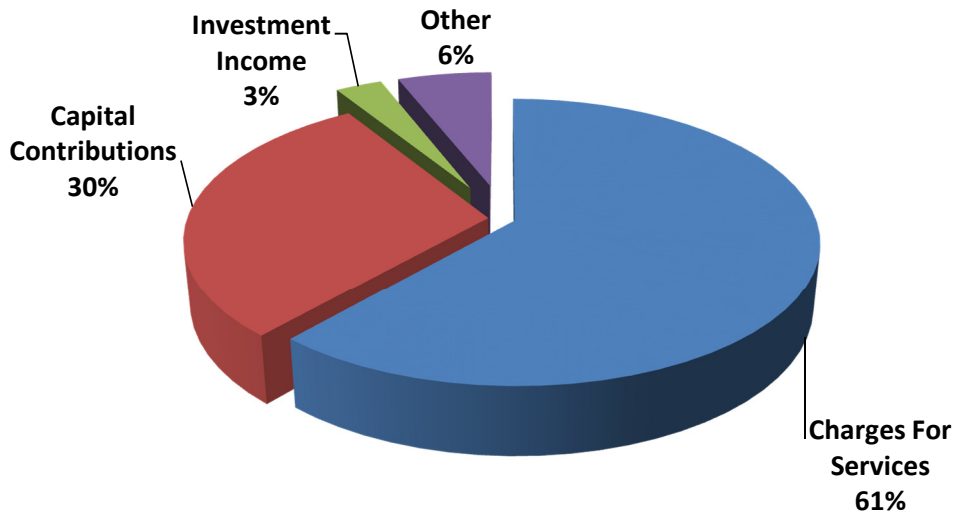


The next two charts show the percentage distribution of revenues from business-type activities and the percentage expended on each function. Discussion of the fiscal year 2019 distribution and significant changes since fiscal year 2018 follows.

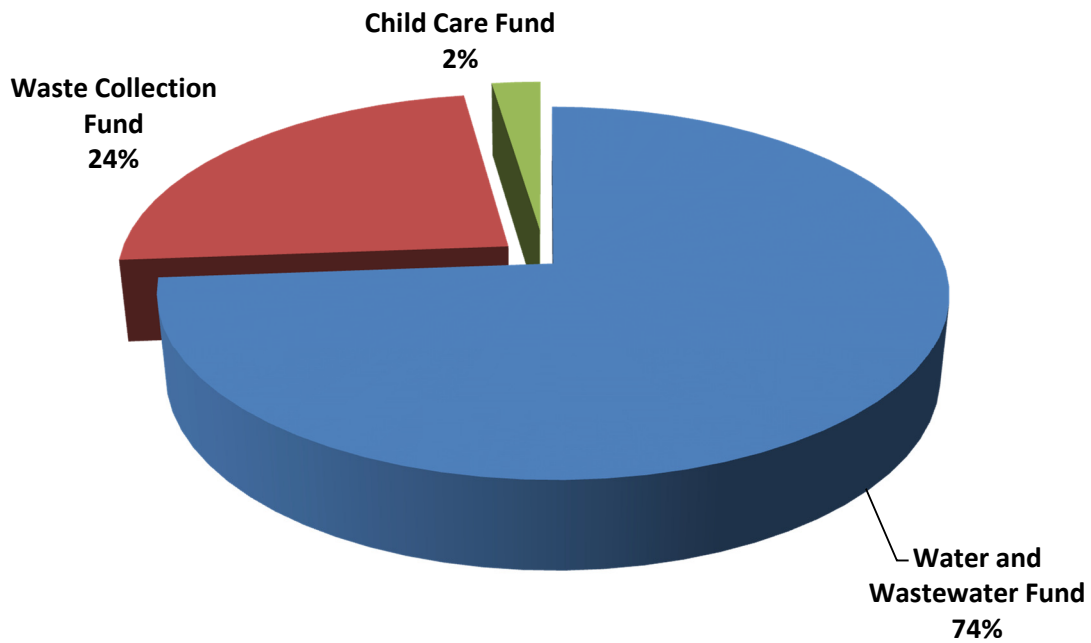
Charges for services and capital contributions continue to provide the vast majority of the County’s business-type activities revenue. Together these account for 91% of the revenue in fiscal year 2019, a slight decrease from fiscal year 2018 which was 92%.

An analysis of the percentage distribution of expenses by function revealed that the Waste Collection Fund increased from 22% to 24%, while the Water and Wastewater Fund and Child Care Fund decreased from 75% to 74% and 3% to 2%, respectively.

Business-Type Activities Revenues Fiscal Year 2019



Business-Type Activities Expenses Fiscal Year 2019



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Management Discussion and Analysis
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Fund Statements

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Although tables have not been included herein, certain elements of the major fund statements presented in the basic financial statements are discussed below.

Governmental Funds:

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

Total assets in the General Fund increased from \$336.0 million to \$368.0 million or \$32.0 million, from the prior fiscal year. The increase primarily occurred in local income tax receivables of \$52.1 million which was offset by a decrease cash and investments of \$23.4 million. Total fund balance had a slight decrease in fund balance from \$174.9 million to \$174.7 million or \$0.18 million.

General Fund revenues increased from \$1,445.8 million to \$1,499.8 million or \$54.0 million and expenditures increased from \$1,448.0 million to \$1,502.9 million or \$54.9 million over the prior fiscal year. The main increases in revenue were in general property tax, local income tax, recordation and transfer taxes, investment income, and fees for services and other revenue of \$20.3 million, \$14.7 million, \$4.9 million, \$6.9 million and \$5.7 million, respectively. Fees for services and other revenue increased as a result of increases in federal prison housing reimbursements, health reimbursements, and e-rate reimbursements of \$1.0 million, \$1.3 million and \$2.3 million, respectively.

The County has a Revenue Reserve Fund which is included in the unassigned category of General Fund balance. At the end of the current fiscal year, a balance of \$73.4 million was in the reserve fund. This increase from the prior fiscal year is from the current year contribution of \$6.5 million and investment earnings of \$3.5 million. This reserve may only be used when revenues fall below budget expectations and would require legislative action. 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 \$6.6 million, from \$80.9 million in fiscal year 2018 to \$87.5 million in fiscal year 2019. This was a result of a decrease in transfers to other funds of \$15.9 million with \$23.5 million transferred out in fiscal year 2019 compared to \$39.4 million in the prior fiscal year. The amounts transferred are used for the construction of capital assets and to pay off debt, both of which are related to impact fee eligible projects. The decrease in revenues of \$2.3 million was offset by a decrease expenses of \$2.2 million compared to prior fiscal year.

The General County Capital Projects Fund's total assets decreased from \$218.5 million in fiscal year 2018 to \$187.7 million in fiscal year 2019, or \$30.9 million. This is primarily due to a decrease in cash and investments of \$25.9 million at the end of current fiscal year. This is in part due to a decrease in unspent funds of \$39.7 million. Liabilities increased by \$12.3 million compared to the prior fiscal year, primarily due to an increase in both accounts payable and accrued liabilities of \$6.8 million, and amounts due to the Board of Education of \$3.8 million. Deferred inflow of resources decreased \$7.5 million due to a decrease in unavailable grant and program revenue. The net change in fund balance from the prior fiscal year decreased from \$140.4 million to \$104.7 million in fiscal year 2019, for a decrease of \$35.6 million in fund balance from the prior fiscal year.

Revenues in the General County Capital Projects Fund increased from \$12.8 million in fiscal year 2018 to \$23.5 million in fiscal year 2019, or by \$10.7 million. Expenditures in this fund increased by \$80.5 million which is attributed to an increase of \$63.1 million for amounts paid to the Board of Education and Community College for capital projects and a \$17.3 million increase in capital outlay expense. The increase in Board of Education and Community College is primarily attributable to the increase in cost for school construction. Although, school construction costs fluctuated based on various projects, Crofton Area High School increased by \$35.1 million compared to the prior fiscal year, Edgewater

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Elementary School construction costs increased by \$15.3 million and Tyler Heights Elementary School increased by \$11.1 million compared to the prior fiscal year.

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 \$2.2 billion at the end of fiscal year 2019, which was an increase of \$35.2 million over fiscal year 2018. The increase primarily occurred as a result of an increase in net capital assets of \$52.6 million and a decrease in cash and investments, restricted receivables and deferred connection and assessment charges of \$8.5 million, \$5.6 million and \$4.4 million, respectively. Capital assets increase each year as capital projects are completed and developer donated water and sewer facilities are added. The decrease in cash and investments was in part due to an increase in expenses for personnel services and interest expense of \$3.9 million and \$2.1 million, respectively, as compared to prior year. As a result of the changes in assets and liabilities, the Water and Wastewater Fund's net position decreased \$2.4 million or 0.2%.

The Statement of Revenues, Expenses, and Changes in Fund Net Position for Water and Wastewater Fund had a decrease in operating revenues of \$0.090 million. Operating expenses increased by \$6.4 million or 4.6%, mainly from an increase in personnel services of \$3.9 million and an increase in depreciation expense of \$2.7 million. Non-operating revenue increased from the previous year by \$1.1 million. Capital contributions and grants decreased by \$11.7 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 \$1.1 million, primarily due to an increase in cash and investments of \$1.5 million. Liabilities increased by \$3.4 million from the prior fiscal year in part from an increase in pension expense of \$2.6 million compared to prior fiscal year.

The Statement of Revenues, Expenses, and Changes in Fund Net Position for Solid Waste had an increase in operating revenue of \$1.3 million and an increase in operating expenses of \$8.3 million. This contributed to a decrease in net position of \$0.347 million at the end of the current fiscal year. The decrease was in part from an increase in contractual services of \$7.2 million compared to prior fiscal year.

Fiduciary Funds:

Fiduciary funds include the Pension Trust Funds, the OPEB Trust Fund, and the Agency Funds. The Pension Trust Funds are presented for the calendar year ended December 31, 2018. Total investments in the Pension Trust decreased by \$130.6 million in calendar year 2018. The Pension Fund net position decreased from \$1.9 billion to \$1.8 billion or 6.9%. Contributions increased from \$81.8 million in 2017 to \$85.8 million during 2018 and investment activity decreased by \$360.0 million from prior year. The net position of the OPEB Trust at the end of the current fiscal year was \$193.3 million, an increase of \$47.7 million from the prior fiscal year. Agency funds had a slight increase from \$31.2 million in fiscal year 2018 to \$33.3 million in fiscal year 2019.

Budgetary Variations:

The budgetary statements of the General Fund show actual revenues of \$1.6 billion compared to budgeted amounts of \$1.5 billion, resulting in \$33.3 million more revenue than anticipated. The most significant budgetary variations within components of revenue were the increase of local income tax, recordation and transfer taxes, and investment income which exceeded budgetary expectation by \$5.0 million or 1.0%, \$13.5 million or 13.3%, and \$5.2 million or 435.6%, respectively. The remaining positive variances were mainly due to increases in property tax, inter-fund recoveries, and fees for service and other revenues of \$1.1 million, \$2.6 million and \$3.7 million, respectively. Inter-fund recoveries increased as a result of transferring additional funds to the General Fund from Tax Increment District in the current fiscal year.

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Total expenditures on a budgetary basis were \$1.6 billion compared to appropriation authority of \$1.6 billion, resulting in \$16.1 million or 1.0%, 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 2019. The General government had a positive variance of \$7.1 million in part due to under spending in the contingency fund by \$4.0 million.

In reviewing the changes from the original budget to the final budget, total budgeted revenues and budgeted expenses did not change. The expense decrease was primarily in general government in the amount of \$6.0 million to cover shortfalls in the original budget. There was an increase in public works original expense budget, compared the final budget in the amount of \$3.4 million mainly for an increase in contractual services. 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 – The governmental activities capital assets increased by \$103.4 million or 8.5%, from fiscal year 2018. The following table shows an increase in land and easements, land improvements, automobiles and rolling stock, and construction in progress of \$13.6 million, \$3.6 million, \$8.4 million, and \$86.5 million, respectively. These increases were partially offset by a decrease in buildings, and roads and bridges of \$6.5 million and \$8.8 million, respectively.

Some major capital asset events during the current fiscal year included the following:

- \$13.2 million for Public Safety Radio System Upgrade
- \$8.8 million for a new Police Training Academy
- \$8.4 million for Information Technology Enhancement
- \$8.3 million for land for possible school or park site
- \$8.0 million for Annapolis Regional Library
- \$5.1 million for new Centralized Booking Facility
- 43 new vehicles were purchased including fire trucks, ambulances, and various autos

Business-type capital assets – The business-type activities capital assets increased by \$52.3 million or 3.0%, from fiscal year 2018. The following table shows an increase in water and sewer plants and lines and furniture and equipment of \$54.8 million and \$1.4 million, respectively. These increases were offset by decreases in landfills and buildings of \$1.5 million and \$1.0 million, respectively. 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:

- \$14.5 million for Dewatering Facilities
- \$13.4 million for general water and sewer main replacement and reconstruction
- \$7.3 million for upgrade and retrofit of sewer pumping station facilities
- \$7.1 million for Patuxent Water Reclamation Facility
- \$6.4 million for generator replacement at sewer pumping station facilities

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Anne Arundel County, Maryland						
Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and easements	\$ 261,179,615	\$ 247,608,774	\$ 12,705,712	\$ 12,705,712	\$ 273,885,327	\$ 260,314,486
Historical property and works of art	4,166,465	4,166,465	-	-	4,166,465	4,166,465
Land improvements	159,444,505	155,882,526	-	-	159,444,505	155,882,526
Landfills			28,470,072	29,943,292	28,470,072	29,943,292
Buildings	181,276,855	187,769,157	36,996,280	37,994,255	218,273,135	225,763,412
Roads, bridges and signals	169,435,715	178,242,447	-	-	169,435,715	178,242,447
Sidewalks, curbs and gutters	34,125,115	33,729,361	-	-	34,125,115	33,729,361
Storm drains and culverts	148,186,034	145,933,167	-	-	148,186,034	145,933,167
Water and sewer plants and lines	-	-	1,162,358,649	1,107,601,148	1,162,358,649	1,107,601,148
Automobiles and rolling stock	51,492,644	43,069,970	6,468,706	7,028,764	57,961,350	50,098,734
Furniture and equipment	23,147,819	21,281,468	13,571,937	12,152,988	36,719,756	33,434,456
Software	3,667,382	1,569,588	-	-	3,667,382	1,569,588
Construction in progress	279,442,569	192,929,447	530,806,301	531,677,955	810,248,870	724,607,402
Total	\$ 1,315,564,718	\$ 1,212,182,370	\$ 1,791,377,657	\$ 1,739,104,114	\$ 3,106,942,375	\$ 2,951,286,484

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				
Analysis of Depreciable Assets				
	Total Depreciable Capital Assets	Less Accumulated Depreciation	Net Depreciable Capital Assets	Accumulated Depreciation as a Percent of Total
Governmental				
2019	\$ 1,705,463,427	\$ (934,687,358)	\$ 770,776,069	55%
2018	1,666,353,729	(898,876,045)	767,477,684	54%
2017	1,640,033,012	(875,632,813)	764,400,199	53%
2016	1,593,203,922	(833,231,751)	759,972,171	52%
2015	1,489,865,377	(793,436,125)	696,429,252	53%
2014	1,452,096,655	(752,927,491)	699,169,164	52%
Business-type				
2019	\$ 2,214,565,724	\$ (966,700,080)	\$ 1,247,865,644	44%
2018	2,109,864,062	(915,143,615)	1,194,720,447	43%
2017	2,008,724,137	(870,291,027)	1,138,433,110	43%
2016	1,899,149,892	(817,010,887)	1,082,139,005	43%
2015	1,673,358,479	(769,169,392)	904,189,087	46%
2014	1,632,821,069	(712,989,192)	919,831,877	44%

This analysis shows that the percent of depreciated governmental capital assets has increased in the last year to 55.0% at fiscal year-end 2019. The business-type capital assets has increased in the last year to 44.0% for the total depreciation as a percent of the asset values at fiscal year-end.

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.

Anne Arundel County, Maryland
Management Discussion and Analysis
Year Ended June 30, 2019

Debt Administration

The County's outstanding debt at the end of fiscal years 2019 and 2018 is presented in the table below. The County issued general obligation bonds, net of refunding, of \$287.2 million in April 2019, including \$216.1 million for governmental activities, \$71.1 million for water and wastewater activities to fund improvements for general county capital projects of \$212.0 million, waste management projects of \$4.1 million, and water and sewer projects of \$71.1 million. In April 2019, the County also issued refunding general obligation bonds in the amount of \$10.5 million which included \$4.5 million for general county bonds and \$6.0 million for water and sewer bonds. The refunding resulted in net present value savings of \$718 thousand in debt service expense. The County had an increase in Maryland Water Quality loans for water and waste water improvements of \$3.1 million in the Water and Wastewater Fund.

The changes to the federal and state loans were not significant as there was only one new State loan for \$285,100 in the current fiscal year. Principal payments of \$228,183 were made on existing loans. A new lease in the amount of \$40,490 was offset with payments for leases totaling \$34,138 resulting in an increase in the capital lease balance to \$30,367. The County did not initiate new agricultural easements through installment purchase agreements during fiscal year 2019. Other changes to debt balances resulted from principal payments during fiscal year 2019. Additional information about the County's debt and changes therein is provided in Note 8 to the basic financial.

Anne Arundel County, Maryland						
Outstanding Debt *						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 1,263,666,978	\$ 1,143,871,707	\$ 705,176,018	\$ 662,261,805	\$ 1,968,842,996	\$ 1,806,133,512
Special assessment debt	71,610,000	73,700,000	-	-	71,610,000	73,700,000
State loans	2,583,657	2,526,740	-	-	2,583,657	2,526,740
Capital leases	30,367	24,015	-	-	30,367	24,015
Installment purchase agreements	13,505,000	13,525,000	-	-	13,505,000	13,525,000
Total	\$ 1,351,396,002	\$ 1,233,647,462	\$ 705,176,018	\$ 662,261,805	\$ 2,056,572,020	\$ 1,895,909,267

* Does not include unamortized premiums.

Fiscal Year 2019 and Beyond

- The County Real Property Tax Rate for fiscal year 2020 is \$0.935 per \$100 of assessed valuation. This is a \$0.033 increase over previous year's property tax rate. The County decided to recapture the foregone property tax revenues due to the four historical instances that the County did not maximize the property tax rate under the tax cap. Therefore, the approved property tax rate for the FY2020 budget was set at \$0.935 for the County real property tax rate outside Annapolis and Highland Beach (3.4 cents higher than the tax cap rate of \$0.901) and \$0.561 for the County real property tax rate within Annapolis (2.1 cents higher than the tax cap rate of \$0.540). Fiscal year 2020 property tax receipts are estimated to increase 7.3% over the fiscal year 2019 actual receipts. Any decline in real property assessments 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 2020 County income tax rate at 2.81%, which is a 12.4% increase over calendar year 2019. Fiscal year 2020 income tax revenue is projected to increase 8.1% over the fiscal year 2019 actual revenue. The increase in income tax revenue is largely due to the fiscal year 2020 portion of the revenues from the increase in the income tax rate, an improving economy and lower unemployment in Anne Arundel County. Income tax is budgeted at \$565.0 million for fiscal year 2020.
- 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 2020, stormwater fee increased by 5% to \$89.25 per ERU

Anne Arundel County, Maryland
Management Discussion and Analysis
Year Ended June 30, 2019

(equivalent run off unit) and the Watershed Protection and Restoration Fund had an approved budgeted revenue of \$23.6 million.

- For fiscal year 2020, the Anne Arundel County Public Schools are funded by the County at \$733.3 million, a \$45.5 million or 6.7% increase over the prior fiscal year. This funding level exceeds the required Maintenance of Effort for fiscal 2020. Anne Arundel County Public Schools fiscal year 2020 capital budget contains forty-eight planned projects totaling \$161.9 million or 48.6% of the General County capital projects. Of the total General Fund debt service budget, 55.6% is allocated for school debt.
- The County's support of the Anne Arundel Community College increased \$3.0 million in fiscal year 2020 over fiscal year 2019 to a total of \$47.1 million, \$45.4 million from General Fund and \$1.7 million from Video Lottery Local Impact Aid Special Revenue Fund. The County has appropriated \$49.2 million for Anne Arundel County Community College's fiscal year 2020 capital projects, which will be financed by issuing general obligation bonds. The Community College's annual debt service of \$7.5 million is paid by the County.

These and other economic factors were considered when preparing the fiscal year 2020 General Fund budget, which estimates total revenues at \$1.6 billion, an increase of \$112.0 million or 7.3% over fiscal year 2019 original budgeted amounts. Mindful of the economic struggles the County has faced for the past several years as a result of national economic uncertainties, cuts in revenue funding streams and the status of the State of Maryland's budget, the County will continue to carefully monitor expenditures and apply cost containment efforts. Expenditures for fiscal year 2020 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 2020.

As mentioned above, FY2020 revenues have been enhanced by raising the tax rates. The income tax rate of 2.81% will be effective January 1, 2020 and is an increase from the 2.50% rate for the prior calendar year. It is the fifth lowest in the State. The Homestead Tax Credit rate for County real property tax is at 2.0% which remains unchanged from the past fiscal year.

Legislation was passed to restore the admissions and amusement tax for the gross receipts derived from any admissions and amusement charge for admission to any moving picture theater.

Bill 42-19 has been passed to establish the Reserve Fund for Permanent Public Improvements (PPI Fund). It is a special fund provided for in the County Charter. The revenue for the Fund is based off of 1/10th of a percentage point by which the income tax rate exceeds 2.50% and capped at \$21 million a year to pay for the debt service of a one-time capital infusion totals \$250 million.

The Water and Wastewater Fund usage rates for water and wastewater fees for fiscal year 2020 are \$2.83/1,000gal and \$4.97/1,000gal, respectively. This is 5% increase from the prior fiscal year. No changes were made to the annual refuse and recycling fees. A 10% rate increase was placed on Capital Facility Connection Charges and Environment Protection Fee (EPF).

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.

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

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**Basic
Financial
Statements**

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Anne Arundel County, Maryland

Statement of Net Position

June 30, 2019

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Non-major
ASSETS						
Current Assets						
Cash and temporary investments	\$ 462,388,302	\$ 122,766,287	\$ 585,154,589	\$ 198,377,402	\$ 17,050,040	\$ 6,196,547
Taxes and other revenue receivable	197,696,629	-	197,696,629	13,917,472	402,953	-
Service billings receivable	-	23,499,078	23,499,078	-	-	99,947
Prepaid and other assets	32,969,669	23,133	32,992,802	19,726,245	4,482,773	3,105,251
Inventories	3,238,549	3,141,750	6,380,299	3,221,739	1,195,448	20,837
Receivables	-	-	-	-	-	8,898
Due from primary government	-	-	-	40,196,403	3,815,712	1,278,743
Due from component units	7,332,083	-	7,332,083	-	-	-
Restricted assets						
Cash and temporary investments	165,363,959	24,048,895	189,412,854	5,967,896	-	59,380
Investments	-	276,018,298	276,018,298	-	-	-
Receivables	-	-	-	-	-	-
Due from other governmental agencies	22,257,203	4,019,610	26,276,813	-	-	-
Other, net	1,247,785	13,227,329	14,475,114	-	-	-
Total current assets	<u>892,494,179</u>	<u>466,744,380</u>	<u>1,359,238,559</u>	<u>281,407,157</u>	<u>26,946,926</u>	<u>10,769,603</u>
Non-current Assets						
Restricted assets						
Long term assessment and connection charges	-	19,689,000	19,689,000	-	-	-
Total non-current restricted assets	-	19,689,000	19,689,000	-	-	-
Loans receivable and other assets	-	-	-	-	16,617,056	8,439,364
Capital assets not being depreciated	544,788,649	543,512,013	1,088,300,662	380,723,734	18,754,051	-
Capital assets being depreciated	1,705,463,427	2,214,565,724	3,920,029,151	1,905,555,472	180,757,959	34,629,360
Less accumulated depreciation	(934,687,358)	(966,700,080)	(1,901,387,438)	(904,395,549)	(99,587,203)	(14,595,701)
	<u>770,776,069</u>	<u>1,247,865,644</u>	<u>2,018,641,713</u>	<u>1,001,159,923</u>	<u>81,170,756</u>	<u>20,033,659</u>
Total capital assets	<u>1,315,564,718</u>	<u>1,791,377,657</u>	<u>3,106,942,375</u>	<u>1,381,883,657</u>	<u>99,924,807</u>	<u>20,033,659</u>
Total non-current assets	<u>1,315,564,718</u>	<u>1,811,066,657</u>	<u>3,126,631,375</u>	<u>1,381,883,657</u>	<u>116,541,863</u>	<u>28,473,023</u>
Total assets	<u>2,208,058,897</u>	<u>2,277,811,037</u>	<u>4,485,869,934</u>	<u>1,663,290,814</u>	<u>143,488,789</u>	<u>39,242,626</u>
DEFERRED OUTFLOW OF RESOURCES						
Pension benefits	168,925,688	13,136,762	182,062,450	18,004,121	709,471	1,575,201
OPEB benefits	56,375,781	7,210,176	63,585,957	144,356,000	4,161,871	1,735,883
LOSAP benefits	1,411,408	-	1,411,408	-	-	-
Unamortized deferred refunding loss	5,701,731	4,504,656	10,206,387	-	233,276	-
Total deferred outflow of resources	<u>232,414,608</u>	<u>24,851,594</u>	<u>257,266,202</u>	<u>162,360,121</u>	<u>5,104,618</u>	<u>3,311,084</u>

Anne Arundel County, Maryland
Statement of Net Position
June 30, 2019

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Non-major
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	119,696,596	33,075,340	152,771,936	174,584,997	10,130,069	2,014,419
Current portion of non-current liabilities	164,428,238	46,958,151	211,386,389	25,448,653	-	1,199,951
Notes payable	-	-	-	-	808,714	494,962
Internal balances	2,134,924	(2,134,924)	-	-	-	-
Due to primary government	-	-	-	7,332,083	-	-
Due to component units	45,290,858	-	45,290,858	-	-	-
Escrow deposits	6,930,329	567,573	7,497,902	-	-	-
Unearned revenue	-	-	-	3,542,486	7,522,948	426,933
Liabilities related to restricted assets						
Accounts payable and accrued liabilities	8,050,283	7,488,020	15,538,303	-	-	-
Escrow and other deposits	4,387,701	-	4,387,701	-	-	-
Unearned revenue	1,815,586	1,582,150	3,397,736	-	-	-
Total current liabilities	<u>352,734,515</u>	<u>87,536,310</u>	<u>440,270,825</u>	<u>210,908,219</u>	<u>18,461,731</u>	<u>4,136,265</u>
Non-current liabilities						
Compensated absences and other obligations	52,985	-	52,985	22,786,244	1,476,798	-
Accrued liability for pension benefits	636,907,298	55,222,153	692,129,451	62,470,154	3,199,400	6,506,800
Accrued liability for other post-employment benefits	493,315,496	64,494,121	557,809,617	1,963,198,000	37,978,122	26,701,454
Accrued liability for LOSAP	15,793,418	-	15,793,418	-	-	-
Unpaid insurance claims	66,751,502	-	66,751,502	-	-	-
Estimated landfill closure and postclosure	-	23,220,098	23,220,098	-	-	-
Long-term debt	1,409,548,090	737,970,123	2,147,518,213	6,322,106	9,175,888	1,110,166
Due to other governments	-	-	-	-	-	5,781,214
Unearned revenue	-	2,132,457	2,132,457	-	-	-
Total non-current liabilities	<u>2,622,368,789</u>	<u>883,038,952</u>	<u>3,505,407,741</u>	<u>2,054,776,504</u>	<u>51,830,208</u>	<u>40,099,634</u>
Total liabilities	<u>2,975,103,304</u>	<u>970,575,262</u>	<u>3,945,678,566</u>	<u>2,265,684,723</u>	<u>70,291,939</u>	<u>44,235,899</u>
DEFERRED INFLOW OF RESOURCES						
Pension benefits	13,617,008	1,662,197	15,279,205	8,547,338	725,075	206,759
OPEB benefits	5,935,780	771,082	6,706,862	748,802,000	25,039,323	11,483,051
LOSAP benefits	3,326,163	-	3,326,163	-	-	-
Property tax revenue collected in subsequent year	335,307	-	335,307	-	-	-
Total deferred inflow of resources	<u>23,214,258</u>	<u>2,433,279</u>	<u>25,647,537</u>	<u>757,349,338</u>	<u>25,764,398</u>	<u>11,689,810</u>
NET POSITION						
Net investment in capital assets	604,084,265	1,019,533,158	1,623,617,423	1,366,362,575	92,756,378	18,855,531
Restricted for:						
Debt service	8,009,868	306,535,034	314,544,902	-	-	-
Capital improvements	140,771,194	4,019,610	144,790,804	-	-	-
Scholarships/endowments	-	-	-	-	8,853,893	-
Reforestation	3,740,710	-	3,740,710	-	-	-
Other purposes	30,357,753	162,314	30,520,067	20,571,883	-	827,129
Unrestricted	(1,344,807,847)	(596,026)	(1,345,403,873)	(2,584,317,584)	(49,073,201)	(33,054,659)
Total net position (deficit)	<u>\$ (557,844,057)</u>	<u>\$ 1,329,654,090</u>	<u>\$ 771,810,033</u>	<u>\$ (1,197,383,126)</u>	<u>\$ 52,537,070</u>	<u>\$ (13,371,999)</u>

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

Anne Arundel County, Maryland

Statement of Activities

Year Ended June 30, 2019

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
Education	\$ 946,223,055	\$ -	\$ -	\$ 24,433,401
Public safety	342,374,123	34,154,764	2,654,647	3,190,843
General government	210,851,479	68,949,936	2,813,284	4,858,741
Health and human services	85,068,516	12,413,438	31,552,862	-
Public works	81,238,843	24,677,662	7,158,155	23,518,765
Recreation and community services	74,089,522	19,010,692	33,772,873	2,698,787
Judicial	31,366,461	3,133,932	2,024,741	-
Code enforcement	14,625,668	13,674,570	-	-
Land use and development	22,299,113	2,981,479	1,323,807	153,036
Interest on debt and leases	58,859,063	-	753,392	-
	<u>1,866,995,843</u>	<u>178,996,473</u>	<u>82,053,761</u>	<u>58,853,573</u>
Business-type activities				
Water and wastewater	175,378,762	84,179,593	-	69,671,474
Waste collection	56,606,522	54,584,461	-	-
Child care	5,650,435	6,079,891	-	-
	<u>237,635,719</u>	<u>144,843,945</u>	<u>-</u>	<u>69,671,474</u>
Total primary government	\$ 2,104,631,562	\$ 323,840,418	\$ 82,053,761	\$ 128,525,047
Component units				
Board of Education	\$ 1,383,863,620	14,689,927	184,203,084	\$ 240,256,203
Community College	141,661,640	39,720,787	16,125,639	12,690,899
Library System	25,333,707	635,860	4,399,611	-
Economic Development Corp	3,602,053	282,466	81,235	-
Tipton Airport Authority	2,180,115	1,905,128	-	169,064
Workforce Development	9,936,822	395,332	9,680,409	55,808
	<u>1,566,577,957</u>	<u>57,629,500</u>	<u>214,489,978</u>	<u>253,171,974</u>

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

Changes in net position

Net position, July 1
 Net position, June 30

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

Net (Expense) Revenues and Changes in Net Position

Primary Government			Discretely Presented Component Units		
Governmental Activities	Business-type Activities	Total	Board of Education	Community College	Other Non-major
\$ (921,789,654)	\$ -	\$ (921,789,654)	\$ -	\$ -	\$ -
(302,373,869)	-	(302,373,869)	-	-	-
(134,229,518)	-	(134,229,518)	-	-	-
(41,102,216)	-	(41,102,216)	-	-	-
(25,884,261)	-	(25,884,261)	-	-	-
(18,607,170)	-	(18,607,170)	-	-	-
(26,207,788)	-	(26,207,788)	-	-	-
(951,098)	-	(951,098)	-	-	-
(17,840,791)	-	(17,840,791)	-	-	-
(58,105,671)	-	(58,105,671)	-	-	-
<u>(1,547,092,036)</u>	<u>-</u>	<u>(1,547,092,036)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(21,527,695)	(21,527,695)	-	-	-
-	(2,022,061)	(2,022,061)	-	-	-
-	429,456	429,456	-	-	-
-	<u>(23,120,300)</u>	<u>(23,120,300)</u>	-	-	-
(1,547,092,036)	(23,120,300)	(1,570,212,336)	-	-	-
-	-	-	(944,714,406)	-	-
-	-	-	-	(73,124,315)	-
-	-	-	-	-	(20,298,236)
-	-	-	-	-	(3,238,352)
-	-	-	-	-	(105,923)
-	-	-	-	-	194,727
-	-	-	(944,714,406)	(73,124,315)	(23,447,784)
739,776,117	-	739,776,117	-	-	-
560,494,249	-	560,494,249	-	-	-
6,154,459	-	6,154,459	-	-	1,000,000
115,519,643	-	115,519,643	-	-	-
32,110,766	-	32,110,766	-	-	-
-	-	-	1,022,713,481	80,972,247	25,301,443
14,550,314	6,939,480	21,489,794	3,467,512	938,142	23,393
19,015,315	16,421,468	35,436,783	3,519,252	(764,807)	622,079
2,380,000	(2,380,000)	-	-	-	-
<u>1,490,000,863</u>	<u>20,980,948</u>	<u>1,510,981,811</u>	<u>1,029,700,245</u>	<u>81,145,582</u>	<u>26,946,915</u>
(57,091,173)	(2,139,352)	(59,230,525)	84,985,839	8,021,267	3,499,131
<u>(500,752,884)</u>	<u>1,331,793,442</u>	<u>831,040,558</u>	<u>(1,282,368,965)</u>	<u>44,515,803</u>	<u>(16,871,130)</u>
\$ <u>(557,844,057)</u>	\$ <u>1,329,654,090</u>	\$ <u>771,810,033</u>	\$ <u>(1,197,383,126)</u>	\$ <u>52,537,070</u>	\$ <u>(13,371,999)</u>

Anne Arundel County, Maryland

Balance Sheet

Governmental Funds

June 30, 2019

	Major Funds			Non-major	Totals
	General	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	
ASSETS					
Cash and investments	\$ 141,737,551	\$ 87,691,049	\$ 172,378,094	\$ 93,784,229	\$ 495,590,923
Receivables					
Property taxes					
(net of \$1,963,142 allowance)	840,282	-	-	-	840,282
Local sales taxes	4,992,672	-	-	-	4,992,672
State shared revenues	3,039,333	-	-	-	3,039,333
Due from other governmental agencies	1,630,528	-	7,978,931	14,278,272	23,887,731
Due from other funds	5,702,862	-	-	-	5,702,862
Due from Board of Education	43,464	-	7,288,619	-	7,332,083
Local income tax	187,193,814	-	-	-	187,193,814
Other, net	20,163,944	359,148	8,770	888,637	21,420,499
Inventories	2,525,276	-	-	-	2,525,276
Other assets	80,783	-	-	-	80,783
Total assets	<u>\$ 367,950,509</u>	<u>\$ 88,050,197</u>	<u>\$ 187,654,414</u>	<u>\$ 108,951,138</u>	<u>\$ 752,606,258</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 42,996,501	\$ -	\$ 35,929,001	\$ 8,050,283	\$ 86,975,785
Due to other funds	8,462,500	-	-	5,702,862	14,165,362
Due to component units					
Board of Education	-	-	40,196,403	-	40,196,403
Community College	-	-	3,815,712	-	3,815,712
Library	1,278,743	-	-	-	1,278,743
Escrow and other deposits	6,311,681	574,040	44,608	4,387,701	11,318,030
Unearned revenue	-	-	-	1,815,586	1,815,586
Total liabilities	<u>59,049,425</u>	<u>574,040</u>	<u>79,985,724</u>	<u>19,956,432</u>	<u>159,565,621</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable local income tax	132,772,034	-	-	-	132,772,034
Unavailable grant and program revenue	-	-	2,920,264	7,942,043	10,862,307
Unavailable 911 fees	1,095,734	-	-	-	1,095,734
Property tax assessments collected for subsequent year	335,307	-	-	-	335,307
Total deferred inflow of resources	<u>134,203,075</u>	<u>-</u>	<u>2,920,264</u>	<u>7,942,043</u>	<u>145,065,382</u>
FUND BALANCES					
Non-spendable	2,525,276	-	-	-	2,525,276
Restricted	-	87,476,157	19,599,717	77,798,101	184,873,975
Committed	-	-	-	16,111,319	16,111,319
Assigned	81,811,048	-	85,148,709	-	166,959,757
Unassigned	90,361,685	-	-	(12,856,757)	77,504,928
Total fund balances	<u>174,698,009</u>	<u>87,476,157</u>	<u>104,748,426</u>	<u>81,052,663</u>	<u>447,975,255</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 367,950,509</u>	<u>\$ 88,050,197</u>	<u>\$ 187,654,414</u>	<u>\$ 108,951,138</u>	<u>\$ 752,606,258</u>

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, 2019

Total fund balance for governmental funds as shown on the Balance Sheet	\$	447,975,255
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on governmental funds balance sheet		
Capital assets		2,167,179,963
Accumulated depreciation		(881,147,532)
Deferred Outflows of Resources		
Unamortized loss on refunding		5,701,731
Certain liabilities not due and payable in the current period and, therefore, not included on governmental funds balance sheet		
Long-term bonded debt		(1,523,488,393)
Federal and state loans		(2,583,657)
Wynne liability due to State of Maryland		(17,470,172)
Pension benefits		(474,283,421)
Other post-employment benefits		(434,121,681)
LOSAP		(17,708,173)
Compensated absences		(26,214,842)
Long-term leases		(30,367)
Accrued interest payable on debt recorded in governmental activities		(14,044,332)
Deferred revenues		
Revenues not available for use in the current fiscal year deferred until future periods on the governmental funds balance sheet		144,730,075
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		69,032,607
Business-type activities allocation of Internal Service Funds net position		(3,516,709)
Certain expenditures paid with current resources deferred to future periods on the Statement of Net Position		<u>2,145,591</u>
Total net position (deficit) for governmental activities as shown on Statement of Net Position	\$	<u><u>(557,844,057)</u></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, 2019

	Major Funds			Non-major	Totals
	General	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	
REVENUES					
General property taxes	\$ 695,922,276	\$ -	\$ -	\$ 45,747,959	\$ 741,670,235
Local income taxes	522,923,960	-	-	-	522,923,960
State shared taxes	12,410,845	-	-	-	12,410,845
Grants and aid	-	-	20,283,622	40,966,062	61,249,684
Recordation and transfer taxes	115,519,643	-	-	-	115,519,643
Local sales taxes	32,110,766	-	-	-	32,110,766
License and permit fees	18,335,508	-	-	-	18,335,508
Ambulance fees	13,627,382	-	-	-	13,627,382
Cable fees	11,142,696	-	-	-	11,142,696
Impact fees	-	32,733,711	-	-	32,733,711
Special community benefit taxes	-	-	-	8,517,569	8,517,569
Video lottery local impact aid	8,879,924	-	-	18,436,609	27,316,533
Watershed protection and restoration	-	-	-	22,017,074	22,017,074
Investment income	10,230,120	1,739,101	1,262,776	3,217,017	16,449,014
Fees for services and other revenue	58,669,444	-	1,907,218	3,860,770	64,437,432
Total revenues	<u>1,499,772,564</u>	<u>34,472,812</u>	<u>23,453,616</u>	<u>142,763,060</u>	<u>1,700,462,052</u>
EXPENDITURES					
Current					
Education	730,197,000	476,034	213,850,021	1,700,000	946,223,055
Public safety	302,165,609	-	-	12,065,416	314,231,025
General government	141,389,079	-	-	7,208,997	148,598,076
Health and human services	49,451,422	-	-	31,723,074	81,174,496
Public works	39,733,004	3,976,615	-	9,977,341	53,686,960
Recreation and community services	46,242,840	-	-	14,611,896	60,854,736
Judicial	28,001,459	-	-	2,214,333	30,215,792
Code enforcement	12,729,742	-	-	1,189,018	13,918,760
Land use and development	6,790,901	-	-	3,338,612	10,129,513
Capital outlay	-	-	168,807,350	-	168,807,350
Debt service					
Interest payments on debt	52,238,837	-	-	5,662,547	57,901,384
Principal payments on debt	93,934,724	-	-	5,046,968	98,981,692
Interest payments on leases	373	-	-	-	373
Principal payments on leases	34,138	-	-	-	34,138
Total expenditures	<u>1,502,909,128</u>	<u>4,452,649</u>	<u>382,657,371</u>	<u>94,738,202</u>	<u>1,984,757,350</u>
Revenues over (under) expenditures	<u>(3,136,564)</u>	<u>30,020,163</u>	<u>(359,203,755)</u>	<u>48,024,858</u>	<u>(284,295,298)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	40,828,139	-	322,198,667	1,848,480	364,875,286
Transfers out	(230,328,191)	(23,462,227)	(1,262,776)	(109,822,092)	(364,875,286)
General obligation bonds issued	187,480,000	-	-	24,500,000	211,980,000
Issuance of debt - State Loans	-	-	285,100	-	285,100
Refunding bonds issued	4,445,000	-	-	-	4,445,000
Premium from sale of bonds	-	-	-	43,830,943	43,830,943
Premium on refunding of bonds	490,033	-	-	-	490,033
Proceeds from capital leases	41,980	-	-	-	41,980
Transfer from Water and Wastewater Fund	-	-	1,942,000	-	1,942,000
Transfers from Solid Waste Fund	-	-	438,000	-	438,000
Total other financing sources (uses)	<u>2,956,961</u>	<u>(23,462,227)</u>	<u>323,600,991</u>	<u>(39,642,669)</u>	<u>263,453,056</u>
Net change in fund balances	<u>(179,603)</u>	<u>6,557,936</u>	<u>(35,602,764)</u>	<u>8,382,189</u>	<u>(20,842,242)</u>
Fund balances, July 1	<u>174,877,612</u>	<u>80,918,221</u>	<u>140,351,190</u>	<u>72,670,474</u>	<u>468,817,497</u>
Fund balances, June 30	<u>\$ 174,698,009</u>	<u>\$ 87,476,157</u>	<u>\$ 104,748,426</u>	<u>\$ 81,052,663</u>	<u>\$ 447,975,255</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, 2019

Changes in fund balances as shown on Statement of Revenues,
Expenditures, and Changes in Fund Balances, Governmental Funds \$ (20,842,242)

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	148,714,603
Current year disposals of capital assets	(203,510)
Depreciation expense recorded in the Statement of Activities	(48,388,294)

Governmental funds report the additions and payments of long term liabilities in the period that current resources are provided or used. In the Statement of Activities, new debt is recorded as a liability and payments of principal are charged against that liability. 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	(216,710,100)
Principal payments on debt	98,967,912
LOSAP	(114,042)
Additions of new lease	(40,490)
Lease payments	34,138
Change in accrued interest payable	(957,679)
Loss on refunding	13,780
Amortization of prior year refunding gain/loss	(1,279,456)
Accrual of compensated absences	(958,619)
Accrual of pension benefits	(44,791,571)
Accrual of other post-employment benefit liability	13,854,472

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

Expense was deferred to future periods	2,145,591
Amortization of expenditures deferred in previous years	(2,247,523)

Premiums received on bond issues have been deferred in the government-wide statements. The revenue will be recognized over the life of the related bonds. The differences are as follows:

Deferred revenue	(44,320,976)
Amortization of amounts deferred	18,410,073

Certain revenue was deferred on the governmental fund statements because it was not available to pay expenditures of the current period. These deferred amounts are recognized as revenue in the Statement of Activities. 32,481,687

The current year activity in the internal service funds has been combined and eliminated against the governmental activities in the Statement of Activities. 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. 9,141,073

Changes in net position as shown in governmental activities on the Statement of Activities \$ (57,091,173)

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

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

General Fund

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General property taxes	\$ 694,859,000	\$ 694,859,000	\$ 695,922,276	\$ 1,063,276
Local income taxes	517,958,000	517,958,000	522,923,960	4,965,960
State shared taxes	11,979,900	11,979,900	12,410,845	430,945
Recordation and transfer taxes	102,000,000	102,000,000	115,519,643	13,519,643
Local sales taxes	31,948,000	31,948,000	32,110,766	162,766
Licenses and permits	17,349,400	17,349,400	18,335,508	986,108
Ambulance fees	12,000,000	12,000,000	13,627,382	1,627,382
Cable fees	11,500,000	11,500,000	11,142,696	(357,304)
Video Lottery Impact Aid	9,600,000	9,600,000	8,879,924	(720,076)
Investment income	1,200,000	1,200,000	6,426,581	5,226,581
Interfund recoveries	68,079,100	68,079,100	70,686,873	2,607,773
Fees for services and other revenues	52,907,600	52,907,600	56,648,138	3,740,538
Total revenues	<u>1,531,381,000</u>	<u>1,531,381,000</u>	<u>1,564,634,592</u>	<u>33,253,592</u>
EXPENDITURES				
Current				
Education	687,140,500	687,809,300	687,809,300	-
Higher education	42,387,700	42,387,700	42,387,700	-
Public safety	302,374,800	302,974,800	299,959,738	3,015,062
General government	191,685,000	185,647,200	178,588,603	7,058,597
Health and human services	52,975,300	53,327,300	50,403,297	2,924,003
Public works	34,158,000	37,558,000	36,692,599	865,401
Recreation and community services	48,018,500	48,403,500	47,914,241	489,259
Judicial	28,738,600	28,863,600	28,154,539	709,061
Land use and development	7,422,100	7,434,100	7,199,349	234,751
Code enforcement	13,462,200	13,462,200	12,722,164	740,036
Debt service	140,243,600	140,738,600	140,654,642	83,958
Pay go funding - capital projects	41,332,000	41,332,000	41,332,000	-
Total expenditures	<u>1,589,938,300</u>	<u>1,589,938,300</u>	<u>1,573,818,172</u>	<u>16,120,128</u>
Revenues over (under) expenditures	\$ <u>(58,557,300)</u>	<u>(58,557,300)</u>	<u>(9,183,580)</u>	\$ <u>49,373,720</u>
Fund balances, budgetary, July 1			<u>107,103,123</u>	
Fund balances, budgetary, June 30			\$ <u>97,919,543</u>	
Fund balance - GAAP Basis			\$ 174,698,009	
Non-spendable			(2,525,276)	
Assigned			(81,811,048)	
Unassigned - Revenue reserve allocation			(73,425,471)	
Effects of:				
Health Department encumbrance adjustment			514,939	
Fair market value adjustment			(1,283,165)	
LOSAP - current liability			799,750	
Payroll overtime liability			3,000,000	
County Parking Garage Fund			(49,258)	
Inmate Benefits and Morale Fund			(840,510)	
Self Insurance Fund deficit allocation			373,861	
Central Garage Fund deficit allocation			8,088,640	
Unassigned - Non-GAAP basis			<u>27,540,471</u>	
Assigned for subsequent years			<u>70,379,072</u>	
Fund balance - budgetary basis			\$ <u>97,919,543</u>	

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

Statement of Net Position

Proprietary Funds

June 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Non-major Fund		Activities
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
ASSETS					
Current assets					
Cash and temporary investments	\$ 88,740,839	\$ 30,745,279	\$ 3,280,169	\$ 122,766,287	\$ 48,028,484
Investments	-	-	-	-	84,132,854
Service billings receivable, net	22,664,786	701,412	132,880	23,499,078	7,798,906
Due from other funds	-	-	-	-	9,844,285
Inventories	2,952,595	189,155	-	3,141,750	713,273
Other	23,133	-	-	23,133	2,771,675
Restricted assets					
Cash and temporary investments	6,422,945	17,625,950	-	24,048,895	-
Investments	276,018,298	-	-	276,018,298	-
Receivables					
Due from other governmental agencies	4,019,610	-	-	4,019,610	-
Other, net	13,227,329	-	-	13,227,329	-
Total current assets	414,069,535	49,261,796	3,413,049	466,744,380	153,289,477
Noncurrent assets					
Restricted assets					
Deferred connection and assessment charges	19,689,000	-	-	19,689,000	-
Capital assets					
	2,630,637,719	127,440,018	-	2,758,077,737	83,072,113
Less accumulated depreciation	(901,078,207)	(65,621,873)	-	(966,700,080)	(53,539,826)
Total capital assets, net of depreciation	1,729,559,512	61,818,145	-	1,791,377,657	29,532,287
Total noncurrent assets	1,749,248,512	61,818,145	-	1,811,066,657	29,532,287
Total assets	2,163,318,047	111,079,941	3,413,049	2,277,811,037	182,821,764
DEFERRED OUTFLOW OF RESOURCES					
Pension benefits	10,772,743	2,145,407	218,612	13,136,762	1,972,759
OPEB benefits	5,714,869	1,401,173	94,134	7,210,176	957,144
Unamortized deferred refunding loss	4,383,551	121,105	-	4,504,656	-
Total deferred outflows	20,871,163	3,667,685	312,746	24,851,594	2,929,903
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	28,975,586	3,947,359	152,395	33,075,340	10,056,337
Current portion of long-term debt and obligations	42,538,340	4,387,804	32,007	46,958,151	20,879,563
Due to other funds	974,618	407,167	-	1,381,785	-
Escrow deposits	494,327	73,246	-	567,573	-
Liabilities related to restricted assets					
Accounts payable and accrued liabilities	7,488,020	-	-	7,488,020	-
Unearned revenue	1,334,518	-	247,632	1,582,150	-
Total current liabilities	81,805,409	8,815,576	432,034	91,053,019	30,935,900
Noncurrent liabilities					
Unpaid insurance claims	-	-	-	-	66,751,502
Accrued liability for compensated absences	-	-	-	-	32,741
Accrued liability for pension benefits	44,986,270	9,314,125	921,758	55,222,153	9,013,321
Accrued liability for OPEB	50,891,238	12,460,873	1,142,010	64,494,121	9,600,833
Estimated landfill closure and postclosure	-	23,220,098	-	23,220,098	-
Long-term debt	700,110,213	37,859,910	-	737,970,123	-
Unearned revenue	2,132,457	-	-	2,132,457	-
Total noncurrent liabilities	798,120,178	82,855,006	2,063,768	883,038,952	85,398,397
Total liabilities	879,925,587	91,670,582	2,495,802	974,091,971	116,334,297
DEFERRED INFLOW OF RESOURCES					
Pension benefits	1,351,651	282,413	28,133	1,662,197	274,635
OPEB benefits	609,468	149,305	12,309	771,082	110,128
Total deferred inflows	1,961,119	431,718	40,442	2,433,279	384,763
NET POSITION					
Net investment in capital assets	992,775,412	26,757,746	-	1,019,533,158	29,532,287
Restricted for debt service	306,535,034	-	-	306,535,034	-
Restricted for capital improvements	4,019,610	-	-	4,019,610	-
Restricted for other purposes	-	162,314	-	162,314	-
Unrestricted	(1,027,552)	(4,274,734)	1,189,551	(4,112,735)	39,500,320
Total net position	\$ 1,302,302,504	\$ 22,645,326	\$ 1,189,551	\$ 1,326,137,381	\$ 69,032,607

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, 2019

Net position as shown on Statement of Net Position - Proprietary Funds	\$ 1,326,137,381
The allocation of the net deficit in the Internal Service Funds to various activities, funds, etc. as it relates to business-type activities.	<u>3,516,709</u>
Net position shown on government wide Statement of Net Position	\$ <u>1,329,654,090</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, 2019

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Non-major Fund		Activities
	Water and Wastewater	Solid Waste	Child Care	Totals	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 84,179,593	\$ 48,705,056	\$ 6,079,891	\$ 138,964,540	\$ 48,230,040
Landfill charges	-	5,879,405	-	5,879,405	-
Medical premiums	-	-	-	-	84,869,170
Other revenues	6,263,123	256,424	945	6,520,492	7,044,875
Total operating revenues	90,442,716	54,840,885	6,080,836	151,364,437	140,144,085
OPERATING EXPENSES					
Personnel services	36,084,899	8,359,369	4,261,269	48,705,537	11,474,062
Contractual services	34,934,124	35,523,252	265,459	70,722,835	2,816,965
Supplies and materials	9,110,487	719,824	444,192	10,274,503	1,605,398
Business and travel	203,212	194,199	42,300	439,711	32,060
Cost of goods issued	-	-	-	-	7,551,597
Depreciation	50,591,925	5,354,340	-	55,946,265	7,914,338
Provision for claims and estimated losses	-	-	-	-	103,855,658
Landfill closure and postclosure costs	-	1,586,872	-	1,586,872	-
Other	14,907,385	3,043,384	638,740	18,589,509	1,626,100
Total operating expenses	145,832,032	54,781,240	5,651,960	206,265,232	136,876,178
Operating income (loss)	(55,389,316)	59,645	428,876	(54,900,795)	3,267,907
NONOPERATING REVENUES (EXPENSES)					
Investment income	5,515,075	1,353,284	71,121	6,939,480	5,518,739
Interest earned on long-term receivables	621,018	-	-	621,018	-
Other revenues	8,761,741	340,869	-	9,102,610	-
Other expenses	(950,062)	-	-	(950,062)	-
Interest expense	(28,579,449)	(1,840,558)	-	(30,420,007)	-
Gain (loss) on disposal of assets	(64,546)	177,348	-	112,802	418,555
Income (loss) before contributions and transfers	(70,085,539)	90,588	499,997	(69,494,954)	9,205,201
Capital contributions	69,671,474	-	-	69,671,474	-
Interfund transfers	(1,942,000)	(438,000)	-	(2,380,000)	-
Change in net position	(2,356,065)	(347,412)	499,997	(2,203,480)	9,205,201
Net position, July 1	1,304,658,569	22,992,738	689,554	1,328,340,861	59,827,406
Net position, June 30	\$ 1,302,302,504	\$ 22,645,326	\$ 1,189,551	\$ 1,326,137,381	\$ 69,032,607

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

Change in net position shown above \$ (2,203,480)

The portion of internal service funds' current year activity
related to enterprise funds has been allocated to the
business-type activities on the government-wide
statement of activities.

64,128

Increase in net position as shown on the government-wide
statement of activities

\$ (2,139,352)

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, 2019

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Non-major Fund	Totals	Internal
	Water and Wastewater	Solid Waste	Child Care		Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received for services	\$ 91,006,637	\$ 54,891,609	\$ 5,639,405	\$ 151,537,651	\$ 131,989,557
Cash received for expense reimbursement	-	-	-	-	5,005,390
Cash payments to suppliers for goods and services	(57,818,325)	(36,416,228)	(1,395,216)	(95,629,769)	(12,037,211)
Cash payments for insurance claims	-	-	-	-	(97,614,436)
Cash payments to employees for services	(33,998,272)	(7,870,300)	(4,172,023)	(46,040,595)	(6,167,455)
Other operating receipts	-	-	-	-	366
Other operating payments	-	(2,943,800)	-	(2,943,800)	(1,626,100)
Net cash provided by operating activities	<u>(809,960)</u>	<u>7,661,281</u>	<u>72,166</u>	<u>6,923,487</u>	<u>19,550,111</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash transfers between funds	-	-	-	-	-
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of bonds	71,090,000	4,100,000	-	75,190,000	-
Proceeds from grant funds	9,882,298	-	-	9,882,298	-
Proceeds from loan	3,049,533	-	-	3,049,533	-
Proceeds from developers' contributions	251,060	-	-	251,060	-
Refunds to developers	(2,841,616)	-	-	(2,841,616)	-
Assessments and connection charges	42,975,879	-	-	42,975,879	-
Environmental protection fees for capital assets	18,484,263	-	-	18,484,263	-
Escrow deposits	(205,575)	-	-	(205,575)	-
Payments of long-term debt	(32,450,049)	(2,355,271)	-	(34,805,320)	-
Interest payments	(27,570,969)	(1,794,601)	-	(29,365,570)	-
Rebates, interest income and reimbursements	1,881,108	-	-	1,881,108	-
Acquisition and construction of capital assets	(107,475,475)	(7,054,819)	-	(114,530,294)	(12,301,503)
Premium on sale of bonds	28,580,358	-	-	28,580,358	-
Proceeds from sale of equipment	-	-	-	-	748,111
Payment of capital related fees	(917,402)	-	-	(917,402)	-
Transfer to capital projects	(14,290,179)	-	-	(14,290,179)	-
Transfer to general county capital projects	(1,942,000)	(438,000)	-	(2,380,000)	-
Net cash used for capital and related financing activities	<u>(11,498,766)</u>	<u>(7,542,691)</u>	<u>-</u>	<u>(19,041,457)</u>	<u>(11,553,392)</u>

Anne Arundel County, Maryland

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Non-major Fund	Totals	Internal
	Water and Wastewater	Solid Waste	Child Care		Service Funds
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of investment securities	(583,834,505)	-	-	(583,834,505)	(32,742,124)
Sale of investment securities	588,041,768	-	-	588,041,768	28,598,984
Interest on investments	(723,023)	1,353,284	71,121	701,382	5,556,846
Net cash provided by investing activities	3,484,240	1,353,284	71,121	4,908,645	1,413,706
Net increase (decrease) in cash and cash equivalents	(8,824,486)	1,471,874	143,287	(7,209,325)	9,410,425
Cash and temporary investments, July 1	103,988,270	46,899,355	3,136,882	154,024,507	38,618,059
Cash and temporary investments, June 30	\$ 95,163,784	\$ 48,371,229	\$ 3,280,169	\$ 146,815,182	\$ 48,028,484
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (55,389,316)	\$ 59,645	\$ 428,876	\$ (54,900,795)	\$ 3,267,907
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	50,591,925	5,354,340	-	55,946,265	7,914,338
Noncapital construction costs	3,537,559	-	-	3,537,559	-
Closure construction costs	-	2,056,436	-	2,056,436	-
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows					
Accounts receivable	550,824	65,147	(132,778)	483,193	(2,928,666)
Loss on sale of capital assets write off	-	(14,423)	-	(14,423)	-
Prepaid expenses	27,169	-	-	27,169	(14,804)
Inventories	(518,606)	19,022	-	(499,584)	24,810
Accounts payable and accrued liabilities	(1,813,043)	18,951	(3,741)	(1,797,833)	6,541,008
Unearned revenue	-	-	(307,708)	(307,708)	-
Unpaid claims	-	-	-	-	4,198,674
Landfill closure and postclosure costs	-	(469,564)	-	(469,564)	-
Due to other funds	147,085	99,584	(564)	246,105	-
Escrow deposits	13,096	-	-	13,096	-
Accrued liability for compensated absences	11,576	66,746	2,217	80,539	(39,513)
Accrued liability for pension	13,165,732	2,624,146	266,767	16,056,645	2,457,749
Deferred outflow of resources	(3,174,704)	(557,663)	(13,137)	(3,745,504)	(264,830)
Deferred inflow of resources	(7,224,018)	(1,480,820)	(155,655)	(8,860,493)	(1,483,422)
Accrued liability for OPEB benefits	(735,239)	(180,266)	(12,111)	(927,616)	(123,140)
Net cash provided by operating activities	\$ (809,960)	\$ 7,661,281	\$ 72,166	\$ 6,923,487	\$ 19,550,111
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributions of capital assets from developers	\$ 10,299,338	\$ -	\$ -	\$ 10,299,338	\$ -
Trade in of capital assets	-	610,500	-	610,500	-
Change in capital contributions, fees and grants, accruals and deferrals	(12,106,577)	-	-	(12,106,577)	-
Increase (decrease) in fair value of investments	991,569	-	-	991,569	2,167,656
Amortization of refunding gains (losses)	(688,404)	31,517	-	(656,887)	-
Noncash investing, capital and financing activities	\$ (1,504,074)	\$ 642,017	\$ -	\$ (862,057)	\$ 2,167,656

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, 2019

	Pension (December 31, 2018) and Other Post Employment Plan Trust Fund	Agency Funds
ASSETS		
Investments, at fair value:		
Cash and temporary investments	\$ 59,576,611	\$ 33,323,114
Short-term investments	44,549,986	-
U. S. government obligations	17,050,112	-
Corporate obligations	115,244,226	-
Domestic fixed income mutual funds	207,101,812	-
International fixed income mutual funds	69,658,136	-
Global asset pools	242,619,215	-
Domestic equity	419,703,080	-
International equity pools	457,309,937	-
Private markets	139,137,871	-
Real estate investment pools	121,825,222	-
Absolute return fixed income	64,016,456	-
Aetna insurance pooled fixed income	21,938,741	-
Total investments	<u>1,979,731,405</u>	<u>33,323,114</u>
Collateral from securities lending transactions	54,019,376	-
Receivables:		
Accounts receivable	3,696,415	-
Employer contributions	6,191,255	-
Participant contributions	1,036,163	-
Accrued interest and dividends	1,954,077	-
Investment sales proceeds	1,775,792	-
Total receivables	<u>14,653,702</u>	-
Deposits on hand	<u>135,955</u>	-
Total assets	<u>2,048,540,438</u>	<u>\$ 33,323,114</u>
LIABILITIES		
Accounts payable and accrued liability	3,899,269	-
Escrow and other deposits	-	\$ 33,323,114
Due to Anne Arundel County Government	2,985,242	-
Investment commitments payable and unearned revenue	13,354,300	-
Obligation for collateral received under securities lending transactions	<u>54,019,376</u>	-
Total liabilities	<u>74,258,187</u>	<u>\$ 33,323,114</u>
NET POSITION		
Restricted for:		
Pension	1,780,978,160	
OPEB	<u>193,304,091</u>	
Total net position	<u>\$ 1,974,282,251</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

Fiduciary Funds

Year Ended June 30, 2019

	Pension (December 31, 2018) and Other Post Employment Plan Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 141,166,058
Participant	22,820,270
Insurance subsidies and rebates	8,457,715
Total contributions	<u>172,444,043</u>
Investment income:	
Net appreciation in fair value of investments	(122,086,271)
Interest income	21,437,400
Dividend income	33,989,021
Total investment income	<u>(66,659,850)</u>
Less investment expense	<u>(11,859,549)</u>
Net income from investing activities	<u>(78,519,399)</u>
Securities lending activities:	
Securities lending income	<u>1,438,723</u>
Securities lending expenses:	
Borrower rebates	985,427
Management fees	181,319
Securities lending expense	<u>1,166,746</u>
Securities lending net income	<u>271,977</u>
Total net investment income	<u>(78,247,422)</u>
Total additions	<u>94,196,621</u>
DEDUCTIONS	
Participant benefit payments and refunds	126,240,111
Insurance claims and premiums	48,879,320
Administrative expenses	2,638,656
Total deductions	<u>177,758,087</u>
Net increase	<u>(83,561,466)</u>
Fiduciary net position, beginning of year	2,057,843,717
Fiduciary net position, end of year	<u>\$ 1,974,282,251</u>

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

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 below. The Library does not issue separate financial statements, and all of its required financial statements have been included in the County’s comprehensive annual financial report (CAFR).

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.
1131 Benfield Boulevard, Suite N
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, other post-employment 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 non-major 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. 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 such that the most restrictive resources are used first. This generally results in the following order: restricted revenues such as developer contributions, bonds, 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 the following:

- **Pension Trust Fund** – 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.

Pension expenses are liquidated within the following governmental funds: the General Fund, Reforestation Fund and grant funds. 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.

- **Anne Arundel Retiree Health Benefits Trust Fund** – The activities of the Anne Arundel Retiree Health Benefits Trust (OPEB Trust Fund). The OPEB Trust Fund has fiduciary responsibility to administer the agent multi-employer defined benefit plans for the purpose of providing retiree health benefits as "other post-employment benefit" for following three entities; the Anne Arundel County Plan (County Plan), the Anne Arundel Community College Plan (College Plan), and the Public Library Association of Annapolis and Anne Arundel County, Inc. (Library Plan).

Anne Arundel County Retiree Health Benefits are liquidated within the following governmental funds: the General Fund, Reforestation Fund and grant funds. 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.

- **Agency Funds** – 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 have a measurement focus. Transactions in these funds are recorded using the accrual basis of accounting. Agency funds account for deposits that are collected and held on behalf of individuals, organizations, or other governments. These monies include the following: escrow deposits for developer subdivisions, sediment control, tax sale, special taxing districts, 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 1st. The County Council holds public hearings regarding the budget. The Annual Budget and Appropriation Ordinance must be approved by June 15th (prior to the start of the next fiscal year on July 1st) and provides the spending authority at the department level for the operations of the County. Unexpended or unencumbered appropriations in the operating budget expire 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, except for the Impact Fee Fund. All non-major 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/departments/budget-office/previous-budgets/fy2019/index.html.

Combining and Other Supplementary Schedules

For all columns in the basic financial statements that accumulate the data for non-major funds or component units, the County has provided combining statements that present the individual funds included in these non-major 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 non-major 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. 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 the 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. Capital assets are valued at historical cost or estimated historical cost. Donated assets are recorded at acquisition value on the date donated. Land and easements, historical property, and works of art are assets that are not 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, 2019, the County Primary Government had deferred outflows of resources for pension benefits, Other Post-Employment Benefits (OPEB), Length of Service Awards Program (LOSAP), and unamortized deferred refunding losses. The Board of the Maryland State Retirement, Anne Arundel County Pension

and Retirement System, and Anne Arundel Retiree Health Benefits Trust (OPEB) recognizes deferred outflows of resources (DOR) which are amortized according to the actuarial valuation report. The DOR can occur from contributions after measurement date, changes in investment, changes in assumptions and changes in experience, as determined from the actuarial valuation report. Deferred inflow of resources 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 on the governmental funds, a deferred inflow is reported when resources are received before time requirements are met and revenue unavailable. At June 30, 2019, the governmental funds had deferred inflows of resources representing unavailable tax revenues, 911 fees, and unavailable grant and program revenues. On the government wide statements, the primary government had deferred inflows of resources (DIR) representing pension, OPEB, LOSAP and unearned revenue. The Board of the Maryland State Retirement, Anne Arundel County Pension and Retirement System, and Anne Arundel Retiree Health Benefits Trust (OPEB) recognizes deferred inflows of resources related to pensions and OPEB actuarial estimates which are amortized according to the actuarial valuation report. The DIR can occur from changes in investment, changes in assumptions and changes in experience, as determined from the actuarial valuation report.

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 Non-operating 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, non-operating, and capital contributions. Operating revenues include charges for water, wastewater, landfill usage, child care and other revenue used to fund the ongoing provision of 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. Non-operating revenues include all other sources, such as interest earned and other revenue. Capital contributions include developer-contributed assets and grants, capital connection fees, capital facility assessments, and front foot benefit fees restricted for the construction of capital assets or the payment of debt issued for capital construction.

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

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

K Encumbrances – The governmental funds utilize encumbrance accounting under which purchase orders, contracts, and other commitments are recorded in order to reserve budget appropriations for that purpose. Open encumbrances at fiscal year-end are shown as part of the restricted, committed or assigned fund balance in the governmental fund statements and are recorded as expenditures on the budgetary statements. Encumbrances as of June 30, 2019 totaled \$139,564,966 in the governmental fund types, of which \$119,383,661 is for construction

activity. The proprietary funds utilize encumbrance accounting for budgetary purposes. As of June 30, 2019, the proprietary funds had encumbrances totaling \$85,856,348, of which \$73,263,808 is for construction activity.

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

- **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:
 - **Base realignment and closure (BRAC):** restricted by the Annotated Code of Maryland, Economic Development Article, 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.
 - **Odenton Town Center Tax Increment:** restricted by State Enabling Legislation and the creation of the special taxing district as defined in Anne Arundel County Resolution 42-14, for the creation of Odenton Town Center Development District.
 - **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, Environment 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. The following funds are committed based on legislation in the County code: Bike, Pedestrian, Transportation and Infrastructure Fund; Street Lights Capital Project Fund; Recreation Land Fees Fund; and Energy Revolving Loan Fund. 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. General County Capital Projects are assigned for the repair and replacement of equipment.
- **Unassigned:** The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. This classification includes the residual fund balance for the General Fund. The 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.

M **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, 2019. The annual leave accrual is calculated using unused annual leave hours as of June 30, 2019 and pay rates in place for each employee at the end of the fiscal.

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.

N **New GASB Pronouncements** - In fiscal year ended June 30, 2019, the County implemented the following Governmental Accounting Standard Board (GASB) pronouncements:

- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements.

The following pronouncements will be evaluated for future implementation:

- As of the year ended June 30, 2019, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 84, *Fiduciary Activity*; Statement No. 87, *Leases*; Statement No. 90, *Majority Equity Interests*; and Statement No. 91, *Conduit Debt Obligations*. Some of these statements 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.

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

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 Agency and Fiduciary Funds, Library Dedicated Revenue Fund and the capital project funds for the Bike, Pedestrian, Transportation and Infrastructure 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 Workforce Development exceeded budgeted appropriations by \$227,365.

B Fund Deficits - The Partnership for Children, Youth and Family, Grants Fund and Arundel Community Development Services have deficit fund balances in the amount of (\$329,846, \$5,348,927 and \$316,560), 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. The Board of Education and Anne Arundel County Public Library, discretely presented component units, have deficit net positions of (1,197,383,126) and (\$25,645,466), respectively, as a result of unfunded liabilities for other postemployment and pension benefits. In addition, Governmental Activities has a deficit net position of (\$557,844,057) on the full accrual statements as a result of unfunded liabilities for other postemployment and 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:

	<u>General Fund</u>
Revenue (under) over expenditures - budgetary basis	\$ (9,183,580)
Net effect of encumbrances	(2,025,349)
Change in due to Central Garage and Transportation Fund	(1,654,592)
Change in from to Self Insurance Fund	802,581
Change in revenue reserve allocation	10,019,622
FMV interest adjustment	1,456,517
Health Department encumbrance adjustment	247,513
LOSAP - Current Liability	(2,750)
Effects of Inmate Benefit Fund & Parking Garage Fund	373,182
Net inventory change	<u>(212,747)</u>
Change in fund balance - modified accrual basis	<u>\$ (179,603)</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. Assets of the Anne Arundel County Pension and Retirement System (Retirement System) and the Anne Arundel County Retiree Health Benefits Trust, which covers Other Post-Employment Benefits (OPEB), are 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.

The primary government, Board of Education, Community College, and Library all participate in the Maryland Local Government Investment Pool (MLGIP), which provides all local government units of the State a relatively safe investment vehicle for the short-term investment of funds. The State Legislature created MLGIP with the passage of Article 95 22G, of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, is managed by PNC Capital Advisors, LLC. The pool is a 2a7 like pool, which is not registered with the Security and Exchange Commission (SEC), but generally operates in a manner consistent with the SEC’s rule 2a7 of the Investment Company Act of 1940 (Rule 2a7). MLGIP has a credit rating of AAAM and seeks to maintain a \$1 per share value, is designed to give local government units of the State an investment vehicle for short-term investment of funds.

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 102.0% 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

101.0% or is \$100,000 less than the 102.0%, additional collateral is required to bring the total to the required level. At June 30, 2019, there were not any repurchase agreements to collateralize at 102.0%

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. Effective December 1, 2016, the Retirement System's Lending Agent was Deutsche Bank AG. Deutsche Bank AG lends securities for collateral in the form of cash or other securities of 102.0% for domestic securities and 105.0% for international. Cash collateral received by the Retirement System with respect to these transactions is invested in a separate, un-pooled account basis at the direction of the Board of Trustees in fully collateralized repurchase agreements.

At year end, the Retirement System had no credit risk exposure to borrowers, because the amount of collateral held by the Retirement System was greater than the value of securities on loan. The market value of invested collateral held as of December 31, 2018 was \$58,930,753. There were no securities held as collateral. The market value of securities on loan for the Retirement System as of December 31, 2018 was \$57,454,155.

The Retirement System did not impose any restrictions during the year on the amount of the loans that the agent made on its behalf. Moreover, there were no losses during the year resulting from a default of the borrowers or agent. All security loans can be terminated on demand by either the Retirement System or the borrower. Cash collateral received was invested in Repurchase Agreements, which as of December 31, 2018 had a weighted average final maturity of 24.5 days. The interest rate risk is zero days, as assets and liabilities can be rate changed on a daily basis.

The Anne Arundel Retiree Health Benefits Trust (OPEB Trust) is authorized to invest in large capitalized domestic equities, international equities, emerging international equities, core fixed income, and diversified fixed income. The OPEB Trust's Board of Trustees has established an Investment Policy Statement (IPS) to set forth investment objectives, policies, guidelines, monitoring and review procedures relating to the management and safekeeping of all assets of the OPEB Trusts. Policy allows the use of mutual/commingled funds as investment vehicles under certain guidelines.

B Balances and Custodial Credit Risk – As of June 30, 2019, the carrying amount of the primary government's bank deposits was \$7,730,464 and bank balances were \$4,034,450. All bank balances were fully secured by Federal Deposit insurance or fully collateralized. The total money market fund balance was \$242,147,209.

Cash balances of the Board of Education are fully secured by Federal Deposit insurance and 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 non-major component units were insured. In Fiscal Year 2018, it was reported that \$895,000 for Tipton Airport was not collateralized as of June 30, 2018. After further review of Tipton Airport's financial statements, it was discovered that it was collateralized and continues to be collateralized.

Money market fund balances for the Retirement System as of calendar year-end December 31, 2018 and OPEB Trust as of fiscal year ended June 30, 2019, were \$59,576,611 and \$44,549,586 respectively.

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 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-determined price. In addition, debt issues may have interest rates that vary according to a pre-determined external index (such as the London Inter-Bank Offered Rate) or a pre-determined step-up in the interest rate at a pre-determined 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 \$118,848,355 of callable issues and \$3,000,390 for issues that have both callable and variable-rate features. The component units' issues have no variable rate securities. Equity mutual fund investments with a market value of \$6,390,871 are not included in this table.

Investment Type	Primary Government				
	Fair Value	Investment Maturities			
		Less than 1 year	1 to 5 years	6 to 10 years	Greater than 10 years
U.S. Government securities	\$ 182,505,399	171,940,050	\$ -	\$ 8,239,450	\$ 2,325,899
Agencies / instrumentalities	222,102,725	123,190,180	71,536,044	24,376,111	3,000,390
Supranationals	101,645,777	95,636,537	6,009,240	-	-
Money market pools	242,147,209	242,147,209	-	-	-
Commercial paper	42,706,495	42,706,495	-	-	-
Repurchase agreements	-	-	-	-	-
Corporate bonds	33,925,509	4,698,764	29,226,745	-	-
Municipals bonds	234,064,149	135,361,398	94,966,175	3,736,576	-
Bond mutual funds	10,664,184	-	-	-	10,664,184
	<u>\$ 1,069,761,447</u>	<u>\$ 815,680,633</u>	<u>\$ 201,738,204</u>	<u>\$ 36,352,137</u>	<u>\$ 15,990,473</u>
Component units					
Board of Education					
Investment Type					
Money market pools	\$ 155,374,613	\$ 155,374,613	\$ -	\$ -	\$ -
	<u>\$ 155,374,613</u>	<u>\$ 155,374,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Community College					
Investment Type					
Money market pools	\$ 11,919,688	\$ 11,919,688	\$ -	\$ -	\$ -
	<u>\$ 11,919,688</u>	<u>\$ 11,919,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other non-major component units					
Investment Type					
Money market pools	\$ 325	\$ 325	\$ -	\$ -	\$ -
	<u>\$ 325</u>	<u>\$ 325</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, 2018. 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 \$8,898,002 as of December 31, 2018.

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 \$72,472,503 with call dates ranging from January 15, 2019 for continuously callable issues to February 8, 2056. Stated call prices are generally at par. The callable holdings include issues with floating interest rates, which have a market value of \$5,658,287. Non-debt investments, guaranteed contracts, and un-invested cash with a combined fair value of \$1,350,831,417, do not have maturity dates and therefore are not included in this table.

		Retirement System			
		Investment Maturities			
Investment Type	Fair Value	Less than			
		1 year	1 to 5	6 to 10	over 10
Money market pools	\$ 59,576,611	\$ 59,576,611	\$ -	\$ -	\$ -
U.S. Treasuries	17,050,111	4,403,694	3,024,392	1,253,346	8,368,679
Agency/Instrumentalities	22,677,092	-	-	109,718	22,567,374
Corporate Bonds	65,885,132	477,097	24,097,855	31,535,848	9,774,332
Bank Loans	4,116,256	-	1,235,264	2,880,992	-
Bond Mutual Funds	221,053,823	221,053,823	-	-	-
Collateralized Mrtg Obligations	7,030,743	-	487,049	761,769	5,781,925
Other Asset-Backed Securities	1,867,259	-	399,984	32,111	1,435,164
Foreign and Yankee Bonds	13,667,924	120,712	4,855,712	5,793,160	2,898,340
Totals	\$ 412,924,951	\$ 285,631,937	\$ 34,100,256	\$ 42,366,944	\$ 50,825,814

The OPEB Trust owned one debt mutual fund exposed to interest rate risk as of June 30, 2019. As of June 30, 2019, the trust owned one fixed income mutual fund with an effective maturity of 9.1 years with a fair value of \$55,706,125 and is valued at \$1 per share.

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. Equity mutual fund investments with a market value of \$6,390,870 are not included in this table.

Credit ratings of U.S. government agency securities that are only implicitly guaranteed by the U.S. government are categorized accordingly in the main body of this table. Implicitly guaranteed agency securities include government mortgage backed, government agencies, and short-term U.S. treasury bills and notes. Other categories issued are Federal National Mortgage Association, Federal Deposit Insurance Corporation, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Financing Corporation, Small Business Association, Farmer Mac, and Federal Farm Credit.

Anne Arundel County, Maryland
Notes to the Financial Statements

Primary Government							
Investment Type	Total Fair Value	Standard & Poor's Credit Ratings					Not Rated
		A-1	AAA	AA	A	BBB	
Agencies/instrumentalities	\$ 222,102,725	\$ -	\$ -	\$ 146,651,988	\$ -	\$ -	\$ 75,450,737
Supranationals	101,645,777	-	59,848,200	-	-	-	41,797,577
Commercial paper	42,706,495	42,706,495	-	-	-	-	-
Repurchase agreement	-	-	-	-	-	-	-
Corporate bonds	33,925,509	-	6,748,224	13,867,483	7,271,282	6,038,520	-
Municipal securities	234,064,149	-	63,896,450	44,159,270	19,871,501	-	106,136,928
Bond mutual funds	10,664,184	-	-	-	-	-	10,664,184
Money market pools	242,147,209	-	204,555,700	-	-	-	37,591,509
Total Credit Risk-Debt Securities	887,256,048	\$ 42,706,495	\$ 335,048,574	\$ 204,678,741	\$ 27,142,783	\$ 6,038,520	\$ 271,640,935
U.S. Gov't & Agencies **	182,505,399						
Total Debt Securities	\$ 1,069,761,447						
Component Units							
Board of Education							
Investment Type							
Money market pools	\$ 155,374,613	\$ -	\$ 149,406,717	\$ -	\$ -	\$ -	\$ 5,967,896
	\$ 155,374,613	\$ -	\$ 149,406,717	\$ -	\$ -	\$ -	\$ 5,967,896
Community College							
Investment Type							
Money market pools	\$ 11,919,688	\$ -	\$ 11,919,688	\$ -	\$ -	\$ -	\$ -
	\$ 11,919,688	\$ -	\$ 11,919,688	\$ -	\$ -	\$ -	\$ -
Non-major component units							
Investment Type							
Money market pools	\$ 325	\$ -	\$ 325	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 325	\$ -	\$ 325	\$ -	\$ -	\$ -	\$ -

** The fair value of U.S. government agency securities is listed here. Due to the explicit guarantee from the U.S. government, they are considered to have no credit risk for reporting purposes.

The Retirement System's Investment Policy Statement provides guidelines to all fixed income managers related to allowable quality ratings. Holdings displayed by rating as of December 31, 2018, excluding equities and un-invested cash with a total fair value of \$1,350,829,399, are displayed next.

Retirement System						
	Total Fair Value	Standard & Poor's Credit Ratings				NR
		AAA - A	BBB - B	CCC - C	D	
Agency/Instrumentalities	\$ 22,677,092	\$ -	\$ 192,000	\$ -	\$ -	\$ 22,485,092
Collateralized Mort.Obligations	7,030,742	1,465,763	113,405	961,462	357,106	4,133,006
Other Asset-backed Obligations	1,867,259	365,735	102,012	270,997	-	1,128,515
Corporate Bonds	65,884,954	7,379,567	57,689,958	303,646	-	511,783
Yankee & Foreign Gov.Issued	13,667,924	2,990,516	10,495,084	-	-	182,324
Bank Loans	4,116,256	-	-	-	-	4,116,256
Guaranteed Invest Contracts	21,938,741	-	-	-	-	21,938,741
Mutual Funds	221,053,823	-	-	-	-	221,053,823
Short Term Investment Pools	59,576,611	-	-	-	-	59,576,611
Total Credit Risk of Debt Securities:	\$ 417,813,402	\$ 12,201,581	\$ 68,592,459	\$ 1,536,105	\$ 357,106	\$ 335,126,151
US Gov't & Agencies *	17,050,111					
Total Debt Securities	\$ 434,863,513					

* The fair value of U.S. government agency securities is listed here. Due to the explicit guarantee from the U.S. government, they are considered to have no credit risk for reporting purposes.

The following table displays fair value and ratings for debt issues owned by the OPEB Trust as of June 30, 2019:

Retiree Health Benefits Trust						
	Total Fair Value	Standard & Poor's Credit Ratings			NR	
		AAA-A	BBB-B	CCC-C		
Mutual Funds	\$ 149,488,507	\$ -	\$ -	\$ -	\$ 149,488,507	
Short Term Investment Pool	44,549,986	-	-	-	44,549,986	
Total Debt Securities	\$ 194,038,493	\$ -	\$ -	\$ -	\$ 194,038,493	

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, 2019, Federal Home Loan Bank was 9.7% of the primary government’s investments, Federal National Mortgage Association represented 4.4%, Federal Farm Credit Bank was 3.8%, and Federal Home Loan Mortgage Corporation was 2.0%. Exposure to all other issuers was less than 5.0% 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 5.0% 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, 2018, there was no exposure to a single issuer greater than 5.0% of the Retirement System’s plan net position, 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 risk as of June 30, 2019. 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, 2018, the Retirement System had no direct exposure to fixed income foreign currency. The fair market value of international/global equities and fixed income assets, which are managed in pooled funds, totaled \$730,835,665 as of December 31, 2018.

As of June 30, 2019, the OPEB Trust had no direct exposure to fixed income foreign currency. The fair market value of one international mutual fund totaled \$38,751,623.

G Fair Value Measurement – The Primary Government, Retirement System and Retiree Health Benefits Trusts have categorized the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Level 1	Unadjusted quoted prices in active markets for identical instruments.
Level 2	Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuation in which all significant inputs are observable.
Level 3	Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share, or its equivalent, as a practical expedient are not classified in the fair value hierarchy.

The schedule of investments by type and hierarchy level as of June 30, 2019 is displayed below. As of June 30, 2019, short-term investments of \$242,147,209 were in money market mutual funds, which are not subject to the fair value measurement requirements.

Assets at Fair Value June 30, 2019

Primary Government Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
U.S. Treasuries	\$ 182,505,399	\$ 182,505,399	\$ -	\$ -
Agencies/instrumentalities	222,102,724	222,102,724	-	-
Supranationals	101,645,777	-	101,645,777	-
Commercial paper	42,706,495	42,706,495	-	-
Repurchase agreements	-	-	-	-
Corporate bonds	33,925,509	33,925,509	-	-
Municipals bonds	234,064,150	-	234,064,150	-
Bond mutual funds	10,664,184	10,664,184	-	-
Equity mutual funds	6,390,870	6,390,870	-	-
	<u>\$ 834,005,108</u>	<u>\$ 498,295,181</u>	<u>\$ 335,709,927</u>	<u>\$ -</u>

As of June 30, 2019, all investments and deposits for the Board of Education and the non-major component units were in money market mutual funds, which are not subject to the fair value measurement requirements.

The following table shows the fair market measurements for the Retirement System as of December 31, 2018. As of December 31, 2018, all short-term investments were in money market mutual funds, which are not subject to the fair value measurement requirements.

Anne Arundel County, Maryland
Notes to the Financial Statements

Pension System Assets at Fair Value December 31, 2018

Assets at Fair Value December 31, 2018		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investment Type</u>	<u>Fair Value</u>			
Fixed Income Investments				
U.S. Government obligations	\$ 17,050,111	\$ -	\$ 17,050,111	\$ -
Agency/Instrumentalities	22,677,092	-	22,677,092	-
Collateralized Mort. obligations	7,030,742	-	6,723,260	307,482
Other asset-backed obligations	1,867,259	-	1,467,275	399,984
Corporate bonds	83,669,133	-	83,662,874	6,259
Fixed income mutual funds	77,474,880	669,488	76,805,392	-
International fixed income mutual funds	69,658,136	-	-	69,658,136
Absolute return fixed income	64,016,456	-	-	64,016,456
Total fixed income investments	343,443,809	669,488	208,386,004	134,388,317
Equity Investments				
Domestic equity	364,672,321	312,378,120	52,294,201	-
International equity pools	309,637,246	309,637,246	-	-
Total equity investments	674,309,567	622,015,366	52,294,201	-
Total investments by fair value level	\$ 1,017,753,376	\$ 622,684,854	\$ 260,680,205	\$ 134,388,317

Pension System Net Asset Value December 31, 2018

<u>Investment Types at net asset value</u>	<u>Net Asset Value</u>	<u>Unfunded Commitments as of 12/31/18</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Commingled funds-debt	\$ 73,920,807	\$ -	Twice monthly	15 days
Commingled funds-equities	108,921,067	-	Monthly	5 Business days
Real estate (REIT) fund	121,825,222	-	Quarterly	90 days
Global asset pools	242,619,315	-	Monthly	5 Business days
Private markets buyouts	60,557,593	52,123,772	Not eligible	Not eligible
Private markets mezzanine	7,144,202	2,091,304	Not eligible	Not eligible
Private markets secondaries	15,448,110	8,563,813	Not eligible	Not eligible
Private markets distressed	27,221,760	12,025,000	Not eligible	Not eligible
Private markets fund of funds	6,625,261	1,701,820	Not eligible	Not eligible
Private markets energy	22,140,847	2,152,898	Not eligible	Not eligible
Total at net asset value	686,424,184	\$ 78,658,607		
Investments measured at amortized cost				
Money market pools	59,576,611			
Aetna insurance pooled fixed income	21,938,741			
Total Investments	\$ 1,785,692,912			

Securities classified in Level 1 are valued using quoted prices in active markets for those securities. Securities classified in Level 2 and Level 3 are valued using methodologies such as various bid evaluations, market averages and other matrix pricing techniques as well as values derived from associated traded securities or last trade data. In instances where inputs used to measure fair value fall into different levels, the fair value is categorized based on the lowest level input that is significant to the valuation.

Investments valued at the net asset value (NAV) per share, or its equivalent, have been classified separately in the table above and include investments considered to be Alternative Investments as defined by the American Institute of Certified Public Accountants. The definition includes investments for which a readily determinable fair value does not exist (that is, investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not available from sources such as financial publications, the exchanges, or NASDAQ). These types of investments can be held within any of the asset classes used by the System based on underlying portfolio holdings and analysis of risk and return relations. These investments can be structured in different ways, including limited partnerships, limited liability companies, common trusts, and mutual funds. Some are closed-ended with a specific life and capital commitments while others are open-ended with opportunity for ad hoc contributions or withdrawals and termination with proper notice.

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, 2018 within the mutual funds is comprised of allowable instruments based on the IPS.

Commingled/Mutual Funds – These types of funds are open-ended funds and may be utilized in equity or fixed income asset classes. They are funds made up of underlying securities that have readily available fair values (publically traded stocks or bonds). The Retirement System owns units of these funds rather than the individual securities. Contributions or withdrawals from the funds can be made as needed, generally with daily or monthly liquidity, with a notice period of one to thirty days. There are no unfunded commitments for these types of investments, because they are liquid funds.

Private Markets – Private Market investments are typically private interests in corporations across different areas of the capital structure and in different stages of the corporations' development via limited partnership vehicles. Private Market investments are illiquid and long-term in nature (10-12 years), typically held until maturity. These portfolios generally have a "J-Curve Effect" whereby there are low to negative returns in the initial years due to the payment of investment management fees and initial funding of investments made by the General Partner during a period when investments are typically carried at cost and returns have not been realized. To diversify the program, investments are made across business cycles, vintage years, and different strategies. The Retirement Systems' Investment Policy Statement has a dedicated asset class for Private Markets. There is no option to request redemptions from the Private Market funds.

The schedule of fair market measurements for the Community College follows:

Community College Assets at Fair Value June 30, 2019				
Investment Type	Fair Value	Quoted	Significant	Significant
		Prices in Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2	Unobservable Inputs Level 3
Community College				
Bond mutual funds	\$ 4,527,904	\$ 4,527,904	\$ -	\$ -
Equity mutual funds	10,809,326	10,809,326	-	-
Real estate mutual fund	-	-	-	-
Domestic equity	35,292	35,292	-	-
	<u>\$ 15,372,522</u>	<u>\$ 15,372,522</u>	<u>\$ -</u>	<u>\$ -</u>

The schedule of fair market measurements for the Retiree Health Benefits Trusts follows:

Retiree Health Benefits Trust Assets at Fair Value June 30, 2019				
Assets at Fair Value June 30, 2019	Total Fair Value	Quoted Prices		
		in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds				
Fixed Income	\$ 55,706,125	\$ 55,706,125	\$ -	\$ -
Domestic Equity	55,030,759	55,030,759	-	-
International Equity	38,751,623	38,751,623	-	-
Total Mutual Funds	<u>\$ 149,488,507</u>	<u>\$ 149,488,507</u>	<u>\$ -</u>	<u>\$ -</u>
Short Term Investment Pool	44,549,986			
Total Investments	<u>194,038,493</u>			

4 Receivables

A ***Property Taxes Receivable*** - The County's property tax is levied each July 1st based on values assessed and certified by the Maryland State Department of Assessments as of that date. Liens are placed on property at that time. A revaluation of each property is required to be completed every three years. For owner-occupied residential property, owners can choose to pay one payment due September 30th or two installments due on September 30th and December 31st. Property taxes are due from all other taxpayers on September 30th. Once the due date has passed, interest and penalties are charged each month on the unpaid balance. Property with delinquent taxes, are included in the tax sale each May or 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 estimated balance as of June 30, 2019 is \$132,772,034. The local income tax rate for the reporting fiscal year is 2.50%.

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 vary from 1.6% to 8.0%. These receivables are collected over five to thirty years. The balance as of June 30, 2019 is \$19,689,000.

5 Capital Assets

The components of capital assets, changes in asset categories, and accumulated depreciation for the fiscal year ended June 30, 2019 are presented as follows:

Category	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land and easements	\$ 247,608,774	\$ 13,602,888	\$ (32,047)	\$ 261,179,615
Historical property/works of art	4,166,465	-	-	4,166,465
Construction in progress	192,929,447	133,950,243	(47,437,121)	279,442,569
Total assets not depreciated	<u>444,704,686</u>	<u>147,553,131</u>	<u>(47,469,168)</u>	<u>544,788,649</u>
<i>Capital assets being depreciated:</i>				
Land improvements	278,284,503	12,928,738	-	291,213,241
Buildings	324,947,360	-	-	324,947,360
Roads and bridges	399,889,412	3,108,174	(2,081,553)	400,916,033
Sidewalks, curbs, and gutters	52,720,002	1,512,765	(448,098)	53,784,669
Storm drains and culverts	369,481,673	9,063,121	(160,468)	378,384,326
Automobiles and rolling stock	118,393,207	20,697,479	(12,381,617)	126,709,069
Furniture, fixtures, and equipment	98,896,769	9,646,568	(3,600,398)	104,942,939
Software	23,740,803	3,145,191	(2,320,204)	24,565,790
Total assets depreciated	<u>1,666,353,729</u>	<u>60,102,036</u>	<u>(20,992,338)</u>	<u>1,705,463,427</u>
<i>Less accumulated depreciation for:</i>				
Land improvements	(122,401,977)	(9,366,759)	-	(131,768,736)
Buildings	(137,178,203)	(6,492,302)	-	(143,670,505)
Roads and bridges	(221,646,965)	(11,899,268)	2,065,915	(231,480,318)
Sidewalks, curbs, and gutters	(18,990,641)	(1,099,088)	430,175	(19,659,554)
Storm drains and culverts	(223,548,506)	(6,810,254)	160,468	(230,198,292)
Automobiles and rolling stock	(75,323,237)	(11,894,822)	12,001,634	(75,216,425)
Furniture, fixtures, and equipment	(77,615,301)	(7,692,742)	3,512,923	(81,795,120)
Software	(22,171,215)	(1,047,397)	2,320,204	(20,898,408)
Total accumulated depreciation	<u>(898,876,045)</u>	<u>(56,302,632)</u>	<u>20,491,319</u>	<u>(934,687,358)</u>
Total capital assets being depreciated, net	<u>767,477,684</u>	<u>3,799,404</u>	<u>(501,019)</u>	<u>770,776,069</u>
Total governmental activities, net	<u>\$ 1,212,182,370</u>	<u>\$ 151,352,535</u>	<u>\$ (47,970,187)</u>	<u>\$ 1,315,564,718</u>
Business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land and easements	\$ 12,705,712	\$ -	\$ -	\$ 12,705,712
Construction in progress	531,677,955	113,396,008	(114,267,662)	530,806,301
Total assets not depreciated	<u>544,383,667</u>	<u>113,396,008</u>	<u>(114,267,662)</u>	<u>543,512,013</u>
<i>Capital assets being depreciated:</i>				
Buildings	51,685,550	27,518	-	51,713,068
Landfills	73,949,671	1,282,483	-	75,232,154
Water and sewer plants and lines	1,940,205,181	103,119,816	-	2,043,324,997
Automobiles and rolling stock	15,165,479	633,399	(1,373,698)	14,425,180
Furniture, fixtures, and equipment	28,858,181	4,511,522	(3,499,378)	29,870,325
Total assets depreciated	<u>2,109,864,062</u>	<u>109,574,738</u>	<u>(4,873,076)</u>	<u>2,214,565,724</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(13,691,295)	(1,030,655)	5,162	(14,716,788)
Landfills	(44,006,379)	(2,755,703)	-	(46,762,082)
Water and sewer plants and lines	(832,604,033)	(48,362,315)	-	(880,966,348)
Automobiles and rolling stock	(8,136,715)	(1,193,457)	1,373,698	(7,956,474)
Furniture, fixtures, and equipment	(16,705,193)	(2,604,135)	3,010,940	(16,298,388)
Total accumulated depreciation	<u>(915,143,615)</u>	<u>(55,946,265)</u>	<u>4,389,800</u>	<u>(966,700,080)</u>
Total capital assets being depreciated, net	<u>1,194,720,447</u>	<u>53,628,473</u>	<u>(483,276)</u>	<u>1,247,865,644</u>
Total business-type activities, net	<u>\$ 1,739,104,114</u>	<u>\$ 167,024,481</u>	<u>\$ (114,750,938)</u>	<u>\$ 1,791,377,657</u>

Anne Arundel County, Maryland
Notes to the Financial Statements

Category	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Board of Education:				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 68,346,260	\$ -	\$ -	\$ 68,346,260
Computer software in progress	1,797,219	2,462,041	(1,068,148)	3,191,112
Construction in progress	135,322,052	186,287,022	(12,422,712)	309,186,362
Total assets not depreciated	<u>205,465,531</u>	<u>188,749,063</u>	<u>(13,490,860)</u>	<u>380,723,734</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,816,443,689	19,196,948	-	1,835,640,637
Computer software	9,727,885	1,068,148	-	10,796,033
Furniture, fixtures, and equipment	54,684,612	5,402,646	(968,456)	59,118,802
Total assets depreciated	<u>1,880,856,186</u>	<u>25,667,742</u>	<u>(968,456)</u>	<u>1,905,555,472</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(823,603,304)	(37,953,427)	-	(861,556,731)
Computer software	(4,381,933)	(972,788)	-	(5,354,721)
Furniture, fixtures, and equipment	(34,097,823)	(4,257,009)	870,735	(37,484,097)
Total accumulated depreciation	<u>(862,083,060)</u>	<u>(43,183,224)</u>	<u>870,735</u>	<u>(904,395,549)</u>
Total capital assets being depreciated, net	<u>1,018,773,126</u>	<u>(17,515,482)</u>	<u>(97,721)</u>	<u>1,001,159,923</u>
Total Board of Education, net	<u>\$ 1,224,238,657</u>	<u>\$ 171,233,581</u>	<u>\$ (13,588,581)</u>	<u>\$ 1,381,883,657</u>
Community College:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,377,178	\$ 1,715,025	\$ -	\$ 4,092,203
Construction in progress	3,230,486	12,838,920	(1,407,558)	14,661,848
Total assets not depreciated	<u>5,607,664</u>	<u>14,553,945</u>	<u>(1,407,558)</u>	<u>18,754,051</u>
<i>Capital assets being depreciated:</i>				
Land improvements	7,547,478	464,315	(499,577)	7,512,216
Buildings and improvements	147,296,199	508,880	(4,237,414)	143,567,665
Furniture, fixtures, and equipment	27,843,469	1,422,450	(1,863,411)	27,402,508
Leasehold improvements	1,604,721	-	-	1,604,721
Intangible assets	670,849	-	-	670,849
Total assets depreciated	<u>184,962,716</u>	<u>2,395,645</u>	<u>(6,600,402)</u>	<u>180,757,959</u>
<i>Less accumulated depreciation for:</i>				
Land improvements	(4,431,318)	(422,191)	287,600	(4,565,909)
Buildings and improvements	(73,945,146)	(4,384,233)	3,699,196	(74,630,183)
Furniture, fixtures, and equipment	(18,891,358)	(1,285,872)	1,442,109	(18,735,121)
Leasehold improvements	(931,725)	(159,874)	-	(1,091,599)
Intangible assets	(461,464)	(102,927)	-	(564,391)
Total accumulated depreciation	<u>(98,661,011)</u>	<u>(6,355,097)</u>	<u>5,428,905</u>	<u>(99,587,203)</u>
Total capital assets being depreciated, net	<u>86,301,705</u>	<u>(3,959,452)</u>	<u>(1,171,497)</u>	<u>81,170,756</u>
Total Community College, net	<u>\$ 91,909,369</u>	<u>\$ 10,594,493</u>	<u>\$ (2,579,055)</u>	<u>\$ 99,924,807</u>

Anne Arundel County, Maryland
Notes to the Financial Statements

Category	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Other non-major:				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 78,315	\$ -	\$ (78,315)	\$ -
<i>Capital assets being depreciated:</i>				
Airport improvements (as restated)	15,174,293	385,826	-	15,560,119
Library collection	16,806,187	4,296,457	(4,088,679)	17,013,965
Automobiles and rolling stock	26,632	-	-	26,632
Furniture, fixtures, and equipment	2,084,370	89,078	(144,804)	2,028,644
Total assets depreciated	<u>34,091,482</u>	<u>4,771,361</u>	<u>(4,233,483)</u>	<u>34,629,360</u>
<i>Less accumulated depreciation for:</i>				
Airport improvements	(6,878,506)	(569,608)	-	(7,448,114)
Library collection	(5,893,548)	(1,464,829)	1,802,386	(5,555,991)
Automobiles and rolling stock	(5,562)	(5,327)	-	(10,889)
Furniture, fixtures, and equipment	(1,510,618)	(187,951)	117,862	(1,580,707)
Total accumulated depreciation	<u>(14,288,234)</u>	<u>(2,227,715)</u>	<u>1,920,248</u>	<u>(14,595,701)</u>
Total capital assets being depreciated, net	<u>19,803,248</u>	<u>2,543,646</u>	<u>(2,313,235)</u>	<u>20,033,659</u>
Total other non-major, net	<u>\$ 19,881,563</u>	<u>\$ 2,543,646</u>	<u>\$ (2,391,550)</u>	<u>\$ 20,033,659</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 closed 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>	
Public safety	\$ 10,754,435	Water and wastewater	\$ 50,591,925
General government	12,607,477	Waste collection	<u>5,354,340</u>
Health and human services	311,725		<u>\$ 55,946,265</u>
Public works	22,805,214	<i>Component units:</i>	
Recreation and community services	8,343,406	Board of Education	\$ 43,183,224
Judicial	1,376,527	Community College	6,355,097
Code enforcement	3,233	Library System	1,557,803
Land use and development	<u>100,615</u>	Economic Development Corp	56,273
	<u>\$ 56,302,632</u>	Tipton Airport Authority	572,236
		Workforce Development	<u>41,403</u>
			<u>\$ 51,766,036</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, Erosion Districts, Watershed Protection and Restoration, 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, 2019:

Interfund Balances of the Primary Government

<u>Fund With Receivable</u>	<u>Fund With Payable</u>	<u>Amount</u>	<u>Represents</u>
General Fund	Non-major Governmental Funds	\$ 5,702,862	Implicit borrowing from the General Fund
Internal Service Funds	General Fund	373,860	Self Insurance Fund deficit allocation
Internal Service Funds	Water and Wastewater Fund	15,991	Self Insurance Fund deficit allocation
Internal Service Funds	Solid Waste Fund	5,567	Self Insurance Fund deficit allocation
Internal Service Funds	Water and Wastewater Fund	958,627	Central Garage Fund deficit allocation
Internal Service Funds	Solid Waste Fund	401,600	Central Garage Fund deficit allocation
Internal Service Funds	General Fund	8,088,640	Central Garage Fund deficit allocation
		<u>\$ 15,547,147</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 \$364,875,286 for fiscal year 2019. The transfers are for the following:

<u>Originating Fund</u>	<u>Recipient Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Arundel Community Development Services	\$ 180,000	Transfers for grants
General Fund	General County Capital Projects	187,480,000	Bond proceeds transferred for capital projects
General Fund	General County Capital Projects	41,332,000	Pay-as-you-go transfers for capital projects
Impact Fees Capital Projects	General County Capital Projects	20,808,280	Impact fee funding for capital projects
Reforestation	General County Capital Projects	1,908,975	Transfers for capital projects
Watershed Protection and Restoration	General County Capital Projects	24,500,000	Transfers for capital projects
Bond Premium	General County Capital Projects	43,830,943	Transfers for capital projects
Video Lottery Local Impact Aid	General County Capital Projects	1,553,000	Transfers for capital projects
Street Light Capital Projects	General County Capital Projects	785,469	Transfers for capital projects
Energy Revolving Loan	Arundel Community Development Services	17,800	Transfers for capital projects
General County Capital Projects	Watershed Protection and Restoration	64,231	Investment income allocation retained
General County Capital Projects	General Fund	1,198,545	Investment income allocation retained
Impact Fees Capital Projects	General Fund	2,653,947	Impact fees transferred for debt service
Laurel Racetrack	General Fund	99,994	Transfers for community benefit
Nursery Road Tax Increment	General Fund	5,010,390	Transfers legally appropriated
West County Tax Increment	General Fund	6,455,263	Transfers legally appropriated
Arundel Mills Tax Increment	General Fund	7,439,210	Transfers legally appropriated
Parole Tax Increment	General Fund	15,985,630	Transfers legally appropriated
Village South at Waugh Chapel TIF	General Fund	1,985,160	Transfers legally appropriated
General Fund	Grants	593,391	Transfers for grants
General Fund	Installment Purchase Agreements	742,800	Transfers for land preservation
Special Taxing Districts	Erosion Districts	250,258	Transfers for project maintenance
		<u>\$ 364,875,286</u>	

Transfers In

<u>Transfer Out</u>	<u>General Fund</u>	<u>General County Capital Projects</u>	<u>Non-Major Governmental</u>	<u>Total</u>
General Fund	\$ -	\$ 228,812,000	\$ 1,516,191	\$ 230,328,191
Non-Major Governmental	36,975,647	72,578,387	268,058	109,822,092
Impact Fees Capital Projects	2,653,947	20,808,280	-	23,462,227
General County Capital Projects	1,198,545	-	64,231	1,262,776
Total Transfers In	<u>\$ 40,828,139</u>	<u>\$ 322,198,667</u>	<u>\$ 1,848,480</u>	<u>\$ 364,875,286</u>

Transfers between the primary government's proprietary funds and governmental funds presented as follows, totaled \$2,380,000 for fiscal year 2019. The transfers from the Water and Wastewater Fund and the Solid Waste Fund to the General County Capital Projects Fund are for an information technology project.

Interfund Transfers of the Primary Government

<u>Originating Fund</u>	<u>Recipient Fund</u>	<u>Amount</u>
Water and Wastewater Fund	General County Capital Projects	\$ 1,942,000
Solid Waste Fund	General County Capital Projects	438,000
		<u>\$ 2,380,000</u>

As of June 30, 2019, 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

<u>Entity with Receivable</u>	<u>Entity with Payable</u>	<u>Amount</u>
Board of Education	Primary Government	\$ 40,196,403
Community College	Primary Government	3,815,712
Other Non-major	Primary Government	1,278,743
Primary Government	Board of Education	7,332,083
		<u>\$ 52,622,941</u>

Primary Government Expenditures

<u>Originating Entity</u>	<u>Recipient Entity</u>	<u>Amount</u>
Primary Government	Board of Education	\$ 889,444,456
Primary Government	Community College	56,778,599
Primary Government	Other Non-major	24,852,576
		<u>\$ 971,075,631</u>

8 Bonded Debt and Other Obligations

The primary government's Statement of Net Position includes short and long-term debt and obligations comprised of bond anticipation notes, general obligation bonds, special assessment debt, installment purchase agreements, and liabilities related to State loans, unpaid insurance claims and claims and judgments. Descriptions of certain of these obligations and the respective balances, debt service requirements, and changes during fiscal year 2019 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. Upon refinancing, at the notes' maturities, they will be marketed at then-current interest rates which is calculated at 80% of the one month LIBOR plus 40 basis points. This remarketing is backed for liquidity purposes by a letter of credit, the terms of which provide that no principal repayments are due if there is a call on the letter of credit, until the termination of the agreement. The maturity date of the current liquidity arrangement is December 14, 2020. The County has a credit amount available of up to \$90 million, of which none is outstanding at June 30, 2019.

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 guidelines set forth in Title 10, Subtitle 1, Section 4-10-104 of the County Charter, which addresses bonds and notes for capital improvements. 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, 2019 are presented as follows:

General County Debt				
Year Ending	Governmental		Business-type	
June 30,	Principal	Interest	Principal	Interest
2020	\$ 93,513,785	\$ 60,532,346	\$ 36,637,640	\$ 31,444,225
2021	91,445,434	56,383,216	36,763,660	29,992,696
2022	91,442,748	51,947,549	36,795,334	28,346,356
2023	85,827,418	47,481,452	36,220,995	26,682,912
2024	79,837,297	43,254,672	35,395,221	25,076,603
2025-2029	326,870,995	162,576,846	163,533,070	102,716,033
2030-2034	208,495,730	96,555,506	139,326,547	69,778,162
2035-2039	106,606,359	57,724,334	106,449,017	41,313,793
2040-2044	101,195,260	32,256,646	80,601,486	18,423,487
2045-2049	78,431,952	8,168,941	33,453,048	3,200,310
	<u>\$ 1,263,666,978</u>	<u>\$ 616,881,508</u>	<u>\$ 705,176,018</u>	<u>\$ 376,974,577</u>

C Tax Increment and Other Debt - As of June 30, 2019, there was \$71,610,000 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. As of the June 30, 2019, the County has also pledged its full faith and credit for National Business Park North 2018 Refunding bonds and Village South at Waugh Chapel 2018 Refunding bonds.

During the fiscal year ended June 30, 2019, \$45,747,959 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 Non-major Governmental Funds. Of this amount, \$990,101 is related to Park Place which is not considered part of the County's debt and \$3,059,737 is related to Odenton Town Center TIF which does not have debt outstanding as of June 30, 2019. The table that follows outlines the debt service requirements for these bonds.

Year Ending			Year Ending		
June 30,	Principal	Interest	June 30,	Principal	Interest
2020	\$ 3,165,000	\$ 2,748,819	2025-2029	\$ 26,780,000	\$ 6,741,170
2021	3,500,000	2,588,194	2030-2034	12,755,000	3,157,836
2022	3,930,000	2,407,619	2035-2039	10,850,000	1,013,059
2023	4,235,000	2,208,344	2040-2041	<u>1,795,000</u>	<u>63,262</u>
2024	4,600,000	1,992,519		<u>\$ 71,610,000</u>	<u>\$ 22,920,822</u>

In addition, there were \$2,875,000, \$11,975,000, \$30,000,000, and \$22,500,000 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, 2019, 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 \$2,583,657 as of June 30, 2019. These loans were received from the State for waterway improvements. During fiscal year 2019, the County paid \$228,183 for principal. The table that follows outlines the debt service requirements:

Year Ending		Year Ending	
June 30,	Principal	June 30,	Principal
2020	\$ 235,233	2024	201,680
2021	235,234	2025-2029	\$ 988,705
2022	235,230	2030-2034	391,576
2023	220,031	2035-2037	75,968
			<u>\$ 2,583,657</u>

E Leases – The County has one outstanding lease agreement that qualifies as capital leases for accounting purposes. The agreement has resulted in a capital asset in the amount of \$40,490 for an Avatar III robot for the Office of Emergency Management. The total principle payments due as of fiscal year-end are \$30,367. The net present value of these minimum lease payments as of June 30, 2019 and the future minimum lease obligations were as follows:

Year ending	Principle	Interest	Total
June 30,	Lease Payments	Lease Payments	Lease Payments
2020	\$ 10,123	\$ 373	\$ 10,496
2021	10,123	373	10,496
2022	10,121	372	10,493
	<u>\$ 30,367</u>	<u>\$ 1,118</u>	<u>\$ 31,485</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. Minimum annual rental costs required by the leases are summarized as follows:

Year ending	Annual	Year ending	Annual
June 30,	Rentals	June 30,	Rentals
2020	\$ 3,723,791	2025-2029	\$ 7,045,153
2021	3,111,984	2030-2034	3,440,681
2022	2,413,256	2035-2039	1,960,668
2023	2,387,308	2040-2044	1,008,379
2024	2,094,324	2045-2049	439,644
			<u>\$ 27,625,188</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, 2019 are presented as follows:

Year Ending			Year Ending		
June 30,	Principal	Interest	June 30,	Principal	Interest
2020	\$ 20,000	\$ 721,607	2025-2029	\$ 8,945,000	\$ 3,081,382
2021	20,000	720,492	2030-2034	1,529,000	758,312
2022	20,000	719,377	2035-2039	1,444,000	536,305
2023	20,000	718,261	2040-2044	1,487,000	135,317
2024	20,000	717,145			
				<u>\$ 13,505,000</u>	<u>\$ 8,108,198</u>

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

	<u>Due Dates</u>	<u>Interest Rates</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding</u>
Governmental activities:				
General obligation bonds	2019-2049	1.50% to 5.55%	\$ 1,785,993,300	\$ 1,263,666,978
Tax increment district bonds	2019-2041	1.50% to 5.00%	79,240,000	71,610,000
Installment purchase agreements	2019-2041	4.55% to 6.00%	13,819,916	13,505,000
Loans payable	2019-2038	0%	5,207,118	2,583,657
Total governmental activities			<u>1,884,260,334</u>	<u>1,351,365,635</u>
Business-type activities:				
Water and wastewater serial bonds	2019-2049	1.00% to 5.55%	850,873,309	666,202,996
Solid waste serial bonds	2019-2049	2.00% to 5.55%	50,231,700	38,973,022
Total business-type activities			<u>901,105,009</u>	<u>705,176,018</u>
			<u>\$ 2,785,365,343</u>	<u>\$ 2,056,541,653</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 13.0% 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 14.0% of the assessable base of personal property and certain operating real property within the County's sanitary district. As of June 30, 2019, the legal debt limitations and margins are as follows:

	<u>General Bonds (5.2%/13.0% Limitations)</u>	<u>Water and Wastewater (5.6%/14.0% Limitations)</u>
Charter imposed limitation	\$ 4,932,607,825	\$ 4,903,718,826
Bonded debt outstanding		
Installment purchase agreements	13,505,000	-
General obligation-serial bonds	1,190,800,770	666,202,996
General obligation-serial bonds, WPRF	72,866,208	-
General obligation-serial bonds, Solid Waste	38,973,022	-
Tax increment bonds	71,610,000	-
	<u>1,387,755,000</u>	<u>666,202,996</u>
Legal debt margin	<u>\$ 3,544,852,825</u>	<u>\$ 4,237,515,830</u>

As of June 30, 2019, the County had the total authority to issue bonds in the amount of \$1,972,333,821 of which \$802,817,775 has not been issued. Included in the amounts available to issue to date are \$324,963,590 for general obligation water and wastewater series bonds, and \$3,003,253 of general obligation bonds for the Solid Waste Fund. This unused authority will be used to fund existing capital projects and those appropriated through the budgetary process.

H Loans Payable – On July 25, 2012, the Anne Arundel Community College 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. The proceeds of the loan were used to finance the cost of the construction of educational facilities. 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, 2019 was \$9,115,000. 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>
2020	\$ 785,000	2022	\$ 845,000	2024	\$ 895,000
2021	810,000	2023	875,000	2025-2029	4,905,000
					<u>\$ 9,115,000</u>

I Payables to State of Maryland – 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. The Comptroller’s Office estimates that the fiscal impact of the ruling on the County will be approximately \$17,470,172 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 non-current liability on the Statement of Net Position and as an assignment of fund balance in the General Fund. The refunds are initially paid to the taxpayer by the State of Maryland, with the County scheduled to begin reimbursing the State in May 2021 in the amount of \$884,725 every quarter for the following five years.

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

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 1,143,871,707	\$ 216,425,000	\$ 96,629,729	\$ 1,263,666,978	\$ 93,513,785
Unamortized premium	148,795,512	44,320,976	18,410,073	174,706,415	19,589,942
Tax incremental and other debt	73,700,000	-	2,090,000	71,610,000	3,165,000
Total bonds payable	<u>1,366,367,219</u>	<u>260,745,976</u>	<u>117,129,802</u>	<u>1,509,983,393</u>	<u>116,268,727</u>
State loans	2,526,740	285,100	228,183	2,583,657	235,233
Capital leases	24,015	40,490	34,138	30,367	10,123
Installment purchase agreements	13,525,000	-	20,000	13,505,000	20,000
Unpaid insurance claims	83,182,953	103,149,788	98,951,114	87,381,627	20,630,125
Compensated absences	25,577,915	28,246,930	27,327,824	26,497,021	26,464,280
Total long-term	<u>1,491,203,842</u>	<u>392,468,284</u>	<u>243,691,061</u>	<u>1,639,981,065</u>	<u>163,628,488</u>
Total governmental activities	<u>\$ 1,491,203,842</u>	<u>\$ 392,468,284</u>	<u>\$ 243,691,061</u>	<u>\$ 1,639,981,065</u>	<u>\$ 163,628,488</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 662,261,805	\$ 84,259,533	41,345,320	\$ 705,176,018	\$ 36,637,640
Unamortized premium	67,331,262	14,861,267	6,011,649	76,180,880	6,749,135
Total bonds payable	<u>729,593,067</u>	<u>99,120,800</u>	<u>47,356,969</u>	<u>781,356,898</u>	<u>43,386,775</u>
Compensated absences	2,247,699	2,448,532	2,367,993	2,328,238	2,328,238
Total long-term	<u>731,840,766</u>	<u>101,569,332</u>	<u>49,724,962</u>	<u>783,685,136</u>	<u>45,715,013</u>
Total business-type activities	<u>\$ 731,840,766</u>	<u>\$ 101,569,332</u>	<u>\$ 49,724,962</u>	<u>\$ 783,685,136</u>	<u>\$ 45,715,013</u>

K Refundings – In fiscal year 2019, the County defeased certain General Obligation and Water Wastewater 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 U.S. Government issued securities. On April 12, 2019 the County issued \$10,465,000 in non-taxable refunding bonds for the following: \$4,445,000 to refund General Obligation Series 2009, and \$6,020,000 to refund Water Wastewater Series 2009. The true interest cost for both the refunded bonds was 1.69%. The current 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 primary government statement of net assets. The savings or aggregate difference in debt service from refunding General Obligation Series 2009 was \$330,850 and from refunding Water Wastewater Series 2009 was \$387,407. The net effect of the total refunding loss for General Obligation Series 2009 was \$13,780, and the net effect of the total refunding loss for Water Wastewater Series 2009 was \$18,428. The refunding loss is being amortized over the shorter life of either the old refunded bonds or new the new refunding bonds. There was a net present value savings of \$718 thousand in debt service.

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			Non-major	Totals
	General	Impact Fees Capital Projects	General County Capital Projects	Governmental Funds	
Non-spendable					
Inventories	\$ 2,525,276	\$ -	\$ -	\$ -	\$ 2,525,276
Total non-spendable	2,525,276	-	-	-	2,525,276
Restricted					
Impact fees capital projects	-	87,476,157	-	-	87,476,157
Forfeiture and asset seizure team	-	-	-	169,442	169,442
Roads and special benefits	-	-	-	560,252	560,252
Reforestation	-	-	-	3,740,710	3,740,710
Laurel racetrack community benefit	-	-	-	58,766	58,766
Grants	-	-	5,058,667	6,861,424	11,920,091
Circuit court	-	-	-	166,564	166,564
Odenton Town Center Tax Increment	-	-	-	12,506,237	12,506,237
Erosion districts	-	-	-	1,654,863	1,654,863
Video lottery local impact aid	-	-	10,133,045	5,315,988	15,449,033
Watershed protection and restoration	-	-	4,408,005	38,753,987	43,161,992
Debt service	-	-	-	8,009,868	8,009,868
Total restricted	-	87,476,157	19,599,717	77,798,101	184,873,975
Committed					
Street lights capital projects	-	-	-	5,199,208	5,199,208
Recreation and land fees	-	-	-	266,967	266,967
Energy revolving loan	-	-	-	39,505	39,505
Bike, Pedestrian, Trans & Infrastructure	-	-	-	990	990
Installment purchase agreements	-	-	-	10,604,649	10,604,649
Total committed	-	-	-	16,111,319	16,111,319
Assigned					
General County capital projects	-	-	85,148,709	-	85,148,709
General County	81,811,048	-	-	-	81,811,048
Total assigned	81,811,048	-	85,148,709	-	166,959,757
Unassigned					
Unassigned	90,361,685	-	-	(12,856,757)	77,504,928
Total fund balances	\$ 174,698,009	\$ 87,476,157	\$ 104,748,426	\$ 81,052,663	\$ 447,975,255

Encumbrances

Encumbrance accounting is employed as part of the budgetary presentation for the General Fund, special revenue funds, and capital projects funds. Encumbrances included in governmental fund balances are as follows:

	<u>Encumbrance Balances</u>
General Fund	
Police	\$ 1,349,927
Fire	2,681,871
Detention Facilities	468,945
Office of Budget	105
Office of Finance	109,057
Central Services	1,356,858
Personnel	159,123
Information Technology	1,413,671
Legislative Branch	19,500
Board of Election Supervisors	49,681
Health	777,654
Social Services	687,883
Services for the Aging	9,573
Public Works	2,304,935
Recreation & Parks	5,808
States Attorney	2,070
Sheriffs Office	14,732
Planning & Zoning	20,584
FAST Fund	39,241
Grants Fund	2,312,727
Arundel Community Development Services	4,548,697
Reforestation Fund	58,095
Watershed Protection and Restoration	1,790,568
General County Capital Projects Fund	91,958,056
Watershed Protection and Restoration Capital Projects Fund	<u>27,425,605</u>
Total	<u>\$ 139,564,966</u>

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:

	<u>Business-Type Activities - Enterprise Funds</u>					
	<u>Governmental Activities</u>	<u>Water and Wastewater</u>	<u>Solid Waste</u>	<u>Child Care</u>	<u>Business-Type Totals</u>	<u>Grand Totals</u>
Deferred outflow of resources						
Pension benefits						
Contributions subsequent to measurement date	\$ 34,203,837	\$ 2,222,312	\$ 442,944	\$ 45,029	\$ 2,710,285	\$ 36,914,122
Change in experience	16,455,637	1,375,843	278,515	28,628	1,682,986	18,138,623
Change in assumptions	27,292	-	-	-	-	27,292
Change in investments	118,238,922	7,174,588	1,423,948	144,955	8,743,491	126,982,413
Total pension benefits	<u>168,925,688</u>	<u>10,772,743</u>	<u>2,145,407</u>	<u>218,612</u>	<u>13,136,762</u>	<u>182,062,450</u>
OPEB benefits						
Contributions subsequent to measurement date	56,375,781	5,714,869	1,401,173	94,134	7,210,176	63,585,957
Total OPEB benefits	<u>56,375,781</u>	<u>5,714,869</u>	<u>1,401,173</u>	<u>94,134</u>	<u>7,210,176</u>	<u>63,585,957</u>
Length of Service Awards Program (LOSAP)						
Contributions subsequent to measurement date	399,875	-	-	-	-	399,875
Change in assumptions	1,011,533	-	-	-	-	1,011,533
Total LOSAP benefits	<u>1,411,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,411,408</u>
Unamortized deferred refunding loss	5,701,731	4,383,551	121,105	-	4,504,656	10,206,387
Total deferred outflows	<u>\$ 232,414,608</u>	<u>\$ 20,871,163</u>	<u>\$ 3,667,685</u>	<u>\$ 312,746</u>	<u>\$ 24,851,594</u>	<u>\$ 257,266,202</u>

	<u>Governmental Activities - Internal Service Funds *</u>			<u>Component Units</u>			
	<u>Self Insurance</u>	<u>Central Garage & Transportation</u>	<u>Totals</u>	<u>BOE</u>	<u>Community College</u>	<u>Library</u>	<u>Economic Development</u>
Deferred outflow of resources							
Pension benefits							
Contributions subsequent to measurement date	\$ 86,959	\$ 327,897	\$ 414,856	\$ 6,396,135	\$ 315,548	\$ 197,658	\$ 128,746
Change in experience	55,390	217,239	272,629	-	-	125,318	82,358
Change in assumptions	-	-	-	1,801,374	104,201	-	-
Change in investments	269,699	1,015,575	1,285,274	2,342,251	157,638	625,015	416,106
Change in proportion	-	-	-	7,133,803	111,442	-	-
Changes proportion share of contribution	-	-	-	330,558	20,642	-	-
Total pension benefits	<u>\$ 412,048</u>	<u>\$ 1,560,711</u>	<u>\$ 1,972,759</u>	<u>\$ 18,004,121</u>	<u>\$ 709,471</u>	<u>\$ 947,991</u>	<u>\$ 627,210</u>
OPEB benefits							
Contributions subsequent to measurement date	\$ 191,724	\$ 765,420	\$ 957,144	\$ 28,103,000	\$ 3,980,000	\$ 1,622,411	\$ -
Change in experience	-	-	-	116,253,000	181,871	113,472	-
Change in investments	-	-	-	-	-	-	-
Total OPEB benefits	<u>\$ 191,724</u>	<u>\$ 765,420</u>	<u>\$ 957,144</u>	<u>\$ 144,356,000</u>	<u>\$ 4,161,871</u>	<u>\$ 1,735,883</u>	<u>\$ -</u>
Unamortized deferred refunding loss	\$ -	\$ -	\$ -	\$ -	\$ 233,276	\$ -	\$ -
Total deferred outflows	<u>\$ 603,772</u>	<u>\$ 2,326,131</u>	<u>\$ 2,929,903</u>	<u>\$ 162,360,121</u>	<u>\$ 5,104,618</u>	<u>\$ 2,683,874</u>	<u>\$ 627,210</u>

* Included in Governmental Activities column above.

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

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unearned. At the end of the current fiscal year, the components of deferred inflows and unearned revenue were reported as follows:

	<u>Business-Type Activities - Enterprise Funds</u>					
	<u>Governmental Activities</u>	<u>Water and Wastewater</u>	<u>Solid Waste</u>	<u>Child Care</u>	<u>Business-Type Totals</u>	<u>Grand Totals</u>
Deferred inflow of resources						
Pension benefits						
Change in experience	\$ 13,617,008	\$ 1,351,651	\$ 282,413	\$ 28,133	\$ 1,662,197	\$ 15,279,205
Change in assumptions	-	-	-	-	-	-
Change in investments	-	-	-	-	-	-
Changes proportion share of contribution	-	-	-	-	-	-
Total pension benefits	<u>13,617,008</u>	<u>1,351,651</u>	<u>282,413</u>	<u>28,133</u>	<u>1,662,197</u>	<u>15,279,205</u>
OPEB benefits						
Change in experience	649,856	66,231	16,239	1,091	83,561	733,417
Change in assumptions	-	-	-	-	-	-
Change in investments	5,285,924	543,237	133,066	11,218	687,521	5,973,445
Total OPEB benefits	<u>5,935,780</u>	<u>609,468</u>	<u>149,305</u>	<u>12,309</u>	<u>771,082</u>	<u>6,706,862</u>
Length of Service Awards Program						
Change in experience	2,486,097	-	-	-	-	2,486,097
Change in assumptions	840,066	-	-	-	-	840,066
Change in investments	-	-	-	-	-	-
Total LOSAP benefits	<u>3,326,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,326,163</u>
Unearned Revenue	<u>335,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,307</u>
Total deferred inflows	<u>\$ 23,214,258</u>	<u>\$ 1,961,119</u>	<u>\$ 431,718</u>	<u>\$ 40,442</u>	<u>\$ 2,433,279</u>	<u>\$ 25,647,537</u>

	<u>Governmental Activities - Internal Service Funds *</u>			<u>Component Units</u>			
	<u>Self Insurance</u>	<u>Central Garage and Transportation</u>	<u>Totals</u>	<u>BOE</u>	<u>Community College</u>	<u>Library</u>	<u>Economic Development</u>
Deferred inflow of resources							
Pension benefits							
Change in experience	\$ 52,191	\$ 222,444	\$ 274,635	\$ 4,804,143	\$ 268,073	\$ 126,296	\$ 80,463
Change in assumptions	-	-	-	-	-	-	-
Change in investments	-	-	-	-	-	-	-
Change in proportion	-	-	-	3,743,195	456,885	-	-
Changes proportion share of contribution	-	-	-	-	117	-	-
Total pension benefits	<u>\$ 52,191</u>	<u>\$ 222,444</u>	<u>\$ 274,635</u>	<u>\$ 8,547,338</u>	<u>\$ 725,075</u>	<u>\$ 126,296</u>	<u>\$ 80,463</u>
OPEB benefits							
Change in experience	\$ 2,222	\$ 8,871	\$ 11,093	\$ -	\$ -	\$ -	\$ 3,512
Change in assumptions	-	-	-	748,802,000	24,746,748	11,437,597	-
Change in investments	20,848	78,187	99,035	-	292,575	14,140	27,802
Total OPEB benefits	<u>\$ 23,070</u>	<u>\$ 87,058</u>	<u>\$ 110,128</u>	<u>\$ 748,802,000</u>	<u>\$ 25,039,323</u>	<u>\$ 11,451,737</u>	<u>\$ 31,314</u>
Unearned Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total deferred inflows	<u>\$ 75,261</u>	<u>\$ 309,502</u>	<u>\$ 384,763</u>	<u>\$ 757,349,338</u>	<u>\$ 25,764,398</u>	<u>\$ 11,578,033</u>	<u>\$ 111,777</u>

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, 2019, 154 Industrial Revenue Bonds series had been issued. The aggregate principal amounts payable for the four series issued after July 1, 1996 that are still outstanding was \$22,370,000. 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. Some County employees participate in two multi-employer cost sharing pension plans administered by the State of Maryland. 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 is December 31, 2018.

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 respective Systems. 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, 2018 based on the January 1, 2019, actuarial valuation:

	Employees' Retirement Plan	Police Service Retirement Plan	Fire Service Retirement Plan	Detention Officers' and Deputy Sheriffs' Plan	Total
Retirees and beneficiaries receiving payments	1,974	739	626	284	3,623
Terminated Plan members entitled to but not yet receiving payments	303	-	-	4	307
Deferred Retirement Option (DROP)	-	61	60	21	142
Active Plan members	<u>2,191</u>	<u>638</u>	<u>780</u>	<u>322</u>	<u>3,931</u>
Total	<u>4,468</u>	<u>1,438</u>	<u>1,466</u>	<u>631</u>	<u>8,003</u>

Employees Plan - Plan Description – The Employees' Retirement Plan is a single-employer defined benefit pension plan that covers all full-time general employees of the County who are not included in any other pension plan, as well as employees of Anne Arundel Economic Development Corporation. The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries pursuant to two separate benefit structures, Tier I and Tier II. Cost-of-living adjustments (COLAs) are also provided pursuant to County legislation.

Contributions – Contribution rates for participants are established through County legislation. Employees who elect to be in Tier I are required to contribute 4.0% of their annual covered salary. Tier II employees are not required nor permitted to make contributions.

Cliff Vesting – Participants hired on or before June 30, 2015 will be fully vested after their fifth year of service. Termination prior to the fifth year will result in the return of all employee contributions, if applicable, plus 4.25% interest per annum with no additional benefits available. Participants hired on or after July 1, 2015 will be fully vested after their tenth year of service. Termination prior to the tenth year will result in the return of all employee contributions, if applicable, plus 4.25 % interest per annum with no additional benefits available.

Police Plan - Plan Description – The Police Service Retirement Plan is a single-employer defined benefit pension plan that covers the following classes of workers: Police Officer, Police Officer First Class, Police Corporal, Police Sergeant, Police Lieutenant, Police Captain, Police Major, Deputy Police Chief (classified position), and (by election) the Chief of Police and Deputy Police Chief (by election if exempt). The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. COLAs are also provided pursuant to County legislation.

Contributions – Contribution rates for participants are established through County legislation. Plan participants are required to contribute 7.25% of their basic rate of pay as a participant. The basic rate of pay is the rate of annual basic compensation (including longevity) with the County on the day specified, excluding overtime payments and other forms of additional compensation.

Normal Retirement – Participants hired on or after February 25, 2002 will be fully vested on the earlier of their attainment of age 50 and completion of their fifth year of service, or their completion of 20 years of service. Participants hired before February 25, 2002 will be fully vested on the earlier of their attainment of age 50 or completion of 20 years of service. Termination prior to attainment of Normal Retirement will result in the return of all employee contributions, if applicable, plus 3.0% interest per annum with no additional benefits available.

Fire Plan - Plan Description – The Fire Service Retirement Plan is a single-employer defined benefit pension plan that covers the following classes of workers: Fire Fighter II, Fire Fighter III, Fire Fighter Cardiac Rescue Technician, Fire Fighter/Emergency Medical Technician-Paramedic, Fire Lieutenant, Fire Captain, Fire Battalion Chief, Fire Division Chief, Fire Deputy Chief, and (by election) the Assistant Fire Chief and Fire Chief. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. COLAs are also provided pursuant to County legislation.

Contributions – Contribution rates for participants are established through County legislation. Plan participants are required to contribute 7.25% of their annual covered salary.

Normal Retirement – Participants who retire on or after July 1, 2002 will be fully vested on the earlier of their attainment of age 50 and completion of their fifth year of service, or their completion of 20 years of service. Participants who retired prior to July 1, 2002 will be fully vested on the earlier of their attainment of age 50 and completion of 5 years of service. Termination prior to attainment of Normal Retirement will result in the return of all employee contributions, if applicable, plus 3.0% interest per annum with no additional benefits available.

Detention Plan - Plan Description – The Detention Officers' and Deputy Sheriffs' Retirement Plan is a single-employer defined benefit pension plan that covers the following classes of workers: Detention Officer, Detention Corporal, Detention Sergeant, Detention Lieutenant Detention Captain, Correctional Program Specialist I, Correctional Program Specialist II, Criminal Justice Program Supervisor, Correctional Facility Administrator, Assistant Correctional Facility Administrator, Deputy Sheriff I, Deputy Sheriff II, Deputy Sheriff III, Deputy Sheriff IV, and (by election) the Superintendent of Detention Facilities. The plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. COLAs are also provided pursuant to County legislation.

Contributions – Contribution rates for participants are established through County legislation. Plan participants are required to contribute 6.75% of their annual covered salary.

Cliff Vesting – Participants will be fully vested on the attainment of age 50 and completion of their fifth year of service. Termination prior to attainment of Normal Retirement will result in the return of all employee contributions, if applicable, plus 4.25% interest per annum, with no additional benefits available.

Additional detail for determining benefit payments and eligibility for retirement can be found on the County Connect Personnel Benefits web site under Pension System Information for all four plan.

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 State 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 State System. Members of the Employees' Pension System are required to contribute 7.0% annually. Members of the Employees' Retirement System are required to contribute 5.0% to 7.0% annually, depending on the retirement option selected. The contribution requirements of the 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 contribution during the year ended June 30, 2019 was \$2,347,006. The rates varied from 0.0% for the actuarially determined contractual liability to 46.5% of covered payroll for the participant in the Judges Retirement System. The County made its share of the required contributions.

At June 30, 2019, the County reported a liability of \$3,254,672 for its proportionate share of the net pension liability of the State System. The net pension liability was measured as of June 30, 2018 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, 2018. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2018, the County's proportionate share was 0.0046%.

Actuarial assumption: The total pension liability for the State System in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.10%
Investment rate of return	7.45%

Mortality rates were based on RP-2014 Mortality Tables with projected generational improvements based on the MP-2014 2-dimensional mortality improvement scale.

The economic and demographic actuarial assumptions used in the June 30, 2018 valuation were adopted by the System's Board of Trustees based upon review of the State System's experience study for the period 2010-2014, after the completion of the June 30, 2014 valuations. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2015. As a result, an investment return assumption of 7.45% and an inflation assumption of 2.60% were used in the June 30, 2018 valuation.

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 weighting 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 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	37%	5.80%
Private Equity	13%	6.70%
Rate Sensitive	19%	1.10%
Credit Opportunity	9%	3.60%
Real Assets	14%	4.80%
Absolute Return	8%	3.20%
Total	<u>100%</u>	

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, 2018.

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was -4.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate: The single discount rate used to measure the total pension liability was 7.45%. This single discount rate was based on the expected rate of return on pension plan investments of 7.45%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans 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.

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 2.0% to 7.0% 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, 2019, 2018, and 2017 equal the required contributions and are summarized as follows along with the State's contribution on behalf on the employees discussed previously.

	Fiscal Year Ending June 30,		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
County contributions:			
County	\$ 2,347,006	\$ 2,238,741	\$ 2,136,305
Board of Education	6,396,136	5,937,118	5,484,667
Community College	297,703	325,849	402,257
State contributions on behalf of:			
Board of Education	62,094,648	61,908,500	65,114,865
Community College	4,826,816	4,887,541	5,092,151
Library	1,565,477	1,565,312	1,558,508
	<u>\$ 77,526,786</u>	<u>\$ 76,863,061</u>	<u>\$ 79,788,753</u>

E Net Pension Liability of the System by Plan - The components of the net pension liability and assumptions for each Plan at December 31, 2018 as calculated by the actuary are displayed as follows:

	Employees' Retirement Plan	Police Service Retirement Plan	Fire Service Retirement Plan	Detention Officers' and Deputy Sheriffs' Retirement Plan	Total Pension System **
Total pension liability	\$ 901,747,616	\$ 722,742,281	\$ 652,013,902	\$ 200,706,206	\$ 2,477,210,005
Plan fiduciary net position*	(620,586,567)	(516,505,185)	(509,828,407)	(134,908,267)	(1,781,828,426)
Plan net pension liability	<u>\$ 281,161,049</u>	<u>\$ 206,237,096</u>	<u>\$ 142,185,495</u>	<u>\$ 65,797,939</u>	<u>\$ 695,381,579</u>
Plan fiduciary net position as a percentage of the total pension liability	68.82%	71.46%	78.19%	67.22%	71.93%
Total pension liability:					
Anne Arundel County Gov.	\$ 274,654,249	\$ 206,237,096	\$ 142,185,495	\$ 65,797,939	\$ 688,874,779
Economic Development	2,631,950	-	-	-	2,631,950
AA County Public Library	3,874,850	-	-	-	3,874,850
Plan net pension liability	<u>\$ 281,161,049</u>	<u>\$ 206,237,096</u>	<u>\$ 142,185,495</u>	<u>\$ 65,797,939</u>	<u>\$ 695,381,579</u>

*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.

**Total includes Anne Arundel County Public Library and Economic Development, component unit pension liability.

Actuarial assumptions:

The total pension liability was determined by an actuarial valuation as of December 31, 2017 using the following summarized actuarial assumptions, applied to all periods in that 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, 2017 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. 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 as of (December 31, 2018) 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 2.75%.

**30-Year Return Assumptions by Asset Class
As of December 31, 2018**

Asset Class	30-Year Geometric Forecast	
	(Nominal Returns)	(Real Returns)
Cash	2.75%	0.00%
U.S. Treasuries	3.25%	0.50%
IG Corp Credit	4.75%	2.00%
Mortgage Backed Securities	3.25%	0.50%
Bank Loans	5.50%	2.75%
* Core Fixed Income	3.75%	1.00%
High-Yield Bonds	5.50%	2.75%
Absolute Return Fixed Income	4.39%	1.64%
Emerging Market Debt (External)	5.00%	2.25%
Emerging Market Debt (Local Currency)	6.50%	3.75%
Large Cap Equity	7.50%	4.75%
Small/Mid Cap Equity	7.75%	5.00%
International Equities (Unhedged)	7.75%	5.00%
Emerging Int'l Equities	9.25%	6.50%
Private Equity	9.50%	6.75%
Private Debt	7.50%	4.75%
Real Estate	6.50%	3.75%
Hedge Funds	6.34%	3.59%
Hedge Funds (Macro)	6.25%	3.50%
** Risk Parity	6.72%	3.97%

Note: NEPC's 30-year geometric inflation assumption is 2.75%.

** Core Bonds assumption based on*

market weighted blend of components of Aggregate Index (Treasuries, IG Corp Credit, and MBS).

*** Risk Parity Allocation Modeled as 3% Global Macro Hedge Funds and the balance Bridgewater All Weather (using NEPC manager specific assumptions for Bridgewater).*

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. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans 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.

F Changes in the Net Pension Liability by Plan for the Measurement Period December 31, 2018:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Employees' Plan			
Balances at 12/31/17	\$ 868,563,618	\$ 669,893,976	\$ 198,337,184
Changes for the year:			
Service cost	16,687,330	-	16,687,330
Interest	63,245,698	-	63,245,698
Changes of benefit terms	-	-	-
Differences between expected and actual	3,826,240	-	3,826,240
Changes of assumptions	-	-	-
Contributions - employer	-	27,032,514	(27,032,514)
Contributions - member	-	5,611,992	(5,611,992)
Net investment income	-	(31,257,326)	31,257,326
Benefit payments, including refunds of member contributions	(50,575,270)	(50,574,448)	(822)
Administrative expense	-	(533,926)	533,926
Other	-	-	-
Net Changes	<u>33,183,998</u>	<u>(49,721,194)</u>	<u>82,905,192</u>
Balances at 12/31/18	<u>\$ 901,747,616</u>	<u>\$ 620,172,782</u>	<u>\$ 281,242,376</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Police Service Plan			
Balances at 12/31/17	\$ 697,481,578	\$ 553,271,312	\$ 144,210,266
Changes for the year:			
Service cost	12,825,772	-	12,825,772
Interest	50,963,454	-	50,963,454
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(2,590,825)	-	(2,590,825)
Changes of assumptions	-	-	-
Contributions - employer	-	21,933,942	(21,933,942)
Contributions - member	-	3,371,789	(3,371,789)
Net investment income	-	(25,925,725)	25,925,725
Benefit payments, including refunds of member contributions	(35,937,699)	(35,929,917)	(7,782)
Administrative expense	-	(470,041)	470,041
Other	-	-	-
Net Changes	<u>25,260,702</u>	<u>(37,019,952)</u>	<u>62,280,654</u>
Balances at 12/31/18	<u>\$ 722,742,280</u>	<u>\$ 516,251,360</u>	<u>\$ 206,490,920</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Fire Service Plan			
Balances at 12/31/17	\$ 623,144,469	\$ 547,785,623	\$ 75,358,846
Changes for the year:			
Service cost	11,784,516	-	11,784,516
Interest	45,536,865	-	45,536,865
Changes of benefit terms	-	-	-
Differences between expected and actual experience	3,520,591	-	3,520,591
Changes of assumptions	-	-	-
Contributions - employer	-	15,703,506	(15,703,506)
Contributions - member	-	3,523,812	(3,523,812)
Net investment income	-	(25,253,407)	25,253,407
Benefit payments, including refunds of member contributions	(31,972,539)	(31,571,336)	(401,203)
Administrative expense	-	(452,952)	452,952
Other	-	-	-
Net Changes	<u>28,869,433</u>	<u>(38,050,377)</u>	<u>66,919,810</u>
Balances at 12/31/18	<u>\$ 652,013,902</u>	<u>\$ 509,735,246</u>	<u>\$ 142,278,656</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Detention Officers and Deputy Sheriffs' Plan			
Balances at 12/31/17	\$ 188,561,621	\$ 141,301,969	\$ 47,259,652
Changes for the year:			
Service cost	4,532,722	-	4,532,722
Interest	13,836,051	-	13,836,051
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,937,718	-	1,937,718
Changes of assumptions	-	-	-
Contributions - employer	-	7,282,176	(7,282,176)
Contributions - member	-	1,351,994	(1,351,994)
Net investment income	-	(6,837,179)	6,837,179
Benefit payments, including refunds of member contributions	(8,161,906)	(8,164,410)	2,504
Administrative expense	-	(115,778)	115,778
Other	-	-	-
Net Changes	<u>12,144,585</u>	<u>(6,483,197)</u>	<u>18,627,782</u>
Balances at 12/31/18	<u>\$ 200,706,206</u>	<u>\$ 134,818,772</u>	<u>\$ 65,887,434</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 1.0 percentage point lower (6.5%) or 1.0 percentage point higher (8.5%) that the current rate.

	Employees' Retirement Plan	Police Service Retirement Plan	Fire Service Retirement Plan	Detention Officers' and Deputy Sheriffs' Retirement Plan
1% Decrease to 6.5%	\$ 380,337,986	\$ 298,591,578	\$ 227,638,543	\$ 89,656,810
Current Discount Rate 7.5%	281,161,049	206,237,096	142,185,495	65,797,939
1% Increase to 8.5%	197,207,217	130,633,481	72,203,235	45,941,767

Sensitivity of groups within the State System:

	Withdrawn Group *	Officials	Judges
Proportional Share of State System	n/a	0.0012379%	0.0033694%
1% Decrease to 6.45%	n/a	\$ 374,102	\$ 1,018,245
Current Discount Rate 7.45%	n/a	259,731	706,946
1% Increase to 8.45%	n/a	164,811	448,590

* Note: The liability is a contractually fixed amount which will not change for the County's change in proportion or for investment rate changes.

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, including amounts for the Anne Arundel County Public Library and Anne Arundel County Economic Development Corp., for the measurement date of December 31, 2018, are displayed by Plan in the following table.

	Employees' Retirement Plan	Police Service Retirement Plan	Fire Service Retirement Plan	Detention Officers' and Deputy Sheriffs' Retirement Plan	Total Pension System
PENSION EXPENSE:	\$ 48,733,815	\$ 34,808,795	\$ 31,914,189	\$ 10,786,618	\$ 126,243,417
DEFERRED OUTFLOWS OF RESOURCES:					
Differences between expected and actual experience	\$ 8,797,955	\$ 3,101,070	\$ 4,407,451	\$ 2,039,823	\$ 18,346,299
Changes of assumptions	-	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	44,451,056	37,361,336	36,409,263	9,781,083	128,002,738
Contributions subsequent to measurement date	13,980,269	11,256,513	8,202,997	3,707,762	37,147,541
Total Deferred Outflow of Resources	\$ 67,229,280	\$ 51,718,919	\$ 49,019,711	\$ 15,528,668	\$ 183,496,578
DEFERRED INFLOWS OF RESOURCES:					
Differences between expected and actual experience	\$ (8,633,728)	\$ (3,074,955)	\$ (3,702,103)	\$ -	\$ (15,410,786)
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	-
Total Deferred Inflow of Resources	\$ (8,633,728)	\$ (3,074,955)	\$ (3,702,103)	\$ -	\$ (15,410,786)

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, 2020. 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 four to five years as provided by the actuary as follows:

	<u>Employees'</u> <u>Retirement Plan</u>	<u>Police Service</u> <u>Retirement Plan</u>	<u>Fire Service</u> <u>Retirement Plan</u>	<u>Detention Officers'</u> <u>and Deputy Sheriffs'</u> <u>Retirement Plan</u>	<u>Total Pension</u> <u>System</u>
Year ended December 31:					
2019	\$ (12,928,684)	\$ (13,623,140)	\$ (11,419,680)	\$ (4,880,975)	\$ (42,852,479)
2020	(6,173,601)	(6,048,020)	(5,553,786)	(2,068,843)	(19,844,250)
2021	(8,599,702)	(4,325,595)	(5,433,341)	(1,382,748)	(19,741,386)
2022	(16,913,296)	(13,390,696)	(14,121,038)	(3,488,340)	(47,913,370)
2023	-	-	(586,766)	-	(586,766)

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, 2018 are displayed by Plan in the table below. Details for the entire State System can be obtained at <http://www.sra.state.md.us>.

County Portions of Maryland State Retirement and Pension System

	<u>Withdrawn</u> <u>Participants</u>	<u>Master</u> <u>Judges</u>	<u>Officials</u>	<u>Total</u> <u>Portion</u>
PENSION EXPENSE:	\$ 2,029,361	\$ 7,216	\$ 10,328	\$ 2,046,905
DEFERRED OUTFLOWS OF RESOURCES:				
Changes of assumptions	\$ -	\$ 21,559	\$ 5,733	\$ 27,292
Net difference between projected and actual earnings	-	17,211	3,585	20,796
Contributions subsequent to measurement date	-	68,274	24,711	92,985
Subtotal of outflows	-	107,044	34,029	141,073
DEFERRED INFLOWS OF RESOURCES:				
Differences between expected and actual experience	-	(55,728)	(19,450)	(75,178)
Net difference between projected and actual earnings	-	-	-	-
Subtotal of inflows	-	(55,728)	(19,450)	(75,178)
Total Deferred Activity	\$ -	\$ 51,316	\$ 14,579	\$ 65,895

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, 2020. 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:	<u>Master Judges</u>	<u>Officials</u>	<u>Total</u>
2020	\$ (24,506)	\$ (5,326)	\$ (29,832)
2021	(23,992)	(9,058)	(33,050)
2022	43,961	16,619	60,580
2023	21,495	7,897	29,392

H Payable to the County Pension System – At December 31, 2018, the System reported no payables.

I Commitments – The System has committed to fund various private markets investments totaling \$290.2 million at December 31, 2018, of which approximately \$78.7 million remains unfunded. The expected funding dates for these commitments extend through 2022.

J 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. Beginning in fiscal year 2017, each local Board pays the normal cost for their teachers in the Teachers' Retirement System and the Teachers' Pension System, which was \$23,665,760. In fiscal year 2018, the Teachers' Pension System appropriation was \$23,665,762.

K Firemen's Length of Service Award Program (LOSAP): The County instituted and began administering a single employer defined benefit length of service award program (LOSAP or the Plan), for volunteer firemen and ambulance personnel on May 1, 1975. Anne Arundel County Bill No 90-16 modified the methods and terms of the awards program.

Summary of Significant Accounting Policies for LOSAP Pension Plan - LOSAP is included in the Fire Departments departmental financial statements and included in the full accrual Governmental Activities section of the County financial statements. For purposes of measuring the net pension liability related to pension and pension expense, benefit payments are recognized when due and payable in accordance with the benefit terms. This is an unfunded program, so there are no assets accumulated for this program. The County does not issue a separate financial statement for the LOSAP.

General Information about the LOSAP Pension Plan:

Plan description: The Anne Arundel County Length of Service Award Program is a single-employer defined benefit retirement plan administered by Anne Arundel County, Maryland, which provides retirement and death benefits to volunteer fire and ambulance personnel serving the various independent volunteer fire companies in the County.

Benefits provided: Under the LOSAP, participants become vested after 25 years of eligible service beginning at age 50. No benefit is paid if service is less than 25 years.

Employees covered by benefit terms: A person who has served as an active member of a County or Annapolis City volunteer fire company is entitled to receive benefits under LOSAP if the person has satisfied the following requirements:

Persons who are at least 50 years old and who have completed at least 25 years of active volunteer service with a County volunteer fire company or an Annapolis City volunteer fire company; or volunteer firefighters who have been determined by the Maryland Workmen's Compensation Commission to have been permanently and totally disabled in the performance of duties as a volunteer firefighter.

Volunteer personnel who have qualified for benefits under the above provisions shall receive a monthly benefit payment according to the following payment schedule:

1. For members receiving benefits as of January 1, 2017, eligibility for an increase in benefits shall be determined based on earning active service credit in seven of the previous ten years (January 1, 2007 to December 31, 2016). If the member has not met this service requirement, the benefit will remain at \$250 per month for life.
2. For members receiving benefits as of January 1, 2017 and have met the requirement for continued active service in seven of the previous ten years, benefits will be increased to the following:
 - 25 to 34 years of active service, receive \$300 per month for life;
 - 35 to 44 years of active service, receive \$350 per month for life;
 - 45 or more years of active service, receive \$400 per month for life.
3. Current beneficiaries who continue to earn active service credit shall be eligible for benefit increases as they obtain the next service milestone on the benefit scale.
4. Any new beneficiaries that become eligible for benefits shall receive a benefit payment in accordance with the above scale and shall be eligible for benefit increases as they obtain the next service milestone on the benefit scale.

The surviving spouse of a volunteer firefighter who, at the time of death, was receiving benefits under LOSAP is entitled to receive a surviving spouse benefit. The benefits shall be paid to the surviving spouse monthly until the death or remarriage of that spouse. As of January 1, 2017, all current spouse beneficiaries shall continue to receive the benefit as a rate of \$150 per month. After January 1, 2017, any new spouse beneficiaries shall receive a benefit equal to 50.0% of the member benefit at the time of the member's death.

The total pension liability was determined by an actuarial valuation as of December 31, 2018 using the following actuarial assumptions:

Actuarial Assumptions:

Inflation Rate	3.0 %
Discount rate	3.71 %
Salary increases	Not applicable
Mortality	SOA RP-2014 Blue Collar Mortality Table projected from 2006 using scale MP-2015 and one year set forward.
Retirement	First eligible
Turnover	Rates varying based on age and service
Disability	Rates varying based on age

Source: Index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The following table details the changes in the net pension liability:

Changes in the Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 1/1/18	\$ 18,952,961	\$ -	\$ 18,952,961
Changes for the year:			
Service cost	507,294	-	507,294
Interest	631,054	-	631,054
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,783,718)	-	(1,783,718)
Change in assumptions	(924,073)	-	(924,073)
Employer contributions	-	790,350	(790,350)
Benefit payments, including refunds of member contributions	(790,350)	(790,350)	-
Net Changes	(2,359,793)	-	(2,359,793)
Balances at 12/31/18	\$ 16,593,168	\$ -	\$ 16,593,168 ⁽¹⁾

1) The Net LOSAP liability includes a current portion in the amount of \$799,750 which is broken out on the financial statements.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County LOSAP, calculated using the discount rate of 3.71%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.71%) or 1 percentage-point higher (4.71%) than the current rate:

	1% Decrease 2.71%	Current Discount Rate 3.71%	1% Increase 4.71%
County's Net Pension Liability	\$ 19,071,340	\$ 16,593,168	\$ 14,606,705

Source: Yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

The following schedule presents the LOSAP participants:

LOSAP Participant Summary			
	Active Participants	Volunteers Receiving Payment	Survivors Receiving Payment
Number	458	194	69
Average Age	43.42	71.15	77.74
Total Annual Benefits		\$ 683,400	\$ 124,800
Average Service	8.92		

13 Other Post-employment Benefits

The primary government, the Board of Education, the Community College, and the Library administer an agent multi-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.

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. The total OPEB liability is based on March 1, 2017 valuation data for the County and College Plans and January 1, 2017 for the Library Plan. The Plan's liability was rolled forward to the measurement date June 30, 2018. The methods, assumptions, plan provisions, and participant data used are detailed in the actuarial valuation report dated August 25, 2017 with the exception of the actuarial cost method. These calculations are based on the Entry Age Normal (EAN) cost method as required by GASB 74 and GASB 75. The EAN actuarial cost method requires a salary scale assumption. The Actuary used the salary scale assumption used to value Anne Arundel County's pension plans. The calculation of the Actuarially Determined Contribution for the fiscal year ended June 30, 2019 is contained in the actuarial valuation report dated August 25, 2017.

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 80.0% 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 80.0% for Library retirees. The primary government plan provides the same health plans to active employees and pre-age sixty-five retirees. The County offers a Medicare Advantage Plan to post age sixty-five retirees. The County offers the same prescription benefit for active employees and pre-age sixty-five retirees. Post age sixty-five retirees are eligible to participate in an Employer Group Waiver Plan (EGWP) plus WRAP 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 date of hire and service criteria. Employees hired prior to September 15, 2002 receive Board funding of 75.0% for Medical/Rx and dental benefits. For employees hired after September 15, 2002, ten years of AACPS service is required to be eligible for retiree health benefits. The Board funds a portion of the medical premium ranging from 25.0% with ten years of service to 75.0% with twenty or more years of service. No Board funding is provided for dental benefits. 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 sixty-five 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 ten 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 ten years of service to qualify. The maximum paid by the College is 75.0%. Retirees have no vested rights to these benefits.

A copy of the Anne Arundel Retiree Health Benefits Trust (OPEB Trust) financial statements may be obtained by contacting Anne Arundel County Office of Personnel, 2660 Riva Road, Annapolis, MD 21401.

B Membership by Plan – Anne Arundel County retirees meeting certain criteria are eligible for medical insurance and prescription coverage in retirement. The College provides certain health care benefits to eligible retirees. The benefits provided, benefit levels, retiree contributions and employer contributions are governed by the College’s Board of Trustees and during the budgetary process. The Board of Trustees may amend or change the plan periodically. The Library, through its Health Benefits Pooling Agreement with the County, has agreed that its benefits and costs to the retirees will match the County Plan. The number of participants in the OPEB Trust as of January 1, 2019 follows. Data is based on actuarial valuations dated June 13, 2019.

	County Plan	College Plan	Library Plan	Total
Employees with medical coverage	3,823	700	195	4,718
Deferred vested termination	307	-	-	307
Retirees	2,713	238	145	3,096
Total	6,843	938	340	8,121

C 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 established a Board of Trustees to manage the Trust and designated 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. This Reserve Fund has been closed and the funds transferred to the Trust Fund.

D Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive OPEB Trust (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between employers and plan members to that point. The 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, consistent with the long-term perspective of the calculations. The actuarial assumptions used in the latest valuation are as follows:

Schedule of Actuarial Methods and Assumptions

	<u>County Plan</u>	<u>College Plan</u>	<u>Library Plan</u>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Closed, level percent of payroll	Closed, level percent of payroll	Closed, level percent of payroll
Amortization Period	21 years <i>(as of June 30, 2019)</i>	21 years <i>(as of June 30, 2019)</i>	21 years <i>(as of June 30, 2019)</i>
Asset valuation Method	Market value of Assets	Market value of Assets	Market value of Assets
Actuarial Assumptions			
Discount Rate	6.75%	4.83%	3.13%
	<i>Long-term expected return based on Trust assets</i>	<i>Long-term expected return based on Trust assets</i>	<i>Long-term expected return based on Trust assets</i>
Payroll Increase	3.00%	3.00%	3.00%
Medical Inflation			
Trend	See note below	See note below	See note below

Anne Arundel County, Maryland
Notes to the Financial Statements

Notes:

- 1) The trend rate in 2019 is 5.40%. The rate in 2030 is 5.20%. The rate in 2050 is 5.60% pre-Medicare and 4.90% post-Medicare. The ultimate rate is 4.10% pre-Medicare and 3.90% post-Medicare.
- 2) The Plan's actual benefit payments may be greater or lesser than the amounts shown, depending on the Plan's actual demographic experience, and claims experience.
- 3) The information above is from the actuarial valuation reports dated June 13, 2019 which used census valuation data as of January 1, 2019.

Mortality rates: Healthy uses SOA RPH-2014 adjusted to 2006 Blue Collar headcount-weighted mortality; MP-2018 base year 2006 fully generational.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Anne Arundel Retiree Health Benefits Trust (the Trust) and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the County. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

The following table details the changes in the net OPEB liability:

Change in Net OPEB Liability			
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2017 for FYE 2018	\$ 661,548,000	\$ 92,886,915	\$ 568,661,085
Changes for the Year			
Service Cost	17,759,244	-	17,759,244
Interest	41,434,143	-	41,434,143
Experience Losses/(Gains)	(884,315)	-	(884,315)
Change in Assumptions	-	-	-
Employer Trust Contribution	-	57,334,603	(57,334,603)
Member Trust Contribution	-	-	-
Net Investment Income	-	9,193,411	(9,193,411)
Administrative Expense	-	(38,359)	38,359
Benefit Payments	(23,539,295)	(23,539,295)	-
Other (Insurance Subsidies and Rebates)	-	-	-
Net Changes	<u>34,769,777</u>	<u>42,950,360</u>	<u>(8,180,583)</u>
Balance as of June 30, 2018 for FYE 2019	<u>\$ 696,317,777</u>	<u>\$ 135,837,275</u>	<u>\$ 560,480,502</u>

For the fiscal year ended June 30, 2019, Anne Arundel County General Employees recognized an OPEB expense of \$50,255,767. At June 30, 2019, Anne Arundel County General Employees reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (736,929)
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(6,001,247)
Employer contribution subsequent to measurement date	<u>63,585,957</u>	<u>-</u>
Total	<u>\$ 63,585,957</u>	<u>\$ (6,738,176)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

Fiscal Year ended June 30:	
2020	\$ (2,001,849)
2021	(2,001,849)
2022	(2,001,850)
2023	(585,243)
2024	(147,385)

E Net OPEB Liability of the Trust – The components of the net OPEB liability of the Trust at June 30, 2019 are displayed on the following schedule:

Net OPEB Liability of the Trust
As of June 30, 2019
(in thousands)

	County Plan	College Plan	Library Plan	TOTAL
Total OPEB liability	\$ 696,318	\$ 47,228	\$ 24,838	\$ 768,384
Plan fiduciary net position	(135,837)	(9,250)	(807)	(145,894)
Net OPEB liability	<u>\$ 560,481</u>	<u>\$ 37,978</u>	<u>\$ 24,031</u>	<u>\$ 622,490</u>

Plan fiduciary net position as a percentage of the total

OPEB liability	19.51%	19.59%	3.25%
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Net OPEB liability:

Anne Arundel County Gov.	\$ 557,810	\$ -	\$ -	\$ 557,810
Economic Development	2,671	-	-	2,671
College Plan	-	37,978	-	37,978
Library Plan	-	-	24,031	24,031
Net OPEB liability	<u>\$ 560,481</u>	<u>\$ 37,978</u>	<u>\$ 24,031</u>	<u>\$ 622,490</u>

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

	County Plan	College Plan	Library Plan
Inflation	2.40%	2.40%	2.40%
Salary increases	3.00%	3.00%	3.00%
Investment rate of return	6.75%	6.75%	6.75%
Healthcare cost trend rates	5.40%	5.40%	5.40%

F Long-term expected real rate of return – The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation of 40 percent for fixed income and 60 percent for equity investments, and including the expected rate of inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019 are summarized in the following table:

2019 30-Year Return Assumptions by Asset Class

Asset Class	(Nominal Returns)	(Real Returns)
Inflation (CPI)	2.75%	--
Cash	3.00%	0.24%
Core Fixed Income ⁽¹⁾	4.37%	1.58%
Diversified Fixed Income ⁽²⁾	5.71%	2.88%
Absolute Return Fixed Income ⁽³⁾	4.75%	1.95%
Large Cap Equity	7.50%	4.62%
Small/Mid Cap Equity	7.75%	4.87%
International Equities (Unhedged)	7.75%	4.87%
Emerging Int'l Equities	9.25%	6.33%
Real Estate (Core)	6.25%	3.41%

Notes

NEPC's 30-year geometric CPI inflation assumption is 2.75%.

- (1) Core Bonds assumption based on market weighted blend of Bloomberg Barclays US Aggregate Bond Index (Treasury, IG Credit, MBS).
- (2) Diversified Fixed Income assumption based on market weighted blend of Treasuries, Investment Grade Corporate Credit, High Yield, Bank Loans, Emerging Market Debt, and Non-US Bonds.
- (3) Absolute Return Fixed Income assumption based on market weighted blend of US Leverage Cost, High Yield, Emerging Market Debt, Non-US Bonds, Short Credit Fixed Income, and Hedge Funds – Macro.

Policy allows use of mutual/commingled funds as investment vehicles. The following schedule displays the asset allocation targets in the IPS.

Asset Allocations by Investment Policy

	Target Allocation	Minimum Allocation	Maximum Allocation
Large Cap U.S. Equities	22%	17%	27%
Small/Mid Cap U.S. Equities	6%	0%	11%
International Equities- Developed Markets	21%	16%	26%
Emerging International Equities	6%	0%	11%
Total Equity	55%	45%	65%
Core Fixed Income	15%	10%	20%
Diversified Fixed Income	20%	15%	25%
Absolute Return Fixed Income	5%	0%	10%
Total Fixed Income	40%	30%	50%
Real Estate (Core)	5%	0%	10%
Total Real Estate	5%	0%	10%

G Discount rate – The discount rate used to determine the actuarial net liability varied by Plan. Based on assumptions of increasing contribution levels and normal costs for future hires, the County Plan is expected to never become insolvent. Consequently, the actuary determined the County's liability using the expected rate of return on assets of 6.75 percent as the discount rate. The College's liability uses the expected rate of return on assets of 4.83 percent as the discount rate which decreased from 6.38 percent in the prior year. Forecasts for the Library determined that the Plan would require calculation of a blended rate reflecting both the expected rate of return on assets and the bond rate of 3.13 percent. The discount rate used for the Library Plan is 3.13 percent which decreased from 6.37 percent in the prior year.

H Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of each Plan based on each Plan’s discount rate, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate as follows:

Discount Rate Sensitivity as of June 30, 2018			
Net OPEB liability (asset)			
	1.00% Decrease	Discount Rate	1.00% Increase
County Plan	5.38%	6.38%	7.38%
	\$ 635,329,395	\$ 560,480,502	\$ 438,225,104
College Plan	5.38%	6.38%	7.38%
	44,843,726	37,979,353	32,290,326
Library Plan	5.37%	6.37%	7.37%
	27,257,005	24,030,636	21,357,239
Discount Rate Sensitivity as of June 30, 2019			
Net OPEB liability (asset)			
	1.00% Decrease	Discount Rate	1.00% Increase
County Plan	5.75%	6.75%	7.75%
	\$ 688,281,051	\$ 565,796,184	\$ 467,027,807
College Plan	3.83%	4.83%	5.83%
	80,513,111	66,553,364	55,312,613
Library Plan	2.13%	3.13%	4.13%
	49,263,588	41,779,516	35,819,903

I Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate – The trend rate selected is based on an economic model developed by a health care economist for the Society of Actuaries. Future medical trend increases could vary significantly from the model. Model inputs will be updated periodically based on the best estimate of the economy at the time. Small changes in the model inputs can result in actuarial losses or gains of 5 to 15 percent of liabilities. The same trend rate is used for each Plan. The following presents the net OPEB liability for each Plan, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Healthcare Trend Cost Sensitivity as of June 30, 2018			
Net OPEB liability (asset)			
	1.00% Decrease	Trend Rates	1.00% Increase
	2.90%	3.90%	4.90%
County Plan	\$ 430,293,212	\$ 560,782,563	\$ 646,565,877
College Plan	30,954,925	37,979,353	46,829,425
Library Plan	20,895,882	24,030,636	27,864,108
Healthcare Trend Cost Sensitivity as of June 30, 2019			
Net OPEB liability (asset)			
	1.00% Decrease	Trend Rates	1.00% Increase
	3.10%	4.10%	5.10%
County Plan	\$ 456,879,028	\$ 565,796,184	\$ 702,706,367
College Plan	53,426,433	66,553,364	83,582,628
Library Plan	35,195,731	41,779,516	50,227,496

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, 2019, the Self Insurance Fund liability of \$83,220,805 is discounted, since discounting is more reflective of the nature of the claims. The Health Insurance Fund liability of \$4,160,822 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 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Liability balance, July 1	\$ 83,182,953	\$ 81,934,645
Current year claims and changes in estimates:		
Changes in estimates - prior periods	3,730,217	5,234,559
Changes in estimates - current year	99,419,571	98,895,097
Claims payments	(98,951,114)	(102,881,348)
Liability balance, June 30	<u>\$ 87,381,627</u>	<u>\$ 83,182,953</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 has stopped collecting solid waste and is 100.0% full. Closure for cell 8 will be completed in 2020. Cell 9 has opened and is 7.6% full. Cell 9 has a useful life to at least 2048. 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	\$ 59,138,974	\$ 18,163,719	\$ 77,302,693
Post closure	<u>38,046,528</u>	<u>2,371,114</u>	<u>40,417,642</u>
	97,185,502	20,534,833	117,720,335
Less:			
Amount recognized thru June 30, 2019	<u>58,692,852</u>	<u>20,534,833</u>	<u>79,227,685</u>
Costs remaining to be recognized	<u>\$ 38,492,650</u>	<u>\$ -</u>	<u>\$ 38,492,650</u>
Liability recorded at June 30, 2019			
Closure Cell 8 (current for FY19)	\$ 171,244	\$ -	\$ 171,244
Closure Cell 9 Long Term	1,699,892	-	1,699,892
Current portion post closure	835,898	235,996	1,071,894
Post closure Long Term	<u>19,385,088</u>	<u>2,135,118</u>	<u>21,520,206</u>
	<u>\$ 22,092,122</u>	<u>\$ 2,371,114</u>	<u>\$ 24,463,236</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 decreased in the amount of \$990,325, partly as a result of \$2,056,435 spent on Cell 8 closure costs through June 30, 2019 and post closure reserves increased by \$520,762 in fiscal year 2019. These amounts include changes to the estimates in the reserves, payments, and other adjustments.

The Solid Waste Fund has restricted assets of \$17,625,950 for closure and post closure care as of June 30, 2019.

16 Tax Abatements

Anne Arundel County provides tax abatements through the following programs - Payment in Lieu of Taxes (PILOT), Brownfields Site property tax credits, Agricultural Land tax credits and Enterprise Zone tax credits.

A PILOT - The purpose of the first type of County PILOT agreement is to provide quality multi-family housing communities for households of limited income in the County. Agreements are made with the County in negotiated amounts in lieu of County real property taxes per Tax Property Article § 7-506.1. For fiscal year 2019, the net amount of taxes abated after receipt of the PILOT payments was \$601,889. The second type of County PILOT agreement is for economic development projects that demonstrate to the satisfaction of the Anne Arundel County Executive and County Council of Anne Arundel County that the project is an economic development project that provides a public benefit. Agreements are made with the County in negotiated amounts in lieu of County real or personal property tax per Tax Property Article § 7-520. For fiscal year 2019, the County had one of this type of PILOT agreement and the amount of the abatement of real property taxes was \$615,839.

B Brownfields Site Tax Credit - The County provides a Brownfields Site tax credit on real property taxes levied on qualified brownfields sites as authorized by Tax Property Article § 9-229. The brownfields tax credit is effective for each of the five taxable years following the issuance of the notice of revaluation by the State Department of Assessments and Taxation after completion of a voluntary cleanup or a corrective action plan for a qualified site. For fiscal year 2019, the total amount of taxes abated for brownfields sites was \$485,972.

C Agricultural Land Tax Credit - The County provides an agricultural land tax credit on real property taxes levied on agricultural land and woodland if the property is included in an agricultural preservation district as provided in the Agriculture Article § 2-509 of the State Code or a County agricultural district as provided in County Code and the landowner has agreed to remain in the district for at least ten years. For fiscal year 2019, the total amount of agricultural taxes abated was \$571,309.

D Enterprise Zone Tax Credit – The County provides enterprise zone tax incentives to businesses and property owners located in economically distressed communities. The Enterprise Zone tax credit from County real property taxes for eligible assessments of qualified properties is authorized per Tax Property Article § 9-103. For fiscal year 2019, there were no County participants in this program, therefore no taxes were abated.

E The State of Maryland – The State of Maryland has programs that result in tax abatements for Anne Arundel County real property taxes. Per Tax Property Article § 8-209, property owners of qualified agricultural land receive a preferential land value. Land is assessed according to its current use and not according to its market value, resulting in a reduced assessed value of the land and thereby reducing the taxes. Lower assessments are given for land that is devoted to farm or woodland uses. For fiscal year 2019, there were 1,542 accounts totaling 46,674 acres receiving a preferential land value of \$12,171,116. The exact amount of the tax abatement is unknown because the State Department of Assessments and Taxation is unable to provide the market value and can only provide the preferential land value.

Qualified country clubs and golf courses are assessed according to their preferred use value rather than their market value per Tax Property Article §§ 8-212 - 8-218. This lower assessment results in lower taxes. For fiscal year 2019, the difference between the preferred use value and the market value reduced the assessments by \$22,197,663 resulting in an abatement of \$200,223 in County real property taxes.

17 Contingent Liabilities

A Impact Fees – At June 30, 2019, 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 \$27,695,653 as of June 30, 2019.

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. On July 24, 2012, the Circuit Court issued a judgment finding that with consideration of encumbrances, impact fees in the amount of \$1,342,360 were available for refund (subject to 5% interest from the date of payment of each impact fee) to the current owners of certain specified impact fee paying properties. In a July 29, 2013 opinion, the Court of Special Appeals affirmed the Circuit Court. On August 8, 2016, the Circuit Court ordered the County to pay impact fee refunds and interest in specified amounts to class members listed on Exhibit A to its order. The amount of refunds and interest ordered to be paid by the County totaled \$2,832,514. On November 7, 2016, the County mailed checks to individual property owners as required. It is possible that the County will be assessed a penalty by the Internal Revenue Service for payments made pursuant to Court order to property owners who failed to provide their social security number or tax identification number to the County despite request for the same. In the event of such a penalty, the County will request that it be abated, relying on its substantial efforts to obtain this information from the taxpayers. More than nine months after the County paid the refunds, interest, and attorney's fees, the property owners filed a Motion to Enforce Judgment seeking an additional \$2.7 million in interest. The Circuit Court denied this motion and the property owners noted an appeal to the Court of Special Appeals on September 6, 2017. On March 22, 2019, the Court of Special Appeals affirmed the decision of the Circuit Court in favor of the County. The time for review of the Court of Special Appeals' ruling has passed.

A taxpayer that owns and operates a major gaming facility seeks refunds of real property taxes paid for fiscal years 2012 through 2016 due to claimed fair market values below the assessed values upon which taxes were paid. The taxpayer claims it is entitled to tax refunds in the total amount of \$3,876,256 in addition to 6% interest from the dates of the various years' payments. Trial concluded in the Maryland Tax Court on May 17, 2017. On December 26, 2017, the Maryland Tax Court ruled in favor of the taxpayer. The County noted an appeal to the Circuit Court for Anne Arundel County on December 29, 2017. On August 9, 2019, the Circuit Court ruled in favor of the taxpayer. The County noted an appeal to the Court of Special Appeals on September 5, 2019. The appeal is pending.

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. Reserves for much of the losses alleged have been established in the Self-Insurance Fund.

C *Federal Financial Assistance* - The County receives significant financial assistance from the U.S. Government. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits. Any disallowances as a result of these audits become a liability of the fund that received the grants. As of June 30, 2019, the County estimates that no material liabilities will result from such audits.

D *Payroll* - In 2018, the Office of Personnel discovered that certain overtime wage calculations for certain County employees were performed incorrectly by the County's payroll contractor in past years. The County has engaged financial professionals who are currently determining the amount of those miscalculations. An estimated liability has been accrued.

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Anne Arundel Retirement and Pension System
 Required Supplementary Information
 Schedule of Changes in the Net Pension Liability and Related Ratios - Employees' Retirement Plan
 For Years Ended December 31

	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)					
Service cost	\$ 16,687	\$ 15,497	\$ 15,144	\$ 15,115	\$ 14,159
Interest	63,246	60,502	59,292	58,329	53,353
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	3,826	9,562	(12,599)	(17,971)	16,408
Changes of assumptions	-	-	-	-	22,567
Benefit payments, including refunds of member contributions	(50,575)	(47,380)	(44,024)	(41,253)	(39,012)
Net change in total pension liability	33,184	38,181	17,813	14,221	67,475
Total pension liability - beginning	868,564	830,383	812,570	798,349	730,874
Total pension liability - ending (a)	<u>\$ 901,748</u>	<u>\$ 868,564</u>	<u>\$ 830,383</u>	<u>\$ 812,570</u>	<u>\$ 798,349</u>
Plan fiduciary net position					
Contributions - employer	27,033	25,654	25,810	25,630	24,451
Contributions - member	5,612	5,472	5,182	4,847	4,662
Net investment income	(31,166)	94,908	41,345	(8,374)	28,451
Benefit payments, including refunds of member contributions	(50,575)	(47,380)	(44,024)	(41,253)	(39,012)
Administrative expense	(543)	(526)	(497)	(504)	(519)
Net change in plan fiduciary net position	(49,640)	78,127	27,816	(19,654)	18,034
Plan fiduciary net position - beginning	670,226	592,099	564,283	583,936	565,902
Plan fiduciary net position - ending (b)	<u>\$ 620,587</u>	<u>\$ 670,226</u>	<u>\$ 592,099</u>	<u>\$ 564,283</u>	<u>\$ 583,936</u>
County's net pension liability - ending (a)-(b)	<u>\$ 281,161</u>	<u>\$ 198,337</u>	<u>\$ 238,284</u>	<u>\$ 248,287</u>	<u>\$ 214,413</u>
Plan fiduciary net position as a percentage of the total pension liability	68.8%	77.2%	71.3%	69.4%	73.1%
Covered-employee payroll	\$ 134,892	\$ 138,239	\$ 130,313	\$ 127,827	\$ 127,091
County's net pension liability as a percentage of covered-employee payroll	208.4%	143.5%	182.9%	194.2%	168.7%
Expected average remaining service years of all participants	5	5	5	5	5

Notes to Schedule:

- 1 Source is actuarial data based on preliminary financials. The differences between this schedule and the final combining statement of changes in fiduciary net position on page 14 are considered immaterial.
- 2 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 for those years for which data is available.
- 3 There are no benefit changes reflected in the current schedule.
- 4 For FY 2019, the expected rate of investment return was reduced from 7.5% to 7.25% and other assumptions were changed to reflect results of the 2018 experience study.

Anne Arundel Retirement and Pension System
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - Police Service Retirement Plan
For Years Ended December 31

	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)					
Service cost	\$ 12,826	\$ 12,689	\$ 12,057	\$ 12,258	\$ 10,951
Interest	50,963	48,563	47,032	45,473	41,480
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(2,591)	6,202	(4,527)	(4,693)	12,801
Changes of assumptions	-	-	-	-	18,331
Benefit payments, including refunds of member contributions	(35,938)	(34,950)	(33,357)	(31,134)	(29,507)
Net change in total pension liability	25,261	32,504	21,205	21,903	54,055
Total pension liability - beginning	697,482	664,978	643,773	621,870	567,815
Total pension liability - ending (a)	<u>\$ 722,742</u>	<u>\$ 697,482</u>	<u>\$ 664,978</u>	<u>\$ 643,773</u>	<u>\$ 621,870</u>
Plan fiduciary net position					
Contributions - employer	21,934	20,931	20,411	19,560	18,870
Contributions - member	3,372	3,250	3,158	3,104	2,950
Net investment income	(25,860)	78,155	33,500	(7,869)	21,813
Benefit payments, including refunds of member contributions	(35,938)	(34,950)	(33,357)	(31,134)	(29,507)
Administrative expense	(464)	(445)	(417)	(423)	(418)
Net change in plan fiduciary net position	(36,956)	66,941	23,295	(16,762)	13,707
Plan fiduciary net position - beginning	553,461	486,520	463,225	479,988	466,281
Plan fiduciary net position - ending (b)	<u>\$ 516,505</u>	<u>\$ 553,461</u>	<u>\$ 486,520</u>	<u>\$ 463,225</u>	<u>\$ 479,988</u>
County's net pension liability - ending (a)-(b)	<u>\$ 206,237</u>	<u>\$ 144,020</u>	<u>\$ 178,458</u>	<u>\$ 180,547</u>	<u>\$ 141,882</u>
Plan fiduciary net position as a percentage of the total pension liability	71.5%	79.4%	73.2%	72.0%	77.2%
Covered-employee payroll	\$ 48,322	\$ 45,989	\$ 44,894	\$ 43,879	\$ 42,960
County's net pension liability as a percentage of covered-employee payroll	426.8%	313.2%	397.5%	411.5%	330.3%
Expected average remaining service years of all participants	4	4	4	4	4

Notes to Schedule:

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- 3 There are no benefit changes reflected in the current schedule.
- 4 For FY 2019, the expected rate of investment return was reduced from 7.5% to 7.25% and other assumptions were changed to reflect results of the 2018 experience study.

Anne Arundel Retirement and Pension System
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - Fire Service Retirement Plan
For Years Ended December 31

	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)					
Service cost	\$ 11,785	\$ 11,556	\$ 11,102	\$ 10,339	\$ 9,184
Interest	45,537	43,670	42,294	41,924	38,949
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	3,521	2,210	(1,552)	(14,630)	3,679
Changes of assumptions	-	-	-	-	18,028
Benefit payments, including refunds of member contributions	(31,973)	(33,129)	(33,868)	(31,520)	(28,823)
Net change in total pension liability	28,869	24,309	17,976	6,112	41,016
Total pension liability - beginning	623,144	598,836	580,860	574,748	533,731
Total pension liability - ending (a)	\$ 652,014	\$ 623,144	\$ 598,836	\$ 580,860	\$ 574,748
Plan fiduciary net position					
Contributions - employer	15,704	14,664	14,591	15,122	15,899
Contributions - member	3,524	3,441	3,257	3,050	2,778
Net investment income	(25,208)	77,992	33,899	(7,744)	22,688
Benefit payments, including refunds of member contributions	(31,973)	(33,129)	(33,868)	(31,520)	(28,823)
Administrative expense	(430)	(448)	(428)	(436)	(423)
Net change in plan fiduciary net position	(38,382)	62,520	17,451	(21,528)	12,119
Plan fiduciary net position - beginning	548,211	485,690	468,239	489,767	477,648
Plan fiduciary net position - ending (b)	\$ 509,828	\$ 548,211	\$ 485,690	\$ 468,239	\$ 489,767
County's net pension liability - ending (a)-(b)	\$ 142,185	\$ 74,933	\$ 113,146	\$ 112,621	\$ 84,981
Plan fiduciary net position as a percentage of the total pension liability	78.2%	88.0%	81.1%	80.6%	85.2%
Covered-employee payroll	\$ 48,728	\$ 46,954	\$ 46,228	\$ 43,838	\$ 40,476
County's net pension liability as a percentage of covered-employee payroll	291.8%	159.6%	244.8%	256.9%	210.0%
Expected average remaining service years of all participants	6	6	6	5	5

Notes to Schedule:

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- 3 There are no benefit changes reflected in the current schedule.
- 4 For FY 2019, the expected rate of investment return was reduced from 7.5% to 7.25% and other assumptions were changed to reflect results of the 2018 experience study.

Anne Arundel Retirement and Pension System

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios -Detention Officers and Deputy Sheriffs' Plan

For Years Ended December 31

	2018	2017	2016	2015	2014
Total pension liability (Dollar amounts in thousands)					
Service cost	\$ 4,533	\$ 4,658	\$ 4,461	\$ 4,634	\$ 4,602
Interest	13,836	12,912	12,281	11,401	10,301
Changes of benefit terms	-	-	-	4,635	-
Differences between expected and actual experience	1,938	2,244	(1,678)	(2,558)	2,322
Changes of assumptions	-	-	-	-	3,494
Benefit payments, including refunds of member contributions	(8,162)	(6,821)	(6,485)	(6,279)	(5,819)
Net change in total pension liability	12,145	12,993	8,579	11,833	14,900
Total pension liability - beginning	188,562	175,569	166,990	155,156	140,256
Total pension liability - ending (a)	<u>\$ 200,706</u>	<u>188,562</u>	<u>175,569</u>	<u>166,990</u>	<u>155,156</u>
Plan fiduciary net position					
Contributions - employer	7,282	7,000	6,689	6,371	6,111
Contributions - member	1,352	1,354	1,316	1,317	1,298
Net investment income	(6,825)	19,607	8,159	(1,919)	4,944
Benefit payments, including refunds of member contributions	(8,162)	(6,821)	(6,485)	(6,279)	(5,819)
Administrative expense	(108)	(109)	(100)	(98)	(96)
Net change in plan fiduciary net position	(6,461)	21,030	9,579	(608)	6,438
Plan fiduciary net position - beginning	141,369	120,339	110,760	111,368	104,930
Plan fiduciary net position - ending (b)	<u>\$ 134,908</u>	<u>141,369</u>	<u>120,339</u>	<u>110,760</u>	<u>111,368</u>
County's net pension liability - ending (a)-(b)	<u>\$ 65,798</u>	<u>47,193</u>	<u>55,230</u>	<u>56,230</u>	<u>43,788</u>
Plan fiduciary net position as a percentage of the total pension liability	67.2%	75.0%	68.5%	66.3%	71.8%
Covered-employee payroll	\$ 19,573	\$ 19,790	\$ 19,801	\$ 19,386	\$ 19,776
County's net pension liability as a percentage of covered-employee payroll	336.2%	238.5%	278.9%	290.1%	221.4%
Expected average remaining service years of all participants	3	3	3	4	4

Notes to Schedule:

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- 2 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 for those years for which data is available.
- 3 There are no benefit changes reflected in the schedule for the current year.
- 4 For FY 2019, the expected rate of investment return was reduced from 7.5% to 7.25% and other assumptions were changed to reflect results of the 2018 experience study.

Required Supplementary Information
Schedule of Investment Returns
Anne Arundel County Retirement and Pension System
For the Years Ended December 31

Annual Money-Weighted Rate of Return Net of Investment Expenses	
2018	(4.9) %
2017	15.7 %
2016	6.2 %
2015	(1.8) %

Note: Money-weighted results for the required ten year timeframe will be added as available.
Source: New England Pension Consultants, LLC

Schedule of Investment Returns
Maryland State Retirement and Pension System
For the Years Ended June 30

Annual Money-Weighted Rate of Return Net of Investment Expenses	
2018	8.1 %
2017	10.0 %
2016	1.1 %
2015	2.7 %

Note: Money-weighted results for the required ten 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 June 30

(Dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 27,961	\$ 26,104	\$ 25,204	\$ 26,416	\$ 24,894	\$ 23,958	\$ 20,765	\$ 18,883	\$ 17,490	\$ 17,078
Contributions in relation to the actuarially determined contribution	27,961	26,104	25,204	26,416	24,894	23,958	20,765	18,883	17,490	17,078
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll (See note)	\$ 134,892	\$ 138,239	\$ 130,313	\$ 127,827	\$ 127,091	\$ 115,809	\$ 116,025	\$ 120,416	\$ 123,498	\$ 126,031
Contributions as a percentage of										
Covered payroll	20.73%	18.88%	19.34%	20.67%	19.59%	20.69%	17.90%	15.68%	14.16%	13.55%
Valuation date	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013	1/1/2012	1/1/2011	1/1/2010

Notes:

- 1) Covered payroll for 2014 has been changed to reflect the new GASB language.
- 2) Methods and assumptions listed below are used by the actuary to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll, closed, increasing 3.0% per year.
Remaining amortization	Periods range from 15 to 24 years. Starting with new bases in 2018, 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	3.0%
Salary increases	Rates vary by participant age.
Investment rate of return	7.5% Net of pension plan investment expense, including inflation.
Retirement age	Rates vary by participant age and service.
Mortality	RP-2000 Blue Collar Mortality tables with generational projection by Scale AA. A nine-year set forward is used for post-disability mortality.

Source: Actuarial Section of the Anne Arundel County Retirement and Pension System Comprehensive Annual Financial Report for the Year Ended December 31, 2018.

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 June 30
 (Dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 22,513	\$ 21,355	\$ 20,507	\$ 20,315	\$ 18,805	\$ 18,934	\$ 16,558	\$ 14,503	\$ 13,803	\$ 13,588
Contributions in relation to the actuarially determined contribution	<u>22,513</u>	<u>21,355</u>	<u>20,507</u>	<u>20,315</u>	<u>18,805</u>	<u>18,934</u>	<u>16,558</u>	<u>14,503</u>	<u>13,803</u>	<u>13,588</u>
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 55,102	\$ 51,759	\$ 50,560	\$ 48,117	\$ 48,262	\$ 41,714	\$ 40,522	\$ 41,335	\$ 42,449	\$ 42,499
Contributions as a percentage of Covered payroll	40.86%	41.26%	40.56%	42.22%	38.97%	45.39%	40.86%	35.09%	32.52%	31.97%
Valuation date	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013	1/1/2012	1/1/2011	1/1/2010

Notes:

- 1) Covered payroll for 2014 has been changed to reflect the new GASB language.
- 2) Methods and assumptions listed below are used by the actuary to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll, closed, increasing 3.0% per year.
Remaining amortization	Periods range from 15 to 24 years. Starting with new bases in 2018, 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	3.0%
Salary increases	Rates vary by participant age.
Investment rate of return	7.5% Net of pension plan investment expense, including inflation.
Retirement age	Rates vary by participant age and service.
Mortality	RP-2000 Blue Collar Mortality tables with generational projection by Scale AA. A five-year set forward is used for post-disability mortality.
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.

Source: Actuarial Section of the Anne Arundel County Retirement and Pension System Comprehensive Annual Financial Report for the Year Ended December 31, 2018.

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 June 30

(Dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 16,406	\$ 15,001	\$ 14,328	\$ 14,855	\$ 15,389	\$ 16,409	\$ 15,896	\$ 14,581	\$ 14,210	\$ 14,217
Contributions in relation to the actuarially determined contribution	16,406	15,001	14,328	14,855	15,389	16,409	15,896	14,581	14,210	14,217
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 54,769	\$ 51,767	\$ 50,412	\$ 49,182	\$ 48,550	\$ 44,951	\$ 43,362	\$ 45,673	\$ 47,841	\$ 49,064
Contributions as a percentage of Covered payroll	29.95%	28.98%	28.42%	30.20%	31.70%	36.50%	36.66%	31.92%	29.70%	28.98%
Valuation date	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013	1/1/2012	1/1/2011	1/1/2010

Notes:

1) Covered payroll for 2014 has been changed to reflect the new GASB language.

2) Methods and assumptions listed below are used by the actuary to determine contribution rates:

Actuarial cost method Projected Unit Credit

Amortization method Level percentage of payroll, closed, increasing 3.0% per year.

Remaining amortization Periods range from 15 to 24 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 3.0%

Salary increases Rates vary by participant age.

Investment rate of return 7.5% Net of pension plan investment expense, including inflation.

Retirement age Rates vary by participant age and service.

Mortality RP-2000 Blue Collar Mortality tables with generational projection by Scale AA.
 A five-year set forward is used for post-disability mortality.

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.

Source: Actuarial Section of the Anne Arundel County Retirement and Pension System Comprehensive Annual Financial Report for the Year Ended December 31, 2018.

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 June 30

(Dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 7,416	\$ 7,149	\$ 6,851	\$ 6,526	\$ 6,215	\$ 6,007	\$ 5,194	\$ 5,089	\$ 4,900	\$ 4,678
Contributions in relation to the actuarially determined contribution	7,416	7,149	6,851	6,526	6,215	6,007	5,194	5,089	4,900	4,678
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 21,445	\$ 21,269	\$ 21,001	\$ 19,975	\$ 19,776	\$ 18,133	\$ 17,897	\$ 18,761	\$ 19,310	\$ 20,204
Contributions as a percentage of Covered payroll	34.58%	33.61%	32.62%	32.67%	31.43%	33.13%	29.02%	27.13%	25.37%	23.16%
Valuation date	1/1/2019	1/1/2008	1/1/2017	1/1/2016	1/1/2015	1/1/2014	1/1/2013	1/1/2012	1/1/2011	1/1/2010

Notes:

1) Covered payroll for 2014 has been changed to reflect the new GASB language.

2) Methods and assumptions listed below are used by the actuary to determine contribution rates:

Actuarial cost method Projected Unit Credit

Amortization method Level percentage of payroll, closed, increasing 3.0% per year.

Remaining amortization Periods range from 4 to 34 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 3.0%

Salary increases Rates vary by participant age.

Investment rate of return 7.5% Net of pension plan investment expense, including inflation.

Retirement age Rates vary by participant age and service.

Mortality RP-2000 Blue Collar Mortality tables with generational projection by Scale AA.

A five-year set forward is used for post-disability mortality.

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.

Source: Actuarial Section of the Anne Arundel County Retirement and Pension System Comprehensive Annual Financial Report for the Year Ended December 31, 2018.

**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**

as of June 30	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's portion of the net pension liability	n/a	n/a	n/a	n/a	n/a
County's porportionate share of the net pension liability	\$ 2,287,995	\$ 4,317,356	\$ 6,110,191	\$ 7,686,917	\$ 9,066,375
County's covered payroll	5,466	5,111	5,307	5,152	5,152
County's proportionate share of the net pension liability as a percentage of its covered payroll	0.24%	0.12%	0.09%	0.07%	0.06%
Plan fiduciary net position as a percentage of the total pension liability	71.18%	69.38%	65.79%	68.78%	71.87%

Notes:

- 1 The liability is a contractually fixed amount which will not change for the proportional the group represents of the total.
- 2 This schedule is presented to illustrate the requirement to show information for ten years. Until ten-year trend is compiled, pension plans should present information for those years for which the data is available.
- 3 There are no benefit changes reflected in the current schedule.
- 4 The County's annual contribution is determined by actuarially calculated 40-year contract established 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

as of June 30	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's portion of the net pension liability	0.0012379%	0.0011945%	0.00111830%	0.00094790%	0.00077211%
County's porportionate share of the net pension liability	\$ 259,731	\$ 258,295	\$ 263,850	\$ 196,990	\$ 137,025
County's covered payroll	133,001	132,999	132,999	132,999	128,624
County's proportionate share of the net pension liability as a percentage of its covered payroll	51.21%	51.49%	50.41%	67.52%	93.87%
Plan fiduciary net position as a percentage of the total pension liability	71.18%	69.38%	65.79%	68.78%	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 7.65% to 7.55%.
 -- Inflation assumption changed from 2.90% to 2.70%.
- 4 Methods and Assumptions Used in Calculation of Actuarially Determined Contributions:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 years for State system
Asset Valuation Method	5-year smoothed market (max. 120% and min. 80% of the market value)
Inflation	2.7% general, 3.2% wage
Salary Increases	3.3% to 9.2% including inflation
Investment Rate of Return	7.5 %
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for 2015 valuation pursuant to an experience study of the 2010-2014 period.
Mortality	RP-2014 Mortality Tables with generational mortality projections using scale MP-2014 2-dimensional mortality improvement scale.

**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**

as of June 30	2018	2017	2016	2015	2014
County's portion of the net pension liability	0.0033694%	0.0033089%	0.0029627%	0.0043607%	0.00586823%
County's porportionate share of the net pension liability	\$ 706,946	\$ 715,507	\$ 699,020	\$ 906,228	\$ 1,041,419
County's covered payroll	147,796	144,646	141,808	134,289	133,379
County's proportionate share of the net pension liability as a percentage of its covered payroll	20.91%	20.22%	20.29%	14.82%	12.81%
Plan fiduciary net position as a percentage of the total pension liability	71.18%	69.38%	65.79%	68.78%	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 7.65% to 7.55%.
 - Inflation assumption changed from 2.90% to 2.70%.
- 4 Methods and Assumptions Used in Calculation of Actuarially Determined Contributions:

<ul style="list-style-type: none"> Actuarial Amortization Method Remaining Amortization Period Asset Valuation Method Inflation Salary Increases Investment Rate of Return Retirement Age Mortality 	<ul style="list-style-type: none"> Entry Age Normal Level Percentage of Payroll, Closed 21 years for State System. 5-year smoothed market (max. 120% and min. 80% of the market value) 2.7% general, 3.2% wage 3.3% to 9.2% including inflation 7.5 % Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for 2015 valuation pursuant to an experience study of the 2010-2014 period. RP-2014 Mortality Tables with generational mortality projections using scale MP-2014, calibrated to MSRPS experience.
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Anne Arundel County

Required Supplementary Information

Schedule of County Contributions to State Municipal Pool Withdrawn Personnel

For the Last Ten Years Ended June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 2,254,020	\$ 2,146,686	\$ 2,044,464	\$ 1,947,108	\$ 1,854,389	\$ 1,766,098	\$ 1,681,986	\$ 1,601,891	\$ 1,525,610	\$ 1,452,962
Contributions in relation to the actuarially determined contribution	2,254,020	2,146,686	2,044,464	1,947,108	1,854,389	1,766,098	1,681,986	1,601,891	1,525,610	1,452,962
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Contributions as a percentage of covered payroll	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF

Notes:

- 1) Not a meaningful figure (NMF). The contribution is based on a contract with the State of Maryland for actuarial liability as of 1986, not on active employees.
- 2) The County's annual contribution is determined by an actuarially calculation based on a 40-year contract established to fund the liability for withdrawn participants.
- 3) All participants, except one, are retired, making the relation between the covered payroll and the contribution meaningless.
- 4) Methods and assumptions used to determine contribution rates:
 - Actuarial cost method Entry Age Normal.
 - Amortization method Level percentage of payroll, closed.
 - Remaining amortization period 21 years for State System.
 - Asset valuation method Five-year smoothed market (max. 120% and min. 80% of the market value).
 - Inflation 2.7% general, 3.2% wage.
 - Salary increases 3.3% to 9.2% including inflation.
 - Investment rate of return: 7.5%
 - Retirement age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2015 valuation pursuant to an experience study of the 2010-2014 period.
 - Mortality RP-2014 Mortality Tables with generational mortality projections using scale MP-2014 2-dimensional mortality improvement scale.

Source: Comprehensive Annual Financial Report of the Maryland State Retirement and Pension System for the Years Ended June 30, 2017 and 2016.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 24,711	\$ 24,685	\$ 24,312	\$ 21,785	\$ 19,980	\$ 17,993	\$ 15,739	\$ 17,160	\$ 14,971	\$ 12,717
Contributions in relation to the actuarially determined contribution	24,711	24,685	24,312	21,785	19,980	17,993	15,739	17,160	14,971	12,717
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 132,999	\$ 132,999	\$ 132,999	\$ 132,999	\$ 132,999	\$ 128,624	\$ 128,064	\$ 128,064	\$ 128,064	\$ 128,064
Contributions as a percentage of covered payroll	18.58%	18.56%	18.28%	16.38%	15.02%	13.99%	12.29%	13.40%	11.69%	9.93%

Notes:

1) Prior to fiscal year 2010, the contribution for Elected and Appointed Officials was made by the State. House Bill 101, effective fiscal 2010, transferred the liability from the State to the County.

2) Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal.
Amortization method	Level percentage of payroll, closed.
Remaining amortization period	21 years for the State System.
Asset valuation method	Five-year smoothed market (max. 120% and min. 80% of the market value).
Inflation	2.7% general, 3.2% wage.
Salary increases	3.3% to 9.2% including inflation.
Investment rate of return:	7.5%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2015 valuation pursuant to an experience study of the 2010-2014 period.
Mortality	RP-2014 Mortality Tables with generational mortality projections using scale MP-2014 2-dimensional mortality improvement scale.

Source: Comprehensive Annual Financial Report of the Maryland State Retirement and Pension System for the Years Ended June 30, 2017 and 2016.

Anne Arundel County

Required Supplementary Information

Schedule of County Contributions to State Municipal Pool Judges

For the Last Ten Years Ended June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 68,275	\$ 67,188	\$ 67,347	\$ 57,716	\$ 57,395	\$ 65,724	\$ 78,968	\$ 77,922	\$ 69,733	\$ 29,147
Contributions in relation to the actuarially determined contribution	68,275	67,188	67,347	57,716	57,395	65,724	78,968	77,922	69,733	29,147
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 153,324	\$ 147,796	\$ 144,646	\$ 141,808	\$ 134,289	\$ 133,379	\$ 129,074	\$ 129,074	\$ 118,052	\$ 118,052
Contributions as a percentage of covered payroll	44.53%	45.46%	46.56%	40.70%	42.74%	49.28%	61.18%	60.37%	59.07%	24.69%

Notes:

1) The County's annual contribution is determined by an actuarially calculation of the County's liability.

2) Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal.
Amortization method	Level percentage of payroll, closed.
Remaining amortization period	21 years for State System.
Asset valuation method	Five-year smoothed market (max. 120% and min. 80% of the market value).
Inflation	2.7% general, 3.2% wage.
Salary increases	3.3% to 9.2% including inflation.
Investment rate of return	7.5%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2015 valuation pursuant to an experience study of the 2010-2014 period.
Mortality	RP-2014 Mortality Tables with generational mortality projections using scale MP-2014 2-dimensional mortality improvement scale.

Source: Comprehensive Annual Financial Report of the Maryland State Retirement and Pension System for the Years Ended June 30, 2017 and 2016.

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Anne Arundel County Maryland

Retiree Health Benefits Trust

Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios - County Plan

For Years Ended June 30

Amounts in thousands

Measurement date	2020	2019	2018
Plan fiscal year end	2019	2018	2017
Total OPEB liability			
Service cost	\$ 18,452	\$ 17,759	\$ 17,092
Interest	43,578	41,434	39,648
Changes of benefit terms	-	-	-
Differences between expected and actual experience	23,849	(884)	-
Changes of assumptions	(505)	-	-
Benefit payments	(35,593)	(23,539)	(33,075)
Net change in total OPEB liability	\$ 49,781	\$ 34,770	\$ 23,665
Total OPEB liability - beginning	696,318	661,548	637,883
Total OPEB liability - ending (a)	\$ 746,099	\$ 696,318	\$ 661,548
Plan fiduciary net position			
Contributions - employer	\$ 63,586	\$ 57,335	\$ 44,908
Contributions - retiree	7,477		6,246
Other	8,458		4,398
Net investment income	10,312	9,193	11,582
Benefit payments	(44,008)	(23,539)	(33,075)
Administrative expense	(1,057)	(39)	(894)
Net change in plan fiduciary net position	\$ 44,768	\$ 42,950	\$ 33,166
Plan fiduciary net position - beginning	135,837	92,887	59,720
Plan fiduciary net position - ending (b)	\$ 180,605	\$ 135,837	\$ 92,887
County's net OPEB liability - ending (a)-(b)	\$ 565,494	\$ 560,481	\$ 568,661
Fiduciary net position as a percentage of the			
Total OPEB liability	24.16%	19.51%	14.04%
Expected average remaining service years of all participants	6	6	6
Covered-employee payroll	\$ 276,058	\$ 263,129	\$ 258,490
County's net OPEB liability as a percentage of			
covered-employee payroll	204.85%	213.01%	219.99%
Discount Rate	6.75%	6.38%	6.38%

Notes to Schedule:

- 1 Source is actuarial data based on preliminary financials. The difference between this schedule and the final combined statement of changes in fiduciary net position on page 7 is considered immaterial.
- 2 This schedule is presented to illustrate the requirement to show information for 10-years. However, until 10-year trend is compiled, OPEB plans should present information for those years for which data is available.
- 3 There are no benefit changes reflected in the current schedule.
- 4 The discount rate increased from 6.38% in 2018 to 6.75% in 2019.

Anne Arundel County Maryland
Retiree Health Benefits Trust
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios - College Plan
For Years Ended June 30

Amounts in thousands

Measurement date	2020	2019	2018
Plan fiscal year end	2019	2018	2017
Total OPEB liability			
Service cost	\$ 1,618	\$ 3,083	\$ 3,590
Interest	2,962	2,390	2,022
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,082)	(204)	-
Changes of assumptions	27,583	(21,741)	(6,971)
Benefit payments	(2,006)	(1,685)	(2,111)
Net change in total OPEB liability	\$ 31,239	\$ (17,749)	\$ (3,470)
Total OPEB liability - beginning	47,228	64,977	68,447
Total OPEB liability - ending (a)	\$ 78,467	\$ 47,228	\$ 64,977
Plan fiduciary net position			
Contributions - employer	\$ 4,005	\$ 3,720	\$ 1,946
Contributions - retiree	1,136	-	790
Other	-	-	-
Net investment income	672	510	820
Benefit payments	(3,141)	(1,685)	(2,111)
Administrative expense	(8)	(5)	(7)
Net change in plan fiduciary net position	\$ 2,664	\$ 2,540	\$ 1,438
Plan fiduciary net position - beginning	9,250	6,710	5,272
Plan fiduciary net position - ending (b)	\$ 11,914	\$ 9,250	\$ 6,710
College's net OPEB liability - ending (a)-(b)	\$ 66,553	\$ 37,978	\$ 58,267
Fiduciary net position as a percentage of the			
Total OPEB liability	15.18%	19.59%	10.33%
Expected average remaining service years of all participants	9	9	8
Covered-employee payroll	\$ 61,817	\$ 61,103	\$ 61,257
College Plan's net OPEB liability as a percentage of			
covered-employee payroll	107.66%	62.15%	95.12%
Discount Rate	4.83%	6.38%	3.72%

Notes to Schedule:

- 1 Source is actuarial data based on preliminary financials. The difference between this schedule and the final combined statement of changes in fiduciary net position on page 7 is considered immaterial.
- 2 This schedule is presented to illustrate the requirement to show information for 10-years. However, until 10-year trend is compiled, OPEB plans should present information for those years for which data is available.
- 3 There are no benefit changes reflected in the current schedule.
- 4 The discount rate decreased from 6.38% in 2018 to 4.83% in 2019.

Anne Arundel County Maryland
Retiree Health Benefits Trust
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios - Library Plan
For Years Ended June 30

Amounts in thousands

Measurement date	2020	2019	2018
Plan fiscal year end	2019	2018	2017
Total OPEB liability			
Service cost	\$ 651	\$ 1,233	\$ 1,437
Interest	1,542	1,212	1,033
Changes of benefit terms	-	-	-
Differences between expected and actual experience	223	136	-
Changes of assumptions	16,515	(10,896)	(3,536)
Benefit payments	(902)	(1,286)	(1,462)
Net change in total OPEB liability	\$ 18,029	\$ (9,601)	\$ (2,528)
Total OPEB liability - beginning	24,838	34,439	36,967
Total OPEB liability - ending (a)	\$ 42,867	\$ 24,838	\$ 34,439
Plan fiduciary net position			
Contributions - employer	\$ 1,622	\$ 1,699	\$ 299
Contributions - retiree	348	-	292
Other	-	-	871
Net investment income	41	34	47
Benefit payments	(1,730)	(1,286)	(1,462)
Administrative expense	(1)	(1)	-
Net change in plan fiduciary net position	\$ 280	\$ 446	\$ 47
Plan fiduciary net position - beginning	807	361	314
Plan fiduciary net position - ending (b)	1,087	807	361
Library's net OPEB liability - ending (a)-(b)	\$ 41,780	\$ 24,031	\$ 34,078
Library fiduciary net position as a percentage of the Total OPEB liability	2.54%	3.25%	1.05%
Expected average remaining service years of all participants	6	6	6
Covered-employee payroll	\$ 13,785	\$ 13,203	\$ 12,691
The Library Plan's net OPEB liability as a percentage of covered-employee payroll	303.08%	182.01%	268.51%
Discount Rate	3.13%	6.37%	3.58%

Notes to Schedule:

- Source is actuarial data based on preliminary financials. The difference between this schedule and the final combined statement of changes in fiduciary net position on page 7 is considered immaterial.
- This schedule is presented to illustrate the requirement to show information for 10-years. However, until 10-year trend is compiled, OPEB plans should present information for those years for which data is available.
- There are no benefit changes reflected in the current schedule.
- The discount rate decreased from 6.37% in 2018 to 3.13% in 2019.

Anne Arundel County Maryland
Retiree Health Benefits Trust
Required Supplementary Information
Schedule of Contributions - County Plan
For Years Ended June 30

Amounts in thousands

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 53,264	\$ 48,734	\$ 77,516	\$ 73,689	\$ 75,695	\$ 71,324	\$ 109,939	\$ 102,777	\$ 90,626	\$ 68,877	\$ 81,157
Contributions in relation to the actuarially determined contribution	\$ 63,586	\$ 57,334	\$ 44,908	\$ 44,097	\$ 40,795	\$ 34,683	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ (10,322)	\$ (8,600)	\$ 32,608	\$ 29,592	\$ 34,900	\$ 36,641	\$ 109,939	\$ 102,777	\$ 90,626	\$ 68,877	\$ 81,157
Covered-employee payroll	276,058	263,129	258,490	255,191	247,008	239,173	213,899	215,209	227,115	233,947	233,637
Contributions as a percentage of covered-employee payroll	23.03%	21.79%	17.37%	17.28%	16.52%	14.50%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates were calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

The report is dated June 13, 2019 for fiscal years 2019 and 2020 based on July 1, 2019 census data.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit: Prorated to assumed benefit commencement/retirement date.
Amortization method	The level percentage of payroll.
Amortization period	21 years for FY 19.
Asset valuation method	Market value of assets.
Inflation	2.40%
Healthcare cost trend rates	The rate in 2019 is 5.4 percent. The rates vary significantly throughout the projections. The rate in 2050 is 5.6 percent pre-Medicare and 4.9 percent post-Medicare. The ultimate 2081 rate is 4.1 percent pre-Medicare and 3.9 percent post-Medicare.
Payroll increases	3.00%
Investment rate of return	6.75% The long-term expected return on assets id used to derive the blended discount rate of 6.75 percent.
Decrement assumptions	The retirement decrement is assumed to commence once a participant reaches earliest retirement eligibility.
Mortality	(1) Healthy uses SOA RPH-2014 adjusted to 2006 Blue Collar Headcount-weighted Mortality: MP-2018 Base Year 2006 Fully Generational. (2) Disabled - General County employees uses SOA RP-2014 adjusted to 2006 Blue Collar Martality with Scale MP-2018 (set forward 9 years). (3) Disabled - Uniformed services employees (Police, Firefighters, and Correctional facilities) uses SOA RP-2014 adjusted to 2006 Blue Collar Mortality with Scale MP-2018 (set forward 5 years).

Anne Arundel County Maryland
Retiree Health Benefits Trust
Required Supplementary Information
Schedule of Contributions - College Plan
For Years Ended June 30

Amounts in thousands

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 4,398	\$ 3,881	\$ 5,568	\$ 5,542	\$ 5,188	\$ 4,870	\$ 5,857	\$ 5,468	\$ 4,765	\$ 3,874	\$ 5,666
Contributions in relation to the actuarially determined contribution	\$ 4,006	\$ 3,720	\$ 2,088	\$ 4,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ 392	\$ 161	\$ 3,480	\$ 692	\$ 5,188	\$ 4,870	\$ 5,857	\$ 5,468	\$ 4,765	\$ 3,874	\$ 5,666
Covered-employee payroll	61,817	61,103	94,667	95,101	93,550	90,338	89,089	89,955	87,780	84,569	83,530
Contributions as a percentage of covered-employee payroll	6.48%	6.09%	2.21%	5.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation date

Actuarially determined contribution rates were calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

The report is dated June 13, 2019 for fiscal years 2018 and 2019 based on July 1, 2019 census data.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit: Prorated to assumed benefit commencement/retirement date.
Amortization method	The level percentage of payroll.
Amortization period	21 years for FY 19.
Asset valuation method	Market value of assets.
Inflation	2.40%
Healthcare cost trend rates	The rate in 2019 is 5.4 percent. The rates vary significantly throughout the projections. The rate in 2050 is 5.6 percent pre-Medicare and 4.8 percent post-Medicare. The ultimate 2081 rate is 4.1 percent pre-Medicare and 3.9 percent post-Medicare.
Payroll increases	3.00%
Investment rate of return	n/a
Decrement assumptions	Decrement assumptions for retirement, termination, and disability were based on those used for the State Retirement and Pension System of Maryland because Community College employees participate in the Maryland State Pension System.
Mortality	(1) Healthy uses SOA Public Sector – Teachers based on headcount – with Scale MP – 2018. (2) Disabled uses RP 2014 Disabled Mortality Table (set forward 1 year for Males).

Anne Arundel County Maryland
Retiree Health Benefits Trust
Required Supplementary Information
Schedule of Contributions - Library Plan
For Years Ended June 30

Amounts in thousands

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 2,168	\$ 2,008	\$ 2,548	\$ 2,692	\$ 2,712	\$ 2,568	\$ 3,669	\$ 3,439	\$ 3,260	\$ 2,507	\$ 3,090
Contributions in relation to the actuarially determined contribution	\$ 1,142	\$ 1,699	\$ 1,170	\$ 291	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ 1,026	\$ 309	\$ 1,378	\$ 2,401	\$ 2,712	\$ 2,568	\$ 3,669	\$ 3,439	\$ 3,260	\$ 2,507	\$ 3,090
Covered-employee payroll	13,785	13,203	12,691	12,494	12,015	11,109	10,100	9,920	9,977	10,683	11,303
Contributions as a percentage of covered-employee payroll	8.28%	12.87%	9.22%	2.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation date

Actuarially determined contribution rates were calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

The report is dated June 13, 2019 for fiscal years 2018 and 2019 based on November 1, 2018 census data.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit: Prorated to assumed benefit commencement/retirement date.
Amortization method	The level percentage of payroll.
Amortization period	21 years for FY 19.
Asset valuation method	Market value of assets.
Inflation	2.40%
Healthcare cost trend rates	The rate in 2019 is 5.4 percent. The rates vary significantly throughout the projections. The rate in 2050 is 5.6 percent pre-Medicare and 4.9 percent post-Medicare. The ultimate 2081 rate is 4.1 percent pre-Medicare and 3.9 percent post-Medicare.
Payroll increases	3.00%
Investment rate of return	n/a
Decrement assumptions.	The retirement decrement is assumed to commence once a participant reaches earliest retirement eligibility and vary by employee type.
Mortality	(1) Healthy uses SOA RPH-2014 adjusted to 2006 Blue Collar Headcount- weighted Mortality: MP-2018 Base Year 2006 Fully Generational. (2) Disabled uses SOA RP-2014 adjusted to 2006 Blue Collar Mortality with Scale MP-2018 (set forward 9 years).

Anne Arundel County Retiree Health Benefits Trust
Required Supplementary Information
Schedule of Investment Returns
For Year Ended June 30

Composite Money-Weighted Rate of Return, Net of Fees

2019	5.70%
2018	6.62%*
2017	12.94%*

* Percentage has changed due to calculation method.

Notes to this schedule

- 1 This schedule is presented to illustrate the requirement to show information for 10 years.
However, until the 10-year trend is compiled, OPEB plans should present information for those years.
- 2 Investments were initiated March 1, 2016.
- 3 Calculations are approximate.

Anne Arundel County Length of Service Award Program
 Required Supplementary Information
 Schedule of Changes in Net Pension Liability and Related Ratios
 For the Last Ten Years Ended December 31
 (Dollars in thousands)

	2018	2017	2016	2015 (1)
Total pension liability				
Service cost	\$ 507	\$ 689	\$ 522	
Interest	631	699	559	
Changes of benefit terms	-	-	2,666	
Differences between expected and actual experience	(1,784)	(1,057)	-	
Change in assumptions	(924)	1,236	-	
Benefit payments, including refunds of member contributions	(790)	(808)	(707)	
Net Change in total pension liability	(2,360)	759	3,040	
Total pension liability - beginning	18,953	18,194	15,154	
Total pension liability - ending	16,593	18,953	18,194	
County's net pension liability	<u>\$ 16,593</u>	<u>\$ 18,953</u>	<u>\$ 18,194</u>	
Plan fiduciary net position as a percentage of the total pension liability	0.0%	0.0%	0.0%	
Covered-employee payroll	n/a	n/a	n/a	
County's net pension liability as a percentage of covered-employee payroll	n/a	n/a	n/a	
Expected average remaining service years of all participants	11	11	11	

Notes:

- 1) Information for fiscal year 2015 and earlier not available.
- 2) There are no assets accumulated in a trust to pay the related benefits. All benefits are paid on a pay-as-you-go basis.
- 3) Benefit changes: Effective 1/1/2017, the benefit changed from \$250/month to a tiered system based on service. The benefits for all future retirees (and some current retirees) will be \$300/month - \$400/month. This benefit change has been reflected as of the December 31, 2016 measurement date.
- 4) Changes of assumptions: Discount rate changed from 3.31% to 3.71%

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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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
GENERAL PROPERTY TAXES				
Real and personal taxes	\$ 693,044,000	\$ 693,044,000	\$ 694,028,159	\$ 984,159
Interest and penalties	1,815,000	1,815,000	1,894,117	79,117
	<u>694,859,000</u>	<u>694,859,000</u>	<u>695,922,276</u>	<u>1,063,276</u>
LOCAL INCOME TAXES	<u>517,958,000</u>	<u>517,958,000</u>	<u>522,923,960</u>	<u>4,965,960</u>
STATE SHARED TAXES				
Highway user	5,940,700	5,940,700	6,256,386	315,686
Admissions	6,035,200	6,035,200	6,147,559	112,359
Auto-boat	4,000	4,000	6,900	2,900
	<u>11,979,900</u>	<u>11,979,900</u>	<u>12,410,845</u>	<u>430,945</u>
RECORDATION AND TRANSFER TAXES				
Recordation	50,000,000	50,000,000	54,017,167	4,017,167
Transfer	52,000,000	52,000,000	61,502,476	9,502,476
	<u>102,000,000</u>	<u>102,000,000</u>	<u>115,519,643</u>	<u>13,519,643</u>
LOCAL SALES TAXES				
Electricity	5,017,000	5,017,000	4,904,985	(112,015)
Gas	820,000	820,000	830,597	10,597
Telephone	5,800,000	5,800,000	5,501,646	(298,354)
Fuel	50,000	50,000	34,854	(15,146)
Hotel-motel	13,947,000	13,947,000	14,304,446	357,446
Parking	5,989,000	5,989,000	6,112,806	123,806
Gross receipt tax - heavy equipment	325,000	325,000	421,432	96,432
	<u>31,948,000</u>	<u>31,948,000</u>	<u>32,110,766</u>	<u>162,766</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
LICENSES AND PERMITS				
Amusements	191,500	191,500	125,360	(66,140)
Special events	5,000	5,000	4,400	(600)
Beer, wine, liquor	1,100,000	1,100,000	1,142,570	42,570
Trade licenses	257,100	257,100	255,834	(1,266)
Traders	800,000	800,000	839,090	39,090
Permits	10,014,000	10,014,000	10,853,131	839,131
Fines	60,500	60,500	56,769	(3,731)
Mobile home parks	29,600	29,600	28,215	(1,385)
Taxicabs	87,500	87,500	67,660	(19,840)
Animal control	205,000	205,000	234,535	29,535
Other	2,474,700	2,474,700	2,498,639	23,939
Health department	1,010,500	1,010,500	1,028,491	17,991
Public space	1,114,000	1,114,000	1,200,814	86,814
	<u>17,349,400</u>	<u>17,349,400</u>	<u>18,335,508</u>	<u>986,108</u>
AMBULANCE FEES	<u>12,000,000</u>	<u>12,000,000</u>	<u>13,627,382</u>	<u>1,627,382</u>
CABLE FEES	<u>11,500,000</u>	<u>11,500,000</u>	<u>11,142,696</u>	<u>(357,304)</u>
VIDEO LOTTERY IMPACT AID	<u>9,600,000</u>	<u>9,600,000</u>	<u>8,879,924</u>	<u>(720,076)</u>
INVESTMENT INCOME	<u>1,200,000</u>	<u>1,200,000</u>	<u>6,426,581</u>	<u>5,226,581</u>
INTER-FUND RECOVERIES	<u>68,079,100</u>	<u>68,079,100</u>	<u>70,686,873</u>	<u>2,607,773</u>
OTHER REVENUES				
Sale of surplus property	-	-	463,700	463,700
Health department fees	3,803,300	3,803,300	4,248,080	444,780
Certification of liens	125,000	125,000	114,650	(10,350)
Recreation and parks	9,903,200	9,903,200	10,099,990	196,790
Developers fees - street lighting	60,000	60,000	32,155	(27,845)
Sheriff	65,000	65,000	73,492	8,492
Subdivision	1,500,000	1,500,000	1,025,275	(474,725)
Administrative fees	321,500	321,500	408,494	86,994
Rental income	1,588,000	1,588,000	1,618,352	30,352
Reimbursements	26,438,900	26,438,900	27,951,479	1,512,579
Fines and fees	841,500	841,500	1,040,542	199,042
Miscellaneous	8,261,200	8,261,200	9,571,929	1,310,729
	<u>52,907,600</u>	<u>52,907,600</u>	<u>56,648,138</u>	<u>3,740,538</u>
Total revenues	<u>\$ 1,531,381,000</u>	<u>\$ 1,531,381,000</u>	<u>\$ 1,564,634,592</u>	<u>\$ 33,253,592</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EDUCATION				
Board of Education	\$ 687,140,500	\$ 687,809,300	\$ 687,809,300	\$ -
Community College	42,387,700	42,387,700	42,387,700	-
	<u>729,528,200</u>	<u>730,197,000</u>	<u>730,197,000</u>	<u>-</u>
PUBLIC SAFETY				
Police	141,640,300	142,240,300	140,987,602	1,252,698
Fire	113,404,400	113,404,400	111,960,294	1,444,106
Office of Emergency Management	822,300	822,300	719,839	102,461
Detention Facilities	46,507,800	46,507,800	46,292,003	215,797
	<u>302,374,800</u>	<u>302,974,800</u>	<u>299,959,738</u>	<u>3,015,062</u>
GENERAL GOVERNMENT				
County Executive	5,625,600	5,625,600	5,549,638	75,962
Chief Administrative Officer	14,481,800	6,215,600	2,147,101	4,068,499
Office of Budget	1,358,700	1,358,700	1,354,364	4,336
Office of Finance	8,895,800	8,945,800	8,763,232	182,568
Office of Finance (non-departmental)	89,165,900	89,270,900	88,168,703	1,102,197 *
Mandated Transfers	3,104,100	3,104,100	2,701,955	402,145 *
Office of Central Services	21,957,400	22,558,100	21,920,614	637,486
Office of Personnel	7,036,600	7,801,900	7,712,243	89,657
Information Technology	21,783,000	21,783,000	21,781,618	1,382
Office of Law	4,389,100	4,389,100	4,252,244	136,856
Legislative Branch	4,000,200	4,000,200	3,748,015	252,185
Ethics Commission	233,700	233,700	222,924	10,776
Board of Election Supervisors	4,820,100	4,820,100	4,737,937	82,163
Transportation	4,833,000	5,540,400	5,528,015	12,385
	<u>191,685,000</u>	<u>185,647,200</u>	<u>178,588,603</u>	<u>7,058,597</u>
HEALTH AND HUMAN SERVICES				
Health	39,362,800	39,714,800	37,645,733	2,069,067
Social Services	5,449,000	5,449,000	5,221,512	227,488
Services for Aging and Disability	8,163,500	8,163,500	7,536,052	627,448
	<u>52,975,300</u>	<u>53,327,300</u>	<u>50,403,297</u>	<u>2,924,003</u>
PUBLIC WORKS				
	<u>34,158,000</u>	<u>37,558,000</u>	<u>36,692,599</u>	<u>865,401</u>
RECREATION AND COMMUNITY SERVICES				
Recreation and Parks	25,817,100	26,202,100	25,712,841	489,259
Public Library System	22,201,400	22,201,400	22,201,400	-
	<u>48,018,500</u>	<u>48,403,500</u>	<u>47,914,241</u>	<u>489,259</u>

Anne Arundel County, Maryland

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

General Fund

Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
JUDICIAL				
States Attorney	12,401,900	12,401,900	11,973,300	428,600
Sheriffs Office	10,331,900	10,456,900	10,194,062	262,838
Circuit Court	5,869,900	5,869,900	5,855,710	14,190
Orphans Court	134,900	134,900	131,467	3,433
	<u>28,738,600</u>	<u>28,863,600</u>	<u>28,154,539</u>	<u>709,061</u>
LAND USE AND DEVELOPMENT				
Planning and Zoning	6,860,800	6,860,800	6,658,795	202,005
Office of Administrative Hearings	326,100	338,100	335,695	2,405
Cooperative Extension Service	235,200	235,200	204,859	30,341
	<u>7,422,100</u>	<u>7,434,100</u>	<u>7,199,349</u>	<u>234,751</u>
CODE ENFORCEMENT				
Inspections and Permits	12,710,200	12,710,200	12,050,045	660,155
Board of License Commissioners	752,000	752,000	672,119	79,881
	<u>13,462,200</u>	<u>13,462,200</u>	<u>12,722,164</u>	<u>740,036</u>
DEBT SERVICE	<u>140,243,600</u>	<u>140,738,600</u>	<u>140,654,642</u>	<u>83,958</u> *
PAY GO FUNDING - CAPITAL PROJECTS	<u>41,332,000</u>	<u>41,332,000</u>	<u>41,332,000</u>	<u>-</u>
Total expenditures and encumbrances	<u>\$ 1,589,938,300</u>	<u>\$ 1,589,938,300</u>	<u>\$ 1,573,818,172</u>	<u>\$ 16,120,128</u>

**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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
COUNTY PARKING GARAGE				
Revenues				
Parking fees	\$ 538,600	\$ 538,600	\$ 563,500	\$ 24,900
Other	-	-	275	275
	<u>538,600</u>	<u>538,600</u>	<u>563,775</u>	<u>25,175</u>
Expenditures				
General government	527,300	527,300	518,237	9,063
Interfund reimbursement	-	-	9,063	(9,063)
	<u>527,300</u>	<u>527,300</u>	<u>527,300</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ 11,300</u>	<u>\$ 11,300</u>	<u>\$ 36,475</u>	<u>\$ 25,175</u>
PINEY ORCHARD WASTEWATER SERVICE				
Revenues				
Commissions and fees	\$ 1,200,000	\$ 1,200,000	\$ 905,437	\$ (294,563)
Expenditures				
Public works	1,200,000	1,200,000	905,437	294,563
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
INMATE BENEFIT AND MORALE				
Revenues				
Commissary sales	\$ 1,493,000	\$ 1,493,000	\$ 803,642	\$ (689,358)
Commissions and fees	795,000	795,000	973,953	178,953
Investment income	9,500	9,500	25,946	16,446
Other	-	-	6,892	6,892
	<u>2,297,500</u>	<u>2,297,500</u>	<u>1,810,433</u>	<u>(487,067)</u>
Expenditures				
Commissary purchases	1,298,000	1,298,000	949,036	348,964
Inmate benefits/morale	1,020,400	1,020,400	815,120	205,280
	<u>2,318,400</u>	<u>2,318,400</u>	<u>1,764,156</u>	<u>554,244</u>
Revenues over (under) expenditures	<u>\$ (20,900)</u>	<u>\$ (20,900)</u>	<u>\$ 46,277</u>	<u>\$ 67,177</u>

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

Anne Arundel County, Maryland

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

Impact Fees Capital Projects Fund

Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
IMPACT FEES				
Revenues				
Impact fees	\$ 19,550,000	\$ 19,550,000	\$ 32,733,711	\$ 13,183,711
Investment income	345,000	345,000	1,739,101	1,394,101
	<u>19,895,000</u>	<u>19,895,000</u>	<u>34,472,812</u>	<u>14,577,812</u>
Expenditures				
Education	-	-	476,034	(476,034)
Public works	-	-	3,976,615	(3,976,615)
Other inter-fund reimbursements	2,685,100	2,685,100	2,653,947	31,153
Pay-as-you-go	79,247,200	79,247,200	20,808,280	58,438,920
	<u>81,932,300</u>	<u>81,932,300</u>	<u>27,914,876</u>	<u>54,017,424</u>
Revenues over (under) expenditures	\$ <u>(62,037,300)</u>	\$ <u>(62,037,300)</u>	\$ 6,557,936	\$ <u>68,595,236</u>
Fund balance, budgetary, July 1			80,918,221	
Fund balance, budgetary, June 30			<u>\$ 87,476,157</u>	
Change in fund balance on a budgetary basis			<u>\$ 6,557,936</u>	

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

Non-major Governmental Funds

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

Special Revenue Funds

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 – This 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.

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.

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.

Non-major Governmental Funds (continued)

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.

Capital Projects Funds

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.

Bike, Pedestrian, Transportation & Infrastructure Fee In Lieu – This fund accounts for certain fees paid by developers in lieu of construction of bike, pedestrian, and transportation infrastructure.

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.

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

Non-major Governmental Funds

June 30, 2019

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF (Grants)	Reforestation	Laurel Racetrack Community Benefit
ASSETS					
Cash and investments	\$ 123,494	\$ 546,274	\$ -	\$ 8,123,609	\$ -
Receivables					
Due from other governmental agencies (net of allowances)	-	-	985,957	-	-
Other, net	100,000	13,987	-	-	357,143
Total assets	<u>\$ 223,494</u>	<u>\$ 560,261</u>	<u>\$ 985,957</u>	<u>\$ 8,123,609</u>	<u>\$ 357,143</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 54,052	\$ 9	\$ 512,209	\$ 101,200	\$ -
Due to General Fund	-	-	153,995	-	298,377
Escrow and other deposits	-	-	-	4,281,699	-
Unearned revenue	-	-	241,287	-	-
Total liabilities	<u>54,052</u>	<u>9</u>	<u>907,491</u>	<u>4,382,899</u>	<u>298,377</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable grant revenue	-	-	408,312	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>408,312</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	169,442	560,252	-	3,740,710	58,766
Committed	-	-	-	-	-
Unassigned	-	-	(329,846)	-	-
Total fund balances (deficit)	<u>169,442</u>	<u>560,252</u>	<u>(329,846)</u>	<u>3,740,710</u>	<u>58,766</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 223,494</u>	<u>\$ 560,261</u>	<u>\$ 985,957</u>	<u>\$ 8,123,609</u>	<u>\$ 357,143</u>

Special Revenue Funds

Workforce Development (Grants)	Arundel Community Development Services (Grants)	Grants	Circuit Court	Park Place Tax Increment	Odenton Town Center Tax Increment
\$ -	\$ -	\$ 1,936,936	\$ 260,976	\$ 5,138	\$ 12,506,237
619,445	2,038,410	10,634,460	-	-	-
-	-	25,340	11,590	-	-
<u>\$ 619,445</u>	<u>\$ 2,038,410</u>	<u>\$ 12,596,736</u>	<u>\$ 272,566</u>	<u>\$ 5,138</u>	<u>\$ 12,506,237</u>
\$ 619,445	\$ 1,952,852	\$ 3,989,261	\$ -	\$ 5,138	\$ -
-	81,270	5,169,220	-	-	-
-	-	-	106,002	-	-
-	4,288	1,570,011	-	-	-
<u>619,445</u>	<u>2,038,410</u>	<u>10,728,492</u>	<u>106,002</u>	<u>5,138</u>	<u>-</u>
-	316,560	7,217,171	-	-	-
-	316,560	7,217,171	-	-	-
-	4,548,697	2,312,727	166,564	-	12,506,237
-	-	-	-	-	-
-	(4,865,257)	(7,661,654)	-	-	-
-	(316,560)	(5,348,927)	166,564	-	12,506,237
<u>\$ 619,445</u>	<u>\$ 2,038,410</u>	<u>\$ 12,596,736</u>	<u>\$ 272,566</u>	<u>\$ 5,138</u>	<u>\$ 12,506,237</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2019

	Special Revenue Funds			Capital Projects Funds	
	Erosion Districts	Video Lottery Local Impact Aid	Watershed Protection and Restoration	Recreational Land Fees	Bond Premium
ASSETS					
Cash and investments	\$ 1,675,785	\$ 5,315,988	\$ 39,167,135	\$ 266,967	\$ -
Receivables					
Due from other governmental agencies (net of allowances)	-	-	-	-	-
Other, net	1,741	-	378,562	-	-
Total assets	<u>\$ 1,677,526</u>	<u>\$ 5,315,988</u>	<u>\$ 39,545,697</u>	<u>\$ 266,967</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 22,663	\$ -	\$ 791,710	\$ -	\$ -
Due to General Fund	-	-	-	-	-
Escrow and other deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>22,663</u>	<u>-</u>	<u>791,710</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable grant revenue	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	1,654,863	5,315,988	38,753,987	-	-
Committed	-	-	-	266,967	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>1,654,863</u>	<u>5,315,988</u>	<u>38,753,987</u>	<u>266,967</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,677,526</u>	<u>\$ 5,315,988</u>	<u>\$ 39,545,697</u>	<u>\$ 266,967</u>	<u>\$ -</u>

Capital Projects Funds			Debt Service Funds			
Street Light Capital Project	Energy Revolving Loan	Bike, Pedestrian, Transportation & Infrastructure Fee In Lieu	Nursery Road Tax Increment	West County (NBP) Tax Increment	Arundel Mills Tax Increment	Parole Tax Increment
\$ 5,199,208	\$ 39,505	\$ 990	\$ -	\$ 300	\$ 6,000,344	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,199,208</u>	<u>\$ 39,505</u>	<u>\$ 990</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 6,000,344</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 300	\$ 344	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>344</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	6,000,000	-
5,199,208	39,505	990	-	-	-	-
-	-	-	-	-	-	-
<u>5,199,208</u>	<u>39,505</u>	<u>990</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>	<u>-</u>
<u>\$ 5,199,208</u>	<u>\$ 39,505</u>	<u>\$ 990</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 6,000,344</u>	<u>\$ -</u>

(continued)

Anne Arundel County, Maryland

Combining Balance Sheet

Non-major Governmental Funds

June 30, 2019

	Debt Service Funds				
	National Business Park North Tax Increment	Village South at Waugh Chapel Tax Increment	Special Taxing Districts	Installment Purchase Agreements	Totals
ASSETS					
Cash and investments	\$ 1,267,246	\$ 23,885	\$ 719,563	\$ 10,604,649	\$ 93,784,229
Receivables					
Due from other governmental agencies (net of allowances)	-	-	-	-	14,278,272
Other, net	-	-	274	-	888,637
Total assets	<u>\$ 1,267,246</u>	<u>\$ 23,885</u>	<u>\$ 719,837</u>	<u>\$ 10,604,649</u>	<u>\$ 108,951,138</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,100	\$ -	\$ 8,050,283
Due to General Fund	-	-	-	-	5,702,862
Escrow and other deposits	-	-	-	-	4,387,701
Unearned revenue	-	-	-	-	1,815,586
Total liabilities	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>-</u>	<u>19,956,432</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable grant revenue	-	-	-	-	7,942,043
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,942,043</u>
FUND BALANCES					
Restricted	1,267,246	23,885	718,737	-	77,798,101
Committed	-	-	-	10,604,649	16,111,319
Unassigned	-	-	-	-	(12,856,757)
Total fund balances (deficit)	<u>1,267,246</u>	<u>23,885</u>	<u>718,737</u>	<u>10,604,649</u>	<u>81,052,663</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,267,246</u>	<u>\$ 23,885</u>	<u>\$ 719,837</u>	<u>\$ 10,604,649</u>	<u>\$ 108,951,138</u>

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Anne Arundel County, Maryland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

Year Ended June 30, 2019

	Special Revenue Funds				
	Forfeiture and Asset Seizure Team	Road and Special Benefits Districts	AA County Partnership for CYF (Grants)	Reforestation	Laurel Racetrack Community Benefit
REVENUES					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	-	-	2,428,499	-	-
Seized / forfeited funds	325,610	-	-	-	-
Special community benefit taxes	-	7,603,442	-	-	-
Video lottery local impact aid	-	-	-	-	-
Watershed protection and restoration	-	-	-	-	-
Fees and commissions	-	-	-	1,892,572	357,143
Investment income	6,301	-	3,419	194,040	76
Other	6,696	-	20,000	-	-
Total revenues	338,607	7,603,442	2,451,918	2,086,612	357,219
EXPENDITURES					
Current					
Education	-	-	-	-	-
Public safety	778,805	-	-	-	-
General government	-	-	-	-	-
Health and human services	-	-	2,823,857	-	-
Public works	-	-	-	-	-
Recreation and community services	-	7,320,410	-	-	260,700
Judicial	-	-	-	-	-
Code enforcement	-	-	-	-	-
Land use and development	-	-	-	3,314,946	-
Debt service					
Interest payments on debt	-	-	-	-	-
Principal payments on debt	-	-	-	-	-
Total expenditures	778,805	7,320,410	2,823,857	3,314,946	260,700
Revenues over (under) expenditures	(440,198)	283,032	(371,939)	(1,228,334)	96,519
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	-	-	-
Energy Revolving Loan Fund	-	-	-	-	-
Special Taxing Districts Fund	-	-	-	-	-
Transfers out					
General Fund	-	-	-	-	(99,994)
General County Capital Projects Fund	-	-	-	(1,908,975)	-
ACDS Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Premiums from sale of bonds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(1,908,975)	(99,994)
Net change in fund balances	(440,198)	283,032	(371,939)	(3,137,309)	(3,475)
Fund balances, July 1	609,640	277,220	42,093	6,878,019	62,241
Fund balances, June 30	\$ 169,442	\$ 560,252	\$ (329,846)	\$ 3,740,710	\$ 58,766

Special Revenue Funds

Workforce Development (Grants)	Arundel Community Development Services (Grants)	Grants	Circuit Court	Park Place Tax Increment	Odenton Town Center Tax Increment
\$ -	\$ -	\$ -	\$ -	990,101	\$ 3,059,737
2,627,365	6,204,127	29,706,071	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,586	238,321
-	-	-	135,485	-	548,302
<u>2,627,365</u>	<u>6,204,127</u>	<u>29,706,071</u>	<u>135,485</u>	<u>995,687</u>	<u>3,846,360</u>
-	-	-	-	-	-
-	-	2,229,411	-	-	-
-	-	2,275,163	-	995,687	197,095
2,627,365	-	26,271,852	-	-	-
-	6,402,145	-	-	-	-
-	-	2,171,190	43,143	-	-
-	-	-	-	-	-
-	-	23,666	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,627,365</u>	<u>6,402,145</u>	<u>32,971,282</u>	<u>43,143</u>	<u>995,687</u>	<u>197,095</u>
-	(198,018)	(3,265,211)	92,342	-	3,649,265
-	180,000	593,391	-	-	-
-	-	-	-	-	-
-	17,800	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	197,800	593,391	-	-	-
-	(218)	(2,671,820)	92,342	-	3,649,265
-	(316,342)	(2,677,107)	74,222	-	8,856,972
\$ -	\$ (316,560)	\$ (5,348,927)	\$ 166,564	\$ -	\$ 12,506,237

(continued)

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

Non-major Governmental Funds

Year Ended June 30, 2019

	Special Revenue Funds			Capital Projects Funds	
	Erosion Districts	Video Lottery Local Impact Aid	Watershed Protection and Restoration	Recreation Land Fees	Bond Premium
REVENUES					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and aid	-	-	-	-	-
Seized / forfeited funds	-	-	-	-	-
Special community benefit taxes	557,285	-	-	-	-
Video lottery local impact aid	-	18,436,609	-	-	-
Watershed protection and restoration	-	-	22,017,074	-	-
Fees and commissions	-	-	-	35,000	-
Investment income	-	1,991	901,769	5,153	-
Other	-	-	878	-	-
Total revenues	557,285	18,438,600	22,919,721	40,153	-
EXPENDITURES					
Current					
Education	-	1,700,000	-	-	-
Public safety	-	9,057,200	-	-	-
General government	-	3,499,000	-	-	-
Health and human services	-	-	-	-	-
Public works	422,817	-	9,554,524	-	-
Recreation and community services	-	550,000	-	-	-
Judicial	-	-	-	-	-
Code enforcement	-	-	1,189,018	-	-
Land use and development	-	-	-	-	-
Debt service					
Interest payments on debt	-	-	2,737,400	-	-
Principal payments on debt	-	-	2,708,785	-	-
Total expenditures	422,817	14,806,200	16,189,727	-	-
Revenues over (under) expenditures	134,468	3,632,400	6,729,994	40,153	-
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	-	64,231	-	-
Energy Revolving Loan Fund	-	-	-	-	-
Special Taxing Districts Fund	250,258	-	-	-	-
Transfers out					
General Fund	-	-	-	-	-
General County Capital Projects Fund	-	(1,553,000)	(24,500,000)	-	(43,830,943)
ACDS Fund	-	-	-	-	-
Erosion Districts Fund	-	-	-	-	-
General obligation bonds issued	-	-	24,500,000	-	-
Premiums from sale of bonds	-	-	-	-	43,830,943
Total other financing sources (uses)	250,258	(1,553,000)	64,231	-	-
Net change in fund balances	384,726	2,079,400	6,794,225	40,153	-
Fund balances, July 1	1,270,137	3,236,588	31,959,762	226,814	-
Fund balances, June 30	\$ 1,654,863	\$ 5,315,988	\$ 38,753,987	\$ 266,967	\$ -

Capital Projects Funds			Debt Service Funds			
Street Light Capital Projects	Energy Revolving Loan	Bike, Pedestrian, Transportation & Infrastructure Fee In Lieu	Nursery Road Tax Increment	West County (NBP) Tax Increment	Arundel Mills Tax Increment	Parole Tax Increment
\$ -	\$ -	\$ -	\$ 5,082,840	\$ 7,485,458	\$ 9,346,238	\$ 15,739,094
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
538,094	-	-	-	-	-	-
-	868	-	84,400	105,301	241,525	262,186
-	-	990	-	-	-	-
<u>538,094</u>	<u>868</u>	<u>990</u>	<u>5,167,240</u>	<u>7,590,759</u>	<u>9,587,763</u>	<u>16,001,280</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,500	11,921	13,878	15,650
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	53,350	418,575	849,675	-
-	-	-	100,000	705,000	1,285,000	-
-	-	-	156,850	1,135,496	2,148,553	15,650
<u>538,094</u>	<u>868</u>	<u>990</u>	<u>5,010,390</u>	<u>6,455,263</u>	<u>7,439,210</u>	<u>15,985,630</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(785,469)	-	-	(5,010,390)	(6,455,263)	(7,439,210)	(15,985,630)
-	(17,800)	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(785,469)</u>	<u>(17,800)</u>	<u>-</u>	<u>(5,010,390)</u>	<u>(6,455,263)</u>	<u>(7,439,210)</u>	<u>(15,985,630)</u>
(247,375)	(16,932)	990	-	-	-	-
5,446,583	56,437	-	-	-	6,000,000	-
\$ <u>5,199,208</u>	\$ <u>39,505</u>	\$ <u>990</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,000,000</u>	\$ <u>-</u>

(continued)

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

Non-major Governmental Funds

Year Ended June 30, 2019

	Debt Service Funds					Totals
	National Business Park North Tax Increment	Village South at Waugh Chapel Tax Increment	Special Taxing Districts	Installment Purchase Agreements		
REVENUES						
General property taxes	\$ 1,751,763	\$ 2,292,728	\$ -	\$ -	\$ -	\$ 45,747,959
Grants and aid	-	-	-	-	-	40,966,062
Seized / forfeited funds	-	-	-	-	-	325,610
Special community benefit taxes	-	-	356,842	-	-	8,517,569
Video lottery local impact aid	-	-	-	-	-	18,436,609
Watershed protection and restoration	-	-	-	-	-	22,017,074
Fees and commissions	-	-	-	-	-	2,822,809
Investment income	25,281	34,699	-	1,106,101	-	3,217,017
Other	-	-	-	-	-	712,351
Total revenues	<u>1,777,044</u>	<u>2,327,427</u>	<u>356,842</u>	<u>1,106,101</u>		<u>142,763,060</u>
EXPENDITURES						
Current						
Education	-	-	-	-	-	1,700,000
Public safety	-	-	-	-	-	12,065,416
General government	131,801	65,302	-	-	-	7,208,997
Health and human services	-	-	-	-	-	31,723,074
Public works	-	-	-	-	-	9,977,341
Recreation and community services	-	-	78,641	-	-	14,611,896
Judicial	-	-	-	-	-	2,214,333
Code enforcement	-	-	-	-	-	1,189,018
Land use and development	-	-	-	-	-	3,338,612
Debt service						
Interest payments on debt	585,686	295,138	-	722,723	-	5,662,547
Principal payments on debt	-	-	228,183	20,000	-	5,046,968
Total expenditures	<u>717,487</u>	<u>360,440</u>	<u>306,824</u>	<u>742,723</u>		<u>94,738,202</u>
Revenues over (under) expenditures	<u>1,059,557</u>	<u>1,966,987</u>	<u>50,018</u>	<u>363,378</u>		<u>48,024,858</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
General Fund	-	-	-	742,800	-	1,516,191
General County Capital Projects Fund	-	-	-	-	-	64,231
Energy Revolving Loan Fund	-	-	-	-	-	17,800
Special Taxing Districts Fund	-	-	-	-	-	250,258
Transfers out						
General Fund	-	(1,985,160)	-	-	-	(36,975,647)
General County Capital Projects Fund	-	-	-	-	-	(72,578,387)
ACDS Fund	-	-	-	-	-	(17,800)
Erosion Districts Fund	-	-	(250,258)	-	-	(250,258)
General obligation bonds issued	-	-	-	-	-	24,500,000
Premiums from sale of bonds	-	-	-	-	-	43,830,943
Total other financing sources (uses)	<u>-</u>	<u>(1,985,160)</u>	<u>(250,258)</u>	<u>742,800</u>		<u>(39,642,669)</u>
Net change in fund balances	1,059,557	(18,173)	(200,240)	1,106,178		8,382,189
Fund balances, July 1	207,689	42,058	918,977	9,498,471		72,670,474
Fund balances, June 30	<u>\$ 1,267,246</u>	<u>\$ 23,885</u>	<u>\$ 718,737</u>	<u>\$ 10,604,649</u>		<u>\$ 81,052,663</u>

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

Special Revenue Funds

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
FORFEITURE AND ASSET SEIZURE TEAM				
Revenues				
Seized and forfeited funds	\$ 505,000	\$ 505,000	\$ 325,610	\$ (179,390)
Investment income	-	-	6,301	6,301
Other	-	-	6,696	6,696
	<u>505,000</u>	<u>505,000</u>	<u>338,607</u>	<u>(166,393)</u>
Expenditures				
Public safety	<u>846,000</u>	<u>846,000</u>	<u>817,421</u>	<u>28,579</u>
Revenues over (under) expenditures	(341,000)	(341,000)	(478,814)	<u>\$ (137,814)</u>
Fund balance, budgetary, July 1	<u>609,015</u>	<u>609,015</u>	<u>609,015</u>	
Fund balance, budgetary, June 30	<u>\$ 268,015</u>	<u>\$ 268,015</u>	<u>\$ 130,201</u>	
ROADS AND SPECIAL BENEFITS				
Revenues				
Special community benefit taxes	\$ 7,519,400	\$ 7,519,400	\$ 7,603,442	\$ 84,042
Expenditures				
Recreation and community services	<u>12,592,176</u>	<u>12,603,391</u>	<u>7,320,410</u>	<u>5,282,981</u>
Revenues over (under) expenditures	(5,072,776)	(5,083,991)	283,032	<u>\$ 5,367,023</u>
Fund balance, budgetary, July 1	<u>277,220</u>	<u>277,220</u>	<u>277,220</u>	
Fund balance, budgetary, June 30	<u>\$ (4,795,556)</u>	<u>\$ (4,806,771)</u>	<u>\$ 560,252</u>	
ANNE ARUNDEL COUNTY PARTNERSHIP FOR CHILDREN, YOUTH & FAMILIES				
Revenues				
Grants and aid	\$ 4,344,100	\$ 4,344,100	\$ 2,806,048	\$ (1,538,052)
Investment income	-	-	3,419	3,419
Other	-	-	20,000	20,000
	<u>4,344,100</u>	<u>4,344,100</u>	<u>2,829,467</u>	<u>(1,514,633)</u>
Expenditures				
Health and human services	<u>4,344,100</u>	<u>4,344,100</u>	<u>2,811,553</u>	<u>1,532,547</u>
Revenues over (under) expenditures	-	-	17,914	<u>\$ 17,914</u>
Fund balance, budgetary, July 1	<u>60,552</u>	<u>60,552</u>	<u>60,552</u>	
Fund balance, budgetary, June 30	<u>\$ 60,552</u>	<u>\$ 60,552</u>	<u>\$ 78,466</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REFORESTATION				
Revenues				
Commissions and fees	\$ 950,000	\$ 950,000	\$ 2,089,862	\$ 1,139,862
Expenditures				
Land use and development	5,531,300	5,531,300	5,105,118	426,182
Revenues over (under) expenditures	(4,581,300)	(4,581,300)	(3,015,256)	\$ 1,566,044
Fund balance, budgetary, July 1	6,698,871	6,698,871	6,698,871	
Fund balance, budgetary, June 30	\$ 2,117,571	\$ 2,117,571	\$ 3,683,615	
LAUREL RACETRACK COMMUNITY BENEFIT				
Revenues				
Fees and commissions	\$ 352,000	\$ 352,000	\$ 357,143	\$ 5,143
Other	-	-	76	76
	<u>352,000</u>	<u>352,000</u>	<u>357,219</u>	<u>5,219</u>
Expenditures				
Recreation and community services	373,200	373,200	360,694	12,506
Revenues over (under) expenditures	(21,200)	(21,200)	(3,475)	\$ 17,725
Fund balance, budgetary, July 1	62,241	62,241	62,241	
Fund balance, budgetary, June 30	\$ 41,041	\$ 41,041	\$ 58,766	
WORKFORCE DEVELOPMENT				
Revenues				
Grants and aid	\$ 2,400,000	\$ 2,400,000	\$ 2,627,365	\$ 227,365
Expenditures				
Health and human services	2,400,000	2,400,000	2,627,365	(227,365)
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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
ARUNDEL COMMUNITY DEVELOPMENT SERVICES				
Revenues				
Grants and aid	\$ 7,126,200	\$ 7,126,200	\$ 6,965,727	\$ (160,473)
Other	-	-	159,047	159,047
	<u>7,126,200</u>	<u>7,126,200</u>	<u>7,124,774</u>	<u>(1,426)</u>
Expenditures				
Recreation and community services	<u>7,126,200</u>	<u>7,126,200</u>	<u>7,124,774</u>	<u>1,426</u>
Revenues over (under) expenditures	-	-	-	\$ <u>-</u>
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	
GRANTS				
Revenues				
Grants and aid	\$ 35,472,700	\$ 41,804,040	\$ 32,481,996	\$ (9,322,044)
Fees, General Fund contributions and other	1,456,200	1,480,600	1,445,937	(34,663)
	<u>36,928,900</u>	<u>43,284,640</u>	<u>33,927,933</u>	<u>(9,356,707)</u>
Expenditures				
Public safety	2,710,200	3,622,800	2,327,789	1,295,011
General government	4,021,200	4,021,200	2,222,927	1,798,273
Health and human services	26,366,800	31,606,240	27,257,952	4,348,288
Recreation and community services	-	-	-	-
Judicial	3,572,200	3,775,900	2,170,841	1,605,059
Land use and development	258,500	258,500	25,500	233,000
	<u>36,928,900</u>	<u>43,284,640</u>	<u>34,005,009</u>	<u>9,279,631</u>
Revenues over (under) expenditures	-	-	(77,076)	\$ <u>(77,076)</u>
Fund balance, budgetary, July 1	<u>(1,534,573)</u>	<u>(1,534,573)</u>	<u>(1,534,573)</u>	
Fund balance, budgetary, June 30	\$ <u>(1,534,573)</u>	\$ <u>(1,534,573)</u>	\$ <u>(1,611,649)</u>	
CIRCUIT COURT				
Revenues				
Bond Forfeited Funds	\$ <u>160,000</u>	\$ <u>160,000</u>	\$ <u>135,485</u>	\$ <u>(24,515)</u>
Expenditures				
Circuit Court	<u>160,000</u>	<u>160,000</u>	<u>43,143</u>	<u>116,857</u>
Revenues over (under) expenditures	-	-	92,342	\$ <u>92,342</u>
Fund balance, budgetary, July 1	<u>74,222</u>	<u>74,222</u>	<u>74,222</u>	
Fund balance, budgetary, June 30	\$ <u>74,222</u>	\$ <u>74,222</u>	\$ <u>166,564</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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
PARK PLACE TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 997,000	\$ 997,000	\$ 990,101	\$ (6,899)
Investment income	2,000	2,000	5,586	3,586
	<u>999,000</u>	<u>999,000</u>	<u>995,687</u>	<u>(3,313)</u>
Expenditures				
General government	999,000	1,006,000	995,687	10,313
Revenues over (under) expenditures	-	(7,000)	-	\$ 7,000
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ -	\$ (7,000)	\$ -	
ODENTON TOWN CENTER				
Revenues				
General property taxes	\$ 3,262,500	\$ 3,262,500	\$ 3,059,737	\$ (202,763)
Investment income	95,000	95,000	238,321	143,321
Other	-	-	548,302	548,302
	<u>3,357,500</u>	<u>3,357,500</u>	<u>3,846,360</u>	<u>488,860</u>
Expenditures				
General government	198,200	198,200	197,095	1,105
	<u>198,200</u>	<u>198,200</u>	<u>197,095</u>	<u>1,105</u>
Revenues over (under) expenditures	3,159,300	3,159,300	3,649,265	\$ 489,965
Fund balance, budgetary, July 1	8,856,972	8,856,972	8,856,972	
Fund balance, budgetary, June 30	\$ <u>12,016,272</u>	\$ <u>12,016,272</u>	\$ <u>12,506,237</u>	
EROSION DISTRICTS				
Revenues				
Special community benefit taxes	\$ 536,348	\$ 536,348	\$ 557,285	\$ 20,937
Expenditures				
Public works	1,267,679	1,721,879	422,817	1,299,062
Revenues over (under) expenditures	(731,331)	(1,185,531)	134,468	\$ 1,319,999
Fund balance, budgetary, July 1 (as restated)	1,520,395	1,520,395	1,520,395	
Fund balance, budgetary, June 30	\$ <u>789,064</u>	\$ <u>334,864</u>	\$ <u>1,654,863</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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
VIDEO LOTTERY LOCAL IMPACT AID				
Revenues				
Video lottery impact aid	\$ 18,436,600	\$ 18,436,600	\$ 18,436,609	\$ 9
Investment income	-	-	1,991	1,991
Other	-	-	2,707,000	2,707,000
	<u>18,436,600</u>	<u>18,436,600</u>	<u>21,145,600</u>	<u>2,709,000</u>
Expenditures				
Education	1,700,000	1,700,000	1,700,000	-
Public safety	9,057,200	9,057,200	9,057,200	-
General government	3,499,000	3,499,000	3,499,000	-
Recreation and community service	550,000	550,000	550,000	-
Pay-go funding - capital projects	4,260,000	4,260,000	4,260,000	-
	<u>19,066,200</u>	<u>19,066,200</u>	<u>19,066,200</u>	<u>-</u>
Revenues over (under) expenditures	(629,600)	(629,600)	2,079,400	\$ <u>2,709,000</u>
Fund balance, budgetary, July 1	<u>3,203,662</u>	<u>3,203,662</u>	<u>3,203,662</u>	
Fund balance, budgetary, June 30	\$ <u>2,574,062</u>	\$ <u>2,574,062</u>	\$ <u>5,283,062</u>	
WATERSHED PROTECTION AND RESTORATION				
Revenues				
Stormwater fees	\$ 22,051,200	\$ 22,051,200	\$ 22,017,074	\$ (34,126)
Interfund reimbursements	770,000	770,000	957,178	187,178
Investment Income	400,000	400,000	966,000	566,000
Other	-	-	10,568	10,568
	<u>23,221,200</u>	<u>23,221,200</u>	<u>23,950,820</u>	<u>729,620</u>
Expenditures				
Public works	12,049,200	12,049,200	10,282,432	1,766,768
Code enforcement	1,244,700	1,244,700	1,189,018	55,682
Debt service	5,511,000	5,511,000	5,446,185	64,815
	<u>18,804,900</u>	<u>18,804,900</u>	<u>16,917,635</u>	<u>1,887,265</u>
Revenues over (under) expenditures	4,416,300	4,416,300	7,033,185	\$ <u>2,616,885</u>
Fund balance, budgetary, July 1	<u>29,930,234</u>	<u>29,930,234</u>	<u>29,930,234</u>	
Fund balance, budgetary, June 30	\$ <u>34,346,534</u>	\$ <u>34,346,534</u>	\$ <u>36,963,419</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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Arundel on the Bay	\$ 36,260	\$ 36,260	\$ 36,673	\$ 413
Browns Pond	11,316	11,316	11,316	-
Cedarhurst	91,630	91,630	96,865	5,235
Franklin Manor	127,280	127,280	132,679	5,399
Idlewilde	14,742	14,742	16,394	1,652
Masons Beach	41,400	41,400	39,912	(1,488)
Riviera Beach	136,840	136,840	146,314	9,474
Snug Harbor - waterway	57,200	57,200	57,200	-
Spriggs Pond	6,600	6,600	6,600	-
Venice Beach	13,080	13,080	13,332	252
Total revenues	<u>\$ 536,348</u>	<u>\$ 536,348</u>	<u>\$ 557,285</u>	<u>\$ 20,937</u>
EXPENDITURES				
Arundel on the Bay	\$ 264,849	\$ 264,849	\$ 6,832	\$ 258,017
Browns Pond	24,351	24,351	5,566	18,785
Cedarhurst	138,230	138,230	67,857	70,373
Franklin Manor	127,280	581,480	242,799	338,681
Idlewilde	91,948	91,948	811	91,137
Masons Beach	164,001	164,001	29,522	134,479
Riviera Beach	335,140	335,140	10,972	324,168
Snug Harbor - waterway	102,200	102,200	58,128	44,072
Spriggs Pond	6,600	6,600	330	6,270
Venice Beach	13,080	13,080	-	13,080
Total expenditures	<u>\$ 1,267,679</u>	<u>\$ 1,721,879</u>	<u>\$ 422,817</u>	<u>\$ 1,299,062</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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Amberly	\$ 22,000	\$ 22,000	\$ 22,121	\$ 121
Annapolis Roads	329,057	329,057	331,861	2,804
Arundel on the Bay	226,625	226,625	229,206	2,581
Avalon Shores	67,735	67,735	67,275	(460)
Bay Highlands	24,650	24,650	24,995	345
Bay Ridge	282,539	282,539	283,148	609
Bayside Beach	16,720	16,720	17,255	535
Beverly Beach	37,100	37,100	37,100	-
Birchwood	4,416	4,416	4,416	-
Bittersweet	1,650	1,650	1,650	-
Broadwater Creek	8,715	8,715	8,505	(210)
Cape Anne	26,250	26,250	26,250	-
Cape St. Claire	404,425	404,425	404,441	16
Capetown	31,876	31,876	31,876	-
Carrolton Manor	81,900	81,900	82,050	150
Cedarhurst	116,620	116,620	123,282	6,662
Chartwell	26,800	26,800	26,800	-
Columbia Beach	151,171	151,171	151,951	780
Crofton	792,141	792,141	812,359	20,218
Deale Beach	8,950	8,950	9,100	150
Eden Woods	9,000	9,000	9,000	-
Epping Forest	287,655	287,655	289,973	2,318
Fairhaven Cliffs	4,900	4,900	4,900	-
Felicity Cove	11,050	11,050	11,050	-
Franklin Manor	63,640	63,640	66,339	2,699
Gibson Island	966,596	966,596	985,759	19,163
Greenbriar Gardens	18,144	18,144	18,144	-
Greenbriar II	21,000	21,000	21,000	-
Heritage Pool	50,500	50,500	51,000	500
Hillsmere Shores	304,278	304,278	309,133	4,855
Holland Point	11,292	11,292	12,634	1,342
Homewood	12,363	12,363	12,363	-
Hunters Harbor	15,900	15,900	15,900	-
Idlewild	9,690	9,690	9,690	-
Indian Hills (Winchester)	104,002	104,002	105,622	1,620
Kensington	8,025	8,025	7,950	(75)
Little Magothy River	35,700	35,700	35,700	-
Long Point on the Severn	22,000	22,000	22,000	-
Magothy Beach	6,520	6,520	6,520	-
Magothy Forge	14,591	14,591	14,591	-
Manhattan Beach	61,900	61,900	62,000	100
Mason's Beach	1,420	1,420	1,400	(20)
Owings Beach	10,118	10,118	10,341	223
Owings Cliffs	2,775	2,775	2,775	-
Oyster Harbor	388,800	388,800	394,967	6,167
Parke West	44,205	44,205	44,100	(105)
Pine Grove Village	11,040	11,040	11,040	-
Pines on the Severn	50,220	50,220	50,220	-
Provinces	15,822	15,822	15,804	(18)
Queen's Park	51,395	51,395	51,395	-
Rockview Beach / Riviera Isles	9,837	9,837	9,837	-
Scheides Cove	9,000	9,000	9,000	-
Selby on the Bay	120,260	120,260	119,840	(420)
Severn Grove	20,437	20,437	20,244	(193)
Severna Forest	22,227	22,227	22,357	130
Severndale	6,549	6,549	6,553	4
Sherwood Forest	1,228,760	1,228,760	1,232,394	3,634
Shoreham Beach	73,500	73,500	73,500	-
Snug Harbor	12,270	12,270	12,270	-
South River Heights	11,737	11,737	11,737	-
South River Manor	4,500	4,500	4,500	-
South River Park	34,200	34,200	34,200	-
Steedman Point	4,000	4,000	4,000	-
Stone Haven	6,291	6,291	6,291	-
Sylvan Shores	77,196	77,196	77,785	589
Sylvan View on the Magothy	24,850	24,850	24,850	-
Upper Magothy Beach	14,500	14,500	14,450	(50)
Venice Beach	21,240	21,240	21,657	417
Venice on the Bay	7,175	7,175	7,140	(35)
Warthen Knolls	2,930	2,930	2,930	-
Wilelinor	22,400	22,400	22,400	-
Woodland Beach / Londontowne	503,360	503,360	510,256	6,896
Woodland Beach / Pasadena	6,300	6,300	6,300	-
Total revenues	\$ 7,519,400	\$ 7,519,400	\$ 7,603,442	\$ 84,042

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

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

Roads and Special Benefit Districts Fund

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
Amberly	\$ 75,100	\$ 75,100	\$ 22,014	\$ 53,086
Annapolis Roads	527,469	527,469	250,624	276,845
Arundel on the Bay	385,425	385,425	229,461	155,964
Avalon Shores	126,258	126,258	67,007	59,251
Bay Highlands	240,267	240,267	25,081	215,186
Bay Ridge	291,659	291,659	282,601	9,058
Bayside Beach	21,908	21,908	17,297	4,611
Beverly Beach	51,900	51,900	1,850	50,050
Birchwood	14,718	14,718	5,010	9,708
Bittersweet	3,831	3,831	1,660	2,171
Broadwater Creek	17,015	17,015	425	16,590
Cape Anne	52,114	52,114	26,190	25,924
Cape St. Claire	430,253	430,253	403,691	26,562
Capetown	31,876	31,876	20,932	10,944
Carrolton Manor	295,049	295,049	2,000	293,049
Cedarhurst	169,620	169,620	107,750	61,870
Chartwell	89,485	89,485	16,339	73,146
Columbia Beach	190,356	190,356	158,998	31,358
Crofton	1,558,115	1,558,115	812,514	745,601
Deale Beach	11,950	11,950	9,288	2,662
Eden Woods	57,141	57,141	8,999	48,142
Epping Forest	584,799	584,799	288,994	295,805
Fairhaven Cliffs	26,245	26,245	1,193	25,052
Felicity Cove	47,903	47,903	11,056	36,847
Franklin Manor	141,986	141,986	66,270	75,716
Gibson Island	1,284,415	1,284,415	985,825	298,590
Greenbriar Gardens	40,793	40,793	18,252	22,541
Greenbriar II	21,000	21,000	20,994	6
Heritage Pool	73,536	73,536	50,962	22,574
Hillsmere Shores	434,125	434,125	309,452	124,673
Holland Point	12,509	12,509	12,504	5
Homewood	12,555	12,555	12,362	193
Hunters Harbor	28,622	28,622	15,871	12,751
Idlewild	30,691	30,691	9,600	21,091
Indian Hills (Winchester)	166,249	166,249	105,624	60,625
Kensington	8,025	8,025	7,944	81
Little Magothy River	202,963	202,963	35,703	167,260
Long Point on the Severn	97,999	97,999	22,035	75,964
Magothy Beach	10,898	10,898	6,517	4,381
Magothy Forge	15,695	15,695	14,244	1,451
Manhattan Beach	221,092	221,092	62,018	159,074
Mason's Beach	2,143	2,143	1,400	743
Owings Beach	81,148	81,148	7,420	73,728
Owings Cliffs	7,843	7,843	2,775	5,068
Oyster Harbor	933,230	933,230	395,711	537,519
Parke West	101,282	101,282	44,297	56,985
Pine Grove Village	40,686	40,686	10,986	29,700
Pines on the Severn	88,761	88,761	50,223	38,538
Provinces	36,684	36,684	15,855	20,829
Queen's Park	63,395	63,395	41,297	22,098
Rockview Beach / Riviera Isles	27,616	27,616	9,769	17,847
Scheides Cove	21,561	21,561	450	21,111
Selby on the Bay	145,130	145,130	118,254	26,876
Severn Grove	33,743	33,743	20,049	13,694
Severna Forest	29,816	29,816	22,234	7,582
Severndale	47,293	47,293	6,548	40,745
Sherwood Forest	1,228,760	1,239,975	1,239,972	3
Shoreham Beach	193,550	193,550	74,028	119,522
Snug Harbor	66,848	66,848	12,270	54,578
South River Heights	11,737	11,737	587	11,150
South River Manor	12,674	12,674	255	12,419
South River Park	74,679	74,679	34,166	40,513
Steedman Point	35,392	35,392	200	35,192
Stone Haven	15,431	15,431	6,301	9,130
Sylvan Shores	132,735	132,735	78,384	54,351
Sylvan View on the Magothy	36,412	36,412	16,734	19,678
Upper Magothy Beach	37,176	37,176	14,320	22,856
Venice Beach - Roads	87,700	87,700	19,843	67,857
Venice on the Bay	11,166	11,166	7,136	4,030
Warthen Knolls	6,597	6,597	2,930	3,667
Wilelinor	45,694	45,694	22,400	23,294
Woodland Beach / Londontowne	814,219	814,219	510,160	304,059
Woodland Beach / Pasadena	17,466	17,466	6,305	11,161
Total expenditures	\$ 12,592,176	\$ 12,603,391	\$ 7,320,410	\$ 5,282,981

Anne Arundel County, Maryland

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

General County Capital Projects Fund

Year Ended June 30, 2019

	<u>Total</u>	<u>School Construction</u>	<u>Higher Education</u>	<u>Storm Drains</u>	<u>Recreation</u>
AUTHORIZED PER ORIGINAL BUDGET					
County bonds	\$ 1,408,607,958	\$ 662,155,265	\$ 49,538,000	\$ 4,824,579	\$ 60,828,007
Contributions from other funds	171,538,520	83,152,094	11,415,000	8,599	11,721,457
Impact fees	152,511,550	83,001,800	-	-	-
Grants and aid	502,507,688	386,269,054	9,020,000	82,000	39,090,962
Special fees	56,043,788	-	-	-	440,000
Other sources	195,193,587	65,934,000	-	24,444	9,844,733
Total	<u>\$ 2,486,403,091</u>	<u>\$ 1,280,512,213</u>	<u>\$ 69,973,000</u>	<u>\$ 4,939,622</u>	<u>\$ 121,925,159</u>
AUTHORIZED PER FINAL BUDGET					
County bonds	\$ 1,374,744,125	\$ 667,155,265	\$ 49,538,000	\$ 1,235,750	\$ 57,615,798
Contributions from other funds	153,741,425	83,652,094	11,415,000	8,598	9,974,831
Impact fees	149,795,550	83,001,800	-	-	-
Grants and aid	477,171,343	389,269,054	9,020,000	82,000	36,798,809
Special fees	6,481,414	-	-	-	440,000
Other sources	176,754,816	65,434,000	-	24,444	9,374,547
Total	2,338,688,673	1,288,512,213	69,973,000	1,350,792	114,203,985
Less: Completed projects	171,988,762	67,586,044	-	105,766	19,802,792
	<u>2,166,699,911</u>	<u>1,220,926,169</u>	<u>69,973,000</u>	<u>1,245,026</u>	<u>94,401,193</u>
REALIZED					
Current year:					
Bonds and bond anticipation notes	211,980,000	68,000,000	10,400,000	-	16,500,000
Contributions from other funds	43,712,000	34,800,000	7,000,000	-	(2,343,000)
Impact fees	20,808,280	15,634,951	-	-	-
Grants and aid	12,770,029	-	3,013,952	-	1,325,016
Special fees	1,819,734	-	-	-	-
Other sources	48,450,971	19,999,428	-	-	3,867,400
Total	339,541,014	138,434,379	20,413,952	-	19,349,416
Prior years:	1,052,731,359	657,055,030	32,480,473	1,191,763	52,167,481
Total realized funding sources	1,392,272,373	795,489,409	52,894,425	1,191,763	71,516,897
Less: Completed projects and adjustments	168,609,370	67,586,044	-	105,766	19,802,791
	<u>1,223,663,003</u>	<u>727,903,365</u>	<u>52,894,425</u>	<u>1,085,997</u>	<u>51,714,106</u>
Funding sources authorized - June 30, 2019	<u>\$ 943,036,908</u>	<u>\$ 493,022,804</u>	<u>\$ 17,078,575</u>	<u>\$ 159,029</u>	<u>\$ 42,687,087</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>
\$ 36,724,958	\$ 107,062,295	\$ 79,879,578	\$ 26,158,326	\$ 121,612,349	\$ 259,824,601
4,273,280	22,464,443	5,816,113	1,278,621	31,408,913	-
-	66,409,750	3,100,000	-	-	-
1,445,828	8,640,512	3,800,000	9,893,709	40,683,623	3,582,000
-	728	-	-	55,603,060	-
<u>1,335,000</u>	<u>61,038,616</u>	<u>14,521,000</u>	<u>648,700</u>	<u>35,514,094</u>	<u>6,333,000</u>
<u>\$ 43,779,066</u>	<u>\$ 265,616,344</u>	<u>\$ 107,116,691</u>	<u>\$ 37,979,356</u>	<u>\$ 284,822,039</u>	<u>\$ 269,739,601</u>
\$ 36,177,720	\$ 102,181,724	\$ 76,586,708	\$ 22,509,884	\$ 105,869,210	\$ 255,874,066
3,374,564	7,848,143	5,328,847	800,364	31,338,984	-
-	63,723,750	3,070,000	-	-	-
1,259,364	6,324,512	3,800,000	7,013,291	20,759,313	2,845,000
-	728	-	-	6,040,686	-
<u>1,310,000</u>	<u>44,043,429</u>	<u>14,521,000</u>	<u>648,700</u>	<u>35,087,696</u>	<u>6,311,000</u>
42,121,648	224,122,286	103,306,555	30,972,239	199,095,889	265,030,066
435,538	16,218,793	6,191,256	3,008,444	48,256,519	10,383,610
<u>41,686,110</u>	<u>207,903,493</u>	<u>97,115,299</u>	<u>27,963,795</u>	<u>150,839,370</u>	<u>254,646,456</u>
11,200,000	25,980,000	27,200,000	4,800,000	23,400,000	24,500,000
-	(1,094,000)	(300,000)	150,000	5,499,000	-
-	3,717,597	1,455,732	-	-	-
1,078,842	12,620	1,800,000	1,303,428	3,376,581	859,590
-	-	-	-	1,819,734	-
<u>460,000</u>	<u>13,145,550</u>	<u>5,000,000</u>	<u>285,100</u>	<u>5,693,493</u>	<u>-</u>
12,738,842	41,761,767	35,155,732	6,538,528	39,788,808	25,359,590
<u>12,206,694</u>	<u>86,769,073</u>	<u>58,188,120</u>	<u>10,138,333</u>	<u>85,867,913</u>	<u>56,666,479</u>
24,945,536	128,530,840	93,343,852	16,676,861	125,656,721	82,026,069
<u>435,538</u>	<u>16,145,667</u>	<u>6,191,256</u>	<u>2,606,503</u>	<u>45,352,196</u>	<u>10,383,609</u>
<u>24,509,998</u>	<u>112,385,173</u>	<u>87,152,596</u>	<u>14,070,358</u>	<u>80,304,525</u>	<u>71,642,460</u>
<u>\$ 17,176,112</u>	<u>\$ 95,518,320</u>	<u>\$ 9,962,703</u>	<u>\$ 13,893,437</u>	<u>\$ 70,534,845</u>	<u>\$ 183,003,996</u>

Anne Arundel County, Maryland

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

General County Capital Projects Fund

Year Ended June 30, 2019

APPROPRIATIONS	Total	School Construction	Higher Education	Storm Drains
Original Budget	\$ 2,486,403,091	\$ 1,280,512,213	\$ 69,973,000	\$ 4,939,622
Final Budget				
Prior years	\$ 1,944,454,963	\$ 1,099,129,503	\$ 42,611,000	\$ 1,350,792
Current year	394,233,710	189,382,710	27,362,000	-
	2,338,688,673	1,288,512,213	69,973,000	1,350,792
Less: Completed projects	171,988,762	67,586,044	-	105,766
Total appropriations	2,166,699,911	1,220,926,169	69,973,000	1,245,026
EXPENDITURES AND ENCUMBRANCES				
Prior years expenditures and transfers	902,367,093	585,424,971	28,949,762	1,128,444
Current year expenditures	168,807,350	-	-	53,235
Operating transfers	213,850,021	201,159,122	12,690,899	-
	1,285,024,464	786,584,093	41,640,661	1,181,679
Less: Completed projects	168,609,371	67,586,044	-	105,766
Total	1,116,415,093	718,998,049	41,640,661	1,075,913
Encumbrances outstanding	119,383,661	-	-	8,905
Total expenditures and encumbrances	1,235,798,754	718,998,049	41,640,661	1,084,818
Unencumbered appropriations - June 30, 2019	\$ 930,901,157	\$ 501,928,120	\$ 28,332,339	\$ 160,208

	Recreation	Libraries	Roads and Bridges	Police and Fire	Waterway Improvements	Other	Watershed Protection and Restoration
\$	<u>121,925,159</u>	<u>43,779,066</u>	<u>265,616,344</u>	<u>107,116,691</u>	<u>37,979,356</u>	<u>284,822,039</u>	<u>269,739,601</u>
\$	88,559,985 <u>25,644,000</u>	41,164,648 <u>957,000</u>	173,376,286 <u>50,746,000</u>	79,357,555 <u>23,949,000</u>	22,759,239 <u>8,213,000</u>	139,637,889 <u>59,458,000</u>	256,508,066 <u>8,522,000</u>
	114,203,985 <u>19,802,792</u>	42,121,648 <u>435,538</u>	224,122,286 <u>16,218,793</u>	103,306,555 <u>6,191,256</u>	30,972,239 <u>3,008,444</u>	199,095,889 <u>48,256,519</u>	265,030,066 <u>10,383,610</u>
	<u>94,401,193</u>	<u>41,686,110</u>	<u>207,903,493</u>	<u>97,115,299</u>	<u>27,963,795</u>	<u>150,839,370</u>	<u>254,646,456</u>
	41,864,428 <u>21,320,600</u>	2,315,883 <u>9,101,708</u>	72,426,135 <u>34,604,044</u>	32,867,657 <u>36,521,849</u>	9,176,369 <u>4,597,413</u>	74,014,540 <u>39,608,639</u>	54,198,904 <u>22,999,862</u>
	- <u>63,185,028</u>	- <u>11,417,591</u>	- <u>107,030,179</u>	- <u>69,389,506</u>	- <u>13,773,782</u>	- <u>113,623,179</u>	- <u>77,198,766</u>
	<u>19,802,791</u>	<u>435,538</u>	<u>16,145,667</u>	<u>6,191,256</u>	<u>2,606,503</u>	<u>45,352,196</u>	<u>10,383,610</u>
	43,382,237 <u>12,682,856</u>	10,982,053 <u>7,103,285</u>	90,884,512 <u>39,018,979</u>	63,198,250 <u>11,315,667</u>	11,167,279 <u>7,521,096</u>	68,270,983 <u>14,307,268</u>	66,815,156 <u>27,425,605</u>
	<u>56,065,093</u>	<u>18,085,338</u>	<u>129,903,491</u>	<u>74,513,917</u>	<u>18,688,375</u>	<u>82,578,251</u>	<u>94,240,761</u>
\$	<u>38,336,100</u>	<u>23,600,772</u>	<u>78,000,002</u>	<u>22,601,382</u>	<u>9,275,420</u>	<u>68,261,119</u>	<u>160,405,695</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
ENERGY REVOLVING LOAN				
Revenues				
Other	\$ -	\$ -	\$ 868	\$ 868
	<u>-</u>	<u>-</u>	<u>868</u>	<u>868</u>
Expenditures				
Other	17,800	17,800	17,800	-
	<u>17,800</u>	<u>17,800</u>	<u>17,800</u>	<u>-</u>
Revenues over (under) expenditures	<u>(17,800)</u>	<u>(17,800)</u>	<u>(16,932)</u>	<u>\$ 868</u>
Fund balance, budgetary, July 1	<u>56,437</u>	<u>56,437</u>	<u>56,437</u>	
Fund balance, budgetary, June 30	\$ <u><u>38,637</u></u>	\$ <u><u>38,637</u></u>	\$ <u><u>39,505</u></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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
NURSERY ROAD TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 5,310,000	\$ 5,310,000	\$ 5,082,840	\$ (227,160)
Investment income	40,000	40,000	84,400	44,400
	<u>5,350,000</u>	<u>5,350,000</u>	<u>5,167,240</u>	<u>(182,760)</u>
Expenditures				
General government	4,000	4,000	3,500	500
Interest payments on debt	53,000	53,000	53,350	(350)
Principal payments on debt	100,000	100,000	100,000	-
Other	5,193,000	5,209,000	5,010,390	198,610
	<u>5,350,000</u>	<u>5,366,000</u>	<u>5,167,240</u>	<u>198,760</u>
Revenues over (under) expenditures	-	(16,000)	-	\$ <u>16,000</u>
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ <u>-</u>	\$ <u>(16,000)</u>	\$ <u>-</u>	
WEST COUNTY TAX INCREMENT DISTRICT (NBP)				
Revenues				
General property taxes	\$ 7,566,200	\$ 7,566,200	\$ 7,485,458	\$ (80,742)
Investment income	55,000	55,000	105,301	50,301
	<u>7,621,200</u>	<u>7,621,200</u>	<u>7,590,759</u>	<u>(30,441)</u>
Expenditures				
General government	51,200	51,200	11,921	39,279
Interest payments on debt	401,000	401,000	418,575	(17,575)
Principal payments on debt	770,000	770,000	705,000	65,000
Other	6,399,400	6,399,400	6,455,263	(55,863)
	<u>7,621,600</u>	<u>7,621,600</u>	<u>7,590,759</u>	<u>30,841</u>
Revenues over (under) expenditures	(400)	(400)	-	\$ <u>400</u>
Fund balance, budgetary, July 1	-	-	-	
Fund balance, budgetary, June 30	\$ <u>(400)</u>	\$ <u>(400)</u>	\$ <u>-</u>	
ARUNDEL MILLS TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 9,549,100	\$ 9,549,100	\$ 9,346,238	\$ (202,862)
Investment income	75,000	75,000	241,525	166,525
	<u>9,624,100</u>	<u>9,624,100</u>	<u>9,587,763</u>	<u>(36,337)</u>
Expenditures				
General government	70,200	70,200	13,878	56,322
Interest payments on debt	817,600	817,600	849,675	(32,075)
Principal payments on debt	1,405,000	1,405,000	1,285,000	120,000
Other	7,382,000	7,439,200	7,439,210	(10)
	<u>9,674,800</u>	<u>9,732,000</u>	<u>9,587,763</u>	<u>144,237</u>
Revenues (under) expenditures	(50,700)	(107,900)	-	\$ <u>107,900</u>
Fund balance, budgetary, July 1	6,000,000	6,000,000	6,000,000	
Fund balance, budgetary, June 30	\$ <u>5,949,300</u>	\$ <u>5,892,100</u>	\$ <u>6,000,000</u>	

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

Anne Arundel County, Maryland

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

Debt Service Funds

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
PAROLE TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 15,672,700	\$ 15,672,700	\$ 15,739,094	\$ 66,394
Investment income	130,000	130,000	262,186	132,186
	<u>15,802,700</u>	<u>15,802,700</u>	<u>16,001,280</u>	<u>198,580</u>
Expenditures				
General government	-	-	-	-
Other	15,802,700	16,285,900	16,001,280	284,620
	<u>15,802,700</u>	<u>16,285,900</u>	<u>16,001,280</u>	<u>284,620</u>
Revenues over (under) expenditures	-	(483,200)	-	\$ 483,200
Fund balance, budgetary, July 1	-	-	-	-
Fund balance, budgetary, June 30	\$ -	\$ (483,200)	\$ -	-
NATIONAL BUSINESS PARK NORTH TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 2,089,800	\$ 2,089,800	\$ 1,751,763	\$ (338,037)
Investment income	13,000	13,000	25,281	12,281
	<u>2,102,800</u>	<u>2,102,800</u>	<u>1,777,044</u>	<u>(325,756)</u>
Expenditures				
Interest payments on debt	1,778,100	1,778,100	585,686	1,192,414
Principal payments on debt	300,000	300,000	-	300,000
Other	106,900	106,900	131,801	(24,901)
	<u>2,185,000</u>	<u>2,185,000</u>	<u>717,487</u>	<u>1,467,513</u>
Revenues over (under) expenditures	(82,200)	(82,200)	1,059,557	\$ 1,141,757
Fund balance, budgetary, July 1	207,689	207,689	207,689	-
Fund balance, budgetary, June 30	\$ 125,489	\$ 125,489	\$ 1,267,246	-
VILLAGE SOUTH AT WAUGH CHAPEL TAX INCREMENT DISTRICT				
Revenues				
General property taxes	\$ 2,309,400	\$ 2,309,400	\$ 2,292,728	\$ (16,672)
Investment income	10,000	10,000	34,699	24,699
	<u>2,319,400</u>	<u>2,319,400</u>	<u>2,327,427</u>	<u>8,027</u>
Expenditures				
General government	68,000	68,000	65,302	2,698
Interest payments on debt	979,600	979,600	295,138	684,462
Principal payments on debt	350,000	350,000	-	350,000
Other	948,000	948,000	1,985,160	(1,037,160)
	<u>2,345,600</u>	<u>2,345,600</u>	<u>2,345,600</u>	<u>-</u>
Revenues (under) expenditures	(26,200)	(26,200)	(18,173)	\$ 8,027
Fund balance, budgetary, July 1	42,058	42,058	42,058	-
Fund balance, budgetary, June 30	\$ 15,858	\$ 15,858	\$ 23,885	-

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
SPECIAL TAXING DISTRICTS				
Revenues				
Special assessments	\$ 331,851	\$ 331,851	\$ 356,842	\$ 24,991
Expenditures				
Principal payments on debt	228,183	228,183	228,183	-
Other	767,372	767,372	78,641	688,731
	<u>995,555</u>	<u>995,555</u>	<u>306,824</u>	<u>688,731</u>
Revenues over (under) expenditures	(663,704)	(663,704)	50,018	\$ <u>713,722</u>
Fund balance, budgetary, July 1 (as restated)	<u>668,719</u>	<u>668,719</u>	<u>668,719</u>	
Fund balance, budgetary, June 30	\$ <u>5,015</u>	\$ <u>5,015</u>	\$ <u>718,737</u>	
INSTALLMENT PURCHASE AGREEMENTS				
Revenues				
Investment income	\$ -	\$ -	\$ 407,217	\$ 407,217
Other	742,800	742,800	742,800	-
	<u>742,800</u>	<u>742,800</u>	<u>1,150,017</u>	<u>407,217</u>
Expenditures				
Interest payments on debt	722,800	722,800	722,723	77
Principal payments on debt	20,000	20,000	20,000	-
	<u>742,800</u>	<u>742,800</u>	<u>742,723</u>	<u>77</u>
Revenues over (under) expenditures	-	-	407,294	\$ <u>407,294</u>
Fund balance, budgetary, July 1	<u>10,034,226</u>	<u>10,034,226</u>	<u>10,034,226</u>	
Fund balance, budgetary, June 30	\$ <u>10,034,226</u>	\$ <u>10,034,226</u>	\$ <u>10,441,520</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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Amberly - Waterway	\$ 5,701	\$ 5,701	\$ 5,713	\$ 12
Annapolis Cove - Erosion	9,572	9,572	9,481	(91)
Bay Ridge - Erosion	93,421	93,421	94,049	628
Buckingham Cove - Waterway	9,161	9,161	9,161	-
Camp Wabanna - Erosion	9,690	9,690	9,690	-
Cape Anne - Erosion	8,492	8,492	8,734	242
Cattail Creek - Waterway	-	-	5,499	5,499
Columbia Beach - Erosion	55,019	55,019	55,303	284
Elizabeths Landing - Erosion	13,550	13,550	14,319	769
Holland Point - Erosion	93,159	93,159	104,228	11,069
John's Creek - Waterway	7,266	7,266	7,266	-
Lake Hillsmere II - Waterway	7,910	7,910	7,910	-
Romar Estates - Waterway	12,736	12,736	12,736	-
Snug Harbor - Erosion	-	-	5,807	5,807
Whitehall - Waterway	6,174	6,174	6,946	772
Total revenues	\$ <u>331,851</u>	\$ <u>331,851</u>	\$ <u>356,842</u>	\$ <u>24,991</u>
EXPENDITURES				
Amberly - Waterway	\$ 6,000	\$ 6,000	\$ 5,686	\$ 314
Annapolis Cove - Erosion	12,272	12,272	12,267	5
Bay Ridge - Erosion	500,285	500,285	52,285	448,000
Buckingham Cove - Waterway	9,161	9,161	9,161	-
Camp Wabanna - Erosion	9,690	9,690	9,687	3
Cape Anne - Erosion	38,992	38,992	8,538	30,454
Cattail Creek - Waterway	5,400	5,400	5,361	39
Columbia Beach - Erosion	217,977	217,977	55,664	162,313
Elizabeths Landing - Erosion	14,750	14,750	6,845	7,905
Holland Point - Erosion	138,000	138,000	100,249	37,751
John's Creek - Waterway	7,266	7,266	7,283	(17)
Lake Hillsmere II - Waterway	7,945	7,945	7,942	3
Romar Estates - Waterway	12,836	12,836	12,836	-
Snug Harbor - Erosion	8,107	8,107	6,107	2,000
Whitehall - Waterway	6,874	6,874	6,913	(39)
Total expenditures	\$ <u>995,555</u>	\$ <u>995,555</u>	\$ <u>306,824</u>	\$ <u>688,731</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 Schedule of Net Position
Water and Wastewater Fund
June 30, 2019

	Operating	Debt Service	Capital Projects	Total
ASSETS				
Current assets				
Cash and investments	\$ 43,596,690	\$ -	\$ 45,144,149	\$ 88,740,839
Service billings receivable	22,664,786	-	-	22,664,786
Receivables				
Inventories	2,952,595	-	-	2,952,595
Other	23,133	-	-	23,133
Restricted for debt service and capital projects				
Cash and temporary investments	-	6,422,945	-	6,422,945
Investments	-	276,018,298	-	276,018,298
Receivables				
Due from other governmental agencies	-	-	4,019,610	4,019,610
Other, net	-	13,227,329	-	13,227,329
Total current assets	<u>69,237,204</u>	<u>295,668,572</u>	<u>49,163,759</u>	<u>414,069,535</u>
Noncurrent assets				
Restricted assets				
Deferred connection and assessment charges	-	19,689,000	-	19,689,000
Capital assets				
Land and buildings	43,592,333	-	-	43,592,333
Water and sewer plants	873,169,439	-	-	873,169,439
Water and sewer lines	1,170,155,557	-	-	1,170,155,557
Machinery and equipment	19,007,026	-	-	19,007,026
	2,105,924,355	-	-	2,105,924,355
Less accumulated depreciation	(901,078,207)	-	-	(901,078,207)
	1,204,846,148	-	-	1,204,846,148
Construction work in progress	14,741,289	-	509,972,075	524,713,364
Total capital assets, net of depreciation	<u>1,219,587,437</u>	<u>-</u>	<u>509,972,075</u>	<u>1,729,559,512</u>
Total noncurrent assets	<u>1,219,587,437</u>	<u>19,689,000</u>	<u>509,972,075</u>	<u>1,749,248,512</u>
Total assets	<u>1,288,824,641</u>	<u>315,357,572</u>	<u>559,135,834</u>	<u>2,163,318,047</u>
DEFERRED OUTFLOW OF RESOURCES				
Pension benefits	10,772,743	-	-	10,772,743
OPEB benefits	5,714,869	-	-	5,714,869
Unamortized deferred refunding loss	-	4,383,551	-	4,383,551
Total deferred outflow of resources	<u>16,487,612</u>	<u>4,383,551</u>	<u>-</u>	<u>20,871,163</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	7,184,434	-	21,791,152	28,975,586
Current portion of long-term debt and obligations	36,016,818	6,521,522	-	42,538,340
Due to other funds	974,618	-	-	974,618
Escrow deposits	221,274	-	273,053	494,327
Liabilities related to restricted assets				
Accounts payable and accrued liabilities	-	7,488,020	-	7,488,020
Unearned revenue	-	1,334,518	-	1,334,518
Total current liabilities	<u>44,397,144</u>	<u>15,344,060</u>	<u>22,064,205</u>	<u>81,805,409</u>
Noncurrent liabilities				
Accrued liability for pension benefits	44,986,270	-	-	44,986,270
Accrued liability for OPEB	50,891,238	-	-	50,891,238
Long-term debt	265,475,796	68,043,642	366,590,775	700,110,213
Unearned revenue	2,132,457	-	-	2,132,457
Total noncurrent liabilities	<u>363,485,761</u>	<u>68,043,642</u>	<u>366,590,775</u>	<u>798,120,178</u>
Total liabilities	<u>407,882,905</u>	<u>83,387,702</u>	<u>388,654,980</u>	<u>879,925,587</u>
DEFERRED INFLOW OF RESOURCES				
Pension benefits	1,351,651	-	-	1,351,651
OPEB benefits	609,468	-	-	609,468
Total deferred inflow of resources	<u>1,961,119</u>	<u>-</u>	<u>-</u>	<u>1,961,119</u>
NET POSITION				
Net investment in capital assets	919,975,216	(70,181,613)	142,981,809	992,775,412
Restricted for debt service	-	306,535,034	-	306,535,034
Restricted for capital improvements	-	-	4,019,610	4,019,610
Unrestricted	(24,506,987)	-	23,479,435	(1,027,552)
Total net position	<u>\$ 895,468,229</u>	<u>\$ 236,353,421</u>	<u>\$ 170,480,854</u>	<u>\$ 1,302,302,504</u>

Anne Arundel County, Maryland

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

Water and Wastewater Fund

Year Ended June 30, 2019

	Operating	Debt Service	Capital Projects	Total
OPERATING REVENUES				
Charges for services	\$ 84,179,593	\$ -	\$ -	\$ 84,179,593
Other revenues	6,263,123	-	-	6,263,123
Total operating revenues	<u>90,442,716</u>	<u>-</u>	<u>-</u>	<u>90,442,716</u>
OPERATING EXPENSES				
Personnel services	36,084,899	-	-	36,084,899
Contractual services	34,934,124	-	-	34,934,124
Supplies and materials	9,110,487	-	-	9,110,487
Business and travel	203,212	-	-	203,212
Depreciation	50,591,925	-	-	50,591,925
Other	14,907,385	-	-	14,907,385
Total operating expenses	<u>145,832,032</u>	<u>-</u>	<u>-</u>	<u>145,832,032</u>
Operating loss	(55,389,316)	-	-	(55,389,316)
NONOPERATING REVENUES (EXPENSES)				
Investment income	989,250	4,525,825	-	5,515,075
Interest on long-term receivables	-	621,018	-	621,018
Other revenues	-	8,761,741	-	8,761,741
Other expenses	-	(950,062)	-	(950,062)
Interest expense	-	(28,579,449)	-	(28,579,449)
Loss on the disposal of assets	(64,546)	-	-	(64,546)
Loss before contributions and transfers	<u>(54,464,612)</u>	<u>(15,620,927)</u>	<u>-</u>	<u>(70,085,539)</u>
Capital contributions and grants	12,593,919	37,990,708	579,412	51,164,039
Environmental protection fees	-	18,507,435	-	18,507,435
Interfund transfers (General County Capital Projects)	(1,942,000)	-	-	(1,942,000)
Intrafund transfers	41,642,427	(47,260,228)	5,617,801	-
Change in net position	<u>(2,170,266)</u>	<u>(6,383,012)</u>	<u>6,197,213</u>	<u>(2,356,065)</u>
Net position, July 1	<u>897,638,495</u>	<u>242,736,433</u>	<u>164,283,641</u>	<u>1,304,658,569</u>
Net position, June 30	<u>\$ 895,468,229</u>	<u>\$ 236,353,421</u>	<u>\$ 170,480,854</u>	<u>\$ 1,302,302,504</u>

Anne Arundel County, Maryland
Combining Schedule of Cash Flows
Water and Wastewater Fund
Year Ended June 30, 2019

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Water and Wastewater</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 91,006,637	\$ -	\$ -	\$ 91,006,637
Cash payments to suppliers for goods and services	(57,818,325)	-	-	(57,818,325)
Cash payments to employees for services	(33,998,272)	-	-	(33,998,272)
Net cash provided by operating activities	<u>(809,960)</u>	<u>-</u>	<u>-</u>	<u>(809,960)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of County bonds	-	-	71,090,000	71,090,000
Proceeds from grant funds	-	-	9,882,298	9,882,298
Proceeds from loan	-	-	3,049,533	3,049,533
Proceeds from developers' contributions	-	-	251,060	251,060
Refunds to developers	-	(2,712,186)	(129,430)	(2,841,616)
Assessment and connection charges	2,294,581	40,681,298	-	42,975,879
Environmental protection fees for capital assets	-	18,484,263	-	18,484,263
Escrow deposits	-	(205,575)	-	(205,575)
Payments of long-term debt	-	(32,450,049)	-	(32,450,049)
Interest payments	-	(27,570,969)	-	(27,570,969)
Rebates, interest income and reimbursements	-	1,881,108	-	1,881,108
Operating funds used in construction	(14,952,000)	-	14,952,000	-
Acquisition and construction of capital assets	(636,206)	-	(106,839,269)	(107,475,475)
Premium on sale of bonds	-	14,290,179	14,290,179	28,580,358
Payment of capital related fees	-	(917,402)	-	(917,402)
Transfer to Capital Projects	-	(14,290,179)	-	(14,290,179)
Transfer to General County Capital Projects	(1,942,000)	-	-	(1,942,000)
Net cash used for capital and related financing activities	<u>(15,235,625)</u>	<u>(2,809,512)</u>	<u>6,546,371</u>	<u>(11,498,766)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investment securities	-	(583,834,505)	-	(583,834,505)
Sale of investment securities	-	588,041,768	-	588,041,768
Interest on investments	989,250	(1,712,273)	-	(723,023)
Net cash provided by investing activities	<u>989,250</u>	<u>2,494,990</u>	<u>-</u>	<u>3,484,240</u>
Net decrease in cash and cash equivalents	(15,056,335)	(314,522)	6,546,371	(8,824,486)
Cash and temporary investments, July 1	58,653,025	6,737,467	38,597,778	103,988,270
Cash and temporary investments, June 30	<u>\$ 43,596,690</u>	<u>\$ 6,422,945</u>	<u>\$ 45,144,149</u>	<u>\$ 95,163,784</u>

Anne Arundel County, Maryland
Combining Schedule of Cash Flows
Water and Wastewater Fund
Year Ended June 30, 2019

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Water and Wastewater</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating loss	\$ (55,389,316)	\$ -	\$ -	\$ (55,389,316)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	50,591,925	-	-	50,591,925
Noncapital construction costs	3,537,559	-	-	3,537,559
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows				
Accounts receivable	550,824	-	-	550,824
Inventories	(518,606)	-	-	(518,606)
Prepaid expenses	27,169	-	-	27,169
Deferred outflow of resources	(3,174,704)	-	-	(3,174,704)
Deferred inflow of resources	(7,224,018)	-	-	(7,224,018)
Accounts payable and accrued liabilities	(1,813,043)	-	-	(1,813,043)
Due to other funds	147,085	-	-	147,085
Escrow deposits	13,096	-	-	13,096
Accrued liability for compensated absences	11,576	-	-	11,576
Accrued liability for pension	13,165,732	-	-	13,165,732
Accrued liability for OPEB benefits	(735,239)	-	-	(735,239)
Net cash provided by operating activities	<u>\$ (809,960)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (809,960)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributions of capital assets from developers	\$ 10,299,338	\$ -	\$ -	\$ 10,299,338
Change in capital contributions, fees and grants; accruals and deferrals	-	(2,667,418)	(9,439,159)	(12,106,577)
Increase in fair value of investments	-	991,569	-	991,569
Amortization of refunding losses	-	(688,404)	-	(688,404)
Total Noncash investing, capital, and financing activities	<u>\$ 10,299,338</u>	<u>\$ (2,364,253)</u>	<u>\$ (9,439,159)</u>	<u>\$ (1,504,074)</u>

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

Enterprise Funds

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
WATER AND WASTEWATER OPERATIONS				
Revenues				
Charges for services	\$ 88,097,000	\$ 88,097,000	\$ 86,474,174	\$ (1,622,826)
Investment income	389,500	389,500	989,250	599,750
Other	8,652,400	8,652,400	10,551,020	1,898,620
	<u>97,138,900</u>	<u>97,138,900</u>	<u>98,014,444</u>	<u>875,544</u>
Expenses				
Personal services	36,287,200	36,275,200	36,851,791	(576,591)
Contractual services	32,117,600	31,577,600	31,211,312	366,288
Supplies and materials	9,541,900	10,041,900	9,279,302	762,598
Business and travel	279,900	280,900	153,305	127,595
Capital outlay	1,741,400	1,792,400	1,463,575	328,825
Administrative costs	15,275,300	15,275,300	14,760,300	515,000
Pay-as-you-go	16,894,000	16,894,000	16,894,000	-
	<u>112,137,300</u>	<u>112,137,300</u>	<u>110,613,585</u>	<u>1,523,715</u>
Revenues over (under) expenditures	<u>\$ (14,998,400)</u>	<u>\$ (14,998,400)</u>	<u>\$ (12,599,141)</u>	<u>\$ 2,399,259</u>
WATER AND WASTEWATER DEBT SERVICE				
Revenues				
Water and sewer assessments	\$ 3,291,900	\$ 3,291,900	\$ 3,054,376	\$ (237,524)
Capital connection charges	26,321,900	26,321,900	34,833,377	8,511,477
Environmental protection fees	18,600,000	18,600,000	18,507,435	(92,565)
Investment income	3,320,000	3,320,000	6,238,098	2,918,098
Other	2,419,300	2,419,300	2,855,531	436,231
	<u>53,953,100</u>	<u>53,953,100</u>	<u>65,488,817</u>	<u>11,535,717</u>
Expenses				
Principal payments on debt	32,550,100	32,550,100	32,450,049	100,051
Interest expense	27,630,500	27,630,500	27,492,660	137,840
Other	1,145,000	1,145,000	943,380	201,620
	<u>61,325,600</u>	<u>61,325,600</u>	<u>60,886,089</u>	<u>439,511</u>
Revenues over (under) expenditures	<u>\$ (7,372,500)</u>	<u>\$ (7,372,500)</u>	<u>\$ 4,602,728</u>	<u>\$ 11,975,228</u>

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

Anne Arundel County, Maryland

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

Enterprise Funds

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
SOLID WASTE				
Revenues				
Charges for services	\$ 48,456,200	\$ 48,456,200	\$ 48,705,055	\$ 248,855
Landfill charges	3,847,700	3,847,700	5,879,405	2,031,705
Other	693,800	693,800	1,097,687	403,887
	<u>52,997,700</u>	<u>52,997,700</u>	<u>55,682,147</u>	<u>2,684,447</u>
Expenses				
Personal services	7,591,800	7,591,800	7,953,972	(362,172)
Contractual services	35,147,700	35,147,700	35,381,105	(233,405)
Supplies and materials	828,000	828,000	665,565	162,435
Business and travel	29,100	29,100	11,914	17,186
Capital outlay	2,505,700	2,505,700	2,065,594	440,106
Principal payments on debt	2,355,300	2,355,300	2,355,271	29
Interest expense	1,794,600	1,794,600	1,794,600	-
Administrative costs	2,647,800	2,647,800	2,647,800	-
Contributions to other funds	1,706,900	1,706,900	1,706,900	-
Other	485,900	485,900	182,786	303,114
Capital improvements	993,000	993,000	993,000	-
	<u>56,085,800</u>	<u>56,085,800</u>	<u>55,758,507</u>	<u>327,293</u>
Revenues over (under) expenditures	\$ <u>(3,088,100)</u>	\$ <u>(3,088,100)</u>	\$ <u>(76,360)</u>	\$ <u>3,011,740</u>
CHILD CARE				
Revenues				
Child care fees	\$ 5,947,300	\$ 5,947,300	\$ 5,772,285	\$ (175,015)
Other	-	-	92,901	92,901
	<u>5,947,300</u>	<u>5,947,300</u>	<u>5,865,186</u>	<u>(82,114)</u>
Expenses				
Personal services	4,602,300	4,602,300	4,175,405	426,895
Contractual services	315,100	315,100	253,619	61,481
Supplies and materials	497,500	497,500	440,579	56,921
Business and travel	42,600	42,600	42,300	300
Capital outlay	3,200	3,200	3,613	(413)
Other	654,800	654,800	638,740	16,060
	<u>6,115,500</u>	<u>6,115,500</u>	<u>5,554,256</u>	<u>561,244</u>
Revenues over (under) expenditures	\$ <u>(168,200)</u>	\$ <u>(168,200)</u>	\$ <u>310,930</u>	\$ <u>479,130</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, 2019

				Water and
	Total Water and Wastewater	Capital Projects	Water Normal Extensions	Total
AUTHORIZED PER ORIGINAL BUDGET				
County bonds	\$ 751,685,247	\$ 220,042,855	\$ 712,775	\$ 220,755,630
Maryland Water Quality Loan	46,533,506	2,714,250	-	2,714,250
Grants and aid	135,345,911	5,104,240	-	5,104,240
Pay-as-you-go	75,031,561	11,088,934	-	11,088,934
Contributions by developers	3,428,635	430,000	-	430,000
Other sources	51,921,997	6,507,000	-	6,507,000
Total	<u>\$ 1,063,946,857</u>	<u>\$ 245,887,279</u>	<u>\$ 712,775</u>	<u>\$ 246,600,054</u>
AUTHORIZED PER FINAL BUDGET				
County bonds	\$ 703,305,091	\$ 213,897,003	\$ 704,560	\$ 214,601,563
Maryland Water Quality Loan	46,533,506	2,714,250	-	2,714,250
Grants and aid	121,347,231	4,335,613	-	4,335,613
Pay-as-you-go	65,991,165	7,445,922	-	7,445,922
Contributions by developers	3,428,635	430,000	-	430,000
Other sources	39,014,997	6,243,000	-	6,243,000
Total	979,620,625	235,065,788	704,560	235,770,348
Less: Completed projects	91,191,343	20,818,352	18,790	20,837,142
	888,429,282	214,247,436	685,770	214,933,206
REALIZED				
Current year:				
Bonds and bond anticipation notes	71,090,000	15,740,439	55,862	15,796,301
Proceeds from State loan	1,543,202	-	-	-
Grants and aid	443,139	79,637	-	79,637
Pay-as-you-go	14,952,000	1,369,372	-	1,369,372
Developer contributions	136,273	-	-	-
Other source	14,290,179	2,100,000	-	2,100,000
Total	102,454,793	19,289,448	55,862	19,345,310
Prior years	564,694,362	61,887,956	198,094	62,086,050
Total realized funding sources	667,149,155	81,177,404	253,956	81,431,360
Less: Completed projects	86,989,610	20,238,227	18,791	20,257,018
	580,159,545	60,939,177	235,165	61,174,342
Funding sources authorized - June 30, 2019	<u>\$ 308,269,737</u>	<u>\$ 153,308,259</u>	<u>\$ 450,605</u>	<u>\$ 153,758,864</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	
\$ 455,258,015	\$ 986,685	\$ 456,244,700	\$ 74,684,917	\$ 30,864,739	
43,819,256	-	43,819,256	-	-	
130,094,671	-	130,094,671	147,000	-	
21,715,275	-	21,715,275	42,227,352	17,923,894	
-	-	-	2,998,635	-	
33,372,000	-	33,372,000	12,042,997	2,696,000	
<u>\$ 684,259,217</u>	<u>\$ 986,685</u>	<u>\$ 685,245,902</u>	<u>\$ 132,100,901</u>	<u>\$ 51,484,633</u>	
\$ 417,956,917	\$ 890,013	\$ 418,846,930	\$ 69,856,598	\$ 27,764,861	
43,819,256	-	43,819,256	-	-	
116,864,618	-	116,864,618	147,000	-	
21,438,704	-	21,438,704	37,106,539	17,923,894	
-	-	-	2,998,635	-	
32,772,000	-	32,772,000	(3)	2,696,000	
632,851,495	890,013	633,741,508	110,108,769	48,384,755	
53,200,555	130,777	53,331,332	17,022,869	16,622,580	
<u>579,650,940</u>	<u>759,236</u>	<u>580,410,176</u>	<u>93,085,900</u>	<u>31,762,175</u>	
44,841,145	4,522	44,845,667	10,448,032	4,100,000	
1,543,202	-	1,543,202	-	-	
363,502	-	363,502	-	-	
3,920,098	-	3,920,098	9,662,530	755,000	
40,000	-	40,000	96,273	-	
12,190,179	-	12,190,179	-	-	
62,898,126	4,522	62,902,648	20,206,835	4,855,000	
<u>455,379,891</u>	<u>190,766</u>	<u>455,570,657</u>	<u>47,037,655</u>	<u>39,776,502</u>	
518,278,017	195,288	518,473,305	67,244,490	44,631,502	
<u>49,578,945</u>	<u>130,776</u>	<u>49,709,721</u>	<u>17,022,871</u>	<u>15,977,543</u>	
468,699,072	64,512	468,763,584	50,221,619	28,653,959	
<u>\$ 110,951,868</u>	<u>\$ 694,724</u>	<u>\$ 111,646,592</u>	<u>\$ 42,864,281</u>	<u>\$ 3,108,216</u>	

Anne Arundel County, Maryland

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

Enterprise Capital Projects Funds

Year Ended June 30, 2019

	Water and			
	Total Water and Wastewater	Capital Projects	Water Normal Extensions	Total
APPROPRIATIONS				
Original Budget	\$ <u>1,063,946,857</u>	\$ <u>245,887,279</u>	\$ <u>712,775</u>	\$ <u>246,600,054</u>
Final Budget:				
Prior years	\$ 902,976,625	\$ 213,718,787	\$ 704,560	\$ 214,423,347
Current year	<u>76,644,000</u>	<u>21,347,000</u>	<u>-</u>	<u>21,347,000</u>
	979,620,625	235,065,787	704,560	235,770,347
Less: Completed projects	<u>91,191,343</u>	<u>20,818,351</u>	<u>18,790</u>	<u>20,837,141</u>
Total appropriations	<u>888,429,282</u>	<u>214,247,436</u>	<u>685,770</u>	<u>214,933,206</u>
EXPENDITURES AND ENCUMBRANCES				
Prior years expenditures	543,042,991	58,399,132	198,565	58,597,697
Current year expenditures	<u>94,901,423</u>	<u>10,792,776</u>	<u>8,722</u>	<u>10,801,498</u>
	637,944,414	69,191,908	207,287	69,399,195
Less: Completed projects	<u>86,989,610</u>	<u>20,238,227</u>	<u>18,791</u>	<u>20,257,018</u>
Total	550,954,804	48,953,681	188,496	49,142,177
Encumbrances outstanding	<u>71,324,836</u>	<u>7,621,205</u>	<u>97,749</u>	<u>7,718,954</u>
Total expenditures and encumbrances	<u>622,279,640</u>	<u>56,574,886</u>	<u>286,245</u>	<u>56,861,131</u>
Unencumbered appropriations - June 30, 2019	\$ <u>266,149,642</u>	\$ <u>157,672,550</u>	\$ <u>399,525</u>	\$ <u>158,072,075</u>

Wastewater				
Wastewater				
Capital Projects	Normal Extension	Total	Oversize Connections	Solid Waste
\$ <u>684,259,217</u>	\$ <u>986,685</u>	\$ <u>685,245,902</u>	\$ <u>132,100,901</u>	\$ <u>51,484,633</u>
\$ <u>601,117,495</u> <u>31,734,000</u>	\$ <u>1,140,013</u> <u>(250,000)</u>	\$ <u>602,257,508</u> <u>31,484,000</u>	\$ <u>86,295,770</u> <u>23,813,000</u>	\$ <u>46,201,755</u> <u>2,183,000</u>
<u>632,851,495</u>	<u>890,013</u>	<u>633,741,508</u>	<u>110,108,770</u>	<u>48,384,755</u>
<u>53,200,555</u>	<u>130,777</u>	<u>53,331,332</u>	<u>17,022,870</u>	<u>16,622,580</u>
<u>579,650,940</u>	<u>759,236</u>	<u>580,410,176</u>	<u>93,085,900</u>	<u>31,762,175</u>
<u>438,035,906</u>	<u>191,034</u>	<u>438,226,940</u>	<u>46,218,354</u>	<u>36,103,981</u>
<u>63,663,600</u>	<u>4,254</u>	<u>63,667,854</u>	<u>20,432,071</u>	<u>4,544,373</u>
<u>501,699,506</u>	<u>195,288</u>	<u>501,894,794</u>	<u>66,650,425</u>	<u>40,648,354</u>
<u>49,578,945</u>	<u>130,776</u>	<u>49,709,721</u>	<u>17,022,871</u>	<u>15,977,543</u>
<u>452,120,561</u>	<u>64,512</u>	<u>452,185,073</u>	<u>49,627,554</u>	<u>24,670,811</u>
<u>45,253,842</u>	<u>4,741</u>	<u>45,258,583</u>	<u>18,347,299</u>	<u>1,938,972</u>
<u>497,374,403</u>	<u>69,253</u>	<u>497,443,656</u>	<u>67,974,853</u>	<u>26,609,783</u>
\$ <u>82,276,537</u>	\$ <u>689,983</u>	\$ <u>82,966,520</u>	\$ <u>25,111,047</u>	\$ <u>5,152,392</u>

Combining Statement of Net Position

Internal Service Funds

June 30, 2019

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
ASSETS					
Current assets					
Cash and temporary investments	\$ 1,850,276	\$ 32,932,265	\$ 3,220,472	\$ 10,025,471	\$ 48,028,484
Investments	84,132,854	-	-	-	84,132,854
Service billings receivable	315,430	7,441,918	41,558	-	7,798,906
Due from other funds	395,418	-	9,448,867	-	9,844,285
Inventories	-	-	713,273	-	713,273
Other assets	9,765	2,742,255	19,655	-	2,771,675
Total current assets	<u>86,703,743</u>	<u>43,116,438</u>	<u>13,443,825</u>	<u>10,025,471</u>	<u>153,289,477</u>
Noncurrent assets					
Capital assets					
Land and buildings	-	-	2,073,990	-	2,073,990
Machinery and equipment	-	-	289,028	80,709,095	80,998,123
	-	-	2,363,018	80,709,095	83,072,113
Less accumulated depreciation	-	-	(1,906,703)	(51,633,123)	(53,539,826)
Total capital assets, net of depreciation	-	-	456,315	29,075,972	29,532,287
Total noncurrent assets	-	-	456,315	29,075,972	29,532,287
Total assets	<u>86,703,743</u>	<u>43,116,438</u>	<u>13,900,140</u>	<u>39,101,443</u>	<u>182,821,764</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension benefits	412,048	-	1,560,711	-	1,972,759
OPEB benefits	191,724	-	765,420	-	957,144
Total deferred outflows	<u>603,772</u>	<u>-</u>	<u>2,326,131</u>	<u>-</u>	<u>2,929,903</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	188,346	8,390,535	843,539	633,917	10,056,337
Current portion of long-term obligations	16,506,641	4,160,822	212,100	-	20,879,563
Total current liabilities	<u>16,694,987</u>	<u>12,551,357</u>	<u>1,055,639</u>	<u>633,917</u>	<u>30,935,900</u>
Noncurrent liabilities					
Unpaid claims	66,751,502	-	-	-	66,751,502
Accrued liability for compensated absences	5,963	-	26,778	-	32,741
Accrued liability for pension benefits	1,721,405	-	7,291,916	-	9,013,321
Accrued liability for OPEB	2,058,397	-	7,542,436	-	9,600,833
Total noncurrent liabilities	<u>70,537,267</u>	<u>-</u>	<u>14,861,130</u>	<u>-</u>	<u>85,398,397</u>
Total liabilities	<u>87,232,254</u>	<u>12,551,357</u>	<u>15,916,769</u>	<u>633,917</u>	<u>116,334,297</u>
DEFERRED INFLOW OF RESOURCES					
Pension benefits	52,191	-	222,444	-	274,635
OPEB benefits	23,070	-	87,058	-	110,128
Total deferred inflows	<u>75,261</u>	<u>-</u>	<u>309,502</u>	<u>-</u>	<u>384,763</u>
NET POSITION					
Net investment in capital assets	-	-	456,315	29,075,972	29,532,287
Unrestricted	-	30,565,081	(456,315)	9,391,554	39,500,320
Total net position	<u>\$ -</u>	<u>\$ 30,565,081</u>	<u>\$ -</u>	<u>\$ 38,467,526</u>	<u>\$ 69,032,607</u>

Anne Arundel County, Maryland

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

Internal Service Funds

Year Ended June 30, 2019

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
OPERATING REVENUES					
Charges for services	\$ 20,176,135	\$ -	\$ 15,794,516	\$ 12,259,389	\$ 48,230,040
Medical premiums	-	84,869,170	-	-	84,869,170
Other	-	7,001,110	43,696	69	7,044,875
Total operating revenues	<u>20,176,135</u>	<u>91,870,280</u>	<u>15,838,212</u>	<u>12,259,458</u>	<u>140,144,085</u>
OPERATING EXPENSES					
Personnel services	1,351,014	4,724,900	5,398,148	-	11,474,062
Contractual services	139,177	614,388	2,023,235	40,165	2,816,965
Supplies and materials	73,646	26,172	337,669	1,167,911	1,605,398
Business and travel	15,157	797	16,106	-	32,060
Cost of goods issued	-	-	7,551,597	-	7,551,597
Depreciation	-	-	55,657	7,858,681	7,914,338
Provision for claims and estimated losses	23,401,377	80,454,281	-	-	103,855,658
Other	278,000	850,000	455,800	42,300	1,626,100
Total operating expenses	<u>25,258,371</u>	<u>86,670,538</u>	<u>15,838,212</u>	<u>9,109,057</u>	<u>136,876,178</u>
Operating income (loss)	<u>(5,082,236)</u>	<u>5,199,742</u>	<u>-</u>	<u>3,150,401</u>	<u>3,267,907</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	4,929,827	588,912	-	-	5,518,739
Gain on disposal of assets	-	-	-	418,555	418,555
Change in net position	(152,409)	5,788,654	-	3,568,956	9,205,201
Net position, July 1	152,409	24,776,427	-	34,898,570	59,827,406
Net position, June 30	<u>\$ -</u>	<u>\$ 30,565,081</u>	<u>\$ -</u>	<u>\$ 38,467,526</u>	<u>\$ 69,032,607</u>

Anne Arundel County, Maryland

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2019

	Self Insurance	Health Insurance	Central Garage and Transportation	Garage Vehicle Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 21,025,800	\$ 84,863,779	\$ 13,840,589	\$ 12,259,389	\$ 131,989,557
Cash received for expense reimbursement	(140,632)	5,146,022	-	-	5,005,390
Cash payments to suppliers for goods and services	(162,270)	(765,706)	(9,901,159)	(1,208,076)	(12,037,211)
Cash payments for insurance claims	(18,827,363)	(78,787,073)	-	-	(97,614,436)
Cash payments to employees for services	(1,213,772)	-	(4,953,683)	-	(6,167,455)
Other operating receipts	-	-	297	69	366
Other operating payments	(278,000)	(850,000)	(455,800)	(42,300)	(1,626,100)
Net cash provided by (used for) operating activities	<u>403,763</u>	<u>9,607,022</u>	<u>(1,469,756)</u>	<u>11,009,082</u>	<u>19,550,111</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	-	(17,990)	(12,283,513)	(12,301,503)
Proceeds from sale of equipment	-	-	-	748,111	748,111
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>(17,990)</u>	<u>(11,535,402)</u>	<u>(11,553,392)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(32,742,124)	-	-	-	(32,742,124)
Sale of investment securities	28,598,984	-	-	-	28,598,984
Investment income	4,967,934	588,912	-	-	5,556,846
Net cash provided by investing activities	<u>824,794</u>	<u>588,912</u>	<u>-</u>	<u>-</u>	<u>1,413,706</u>
Net increase (decrease) in cash and cash equivalents	1,228,557	10,195,934	(1,487,746)	(526,320)	9,410,425
Cash and temporary investments, July 1	621,719	22,736,331	4,708,218	10,551,791	38,618,059
Cash and temporary investments, June 30	<u>\$ 1,850,276</u>	<u>\$ 32,932,265</u>	<u>\$ 3,220,472</u>	<u>\$ 10,025,471</u>	<u>\$ 48,028,484</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (5,082,236)	\$ 5,199,742	\$ -	\$ 3,150,401	\$ 3,267,907
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	-	-	55,657	7,858,681	7,914,338
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows					
Accounts receivable	849,665	(1,824,404)	(1,953,927)	-	(2,928,666)
Prepaid expenses	(19)	-	(14,785)	-	(14,804)
Inventories	-	-	24,810	-	24,810
Accounts payable and accrued expenses	112,317	6,466,392	(37,701)	-	6,541,008
Deferred outflow of resources	(88,094)	-	(176,736)	-	(264,830)
Deferred inflow of resources	(290,712)	-	(1,192,710)	-	(1,483,422)
Unpaid claims	4,433,382	(234,708)	-	-	4,198,674
Accrued liability for compensated absences	(21,051)	-	(18,462)	-	(39,513)
Accrued liability for OPEB benefits	(24,666)	-	(98,474)	-	(123,140)
Accrued liability for pension benefits	515,177	-	1,942,572	-	2,457,749
Net cash provided by (used for) operating activities	<u>\$ 403,763</u>	<u>\$ 9,607,022</u>	<u>\$ (1,469,756)</u>	<u>\$ 11,009,082</u>	<u>\$ 19,550,111</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Decrease in fair value of investments	\$ 2,167,656	\$ -	\$ -	\$ -	\$ 2,167,656
Total Noncash investing, capital, and financing activities	<u>\$ 2,167,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,167,656</u>

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

Internal Service Funds

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
SELF INSURANCE				
Revenues				
Charges for services	\$ 21,025,800	\$ 21,025,800	\$ 21,025,800	\$ -
Investment income	2,035,000	2,035,000	2,560,976	525,976
Reimbursements	200,000	200,000	60,563	(139,437)
Other	-	-	16,976	16,976
	<u>23,260,800</u>	<u>23,260,800</u>	<u>23,664,315</u>	<u>403,515</u>
Expenses				
Personal services	1,465,400	1,465,400	1,239,308	226,092
Contractual services	21,465,400	21,465,400	19,419,685	2,045,715
Supplies and materials	72,400	74,400	73,351	1,049
Business and travel	33,700	31,700	15,175	16,525
Capital outlay	2,000	2,000	295	1,705
Administrative costs	278,000	278,000	278,000	-
	<u>23,316,900</u>	<u>23,316,900</u>	<u>21,025,814</u>	<u>2,291,086</u>
Revenues over (under) expenditures	<u>\$ (56,100)</u>	<u>\$ (56,100)</u>	<u>\$ 2,638,501</u>	<u>\$ 2,694,601</u>
HEALTH INSURANCE				
Revenues				
Charges for services	\$ 86,893,000	\$ 86,893,000	\$ 84,869,170	\$ (2,023,830)
Investment income	-	-	588,912	588,912
Other	-	-	7,042,456	7,042,456
	<u>86,893,000</u>	<u>86,893,000</u>	<u>92,500,538</u>	<u>5,607,538</u>
Expenses				
Medical claim costs	80,137,300	80,137,300	80,454,281	(316,981)
Contractual services	838,900	838,900	836,782	2,118
Supplies and materials	62,700	62,700	26,172	36,528
Business and travel	4,100	4,100	797	3,303
Other	5,850,000	5,850,000	5,574,900	275,100
	<u>86,893,000</u>	<u>86,893,000</u>	<u>86,892,932</u>	<u>68</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,607,606</u>	<u>\$ 5,607,606</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
CENTRAL GARAGE AND TRANSPORTATION				
Revenues				
Charges for services	\$ 14,054,400	\$ 14,054,400	\$ 14,030,376	\$ (24,024)
Other	-	-	43,696	43,696
	<u>14,054,400</u>	<u>14,054,400</u>	<u>14,074,072</u>	<u>19,672</u>
Expenses				
Personal services	5,270,500	4,833,500	4,923,495	(89,995)
Contractual services	1,948,500	1,948,500	1,758,511	189,989
Supplies and materials	7,981,600	8,316,600	7,861,493	455,107
Business and travel	17,000	17,000	16,107	893
Capital outlay	56,500	158,500	150,736	7,764
Other	455,800	455,800	455,800	-
	<u>15,729,900</u>	<u>15,729,900</u>	<u>15,166,142</u>	<u>563,758</u>
Revenues over (under) expenditures	<u>\$ (1,675,500)</u>	<u>\$ (1,675,500)</u>	<u>\$ (1,092,070)</u>	<u>\$ 583,430</u>
GARAGE VEHICLE REPLACEMENT				
Revenues				
Charges for services	\$ 12,087,700	\$ 12,087,700	\$ 12,259,389	\$ 171,689
Other	200,000	200,000	1,638,911	1,438,911
	<u>12,287,700</u>	<u>12,287,700</u>	<u>13,898,300</u>	<u>1,610,600</u>
Expenses				
Contractual services	37,000	42,500	40,165	2,335
Capital outlay	12,632,100	12,626,600	12,611,658	14,942
Other	42,300	42,300	42,300	-
	<u>12,711,400</u>	<u>12,711,400</u>	<u>12,694,123</u>	<u>17,277</u>
Revenues (under) expenditures	<u>\$ (423,700)</u>	<u>\$ (423,700)</u>	<u>\$ 1,204,177</u>	<u>\$ 1,627,877</u>

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

Fiduciary Funds

Post-employment Trust Funds

Defined Benefit Retirement and Pension System Plans – This fund accounts for pension investments for the four single employer plans for the County. 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 and the respective terms are described in detail in the footnotes to the basic financial statements.

Anne Arundel Retiree Health Benefits Trust (the OPEB Trust) – The OPEB Trust has fiduciary responsibility to administer multi-employer defined benefit plans for the purpose of providing retiree health benefits for three entities. The entity plans are The Anne Arundel County Plan, the Anne Arundel Community College Plan, and the Public Library Association of Annapolis and Anne Arundel County, Inc. The nature 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. Taxes are collected by the County and are then remitted to the proper jurisdiction.

Tax Sale Escrow Deposits – This fund accounts for payments made during the annual tax sale process. High bid premium payments are collected and held by the County until returned to the tax sale lien holder upon tax sale void, redemption, or foreclosure.

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.

Fiduciary Funds (continued)

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.

Combining Statement of Plan Net Position

Pension Trust Funds

June 30, 2019

Defined Benefit Pension Plans (December 31, 2018)					
	Employees' Retirement	Police Service Retirement	Fire Service Retirement	Detention Officers' & Deputy Sheriffs' Retirement	Totals
ASSETS					
Investments, at fair value:					
Cash and temporary investments	\$ 20,666,702	\$ 17,210,853	\$ 17,209,020	\$ 4,490,036	\$ 59,576,611
U. S. Government obligations	5,936,332	4,941,914	4,882,599	1,289,267	17,050,112
Corporate obligations	40,124,549	33,403,127	33,002,209	8,714,341	115,244,226
Domestic fixed income mutual funds	52,711,393	43,881,499	43,354,815	11,447,980	151,395,687
International fixed income mutual funds	24,252,853	20,190,162	19,947,831	5,267,290	69,658,136
Global asset pools	84,472,663	70,322,312	69,478,276	18,345,964	242,619,215
Domestic equity	126,967,858	105,698,969	104,430,327	27,575,167	364,672,321
International equity pools	145,729,329	121,317,631	119,861,528	31,649,826	418,558,314
Private markets	48,443,593	40,328,615	39,844,574	10,521,089	139,137,871
Real estate investment pools	42,415,853	35,310,605	34,886,793	9,211,971	121,825,222
Absolute return fixed income	22,288,591	18,554,941	18,332,237	4,840,687	64,016,456
Aetna insurance pooled fixed income	7,638,405	6,358,866	6,282,544	1,658,926	21,938,741
Total investments	621,648,121	517,519,494	511,512,753	135,012,544	1,785,692,912
Collateral from securities lending transactions	18,807,910	15,657,323	15,469,398	4,084,745	54,019,376
Receivables:					
Employer contributions	2,330,044	1,876,085	1,367,166	617,960	6,191,255
Participant contributions	394,195	267,340	273,060	101,568	1,036,163
Accrued interest and dividends	680,344	566,383	559,587	147,763	1,954,077
Investment sales proceeds	618,277	514,707	508,529	134,279	1,775,792
Total receivables	4,022,860	3,224,515	2,708,342	1,001,570	10,957,287
Deposits on hand	5,666	89,242	41,047	-	135,955
Total assets	644,484,557	536,490,574	529,731,540	140,098,859	1,850,805,530
LIABILITIES					
Accounts payable	854,302	711,195	702,658	185,539	2,453,694
Investment commitments payable	4,649,563	3,870,696	3,824,238	1,009,803	13,354,300
Obligation for collateral received under securities lending transactions	18,807,910	15,657,323	15,469,398	4,084,745	54,019,376
Total liabilities	24,311,775	20,239,214	19,996,294	5,280,087	69,827,370
NET POSITION					
Net position restricted for pension	\$ 620,172,782	\$ 516,251,360	\$ 509,735,246	\$ 134,818,772	\$ 1,780,978,160

	Defined Benefit Pension Trust (December 31, 2018)				Totals
	Employees' Retirement	Police Service Retirement	Fire Service Retirement	Detention Officers' & Deputy Sheriffs' Retirement	
ADDITIONS					
Contributions:					
Employer	\$ 27,032,514	\$ 21,933,942	\$ 15,703,506	\$ 7,282,176	\$ 71,952,138
Participant	5,611,993	3,371,789	3,523,812	1,351,994	13,859,588
Total contributions	<u>32,644,507</u>	<u>25,305,731</u>	<u>19,227,318</u>	<u>8,634,170</u>	<u>85,811,726</u>
Investment income:					
Net appreciation/(depreciation) in fair value of investments	(44,400,980)	(36,932,377)	(36,520,542)	(9,643,353)	(127,497,252)
Interest income	7,259,387	6,171,915	6,478,186	1,527,912	21,437,400
Dividend income	9,886,638	8,212,442	8,118,224	2,131,027	28,348,331
Total investment income/(loss)	<u>(27,254,955)</u>	<u>(22,548,020)</u>	<u>(21,924,132)</u>	<u>(5,984,414)</u>	<u>(77,711,521)</u>
Less investment expense	<u>(4,097,266)</u>	<u>(3,456,485)</u>	<u>(3,407,162)</u>	<u>(873,180)</u>	<u>(11,834,093)</u>
Net income/(loss) from investing activities	<u>(31,352,221)</u>	<u>(26,004,505)</u>	<u>(25,331,294)</u>	<u>(6,857,594)</u>	<u>(89,545,614)</u>
Securities lending activities:					
Securities lending income	501,983	416,736	412,012	107,992	1,438,723
Securities lending expenses:					
Borrower rebates	343,824	285,436	282,200	73,967	985,427
Management fees	63,264	52,520	51,925	13,610	181,319
Securities lending expense	<u>407,088</u>	<u>337,956</u>	<u>334,125</u>	<u>87,577</u>	<u>1,166,746</u>
Securities lending net income	<u>94,895</u>	<u>78,780</u>	<u>77,887</u>	<u>20,415</u>	<u>271,977</u>
Total net investment income/(loss)	<u>(31,257,326)</u>	<u>(25,925,725)</u>	<u>(25,253,407)</u>	<u>(6,837,179)</u>	<u>(89,273,637)</u>
Total additions	<u>1,387,181</u>	<u>(619,994)</u>	<u>(6,026,089)</u>	<u>1,796,991</u>	<u>(3,461,911)</u>
DEDUCTIONS					
Participant benefit payments and refunds	50,574,448	35,929,917	31,571,336	8,164,410	126,240,111
Administrative expenses	533,927	470,041	452,952	115,778	1,572,698
Total deductions	<u>51,108,375</u>	<u>36,399,958</u>	<u>32,024,288</u>	<u>8,280,188</u>	<u>127,812,809</u>
Net increases	(49,721,194)	(37,019,952)	(38,050,377)	(6,483,197)	(131,274,720)
Net position, beginning of year	669,893,976	553,271,312	547,785,623	141,301,969	1,912,252,880
Net position, end of year	<u>\$ 620,172,782</u>	<u>\$ 516,251,360</u>	<u>\$ 509,735,246</u>	<u>\$ 134,818,772</u>	<u>\$ 1,780,978,160</u>

Anne Arundel Retiree Health Benefits Trust
Combining Statement of Fiduciary Net Position
June 30, 2019

	Anne Arundel County Government Plan	Anne Arundel Community College Plan	Anne Arundel County Public Library Plan	Total
ASSETS				
Investments:				
Mutual funds	\$ 139,187,212	\$ 9,887,518	\$ 413,777	\$ 149,488,507
Short-term investments	41,845,212	2,031,079	673,695	44,549,986
Total investments	<u>181,032,424</u>	<u>11,918,597</u>	<u>1,087,472</u>	<u>194,038,493</u>
Accounts receivable	<u>3,696,415</u>	<u>-</u>	<u>-</u>	<u>3,696,415</u>
Total assets	<u>\$ 184,728,839</u>	<u>\$ 11,918,597</u>	<u>\$ 1,087,472</u>	<u>\$ 197,734,908</u>
LIABILITIES				
Accrued liabilities and accounts payables	\$ 1,440,427	\$ 4,736	\$ 412	\$ 1,445,575
Due to Anne Arundel County Government	<u>2,985,242</u>	<u>-</u>	<u>-</u>	<u>2,985,242</u>
Total liabilities	<u>4,425,669</u>	<u>4,736</u>	<u>412</u>	<u>4,430,817</u>
NET POSITION				
Net position restricted for OPEB	<u>\$ 180,303,170</u>	<u>\$ 11,913,861</u>	<u>\$ 1,087,060</u>	<u>\$ 193,304,091</u>

Anne Arundel Retiree Health Benefits Trust
Combining Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2019

	Anne Arundel County Government Plan	Anne Arundel Community College Plan	Anne Arundel County Public Library Plan	Total
Additions:				
Contributions:				
Employer	\$ 63,585,954	\$ 4,005,555	\$ 1,622,411	\$ 69,213,920
Member	7,477,238	1,135,840	347,604	8,960,682
Insurance subsidies and rebates	8,457,715	-	-	8,457,715
Total contributions	<u>79,520,907</u>	<u>5,141,395</u>	<u>1,970,015</u>	<u>86,632,317</u>
Investment income:				
Net appreciation in fair value of investments	5,031,408	364,681	14,892	5,410,981
Interest and dividend income	5,304,516	310,218	25,956	5,640,690
Total investment income	<u>10,335,924</u>	<u>674,899</u>	<u>40,848</u>	<u>11,051,671</u>
Less investment expense	(23,739)	(1,580)	(137)	(25,456)
Net investment income	<u>10,312,185</u>	<u>673,319</u>	<u>40,711</u>	<u>11,026,215</u>
Total additions	<u>\$ 89,833,092</u>	<u>\$ 5,814,714</u>	<u>\$ 2,010,726</u>	<u>\$ 97,658,532</u>
Deductions:				
Insurance claims	\$ 37,445,768	\$ -	\$ -	\$ 37,445,768
Insurance premiums	6,562,142	3,141,395	1,730,015	11,433,552
General and administrative expense	1,057,226	8,033	699	1,065,958
Total deductions	<u>45,065,136</u>	<u>3,149,428</u>	<u>1,730,714</u>	<u>49,945,278</u>
Net increase in plan net position	44,767,956	2,665,286	280,012	47,713,254
Net position held in trust for other postemployment benefits, beginning of year	<u>135,535,214</u>	<u>9,248,575</u>	<u>807,048</u>	<u>145,590,837</u>
Net position held in trust for other postemployment benefits, end of year	<u>\$ 180,303,170</u>	<u>\$ 11,913,861</u>	<u>\$ 1,087,060</u>	<u>\$ 193,304,091</u>

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Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
SUBDIVISION DEPOSITS				
Assets				
Cash	\$ 2,006,962	\$ 637,285	\$ 789,626	\$ 1,854,621
Total Assets	<u>\$ 2,006,962</u>	<u>\$ 637,285</u>	<u>\$ 789,626</u>	<u>\$ 1,854,621</u>
Liabilities				
Escrow Deposits	\$ 2,006,962	\$ 637,285	\$ 789,626	\$ 1,854,621
Total Liabilities	<u>\$ 2,006,962</u>	<u>\$ 637,285</u>	<u>\$ 789,626</u>	<u>\$ 1,854,621</u>
SEDIMENT CONTROL				
Assets				
Cash	\$ 4,233,148	\$ 2,548,422	\$ 884,979	\$ 5,896,591
Total Assets	<u>\$ 4,233,148</u>	<u>\$ 2,548,422</u>	<u>\$ 884,979</u>	<u>\$ 5,896,591</u>
Liabilities				
Escrow and other deposits	\$ 4,233,148	\$ 2,548,422	\$ 884,979	\$ 5,896,591
Total Liabilities	<u>\$ 4,233,148</u>	<u>\$ 2,548,422</u>	<u>\$ 884,979</u>	<u>\$ 5,896,591</u>
CITY AND STATE TAX COLLECTION				
Assets				
Cash	\$ 4,145,653	\$ 166,522,070	\$ 166,276,338	\$ 4,391,385
Total Assets	<u>\$ 4,145,653</u>	<u>\$ 166,522,070</u>	<u>\$ 166,276,338</u>	<u>\$ 4,391,385</u>
Liabilities				
Escrow Deposits	\$ 4,145,653	\$ 166,522,070	\$ 166,276,338	\$ 4,391,385
Total Liabilities	<u>\$ 4,145,653</u>	<u>\$ 166,522,070</u>	<u>\$ 166,276,338</u>	<u>\$ 4,391,385</u>
TAX SALE ESCROW DEPOSITS				
Assets				
Cash	\$ 11,508,844	\$ 11,667,621	\$ 11,392,897	\$ 11,783,568
Total Assets	<u>\$ 11,508,844</u>	<u>\$ 11,667,621</u>	<u>\$ 11,392,897</u>	<u>\$ 11,783,568</u>
Liabilities				
Escrow Deposits	\$ 11,508,844	\$ 11,667,621	\$ 11,392,897	\$ 11,783,568
Total Liabilities	<u>\$ 11,508,844</u>	<u>\$ 11,667,621</u>	<u>\$ 11,392,897</u>	<u>\$ 11,783,568</u>
NATIONAL BUSINESS PARK				
Assets				
Cash and investments	\$ 1,440	\$ 30	\$ -	\$ 1,470
Total Assets	<u>\$ 1,440</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 1,470</u>
Liabilities				
Escrow Deposits	\$ 1,440	\$ 30	\$ -	\$ 1,470
Total Liabilities	<u>\$ 1,440</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 1,470</u>
TWO RIVERS				
Assets				
Cash and investments	\$ 3,476,312	\$ 1,798,416	\$ 1,559,819	\$ 3,714,909
Total Assets	<u>\$ 3,476,312</u>	<u>\$ 1,798,416</u>	<u>\$ 1,559,819</u>	<u>\$ 3,714,909</u>
Liabilities				
Escrow Deposits	\$ 3,476,312	\$ 1,798,416	\$ 1,559,819	\$ 3,714,909
Total Liabilities	<u>\$ 3,476,312</u>	<u>\$ 1,798,416</u>	<u>\$ 1,559,819</u>	<u>\$ 3,714,909</u>
ARUNDEL GATEWAY				
Assets				
Cash and investments	\$ 764,186	\$ 1,373,272	\$ 1,370,907	\$ 766,551
Total Assets	<u>\$ 764,186</u>	<u>\$ 1,373,272</u>	<u>\$ 1,370,907</u>	<u>\$ 766,551</u>
Liabilities				
Escrow Deposits	\$ 764,186	\$ 1,373,272	\$ 1,370,907	\$ 766,551
Total Liabilities	<u>\$ 764,186</u>	<u>\$ 1,373,272</u>	<u>\$ 1,370,907</u>	<u>\$ 766,551</u>

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
FARMINGTON SPECIAL ASSESSMENT				
Assets				
Cash and investments	\$ 924,043	\$ 520,915	\$ 493,033	\$ 951,925
Total Assets	<u>\$ 924,043</u>	<u>\$ 520,915</u>	<u>\$ 493,033</u>	<u>\$ 951,925</u>
Liabilities				
Escrow Deposits	\$ 924,043	\$ 520,915	\$ 493,033	\$ 951,925
Total Liabilities	<u>\$ 924,043</u>	<u>\$ 520,915</u>	<u>\$ 493,033</u>	<u>\$ 951,925</u>
DORCHESTER SPECIAL TAX DISTRICT				
Assets				
Cash and investments	\$ 2,592,267	\$ 1,113,438	\$ 1,089,050	\$ 2,616,655
Total Assets	<u>\$ 2,592,267</u>	<u>\$ 1,113,438</u>	<u>\$ 1,089,050</u>	<u>\$ 2,616,655</u>
Liabilities				
Escrow Deposits	\$ 2,592,267	\$ 1,113,438	\$ 1,089,050	\$ 2,616,655
Total Liabilities	<u>\$ 2,592,267</u>	<u>\$ 1,113,438</u>	<u>\$ 1,089,050</u>	<u>\$ 2,616,655</u>
CONFERENCE AND VISITOR'S BUREAU				
Assets				
Cash	\$ 956,624	\$ 2,997,137	\$ 3,039,695	\$ 914,066
Total Assets	<u>\$ 956,624</u>	<u>\$ 2,997,137</u>	<u>\$ 3,039,695</u>	<u>\$ 914,066</u>
Liabilities				
Escrow deposits	\$ 956,624	\$ 2,997,137	\$ 3,039,695	\$ 914,066
Total Liabilities	<u>\$ 956,624</u>	<u>\$ 2,997,137</u>	<u>\$ 3,039,695</u>	<u>\$ 914,066</u>
ART'S COUNCIL OF ANNE ARUNDEL COUNTY				
Assets				
Cash	\$ 168,816	\$ 528,907	\$ 536,417	\$ 161,306
Total Assets	<u>\$ 168,816</u>	<u>\$ 528,907</u>	<u>\$ 536,417</u>	<u>\$ 161,306</u>
Liabilities				
Escrow deposits	\$ 168,816	\$ 528,907	\$ 536,417	\$ 161,306
Total Liabilities	<u>\$ 168,816</u>	<u>\$ 528,907</u>	<u>\$ 536,417</u>	<u>\$ 161,306</u>
MISCELLANEOUS ESCROW DEPOSITS				
Assets				
Cash	\$ 441,106	\$ 143,436	\$ 314,475	\$ 270,067
Total Assets	<u>\$ 441,106</u>	<u>\$ 143,436</u>	<u>\$ 314,475</u>	<u>\$ 270,067</u>
Liabilities				
Escrow and other deposits	\$ 441,106	\$ 149,842	\$ 320,881	\$ 270,067
Total Liabilities	<u>\$ 441,106</u>	<u>\$ 149,842</u>	<u>\$ 320,881</u>	<u>\$ 270,067</u>
TOTALS - ALL FUNDS				
Assets				
Cash and investments	\$ 31,219,401	\$ 189,850,949	\$ 187,747,236	\$ 33,323,114
Total Assets	<u>\$ 31,219,401</u>	<u>\$ 189,850,949</u>	<u>\$ 187,747,236</u>	<u>\$ 33,323,114</u>
Liabilities				
Escrow and other deposits	\$ 31,219,401	\$ 189,857,355	\$ 187,753,642	\$ 33,323,114
Total Liabilities	<u>\$ 31,219,401</u>	<u>\$ 189,857,355</u>	<u>\$ 187,753,642</u>	<u>\$ 33,323,114</u>

Anne Arundel County, Maryland

Combining Statement of Net Position

Non-major Component Units

June 30, 2019

	AA County Public Library	Economic Development	Tipton Airport	Workforce Development	Totals
ASSETS					
Current Assets					
Cash and investments	\$ 11,820	\$ 3,894,257	\$ 1,152,392	\$ 1,138,078	\$ 6,196,547
Service billings receivable	-	-	99,947	-	99,947
Prepays and other assets	45,515	1,466,580	61,174	1,531,982	3,105,251
Inventories	-	-	20,837	-	20,837
Receivables	-	-	8,898	-	8,898
Due from primary government	1,278,743	-	-	-	1,278,743
Restricted assets					
Cash and temporary investments	-	59,380	-	-	59,380
Total current assets	<u>1,336,078</u>	<u>5,420,217</u>	<u>1,343,248</u>	<u>2,670,060</u>	<u>10,769,603</u>
Non-current Assets					
Loans receivable and other assets	-	8,439,364	-	-	8,439,364
Capital assets being depreciated	17,922,529	764,365	15,653,209	289,257	34,629,360
Less accumulated depreciation	(6,345,940)	(533,478)	(7,539,789)	(176,494)	(14,595,701)
Total capital assets	<u>11,576,589</u>	<u>230,887</u>	<u>8,113,420</u>	<u>112,763</u>	<u>20,033,659</u>
Total assets	<u>12,912,667</u>	<u>14,090,468</u>	<u>9,456,668</u>	<u>2,782,823</u>	<u>39,242,626</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension benefits	947,991	627,210	-	-	1,575,201
OPEB benefits	1,735,883	-	-	-	1,735,883
Total deferred outflows	<u>2,683,874</u>	<u>627,210</u>	<u>-</u>	<u>-</u>	<u>3,311,084</u>
LIABILITIES					
Current Liabilities					
Accrued liabilities	713,812	372,122	104,200	824,285	2,014,419
Current portion on non-current liabilities	1,044,743	19,792	48,170	87,246	1,199,951
Notes payable	-	494,962	-	-	494,962
Unearned revenue	-	-	71,338	355,595	426,933
Total current liabilities	<u>1,758,555</u>	<u>886,876</u>	<u>223,708</u>	<u>1,267,126</u>	<u>4,136,265</u>
Non-current liabilities					
Accrued liability for OPEB benefits	24,030,569	2,670,885	-	-	26,701,454
Accrued liability for pension benefits	3,874,850	2,631,950	-	-	6,506,800
Long-term debt, net of deferred refunding gain/loss	-	3,108	1,107,058	-	1,110,166
Due to other governments	-	5,781,214	-	-	5,781,214
Total non-current liabilities	<u>27,905,419</u>	<u>11,087,157</u>	<u>1,107,058</u>	<u>-</u>	<u>40,099,634</u>
Total liabilities	<u>29,663,974</u>	<u>11,974,033</u>	<u>1,330,766</u>	<u>1,267,126</u>	<u>44,235,899</u>
DEFERRED INFLOW OF RESOURCES					
Pension benefits	126,296	80,463	-	-	206,759
OPEB benefits	11,451,737	31,314	-	-	11,483,051
Total deferred outflows	<u>11,578,033</u>	<u>111,777</u>	<u>-</u>	<u>-</u>	<u>11,689,810</u>
NET POSITION					
Capital assets, net of related debt	11,576,589	207,987	6,958,192	112,763	18,855,531
Restricted for:					
Other purposes	-	250,000	577,129	-	827,129
Unrestricted	(37,222,055)	2,173,881	590,581	1,402,934	(33,054,659)
Total net position (deficit)	<u>\$ (25,645,466)</u>	<u>\$ 2,631,868</u>	<u>\$ 8,125,902</u>	<u>\$ 1,515,697</u>	<u>\$ (13,371,999)</u>

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Anne Arundel County, Maryland

Combining Statement of Activities

Non-major Component Units

Year Ended June 30, 2019

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<i>AA County Public Library</i>				
Community services	\$ 25,333,707	\$ 635,860	\$ 4,399,611	\$ -
<i>Economic Development</i>				
Arundel Business Loan Program	692,633	7,601	-	-
Chesapeake Innovation Center	13	-	-	-
Administrative	2,520,513	-	-	-
Anne Arundel Agricultural Marketing, LLC	326,145	-	81,235	-
Anne Arundel Community Development, LLC	1,764	-	-	-
Video Lottery Terminal	4,712	274,865	-	-
Unallocated depreciation	56,273	-	-	-
	<u>3,602,053</u>	<u>282,466</u>	<u>81,235</u>	<u>-</u>
<i>Tipton Airport Authority</i>				
Airport operations	<u>2,180,115</u>	<u>1,905,128</u>	<u>-</u>	<u>169,064</u>
<i>Workforce Development</i>				
Workforce development programs				
Other WIA programs	8,770,524	-	9,098,724	-
Administration	41,402	-	-	-
Other grants, projects, initiatives	1,124,896	395,332	581,685	55,808
	<u>\$ 9,936,822</u>	<u>\$ 395,332</u>	<u>\$ 9,680,409</u>	<u>\$ 55,808</u>

General revenues:
 Hotel tax
 Unrestricted contributions
 Interest earnings
 Miscellaneous
 Total general revenues

 Changes in net position

 Net position, July 1

 Net position, June 30

Net (Expense) Revenues and Changes in Net Position

<u>AA County Public Library</u>	<u>Economic Development</u>	<u>Tipton Airport</u>	<u>Workforce Development</u>	<u>Total</u>
\$ <u>(20,298,236)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(20,298,236)</u>
-	(685,032)	-	-	(685,032)
-	(13)	-	-	(13)
-	(2,520,513)	-	-	(2,520,513)
-	(244,910)	-	-	(244,910)
-	(1,764)	-	-	(1,764)
-	270,153	-	-	270,153
-	(56,273)	-	-	(56,273)
<u>-</u>	<u>(3,238,352)</u>	<u>-</u>	<u>-</u>	<u>(3,238,352)</u>
<u>-</u>	<u>-</u>	<u>(105,923)</u>	<u>-</u>	<u>(105,923)</u>
-	-	-	328,200	328,200
-	-	-	(41,402)	(41,402)
-	-	-	(92,071)	(92,071)
<u>-</u>	<u>-</u>	<u>-</u>	<u>194,727</u>	<u>194,727</u>
-	1,000,000	-	-	1,000,000
22,201,400	3,094,356	-	5,687	25,301,443
-	11,145	6,674	5,574	23,393
11,141	507,870	-	103,068	622,079
<u>22,212,541</u>	<u>4,613,371</u>	<u>6,674</u>	<u>114,329</u>	<u>26,946,915</u>
1,914,305	1,375,019	(99,249)	309,056	3,499,131
<u>(27,559,771)</u>	<u>1,256,849</u>	<u>8,225,151</u>	<u>1,206,641</u>	<u>(16,871,130)</u>
\$ <u>(25,645,466)</u>	\$ <u>2,631,868</u>	\$ <u>8,125,902</u>	\$ <u>1,515,697</u>	\$ <u>(13,371,999)</u>

Anne Arundel County, Maryland

Balance Sheet

AA County Public Library Component Unit

June 30, 2019

	Governmental Funds		
	Operating Fund	Dedicated Revenue Fund	Total
ASSETS			
Cash and investments	\$ 11,495	\$ 325	\$ 11,820
Due from primary government Receivables	1,282,799	(4,056)	1,278,743
Other, net	35,937	9,578	45,515
Total assets	<u>\$ 1,330,231</u>	<u>\$ 5,847</u>	<u>\$ 1,336,078</u>
LIABILITIES			
Accrued liabilities	\$ 713,733	\$ 79	\$ 713,812
Total liabilities	<u>713,733</u>	<u>79</u>	<u>713,812</u>
FUND BALANCES			
Assigned	183,109	7,687	190,796
Unassigned	433,389	(1,919)	431,470
Total fund balances (deficit)	<u>616,498</u>	<u>5,768</u>	<u>622,266</u>
Total liabilities and fund balances	<u>\$ 1,330,231</u>	<u>\$ 5,847</u>	<u>\$ 1,336,078</u>

Anne Arundel County, Maryland

Statement of Revenues, Expenditures, and Changes in Fund Balances

AA County Public Library Component Unit

Year Ended June 30, 2019

	Governmental Funds		
	Operating Fund	Dedicated Revenue Fund	Total
REVENUES			
Grants and aid	\$ 26,731,903	\$ 109,108	\$ 26,841,011
Fines and fees	635,860	-	635,860
Other	377	10,764	11,141
Total revenues	<u>27,368,140</u>	<u>119,872</u>	<u>27,488,012</u>
EXPENDITURES			
Recreation and community services	26,925,381	111,819	27,037,200
Total expenditures	<u>26,925,381</u>	<u>111,819</u>	<u>27,037,200</u>
Revenues over (under) expenditures	<u>442,759</u>	<u>8,053</u>	<u>450,812</u>
OTHER FINANCING SOURCES (USES)			
Contributions to Retiree Health Trust Fund	(240,000)	-	(240,000)
Total other financing sources (uses)	<u>(240,000)</u>	<u>-</u>	<u>(240,000)</u>
Net change in fund balances	<u>202,759</u>	<u>8,053</u>	<u>210,812</u>
Fund balances, July 1	413,739	(2,285)	411,454
Fund balances, June 30	<u>\$ 616,498</u>	<u>\$ 5,768</u>	<u>\$ 622,266</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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Grants and aid	\$ 2,350,000	\$ 2,350,000	\$ 2,350,026	\$ 26
Primary government contribution	22,201,400	22,201,400	22,201,400	-
Fines and fees	811,500	811,500	635,860	(175,640)
Other	607,000	607,000	615,377	8,377
Total revenues	<u>25,969,900</u>	<u>25,969,900</u>	<u>25,802,663</u>	<u>(167,237)</u>
EXPENDITURES				
Current				
Recreation and community services	25,735,700	25,735,700	25,172,179	563,521
Other	240,000	240,000	240,000	-
Capital outlay	227,200	227,200	222,455	4,745
Total expenditures	<u>26,202,900</u>	<u>26,202,900</u>	<u>25,634,634</u>	<u>568,266</u>
Revenues over expenditures	(233,000)	(233,000)	168,029	<u>\$ 401,029</u>
Fund balances, budgetary, July 1	<u>317,960</u>	<u>317,960</u>	<u>317,960</u>	
Fund balances, budgetary, June 30	<u>\$ 84,960</u>	<u>\$ 84,960</u>	<u>\$ 485,989</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, 2019

	<u>Issued Date</u>	<u>Maturing Serially</u>	<u>Rate of Interest</u>	<u>Amount Issued</u>	<u>Redeemed F/Y 19</u>	<u>06/30/19 Outstanding</u>	<u>Total Due to Maturity</u>
Water and Wastewater Bonds							
MDWQE Rosehaven	03/28/01	2003-31	1.50 to 1.50	\$ 3,033,715	\$ 106,941	\$ 1,415,562	\$ 1,550,922
MDWQE Annapolis WRF Expn	06/27/03	2005-24	1.00 to 1.00	19,362,500	1,010,795	5,207,631	5,364,896
MDWQE Marley Jumpers	04/07/07	2008-27	1.00 to 1.00	5,854,341	362,729	1,721,194	1,770,250
MDWQE Woodholme Circle	06/17/08	2009-28	1.10 to 1.10	1,200,475	66,001	570,864	600,266
Series 09	04/01/09	2010-39	2.50 to 4.75	29,200,000	975,000	-	-
Series 09 Refunding	07/22/09	2010-25	3.00 to 4.00	20,730,000	1,530,000	-	-
MDWQE Deale Rd Sewer	12/01/09	2011-30	0.00 to 0.00	1,749,147	98,324	864,235	864,235
Series 10	04/08/10	2011-20	2.00 to 5.00	13,900,000	1,390,000	1,390,000	1,445,600
BABs Series 10	04/08/10	2021-30	4.80 to 5.55	27,700,000	-	27,700,000	46,371,317
Series 11	04/20/11	2012-41	2.00 to 5.00	47,600,000	1,590,000	34,880,000	54,487,986
MDWQE Annap/Bneck/Cox	06/16/11	2013-32	2.20 to 2.20	15,975,016	826,052	12,203,007	14,036,115
Series 11 Refunding	09/01/11	2013-25	3.00 to 5.00	8,860,000	735,000	4,450,000	5,229,250
MDWQE Bwater/MDCity/Patxnt	05/31/12	2014-33	1.80 to 1.80	12,430,208	612,563	9,785,134	11,152,229
Series 12	06/14/12	2013-42	2.00 to 4.00	27,020,000	900,000	20,700,000	29,448,000
Series 12 Refunding	06/14/12	2013-32	2.00 to 5.00	15,810,000	1,180,000	11,570,000	14,336,275
MDWQE Sylvan Shores Water	12/21/12	2014-42	0.80 to 0.80	3,783,000	127,415	3,060,363	3,350,620
MDWQE Sylvan Shores Sewer	12/21/12	2014-33	0.80 to 0.80	1,944,000	95,884	1,425,773	1,512,796
Series 13	06/20/13	2014-43	4.00 to 5.00	38,080,000	1,270,000	30,480,000	46,918,562
MDWQE Cox Creek Ph II	10/31/13	2014-34	2.10 to 2.10	17,475,907	1,158,345	15,679,233	19,347,067
Series 14	04/03/14	2015-44	3.00 to 5.00	79,200,000	2,640,000	66,000,000	101,719,200
Series 15	04/08/15	2016-45	2.00 to 5.00	77,600,000	2,590,000	67,240,000	112,612,000
Series 15 Refunding	04/08/15	2016-36	5.00 to 5.00	34,875,000	1,885,000	31,460,000	45,359,250
Series 16	04/13/16	2017-46	3.00 to 5.00	43,585,000	1,455,000	39,230,000	65,688,250
Series 16 Refunding	04/13/16	2017-36	3.00 to 5.00	75,300,000	4,295,000	57,665,000	72,122,025
Series 17	04/12/17	2018-47	5.00 to 5.00	63,175,000	2,130,000	59,500,000	101,150,000
Series 17 Refunding	04/12/17	2018-29	3.00 to 5.00	20,515,000	1,155,000	19,355,000	26,089,675
Series 18	03/29/18	2019-48	5.00 to 5.00	67,805,000	2,265,000	65,540,000	113,056,500
Series 19	04/12/19	2020-49	5.00 to 5.00	71,090,000	-	71,090,000	124,298,890
Series 19 Refunding	04/12/19	2020-25	5.00 to 5.00	6,020,000	-	6,020,000	6,899,053
Total applicable to 5.6% and 14.0% debt limitations				<u>850,873,309</u>	<u>32,450,049</u>	<u>666,202,996</u>	<u>1,026,781,229</u>

(continued)

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

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

June 30, 2019

	<u>Issued</u>	<u>Maturing Serially</u>	<u>Rate of Interest</u>	<u>Issued</u>	<u>Redeemed F/Y 19</u>	<u>06/30/19 Outstanding</u>	<u>Total Due to Maturity</u>
Consolidated General Improvements							
Bonds							
Series 09	04/01/09	2010-29	4.00 to 5.00	113,300,000	6,785,979	-	-
Series 09 Refunding	07/22/09	2010-25	1.50 to 4.00	32,610,000	880,000	-	-
Series 10	04/08/10	2011-20	2.00 to 5.00	66,136,440	7,390,885	7,202,459	7,562,582
BABs Series 10	04/08/10	2021-30	4.80 to 5.55	72,888,560	-	72,888,560	98,115,293
Series 11	04/20/11	2012-31	3.00 to 5.00	117,500,000	5,958,999	69,706,612	90,476,132
Series 11 Refunding	09/01/11	2013-25	3.00 to 5.00	35,835,000	3,575,000	14,385,000	16,184,750
Series 12	06/14/12	2013-32	3.00 to 4.00	98,900,000	5,947,028	57,218,646	71,772,625
Series 12 Refunding	06/14/12	2013-32	2.00 to 5.00	36,332,512	3,862,463	21,414,504	24,285,421
Series 13	06/20/13	2014-33	4.00 to 5.00	116,000,000	6,960,000	74,240,000	99,481,600
Series 14	04/03/14	2015-34	3.00 to 5.00	115,000,000	6,968,020	79,875,892	104,169,918
Series 15	04/08/15	2016-35	2.00 to 5.00	154,920,000	10,763,242	122,551,274	167,076,291
Series 15 Refunding	04/08/15	2016-27	5.00 to 5.00	58,504,968	6,098,549	45,880,451	55,672,541
Golf Course Refunding	04/08/15	2016-28	5.00 to 5.00	15,735,000	1,030,000	11,890,000	15,054,250
Series 16	04/13/16	2017-46	5.00 to 5.00	80,027,783	2,668,926	72,026,005	120,626,061
Series 16 Refunding	04/13/16	2017-27	3.00 to 5.00	69,384,271	8,571,375	34,495,582	39,525,031
Series 17	04/12/17	2018-47	5.00 to 5.00	104,008,000	3,538,389	96,931,222	164,750,458
Series 17 Refunding	04/12/17	2018-29	3.00 to 5.00	44,423,549	2,169,272	42,249,380	51,041,295
Series 18	03/29/18	2019-48	5.00 to 5.00	177,642,000	5,862,817	171,779,183	297,069,227
Series 19	04/12/19	2020-49	5.00 to 5.00	191,621,000	-	191,621,000	335,938,956
Series 19 Refunding	04/12/19	2020-25	5.00 to 5.00	4,445,000	-	4,445,000	5,203,959
				<u>1,705,214,083</u>	<u>89,030,944</u>	<u>1,190,800,770</u>	<u>1,764,006,390</u>
WPRF Bonds							
Series 14	04/03/14	2015-34	2.00 to 5.00	7,300,000	390,427	5,489,865	7,270,031
Series 15	04/08/15	2016-35	5.00 to 5.00	26,880,000	1,443,684	22,533,948	32,036,502
Series 16	04/13/16	2017-45	5.00 to 5.00	13,232,217	441,074	11,908,995	19,947,566
Series 18	03/29/18	2019-48	5.00 to 5.00	13,008,000	433,600	12,574,400	21,690,840
Series 19	04/12/19	2020-49	5.00 to 5.00	20,359,000	-	20,359,000	35,597,157
				<u>80,779,217</u>	<u>2,708,785</u>	<u>72,866,208</u>	<u>116,542,096</u>
Solid Waste Bonds							
Series 09	04/01/09	2010-29	4.00 to 5.00	2,100,000	144,021	-	-
Series 10	04/08/10	2011-20	3.00 to 5.00	1,938,560	214,115	302,541	317,669
BABs Series 10	04/08/10	2011-30	4.80 to 5.55	3,161,440	-	3,161,440	4,255,612
Series 11	04/20/11	2012-31	3.00 to 5.00	8,200,000	331,001	5,673,388	7,403,169
Series 12	06/14/12	2013-32	3.00 to 4.00	2,200,000	112,972	1,461,354	1,857,499
Series 12 Refunding	06/14/12	2013-25	2.00 to 5.00	917,488	97,537	555,496	631,529
Series 14	04/03/14	2015-34	2.00 to 5.00	4,600,000	256,553	3,459,243	4,563,549
Series 15	04/08/15	2016-35	2.00 to 5.00	9,600,000	543,074	7,964,778	11,340,957
Series 15 Refunding	04/08/15	2016-27	5.00 to 5.50	2,700,032	281,451	2,099,549	2,545,210
Series 16 Refunding	04/13/16	2017-27	3.00 to 5.00	200,729	23,625	109,418	126,719
Series 17	04/12/17	2018-47	5.00 to 5.00	4,377,000	76,611	4,223,778	7,188,668
Series 17 Refunding	04/12/17	2018-29	3.00 to 5.00	936,451	45,728	890,620	1,075,954
Series 18	03/29/18	2019-48	5.00 to 5.00	5,200,000	228,583	4,971,417	7,813,058
Series 19	04/12/19	2020-49	5.00 to 5.00	4,100,000	-	4,100,000	6,249,773
Total Waste Collection Enterprise Fund				<u>50,231,700</u>	<u>2,355,271</u>	<u>38,973,022</u>	<u>55,369,366</u>
Total applicable to 5.2% and 13.0% debt limitations				<u>1,836,225,000</u>	<u>94,095,000</u>	<u>1,302,640,000</u>	<u>1,935,917,852</u>

(continued)

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

NOT APPLICABLE TO DEBT LIMITATIONS

June 30, 2019

	<i>Issued</i>	<i>Maturing Serially</i>	<i>Rate of Interest</i>	<i>Issued</i>	<i>Redeemed F/Y 19</i>	<i>06/30/19 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	383,000	626,244
Ellen H. Shepard Trust	09/22/00	2002-30	5.85 to 5.85	161,000	1,000	143,000	231,803
Jean Touchette	09/19/00	2002-30	5.85 to 5.85	378,000	1,000	360,000	588,443
Farm of the Four Winds, LLC	11/13/00	2002-30	6.00 to 6.00	587,000	1,000	569,000	941,240
Kenneth P. Franklin, Trustee	12/28/00	2002-30	5.60 to 5.60	142,055	1,000	124,000	197,304
Richard F. Moreland	07/18/01	2003-28	5.90 to 5.90	274,000	1,000	257,000	391,343
Mary M. Smith	07/18/01	2003-28	5.90 to 5.90	831,000	1,000	814,000	1,244,110
Charlotte Windsor	07/26/01	2003-28	5.90 to 5.90	411,174	1,000	394,000	601,090
Anita Froe/Rian LLC	03/06/02	2003-28	5.90 to 5.90	657,000	1,000	640,000	977,716
Lauer & Company	09/20/02	2004-28	5.25 to 5.25	197,000	1,000	181,000	264,632
Weems Dodd Ltd	10/17/02	2004-28	5.45 to 5.45	1,521,000	1,000	1,505,000	2,241,240
Alice Hall	12/19/02	2004-28	5.55 to 5.55	180,000	1,000	164,000	243,920
Bristol Farms LLC	01/28/03	2004-28	5.50 to 5.50	700,000	1,000	684,000	1,017,541
Shearman Talbot	05/22/03	2005-28	4.95 to 4.95	263,948	1,000	249,000	358,148
Sally Brice O'Hara	06/23/04	2006-28	5.80 to 5.80	316,000	1,000	302,000	457,556
Thackray Sez nec	06/30/04	2006-28	5.80 to 5.80	1,405,000	1,000	1,391,000	2,115,014
James Parks	07/07/04	2006-28	5.60 to 5.60	295,000	1,000	281,000	420,608
Dorothy Horky	12/05/05	2006-28	4.90 to 4.90	368,814	1,000	356,000	511,233
Virginia Tucker	10/05/06	2007-28	4.90 to 4.90	926,000	1,000	914,000	1,315,310
Jennifer Wade	07/26/07	2008-28	5.30 to 5.30	873,925	1,000	863,000	1,261,145
Ford/Addis	12/20/07	2008-37	4.60 to 4.60	604,000	-	604,000	1,104,112
Francis Talbot III	07/16/08	2009-37	4.55 to 4.55	840,000	-	840,000	1,527,960
Thompson Lumber	06/21/11	2012-41	4.55 to 4.55	1,487,000	-	1,487,000	2,975,486
				<u>13,819,916</u>	<u>20,000</u>	<u>13,505,000</u>	<u>21,613,198</u>
Tax Increment Bonds							
Arundel Mills Refunding	05/14/14	2015-29	2.00 to 5.00	24,940,000	1,285,000	20,275,000	24,345,675
National Business Park Ref	05/14/14	2015-28	1.50 to 5.00	12,155,000	705,000	9,575,000	11,373,926
Nursery Road Refunding	05/14/14	2015-29	2.00 to 5.00	1,765,000	100,000	1,380,000	1,664,024
National Business Park N Ref	06/07/18	2020-37	3.00 to 5.00	25,855,000	-	25,855,000	36,407,319
Ref	06/07/18	2020-41	3.00 to 4.00	14,525,000	-	14,525,000	20,739,878
				<u>79,240,000</u>	<u>2,090,000</u>	<u>71,610,000</u>	<u>94,530,822</u>

LONG TERM DEBT NOT APPLICABLE TO DEBT LIMITATIONS

	<u>Issued</u>	<u>Maturing Serially</u>	<u>Rate of Interest</u>	<u>Issued</u>	<u>Redeemed F/Y 19</u>	<u>06/30/19 Outstanding</u>	<u>Total Due to Maturity</u>
State Loans							
Department of Natural Resources							
Amberly	11/01/08	2008-33	0.00	135,000	5,400	75,600	75,600
Annapolis Cove	05/27/14	2015-30	0.00	173,425	11,793	117,927	117,927
Arundel on the Bay SECD	11/17/18	2020-40	0.00	279,400	-	279,400	279,400
Bay Ridge #2	07/01/08	2009-28	0.00	500,000	25,771	257,710	257,710
Buckingham Cove	04/07/97	1997-21	0.00	217,570	8,703	26,103	26,103
Camp Wabanna SECD	04/26/05	2011-31	0.00	174,857	9,203	101,233	101,233
Cape Anne SECD	11/30/06	2009-34	0.00	190,308	8,101	113,391	113,391
Cattail Creek	04/03/98	1998-22	0.00	127,628	5,105	20,421	20,421
Columbia Beach	06/12/08	2013-38	0.00	1,042,027	53,664	697,632	697,632
Elizabeth's Landing III	01/22/10	2012-37	0.00	153,262	6,130	98,069	98,069
John's Creek	12/15/93	1994-19	0.00	173,206	6,920	-	-
Holland Point SECD	10/11/04	2011-31	0.00	1,050,054	55,266	607,926	607,926
Lake Hillsmere II	04/03/98	1998-22	0.00	188,660	7,546	30,184	30,184
Romar Estates	03/27/97	1997-21	0.00	304,987	12,199	36,599	36,599
Snug Harbor SECD	10/11/04	2012-31	0.00	112,600	5,817	69,804	69,804
Venice Beach SECD	09/15/17	2021-40	0.00	220,000	-	5,700	5,700
Whitehall Cove	12/19/01	2001-25	0.00	164,134	6,565	45,958	45,958
Total not applicable to debt limitations				5,207,118	228,183	2,583,657	2,583,657
Total long-term debt				\$ 2,785,365,343	\$ 128,883,232	\$ 2,056,541,653	\$ 3,081,426,758

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

June 30, 2019

FISCAL YEAR ENDING	General County Bonds (a)							
	General Government		Solid Waste		WPRF		Tax Increment	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 90,126,367	\$ 56,991,645	\$ 2,501,215	\$ 1,870,859	\$ 3,387,418	\$ 3,540,701	\$ 3,165,000	\$ 2,748,819
2021	88,058,016	52,980,781	2,679,566	1,757,304	3,387,418	3,402,435	3,500,000	2,588,194
2022	88,055,330	48,714,485	2,672,253	1,630,306	3,387,418	3,233,064	3,930,000	2,407,619
2023	82,440,000	44,417,759	2,707,583	1,495,672	3,387,418	3,063,693	4,235,000	2,208,344
2024	76,397,199	40,360,350	2,757,703	1,361,643	3,440,098	2,894,322	4,600,000	1,992,519
2025	72,136,506	36,557,583	2,622,998	1,223,774	3,295,496	2,722,317	4,965,000	1,758,644
2026	64,549,276	32,994,263	2,545,228	1,092,279	3,295,496	2,557,542	5,310,000	1,543,219
2027	61,297,117	29,825,369	2,417,387	969,262	3,295,496	2,392,768	5,620,000	1,349,519
2028	57,988,409	26,914,738	2,361,095	850,811	3,295,496	2,234,963	5,955,000	1,143,819
2029	54,422,207	24,301,016	2,347,297	739,804	3,295,496	2,076,287	4,930,000	945,969
2030	50,215,714	21,889,974	2,253,790	633,553	3,295,496	1,917,175	2,455,000	797,969
2031	42,926,858	19,456,420	1,937,644	524,843	3,295,496	1,752,400	2,390,000	705,994
2032	37,131,046	17,453,123	1,453,458	434,454	3,295,496	1,591,111	2,505,000	632,568
2033	33,192,316	15,705,714	1,342,188	365,715	3,295,496	1,429,821	2,640,000	553,743
2034	28,552,316	14,091,237	1,342,188	300,732	3,295,496	1,268,531	2,765,000	467,562
2035	24,054,644	12,708,880	1,123,361	235,754	2,931,995	1,107,241	2,910,000	375,344
2036	18,269,000	11,506,148	632,693	179,586	1,553,307	960,642	3,050,000	278,494
2037	18,264,001	10,592,823	632,692	147,951	1,553,307	882,976	3,210,000	174,762
2038	18,358,805	9,677,252	537,888	118,687	1,553,307	805,311	825,000	106,672
2039	18,514,686	8,755,415	382,007	95,690	1,553,307	727,646	855,000	77,787
2040	18,688,745	7,825,329	202,948	81,066	1,553,307	649,980	885,000	47,337
2041	18,688,745	6,890,892	202,948	70,918	1,553,307	572,315	910,000	15,925
2042	18,683,745	5,956,580	202,948	60,771	1,553,307	494,649	-	-
2043	18,683,745	5,022,393	202,948	50,624	1,553,307	416,984	-	-
2044	18,683,745	4,088,205	202,948	40,476	1,553,307	339,319	-	-
2045	18,683,745	3,154,018	202,948	30,329	1,553,307	261,653	-	-
2046	18,683,748	2,219,831	202,948	20,181	1,553,304	183,988	-	-
2047	16,019,815	1,352,242	202,952	10,034	1,112,233	117,350	-	-
2048	12,529,283	638,514	83,484	2,873	1,112,233	61,738	-	-
2049	6,505,641	162,641	15,716	393	678,643	16,966	-	-
	<u>\$ 1,190,800,770</u>	<u>\$ 573,205,620</u>	<u>\$ 38,973,022</u>	<u>\$ 16,396,344</u>	<u>\$ 72,866,208</u>	<u>\$ 43,675,888</u>	<u>\$ 71,610,000</u>	<u>\$ 22,920,822</u>

- Notes:
- (a) Bonded Debt subject to (1) 5.2% of the assessable basis of real property; (2) 13.0% 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) 14.0% 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).

(continued)

						<i>Total</i>		
<i>Installment Purchase Agreements</i>		<i>State Advances</i>		<i>Water and Sewer Bonds (b)</i>				<i>Debt Service</i>
<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Charge</i>
\$ 20,000	\$ 721,607	\$ 235,233	\$ -	\$ 34,136,425	\$ 29,573,366	\$ 133,571,658	\$ 95,446,997	\$ 229,018,655
20,000	720,492	235,234	-	34,084,094	28,235,392	131,964,328	89,684,598	221,648,926
20,000	719,377	235,230	-	34,123,081	26,716,050	132,423,312	83,420,901	215,844,213
20,000	718,261	220,031	-	33,513,412	25,187,240	126,523,444	77,090,969	203,614,413
20,000	717,145	201,680	-	32,637,518	23,714,960	120,054,198	71,040,939	191,095,137
20,000	716,030	201,680	-	31,375,184	22,276,210	114,616,864	65,254,558	179,871,422
20,000	714,915	201,680	-	30,835,122	20,837,534	106,756,802	59,739,752	166,496,554
20,000	713,799	195,115	-	30,471,368	19,481,173	103,316,483	54,731,890	158,048,373
8,880,000	712,684	195,115	-	29,856,470	18,212,453	108,531,585	50,069,468	158,601,053
5,000	223,954	195,115	-	28,700,921	17,032,733	93,896,036	45,319,763	139,215,799
1,529,000	223,662	157,551	-	28,705,432	15,849,822	88,611,983	41,312,155	129,924,138
-	133,663	93,082	-	28,424,011	14,662,267	79,067,091	37,235,587	116,302,678
-	133,662	87,265	-	26,187,117	13,483,726	70,659,382	33,728,644	104,388,026
-	133,663	33,578	-	24,287,127	12,322,351	64,790,705	30,511,007	95,301,712
-	133,662	20,100	-	23,393,592	11,200,699	59,368,692	27,462,423	86,831,115
-	133,663	20,088	-	22,579,741	10,103,202	53,619,829	24,664,084	78,283,913
-	133,662	13,970	-	21,760,899	9,050,463	45,279,869	22,108,995	67,388,864
1,444,000	133,663	13,970	-	19,632,066	8,053,408	44,750,036	19,985,583	64,735,619
-	67,658	13,970	-	19,618,242	7,128,463	40,907,212	17,904,043	58,811,255
-	67,659	13,970	-	19,549,428	6,200,589	40,868,398	15,924,786	56,793,184
-	67,658	-	-	18,630,624	5,287,169	39,960,624	13,958,539	53,919,163
1,487,000	67,659	-	-	17,226,122	4,379,864	40,068,122	11,997,573	52,065,695
-	-	-	-	15,600,000	3,556,299	36,040,000	10,068,299	46,108,299
-	-	-	-	14,700,000	2,805,875	35,140,000	8,295,876	43,435,876
-	-	-	-	13,430,000	2,090,425	33,870,000	6,558,425	40,428,425
-	-	-	-	10,790,000	1,432,125	31,230,000	4,878,125	36,108,125
-	-	-	-	8,205,000	892,625	28,645,000	3,316,625	31,961,625
-	-	-	-	6,755,000	518,625	24,090,000	1,998,251	26,088,251
-	-	-	-	4,630,000	234,000	18,355,000	937,125	19,292,125
-	-	-	-	2,365,000	59,125	9,565,000	239,125	9,804,125
<u>\$ 13,505,000</u>	<u>\$ 8,108,198</u>	<u>\$ 2,583,657</u>	<u>\$ -</u>	<u>\$ 666,202,996</u>	<u>\$ 360,578,233</u>	<u>\$ 2,056,541,653</u>	<u>\$ 1,024,885,105</u>	<u>\$ 3,081,426,758</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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	\$ 604,084,265	\$ 596,510,465	\$ 606,338,970	\$ 556,191,931	\$ 578,852,173	\$ 622,405,918	\$ 630,965,090	\$ 633,818,542	\$ 622,238,204	\$ 641,108,437
Restricted for:										
Debt service	8,009,868	7,168,724	6,641,452	6,684,460	8,962,428	6,541,144	3,999,512	1,563,957	3,996,203	5,335,123
Capital improvements	140,771,194	115,345,559	120,779,559	152,617,318	129,907,443	83,524,600	74,937,323	76,820,358	61,469,121	48,635,874
Reforestation	3,740,710	6,878,019	7,296,496	7,653,451	8,139,821	7,746,804	7,662,442	6,823,655	7,766,138	5,399,159
Other purposes	30,357,753	30,038,789	16,043,607	18,740,570	7,335,836	4,724,488	7,590,496	2,702,597	3,408,549	9,826,468
Unrestricted	(1,344,807,847)	(1,256,694,440)	(1,254,102,054)	(1,235,534,374)	(1,150,954,681)	(754,546,361)	(726,105,305)	(657,762,577)	(594,418,963)	(481,961,464)
Subtotal governmental activities net position	<u>(557,844,057)</u>	<u>(500,752,884)</u>	<u>(497,001,970)</u>	<u>(493,646,644)</u>	<u>(417,756,980)</u>	<u>(29,603,407)</u>	<u>(950,442)</u>	<u>63,966,532</u>	<u>104,459,252</u>	<u>228,343,597</u>
Business-type activities										
Net investment in capital assets	1,019,533,158	1,013,711,148	988,443,984	939,311,650	934,898,545	937,308,613	892,816,991	853,676,904	822,218,634	803,603,097
Restricted for:										
Debt service	306,535,034	303,151,272	300,551,883	317,747,290	331,288,133	279,611,526	260,752,727	250,397,620	220,812,854	207,296,505
Capital improvements	4,019,610	13,458,769	9,081,443	17,381,921	12,771,873	-	-	-	-	-
Other purposes	162,314	1,907,059	11,255,564	16,384,208	3,087,221	19,549,090	9,039,041	4,578,740	3,925,738	3,707,389
Unrestricted	(596,026)	(434,806)	10,038,368	5,484,501	(8,709,841)	12,846,117	16,700,393	19,852,330	21,548,473	22,282,513
Subtotal business-type activities net position	<u>1,329,654,090</u>	<u>1,331,793,442</u>	<u>1,319,371,242</u>	<u>1,296,309,570</u>	<u>1,273,335,931</u>	<u>1,249,315,346</u>	<u>1,179,309,152</u>	<u>1,128,505,594</u>	<u>1,068,505,699</u>	<u>1,036,889,504</u>
Primary government										
Net investment in capital assets	1,623,617,423	1,610,221,613	1,594,782,954	1,495,503,581	1,513,750,718	1,559,714,531	1,523,782,081	1,487,495,446	1,444,456,838	1,444,711,534
Restricted for:										
Debt service	314,544,902	310,319,996	307,193,335	324,431,750	340,250,561	286,152,670	264,752,239	251,961,577	224,809,057	212,631,628
Capital improvements	144,790,804	128,804,328	129,861,002	169,999,239	142,679,316	83,524,600	74,937,323	76,820,358	61,469,121	48,635,874
Reforestation	3,740,710	6,878,019	7,296,496	7,653,451	8,139,821	7,746,804	7,662,442	6,823,655	7,766,138	5,399,159
Other purposes	30,520,067	31,945,848	27,299,171	35,124,778	10,423,057	24,273,578	16,629,537	7,281,337	7,334,287	13,533,857
Unrestricted	(1,345,403,873)	(1,257,129,246)	(1,244,063,686)	(1,230,049,873)	(1,159,664,522)	(741,700,244)	(709,404,912)	(637,910,247)	(572,870,490)	(459,678,951)
Total primary governmental net position	<u>\$ 771,810,033</u>	<u>\$ 831,040,558</u>	<u>\$ 822,369,272</u>	<u>\$ 802,662,926</u>	<u>\$ 855,578,951</u>	<u>\$ 1,219,711,939</u>	<u>\$ 1,178,358,710</u>	<u>\$ 1,192,472,126</u>	<u>\$ 1,172,964,951</u>	<u>\$ 1,265,233,101</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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities:										
Education	\$ 946,223	\$ 874,498	\$ 756,618	\$ 770,324	\$ 764,352	\$ 708,507	\$ 708,818	\$ 669,191	\$ 697,647	\$ 663,563
Public safety	342,374	307,333	352,253	313,525	325,971	294,436	304,563	290,833	282,484	285,295
General government	210,851	185,021	162,786	186,840	153,913	118,774	116,146	115,262	115,262	121,427
Health and human services	85,069	78,173	83,000	79,787	77,175	72,520	74,569	72,907	72,096	72,731
Public works	81,239	100,961	93,287	157,103	89,763	106,372	82,066	80,934	66,553	84,000
Recreation and community services	74,090	70,717	67,698	58,131	56,358	59,095	56,380	56,129	61,005	63,688
Judicial	31,366	30,734	31,648	28,588	30,582	28,950	29,058	28,011	27,103	26,925
Code enforcement	14,626	13,832	16,292	13,819	14,815	13,379	13,735	13,788	13,305	13,905
Land use and development	22,299	25,246	12,707	14,135	14,897	10,273	10,392	11,472	14,429	11,010
Interest on debt and leases	58,859	55,898	54,132	53,157	48,149	45,104	37,685	39,712	38,566	34,407
Subtotal governmental activities expenses	1,866,996	1,742,413	1,630,421	1,675,409	1,575,975	1,461,646	1,436,040	1,379,123	1,388,450	1,376,951
Business-type activities:										
Water and wastewater	175,379	166,442	146,011	153,026	129,450	124,341	118,049	121,553	112,709	112,694
Waste collection	56,607	48,257	54,943	46,297	51,226	50,732	47,767	47,933	49,078	46,539
Child care	5,650	5,532	5,363	4,767	4,835	4,589	4,020	3,777	3,772	3,703
Subtotal business-type activities expenses	237,636	220,231	206,317	204,090	185,511	179,662	169,836	173,263	165,559	162,936
Total primary government expenses	2,104,632	1,962,644	1,836,738	1,879,499	1,761,486	1,641,308	1,605,876	1,552,386	1,554,009	1,539,887
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	34,155	31,084	27,897	27,150	25,108	19,477	15,744	17,843	20,116	16,183
General government	68,950	61,345	57,073	51,850	53,146	47,741	51,240	44,487	44,867	42,238
Health and human services	12,413	9,955	12,487	8,938	10,535	9,648	7,139	7,778	4,207	7,375
Public works	24,678	24,548	24,939	23,805	19,187	15,737	4,193	2,992	4,352	3,907
Recreation and community services	19,011	19,545	19,560	18,664	17,275	16,962	17,995	17,053	16,095	16,119
Judicial	3,134	3,024	3,061	3,209	3,207	3,166	2,997	3,009	2,908	2,783
Code enforcement	13,675	14,361	13,316	14,380	13,587	12,181	13,215	11,414	13,605	11,526
Land use and development	2,981	2,297	2,298	2,461	1,881	2,216	2,184	1,769	5,132	2,924
Operating grants and contributions	82,054	77,267	67,906	66,729	63,651	61,177	42,874	47,165	45,357	47,153
Capital grants and contributions	58,854	63,963	59,231	63,915	96,381	45,969	41,689	42,656	43,293	25,738
Subtotal governmental activities revenues	319,905	307,389	287,768	281,101	303,958	234,274	199,270	196,166	199,932	175,946
Business-type activities:										
Charges for services:										
Water and wastewater	84,180	85,275	85,467	85,178	85,367	86,023	84,555	86,737	81,555	78,995
Waste collection	54,584	53,162	51,441	50,975	49,970	50,133	49,175	50,680	44,106	43,218
Child care	6,080	5,807	5,742	5,112	4,739	4,661	4,070	4,032	3,568	3,665
Capital grants and contributions	69,671	81,381	69,022	82,131	127,526	87,887	71,141	76,527	54,093	44,798
Subtotal business-type activities revenues	214,515	225,625	211,672	223,396	267,602	228,704	208,941	217,976	183,322	170,676
Total primary government program revenues	534,420	533,014	499,440	504,497	571,560	462,978	408,211	414,142	383,254	346,622
Net (Expense)/Revenue										
Governmental activities	(1,547,091)	(1,435,024)	(1,342,653)	(1,394,308)	(1,272,017)	(1,227,372)	(1,236,770)	(1,182,957)	(1,188,518)	(1,201,005)
Business-type activities	(23,121)	5,394	5,355	19,306	82,091	49,042	39,105	44,713	17,763	7,740
Total primary government net (expense)/revenue	(1,570,212)	(1,429,630)	(1,337,298)	(1,375,002)	(1,189,926)	(1,178,330)	(1,197,665)	(1,138,244)	(1,170,755)	(1,193,265)

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues and Other Changes in Net Position										
Governmental activities:										
General property taxes	739,776	718,910	697,495	666,491	657,850	637,623	620,348	593,914	577,937	557,796
Local income taxes	560,494	506,513	485,822	485,232	420,382	436,906	403,623	400,465	371,491	349,283
State shared taxes	6,154	7,339	8,361	8,703	8,405	8,683	27,868	10,334	8,665	7,521
Recordation and transfer taxes	115,520	110,643	109,396	105,669	89,698	77,535	81,036	59,089	58,000	59,727
Local sales taxes	32,111	32,744	32,938	33,070	32,831	31,517	32,690	32,258	32,406	31,682
Investment income	14,550	2,854	1,797	4,586	1,967	2,446	(1,206)	1,418	1,322	2,335
Other revenue	19,015	18,855	18,194	15,766	11,012	9,477	7,494	12,323	4,387	2,811
County transfer	2,380	946	448	(1,099)	28	275	-	-	10,426	-
Forgiveness of debt State of Maryland	-	-	-	-	-	-	-	32,663	-	-
Subtotal governmental activities	<u>1,490,000</u>	<u>1,398,804</u>	<u>1,354,451</u>	<u>1,318,418</u>	<u>1,222,173</u>	<u>1,204,462</u>	<u>1,171,853</u>	<u>1,142,464</u>	<u>1,064,634</u>	<u>1,011,155</u>
Business-type activities:										
In kind contributions of capital assets	-	-	-	-	-	-	-	2,000	-	-
Investment income	6,939	6,439	2,777	1,671	1,173	1,161	560	1,072	2,896	4,509
Other revenue	16,422	14,086	15,378	11,398	11,656	14,417	11,139	12,215	10,957	6,830
County transfer	(2,380)	(946)	(448)	1,099	(28)	(275)	-	-	-	-
Subtotal business-type activities	<u>20,981</u>	<u>19,579</u>	<u>17,707</u>	<u>14,168</u>	<u>12,801</u>	<u>15,303</u>	<u>11,699</u>	<u>15,287</u>	<u>13,853</u>	<u>11,339</u>
Total primary government	<u>1,510,981</u>	<u>1,418,383</u>	<u>1,372,158</u>	<u>1,332,586</u>	<u>1,234,974</u>	<u>1,219,765</u>	<u>1,183,552</u>	<u>1,157,751</u>	<u>1,078,487</u>	<u>1,022,494</u>
Change in Net Position										
Governmental activities	(57,091)	(36,220)	11,798	(75,890)	(49,844)	(22,910)	(64,917)	(40,493)	(123,884)	(189,850)
Business-type activities	(2,140)	24,973	23,062	33,474	94,892	64,345	50,804	60,000	31,616	19,079
Total primary government	<u>\$ (59,231)</u>	<u>\$ (11,247)</u>	<u>\$ 34,860</u>	<u>\$ (42,416)</u>	<u>\$ 45,048</u>	<u>\$ 41,435</u>	<u>\$ (14,113)</u>	<u>\$ 19,507</u>	<u>\$ (92,268)</u>	<u>\$ (170,771)</u>

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Reserved for:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,962,041
Revenue stabilization fund	-	-	-	-	-	-	-	-	-	17,106,347
Inventories	-	-	-	-	-	-	-	-	-	1,869,916
Unreserved										27,578,262
Non-spendable	2,525,276	2,738,022	3,082,745	2,678,031	2,493,448	2,116,996	1,891,254	2,081,977	1,952,362	-
Restricted	-	-	1,372,139	1,372,139	38,177,889	16,974,138	302,017	-	-	-
Assigned	81,811,048	89,215,268	82,546,189	65,989,087	42,862,522	42,657,510	69,233,918	31,391,329	31,313,766	-
Unassigned	90,361,685	82,924,322	88,023,466	76,778,332	78,436,997	57,724,388	44,312,026	46,035,927	27,775,608	-
Total general fund	\$ 174,698,009	\$ 174,877,612	\$ 175,024,539	\$ 146,817,589	\$ 161,970,856	\$ 119,473,032	\$ 115,739,215	\$ 79,509,233	\$ 61,041,736	\$ 51,516,566
All other governmental funds										
Reserved for:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,445,938
Debt service	-	-	-	-	-	-	-	-	-	4,785,530
Capital projects funds	-	-	-	-	-	-	-	-	-	1,000,000
Other purposes	-	-	-	-	-	-	-	-	-	4,922,428
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	41,148,113
Capital projects funds	-	-	-	-	-	-	-	-	-	13,508,310
Debt service funds	-	-	-	-	-	-	-	-	-	6,302,224
Restricted	184,873,975	153,223,193	159,426,040	188,477,300	174,183,847	109,341,127	87,949,331	84,309,450	73,250,908	-
Committed	16,111,319	15,228,305	15,353,968	16,822,454	15,237,161	13,512,623	1,932,505	1,407,089	1,960,508	-
Assigned	85,148,709	134,902,781	124,078,614	79,535,242	121,015,146	82,922,005	45,297,103	43,019,813	62,694,509	-
Unassigned	(12,856,757)	(9,414,394)	(8,264,460)	(11,898,316)	(6,108,739)	(3,530,106)	(3,325,628)	(3,682,206)	-	-
Total all other governmental funds	\$ 273,277,246	\$ 293,939,885	\$ 290,594,162	\$ 272,936,680	\$ 304,327,415	\$ 202,245,649	\$ 131,853,311	\$ 125,054,146	\$ 137,905,925	\$ 109,112,543

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

	2019	2018	2017	2016
REVENUES				
General property taxes	\$ 741,670,235	\$ 720,718,221	\$ 698,622,818	\$ 668,195,251
Local income taxes	522,923,960	508,267,424	491,528,416	456,192,055
State shared taxes	12,410,845	11,624,829	11,694,607	12,092,354
Grants and aid	61,249,684	48,773,143	47,789,759	54,773,026
Recordation and transfer taxes	115,519,643	110,642,661	109,395,916	105,668,592
Local sales taxes	32,110,766	32,744,465	32,938,166	33,070,498
License and permit fees	18,335,508	18,132,998	17,148,374	18,617,749
Ambulance fees	13,627,382	11,833,040	11,985,658	11,387,538
Cable fees	11,142,696	11,056,998	11,560,846	11,329,610
Impact fees	32,733,711	35,651,712	24,587,197	33,651,125
Special community benefit taxes	8,517,569	8,471,575	8,429,687	8,202,160
Video lottery local impact grants	27,316,533	27,942,514	23,805,240	18,437,244
Watershed protection and restoration	22,017,074	21,665,866	21,821,801	21,058,386
Contributed capital	-	-	589,323	5,187,715
Investment income	16,449,014	6,560,442	1,983,519	4,933,509
Fees for services and other revenue	64,437,432	61,563,037	59,225,786	49,047,470
Total revenues	<u>1,700,462,052</u>	<u>1,635,648,925</u>	<u>1,573,107,113</u>	<u>1,511,844,282</u>
EXPENDITURES				
Current				
Education	946,223,055	874,498,215	756,618,157	770,323,479
Public safety	314,231,025	297,679,594	291,177,796	283,055,202
General government	148,598,076	139,055,913	113,861,353	67,831,167
Health and human services	81,174,496	76,011,931	78,503,626	76,012,320
Public works	53,686,960	51,848,700	46,309,768	51,788,360
Recreation and community services	60,854,736	60,745,723	57,791,422	55,341,217
Judicial	30,215,792	29,148,559	27,708,229	27,189,933
Code enforcement	13,918,760	14,046,524	14,206,639	13,149,060
Land use and development	10,129,513	8,613,192	11,234,169	11,541,521
Capital outlay	168,807,350	151,503,207	112,762,608	100,566,378
Debt service				
Interest payments on debt	57,901,384	54,487,265	53,916,572	53,433,347
Principal payments on debt	98,981,692	97,311,937	90,755,667	129,372,483
Interest payments on leases	373	-	15,210	13,619
Principal payments on leases	34,138	54,869	39,658	22,347
Total expenditures	<u>1,984,757,350</u>	<u>1,855,005,629</u>	<u>1,654,900,874</u>	<u>1,639,640,433</u>
Revenues over (under) expenditures	<u>(284,295,298)</u>	<u>(219,356,704)</u>	<u>(81,793,761)</u>	<u>(127,796,151)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	364,875,286	327,401,558	244,889,130	199,828,955
Transfers out	(364,875,286)	(327,401,558)	(244,889,130)	(199,828,955)
General obligation bonds issued	211,980,000	190,650,000	103,285,000	93,260,000
Bond anticipation notes issued	-	-	-	-
Payment of bond anticipation notes	-	-	-	-
National Business Park North bonds issued	-	-	-	-
Village South Waugh Chapel bonds issued	-	-	-	-
Installment purchase contracts issued	-	-	-	-
Proceeds from Federal and State Loans	285,100	-	-	-
Proceeds from capital leases	41,980	-	94,513	60,038
Proceeds from refunding issue	4,445,000	40,380,000	44,423,549	69,384,271
Premiums from sale of bonds	43,830,943	30,959,363	18,037,398	18,664,020
Premiums from the refunding of bonds	490,033	1,263,919	5,479,931	8,399,763
Transfers from (to) proprietary funds	2,380,000	946,137	1,170,804	(1,099,230)
Transfers from (to) component units	-	-	-	-
Transfers from (to) OPEB Trust	-	-	-	(70,877,624)
Reduction (increase) in lawsuit liability	-	-	-	-
Payments to escrow agent	-	(41,643,919)	(49,903,480)	(25,679,034)
Total other financing sources (uses)	<u>263,453,056</u>	<u>222,555,500</u>	<u>122,587,715</u>	<u>92,112,204</u>
Net change in fund balances	<u>\$ (20,842,242)</u>	<u>\$ 3,198,796</u>	<u>\$ 40,793,954</u>	<u>\$ (35,683,947)</u>
Debt service as a percentage of noncapital expenditures	<u>8.5%</u>	<u>8.7%</u>	<u>9.2%</u>	<u>11.3%</u>

	2015	2014	2013	2012	2011	2010
\$	659,894,834	\$ 637,345,360	\$ 622,059,854	\$ 595,707,896	\$ 577,208,014	\$ 562,011,285
	444,302,777	435,870,098	407,582,398	394,480,856	369,341,731	355,787,451
	11,270,543	12,163,216	30,436,273	11,720,894	10,637,730	9,575,679
	45,491,189	43,872,560	49,240,293	52,827,290	52,762,415	51,292,124
	89,697,633	77,535,100	81,036,685	59,088,413	58,000,447	59,727,498
	32,830,881	31,516,775	32,689,945	32,258,227	32,405,559	31,681,511
	17,333,180	16,536,662	15,306,284	15,215,772	17,589,449	15,482,651
	11,060,278	5,238,016	3,940,989	6,044,441	7,155,171	5,570,992
	11,088,708	10,663,480	10,229,615	9,550,069	8,951,457	8,200,802
	26,322,325	25,983,661	16,166,890	20,113,165	9,469,099	4,077,383
	7,451,077	6,884,379	6,869,374	6,744,865	6,259,372	5,817,687
	17,701,164	18,924,230	-	-	-	-
	16,925,138	13,168,354	-	-	-	-
	42,776,980	-	-	-	-	-
	2,261,163	1,735,894	(968,161)	3,444,363	909,826	2,013,921
	54,700,019	48,035,826	54,335,032	45,507,123	49,302,325	46,888,388
	<u>1,491,107,889</u>	<u>1,385,473,611</u>	<u>1,328,925,471</u>	<u>1,252,703,374</u>	<u>1,199,992,595</u>	<u>1,158,127,372</u>
	764,212,446	707,187,203	707,731,777	667,863,748	697,648,532	663,520,201
	281,406,166	264,937,499	244,784,672	234,743,678	234,003,601	236,020,663
	77,157,430	85,244,783	79,706,211	78,732,889	81,803,707	78,041,900
	72,578,279	69,650,709	69,646,503	69,383,832	68,153,620	69,961,727
	49,310,052	48,748,016	38,840,446	38,088,334	38,773,730	54,424,790
	53,354,539	49,866,606	48,337,232	49,595,703	47,835,484	48,052,691
	25,736,525	25,423,827	23,339,079	22,399,505	22,388,457	23,042,510
	13,096,270	12,287,022	11,583,462	11,536,177	11,360,912	12,006,795
	10,610,682	9,432,737	9,014,094	9,320,020	9,500,229	9,728,506
	105,072,340	65,054,648	73,051,659	70,480,365	66,637,667	55,510,526
	47,526,274	43,344,484	40,313,826	39,736,712	37,380,700	32,281,174
	99,693,700	75,614,400	73,778,953	69,389,373	56,468,779	58,940,763
	11,654	13,662	2,008	3,526	4,950	6,282
	12,304	16,211	3,907	26,563	25,140	23,807
	<u>1,599,778,661</u>	<u>1,456,821,807</u>	<u>1,420,133,829</u>	<u>1,361,300,425</u>	<u>1,371,985,508</u>	<u>1,341,562,335</u>
	<u>(108,670,772)</u>	<u>(71,348,196)</u>	<u>(91,208,358)</u>	<u>(108,597,051)</u>	<u>(171,992,913)</u>	<u>(183,434,963)</u>
	261,225,566	185,144,585	122,899,386	76,229,704	94,470,013	182,952,661
	(261,225,566)	(185,144,585)	(122,899,386)	(76,229,704)	(94,470,013)	(182,952,661)
	181,800,000	122,300,000	116,000,000	98,900,000	117,500,000	139,025,000
	-	37,800,000	65,040,000	70,400,000	60,720,000	-
	-	(37,800,000)	(65,040,000)	(70,400,000)	(60,720,000)	(36,100,000)
	-	-	-	-	30,000,000	-
	-	-	-	-	16,000,000	-
	-	-	-	-	1,487,000	-
	4,937	168,488	-	91,035	1,022,164	814,509
	-	119,790	-	-	-	29,575
	75,715,900	38,860,000	-	73,085,000	-	32,610,000
	13,642,515	14,815,121	16,130,659	30,548,530	9,361,054	11,780,793
	38,824,048	4,414,478	-	-	-	-
	8,782,112	5,274,617	1,545,790	3,294,210	15,446,397	30,700,000
	-	-	-	-	10,426,000	-
	-	-	-	-	-	-
	-	-	-	(67,118)	5,386,644	-
	<u>(68,730,094)</u>	<u>(42,852,298)</u>	<u>-</u>	<u>(87,600,104)</u>	<u>-</u>	<u>(33,905,304)</u>
	<u>250,039,418</u>	<u>143,100,196</u>	<u>133,676,449</u>	<u>118,251,553</u>	<u>206,629,259</u>	<u>144,954,573</u>
\$	<u>141,368,646</u>	<u>71,752,000</u>	<u>42,468,091</u>	<u>9,654,502</u>	<u>34,636,346</u>	<u>(38,480,390)</u>
	<u>9.5%</u>	<u>8.4%</u>	<u>8.4%</u>	<u>8.4%</u>	<u>7.1%</u>	<u>7.0%</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	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				
2019	\$ 66,898,243	\$ 20,570,534	\$ 536,563	\$ 17,758	\$ 88,023,098	\$ 1,122,468	\$ 1,611,430	\$ 2,733,898	\$ 90,756,996	0.91	\$ 90,756,996	100.00%
2018	64,446,727	19,754,772	519,391	20,913	84,741,803	1,027,433	1,649,168	2,676,601	87,418,404	0.92	87,418,404	100.00%
2017	62,092,763	18,589,077	503,603	20,966	81,206,409	994,833	1,602,185	2,597,018	83,803,427	0.93	83,803,427	100.00%
2016	59,792,897	17,851,464	488,233	21,624	78,154,218	941,588	1,336,541	2,278,129	80,432,347	0.93	80,432,347	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%
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%
2013	58,675,052	15,099,168	473,874	17,862	74,265,956	914,522	1,667,496	2,582,018	76,847,974	0.96	76,847,974	100.00%
2012	61,234,395	15,476,007	558,082	20,950	77,289,434	847,270	1,707,349	2,554,619	79,844,053	0.92	79,844,053	100.00%
2011	66,700,824	14,955,283	563,241	18,783	82,238,131	849,560	1,793,642	2,643,202	84,881,333	0.89	84,881,333	100.00%
2010	69,478,501	14,351,158	555,503	32,005	84,417,167	847,143	1,889,767	2,736,910	87,154,077	0.89	87,154,077	100.00%

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.					
2019	\$ 0.902	\$ 2.255	\$ 0.541	\$ 1.352	\$ 0.910	\$ 0.738	\$ 0.112	\$ 1.014	\$ 1.391
2018	0.907	2.267	0.544	1.360	0.920	0.649	0.112	1.019	1.305
2017	0.915	2.287	0.548	1.370	0.930	0.649	0.112	1.027	1.309
2016	0.923	2.307	0.552	1.380	0.930	0.649	0.112	1.035	1.313
2015	0.943	2.357	0.564	1.410	0.950	0.649	0.112	1.055	1.325
2014	0.950	2.375	0.569	1.422	0.960	0.650	0.112	1.062	1.331
2013	0.941	2.352	0.564	1.410	0.960	0.640	0.112	1.053	1.316
2012	0.910	2.275	0.543	1.357	0.920	0.560	0.112	1.022	1.215
2011	0.880	2.200	0.525	1.312	0.890	0.530	0.112	0.992	1.167
2010	0.876	2.190	0.523	1.307	0.890	0.530	0.112	0.988	1.165

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

2019			2010		
Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Baltimore Gas & Electric Company	\$ 929,638,713	1.02%	Constellation Power Source Gen. Inc.	\$ 775,071,400	0.89%
Annapolis Mall LTD Partnership (Annapolis Mall)	508,034,667	0.56%	Baltimore Gas and Electric Company	577,145,542	0.66%
Arundel Mills Limited Partnership (Arundel Mills Mall)	448,636,810	0.49%	Annapolis Mall LTD Partnership (Annapolis Mall)	381,286,265	0.44%
Verizon	166,929,710	0.18%	Arundel Mills Limited Partnership (Arundel Mills Mall)	326,079,082	0.37%
PPE Casino Resorts Maryland LLC	229,709,092	0.25%	Verizon	247,506,200	0.28%
Annapolis Towne Center at Parole LLC	215,419,133	0.24%	Wal-mart Stores, Inc.	109,903,034	0.13%
Raven FS Property Holdings LLC	197,605,700	0.22%	TKL East (Marley Station Mall)	108,393,418	0.12%
Comcast of Maryland, LLC	60,751,170	0.07%	Anne Arundel Medical Center	107,823,666	0.12%
WCS Properties Business Trust	128,964,399	0.14%	Northrop Grumman Corp.	104,630,920	0.12%
Walmart Stores, Inc.	111,370,791	0.12%	Annapolis Towne Center	99,471,999	0.11%
	<u>\$ 2,997,060,185</u>	<u>3.30%</u>		<u>\$ 2,837,311,526</u>	<u>3.26%</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
2019	\$ 744,040,379	\$ 742,102,299	99.74%	\$ -	\$ 742,102,299	99.74%
2018	719,780,692	718,630,145	99.84%	834,086	719,464,231	99.96%
2017	691,541,813	690,363,926	99.83%	1,034,324	691,398,250	99.98%
2016	664,554,243	662,752,803	99.73%	1,714,547	664,467,350	99.99%
2015	660,178,876	651,873,246	98.74%	8,237,938	660,111,184	99.99%
2014	638,043,608	628,011,846	98.43%	9,972,301	637,984,147	99.99%
2013	619,955,595	618,157,426	99.71%	1,773,730	619,931,156	100.00%
2012	595,530,678	593,210,480	99.61%	2,288,882	595,499,362	99.99%
2011	577,037,468	563,622,256	97.68%	13,387,413	577,009,669	100.00%
2010	562,014,875	553,780,723	98.53%	8,126,432	561,907,155	99.98%

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				
2019	\$ 1,438,373	\$ -	\$ 71,610	\$ 2,584	\$ 30	\$ 13,505	\$ 1,526,102	\$ 781,357	\$ -	\$ 2,307,459	5.95%	\$ 3,951	
2018	1,292,667	-	73,700	2,527	24	13,525	1,382,443	729,593	-	2,112,036	5.64%	3,667	
2017	1,175,582	-	81,130	2,767	79	13,545	1,273,103	682,152	-	1,955,255	5.28%	3,411	
2016	1,159,243	-	83,125	3,101	96	13,565	1,259,130	638,133	-	1,897,263	5.33%	3,335	
2015	1,136,729	-	84,860	3,398	37	13,585	1,238,609	615,297	-	1,853,906	5.36%	3,285	
2014	1,004,487	-	86,440	3,730	49	13,605	1,108,311	527,263	-	1,635,574	4.97%	2,918	
2013	946,045	-	90,815	3,888	4	13,625	1,054,377	458,645	-	1,513,022	4.77%	2,721	
2012	892,512	-	93,155	4,215	8	13,645	1,003,535	424,450	-	1,427,985	4.54%	2,593	
2011	842,456	-	95,330	4,804	34	13,665	956,289	409,566	2,200	1,368,055	4.51%	2,510	
2010	774,098	-	51,020	4,439	60	12,198	841,815	371,399	-	1,213,214	4.24%	2,250	

(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,	Net General Obligation Bonds Outstanding (a)	Percentage of Estimated Actual Taxable Value of Property (b)	Per Capita (c)
2019	\$ 1,976,795	2.18%	\$ 3,385
2018	1,785,640	2.04%	3,100
2017	1,631,670	1.95%	2,846
2016	1,556,069	1.93%	2,735
2015	1,496,636	1.92%	2,652
2014	1,332,037	1.74%	2,377
2013	1,230,752	1.60%	2,214
2012	1,158,156	1.45%	2,103
2011	1,122,542	1.32%	2,060
2010	983,886	1.13%	1,825

(a) Bonds have been adjusted for the unamortized premium and net position restricted for debt service.

(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, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Annapolis	\$ 152,500,073	100.00%	\$ 152,500,073
Subtotal overlapping debt			<u>152,500,073</u>
Anne Arundel County direct debt			<u>1,526,102,418</u>
Total direct and overlapping debt			<u><u>\$ 1,678,602,491</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)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assessed value										
Real property	\$ 88,023,098	\$ 84,741,803	\$ 81,206,409	\$ 78,154,218	\$ 75,746,986	\$ 74,302,152	\$ 74,265,956	\$ 77,289,434	\$ 82,238,131	\$ 84,417,167
Personal and operating real property	2,733,898	2,676,602	2,597,018	2,278,129	2,184,577	2,191,220	2,582,018	2,554,619	2,643,202	2,736,910
Total assessed value	<u>90,756,996</u>	<u>87,418,405</u>	<u>83,803,427</u>	<u>80,432,347</u>	<u>77,931,563</u>	<u>76,493,372</u>	<u>76,847,974</u>	<u>79,844,053</u>	<u>84,881,333</u>	<u>87,154,077</u>
Legal debt margin										
Debt limit (5.2% of assessed value of real property, 13% for fiscal years 2001 and prior)	4,577,201	4,406,574	4,222,733	4,064,019	3,938,843	3,863,712	3,861,830	4,019,051	4,276,383	4,389,693
Debt limit (13% of assessed value of personal and operating real property)	355,407	347,958	337,613	296,157	283,995	284,859	335,662	332,101	343,616	355,798
Total debt limit	<u>4,932,608</u>	<u>4,754,532</u>	<u>4,560,346</u>	<u>4,360,176</u>	<u>4,222,838</u>	<u>4,148,571</u>	<u>4,197,492</u>	<u>4,351,151</u>	<u>4,619,999</u>	<u>4,745,491</u>
Debt applicable to limit:										
General obligation bonds (1)	1,190,801	1,088,656	997,364	982,412	984,949	916,204	875,042	830,134	805,528	742,132
Bonded debt for WPRF projects (1)	72,866	55,216	44,448	46,688	33,825	7,300	-	-	-	-
Bonded debt for solid waste projects (1)	38,973	37,228	33,888	32,920	33,881	28,491	26,028	28,111	27,907	21,163
Installment Purchase Agreements (1)	13,505	13,525	13,545	13,565	13,585	13,605	13,625	13,645	13,665	12,198
Tax Increment Bonds (1)	71,610	73,700	81,130	83,125	84,860	86,440	90,815	93,155	95,330	51,020
Bond anticipation notes (2)	-	-	-	-	-	-	-	-	2,200	-
Total debt applicable to limit	<u>1,387,755</u>	<u>1,268,325</u>	<u>1,170,375</u>	<u>1,158,710</u>	<u>1,151,100</u>	<u>1,052,040</u>	<u>1,005,510</u>	<u>965,045</u>	<u>944,630</u>	<u>826,513</u>
Legal debt margin	<u>\$ 3,544,853</u>	<u>\$ 3,486,207</u>	<u>\$ 3,389,971</u>	<u>\$ 3,201,466</u>	<u>\$ 3,071,738</u>	<u>\$ 3,096,531</u>	<u>\$ 3,191,982</u>	<u>\$ 3,386,106</u>	<u>\$ 3,675,369</u>	<u>\$ 3,918,978</u>
Total debt applicable to the limit as a percentage of debt limit	<u>28.13%</u>	<u>26.68%</u>	<u>25.66%</u>	<u>26.57%</u>	<u>27.26%</u>	<u>25.36%</u>	<u>23.96%</u>	<u>22.18%</u>	<u>20.45%</u>	<u>17.42%</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	
2019	\$ 96,579	\$ 97,182	\$ -603	\$ 32,450	\$ 28,579	-0.01	\$ 56,194	\$ 49,865	\$ 6,329	\$ 2,355	\$ 1,841	1.51
2018	96,827	92,229	4,598	30,655	26,527	0.08	54,339	48,073	6,267	1,860	1,799	1.71
2017	95,380	86,703	8,676	30,141	13,424	0.20	53,163	45,062	8,101	3,348	764	1.97
2016	94,645	96,453	-1,807	29,560	10,104	-0.05	51,560	41,660	9,900	2,434	1,000	2.88
2015	93,904	78,084	15,819	26,514	8,339	0.45	50,786	46,396	4,390	2,356	900	1.35
2014	97,087	80,622	16,465	24,779	7,691	0.51	51,246	46,294	4,952	2,138	861	1.65
2013	91,264	75,674	15,590	23,164	7,195	0.51	51,140	43,383	7,757	2,083	336	3.21
2012	95,633	74,888	20,745	21,789	7,440	0.71	53,224	45,731	7,493	2,000	206	3.40
2011	89,182	71,602	17,580	19,568	7,433	0.65	48,083	46,267	1,816	1,456	253	1.06
2010	88,153	71,998	16,155	19,379	6,294	0.63	44,300	43,358	942	1,513	302	0.52

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	
2019	\$ 47,294	\$ 1,435	\$ 45,859	\$ 2,090	\$ 2,202	10.68	\$ 1,849	\$ 0	\$ 1,849	\$ 20	\$ 723	2.49
2018	47,851	1,438	46,413	2,240	4,185	7.22	592	0	592	20	724	0.80
2017	47,908	1,678	46,230	1,995	4,233	7.42	-569	0	-569	20	725	-0.76
2016	39,206	957	38,249	1,735	4,271	6.37	2,443	0	2,443	20	726	3.27
2015	37,290	146	37,144	1,580	3,720	7.01	1,850	0	1,850	20	727	2.48
2014	33,562	639	32,923	1,430	3,105	7.26	1,262	0	1,262	20	728	1.69
2013	32,211	928	31,283	2,340	2,472	6.50	67	750	-683	20	729	-0.91
2012	27,929	1,073	26,856	2,175	2,382	5.89	3,991	0	3,991	20	724	5.36
2011	27,428	1,074	26,354	1,690	2,462	6.35	961	194	767	20	664	1.12
2010	24,354	1,057	23,297	1,150	2,522	6.34	1,473	0	1,473	20	663	2.16

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>
2019	583,967	\$ 38,788,209	\$ 66,422	83,249	3.28
2018	576,031	37,456,262	65,025	84,497	3.33
2017	573,235	37,058,496	64,648	82,777	3.64
2016	568,916	35,619,262	62,609	81,397	3.70
2015	564,390	34,590,334	61,288	80,387	4.40
2014	560,452	32,884,533	58,675	79,518	5.10
2013	556,007	31,689,181	56,994	78,500	5.80
2012	550,636	31,434,076	57,087	77,770	6.10
2011	544,973	30,349,938	55,691	76,303	6.40
2010	539,234	28,592,771	53,025	75,481	6.90

Sources and notes:

(a) Mid-year (July 1) estimates obtained from the Maryland Department of Planning , U.S. Census Bureau, release date March 2019; These data supersede population estimates published in previous years. Year 2019 mid-year estimated by Anne Arundel County Office of Planning & Zoning, Research/GIS Division

(b) U.S. Bureau of Economic Analysis (BEA), release date November 2016 - revised estimated for 2011-2015. These data supersede personal income estimates published in previous years. The 2018 and 2019 estimated by Anne Arundel County Planning & Zoning using simple linear regression (R2=.9755).

(c) U. S Bureau of Economic Analysis, release date November 2018 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 2019; 2002-2018 actual enrollment. Enrollment for 2019 Projected by AACPS Planning Department release date July 2019. Revised to include evening high school enrollment.

(e) Maryland Department of Labor, Licensing and Regulation monthly reports Average per Calendar Year ; Year 2019 average for 6 months (Jan-June). Release date 8/01/2019. Previous data for 2017 and 2018 superseded by August 2019 report.

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

2019			2010		
<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	56,000	13.68%	Ft. George G. Meade	36,209	9.81%
Anne Arundel County Public Schools	14,000	3.42%	Anne Arundel Co. Public Schools	14,000	3.79%
State of Maryland	12,132	2.96%	BWI Thurgood Marshall Airport	9,717	2.63%
BWI Thurgood Marshall Airport	9,717	2.37%	State of Maryland	9,082	2.46%
Northrop Grumman Corp.	8,465	2.07%	Northrop Grumman Corp.	8,000	2.17%
Anne Arundel County Government	5,190	1.27%	Anne Arundel County Government	4,163	1.13%
Southwest Airlines	4,835	1.18%	Southwest Airlines	3,200	0.87%
Anne Arundel Health System	4,000	0.98%	Anne Arundel Health System	2,800	0.76%
Live! Casino and Hotel	3,000	0.73%	Baltimore Washington Medical Center	2,650	0.72%
Univ. of MD Baltimore Washington Medical Center	2,932	0.72%	U.S. Naval Academy	2,340	0.63%
	<u>120,271</u>	<u>29.38%</u>		<u>92,161</u>	<u>24.97%</u>

Sources: Anne Arundel Economic Development Corporation, the Maryland State Data Center, and the U.S. Department of Commerce - Bureau of Economic Analysis.

ANNE ARUNDEL COUNTY, MARYLAND
 County Government Employees by Function - Full Time Equivalent
 Last Ten Fiscal Years

Function	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General government	519	521	511	502	500	500	489	496	501	519
Public safety										
Police	1,016	992	975	965	951	919	909	895	892	894
Fire	934	922	908	901	901	780	785	855	855	859
Detention center	397	395	397	398	398	398	398	399	402	408
Emergency Management	5	-	-	-	-	-	-	-	-	-
Health and human services	154	154	158	158	158	158	159	161	174	176
Public works	295	297	298	307	308	309	270	270	282	289
Recreation and community services	100	95	92	87	87	87	87	90	98	104
Judicial	290	286	281	277	270	272	269	269	270	272
Code enforcement	160	160	159	155	156	155	154	154	162	166
Land use and development	72	75	75	78	80	81	79	81	82	84
Water and wastewater	380	380	380	380	378	376	350	350	350	350
Solid waste	90	90	90	90	90	88	88	87	87	87
Child care	9	9	9	9	9	9	9	9	9	9
Total	<u>4,421</u>	<u>4,376</u>	<u>4,333</u>	<u>4,307</u>	<u>4,286</u>	<u>4,132</u>	<u>4,046</u>	<u>4,116</u>	<u>4,164</u>	<u>4,217</u>

Source: Anne Arundel County Budget Office, Approved Current Expense Budgets

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

Function/program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Physical arrests	13,145	12,946	14,126	14,375	13,788	14,725	14,477	16,914	19,165	19,056
Parking violations	3,298	2,906	2,429	1,545	1,715	3,338	3,828	3,081	4,318	3,755
Traffic violations	187,715	177,049	172,259	159,213	149,416	152,663	171,849	102,374	152,484	141,308
Fire										
Emergency responses	87,292	86,862	85,061	81,040	71,844	69,053	75,407	72,075	73,071	72,946
Inspections	12,544	10,829	12,656	9,062	10,268	10,729	10,584	11,540	11,032	10,700
Streets and highways										
Resurfacing (miles)	60.0	60.5	75.9	54.9	38.1	41.7	48.2	59.9	51.9	48.0
Recreation and community services										
Facility use applications	6,231	6,234	7,331	5,036	6,162	6,158	6,233	6,451	6,451	6,619
Water										
New water connections	2,633	1,000	1,671	1,972	1,229	1,126	694	712	743	871
Water main breaks	165	168	221	227	236	255	207	196	178	255
Average daily water consumption (thousands of gallons)	336,000	32,400	33,650	33,067	33,333	34,105	36,900	35,503	33,478	34,624
Number of customers	118,127	115,494	114,494	112,917	111,466	110,165	108,760	107,721	107,004	106,208
Wastewater										
Average daily sewage treatment (thousands of gallons)	33,183	30,386	28,859	31,442	31,568	32,468	31,086	32,399	31,173	33,800
Number of customers	126,287	123,653	122,603	120,981	119,499	118,154	116,801	115,817	115,129	114,342
Solid waste										
Trash collected (tons per year)	254,681	222,822	205,604	199,116	185,817	182,148	182,992	191,842	191,481	193,478
Recyclables collected (tons per year)	135,884	136,912	143,890	136,831	135,648	132,509	145,301	140,174	143,861	141,750
Child care										
Enrollment	3,097	3,134	3,087	2,903	2,842	2,417	2,175	2,337	2,337	2,150

Source: Data provided by the following Anne Arundel County departments: Police, Fire, Recreation & Parks, and Public Works.

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

Function/program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police										
Stations	12	12	12	12	12	12	12	12	12	12
Patrol units (vehicles)	572	545	505	500	500	500	492	487	487	487
Fire										
County owned stations	21	20	20	20	20	20	19	19	19	19
Volunteer stations	10	11	11	11	11	11	12	12	12	12
Pumpers/tankers	70	65	63	60	58	66	59	59	65	65
Ladder trucks	24	22	23	23	23	23	22	22	23	23
Paramedic units	41	43	43	43	44	43	42	42	41	41
Streets and highways										
Streets (miles)	1,813	1,811	1,806	1,802	1,819	1,819	1,814	1,776	1,772	1,772
Streetlights	39,734	39,173	39,301	39,046	38,858	38,549	38,054	37,660	37,583	37,375
Traffic signals	234	222	219	216	207	205	195	193	187	186
Recreation and community services										
Open space acreage	4,930	4,722	4,991	4,991	4,990	4,982	4,976	5,053	4,579	3,837
Playgrounds and Parks acreage	7,536	7,542	7,329	7,329	7,319	7,318	7,242	7,158	6,952	6,952
Parks *										
Playgrounds	68	68	70	69	67	67	66	64	64	64
Baseball/softball fields	198	197	213	215	216	213	213	237	237	237
Football fields	99	97	104	99	97	98	98	118	118	118
Basketball courts	84	84	84	83	76	77	76	70	70	70
Tennis courts	54	53	53	54	54	54	54	64	64	64
Water										
Water mains (miles)	1,423	1,412	1,407	1,388	1,387	1,377	1,366	1,362	1,357	1,412
Water treatment plants	12	12	12	12	12	12	13	13	13	13
Wastewater										
Maximum daily treatment capacity (thousands of gallons)	52,530	46,830	46,640	46,640	46,615	46,615	46,615	46,615	46,615	46,615
Wastewater mains (miles)	1,469	1,472	1,472	1,446	1,445	1,442	1,432	1,418	1,401	1,459
Wastewater treatment plants	7	6	7	7	7	7	7	7	7	7
Wastewater pumping stations	262	262	259	258	257	257	253	251	249	249

Source: Data provided by the following Anne Arundel County departments: Police, Fire, Recreation & Parks, and Public Works.

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